

March 31, 2021

Customer Relationship Summary “Form CRS” for UnionBanc Investment Services LLC – a Dually Registered Broker-Dealer and Investment Adviser



UnionBanc Investment Services® LLC (“UBIS”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer and an investment adviser, is a member firm of the Financial Industry Regulation Authority, Inc. (“FINRA”) and is a subsidiary of MUFG Union Bank, N.A (“Union Bank”). This document is for retail investors only. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

WE OFFER BOTH BROKERAGE AND INVESTMENT ADVISORY SERVICES

BROKER-DEALER SERVICES

In our brokerage capacity, we accept orders and execute trades in your account at your direction. We do not have discretionary investment authority, which means the decision to buy, sell, hold, or exchange any security is solely your decision. We are available to assist you with your account needs, but we do not monitor your brokerage account investments or offer ongoing “hold” recommendations. It is your responsibility to monitor your account and keep us informed of any changes that could affect your investment profile. We limit our investment offerings that Financial Advisors (“FAs”) may recommend to a specific menu of investments, such as mutual funds, variable annuities, Unit Investment Trusts (UITs), Certificates of Deposits (CDs), and Market Linked CDs offered by issuers with whom we have an agreement, and fixed income bonds (e.g., Treasuries, municipal bonds, agency bonds, and corporate bonds). Some of our FAs cannot offer the full range of our investment offerings and brokerage services we offer. UBIS uses a bank deposit sweep program provided by our parent Union Bank. **There is no account minimum to open a brokerage account, however, you may be charged a service fee for inactive accounts and for retirement accounts that have a balance under \$25,000 at the end of each year; see [UnionBanc Investment Services Commission & Fee Schedule](#) for more information.** We limit our mutual fund offerings to A shares except for retirement plans, which we are limited to offering specific retirement share classes (e.g., “R” class) chosen by the Plan Sponsor.

INVESTMENT ADVISER SERVICES

In our role as an investment adviser, we provide you with investment advice for a fee, including investment advice with respect to particular investments and wrap fee programs. This may include the recommendation to use a certain investment strategy or the portfolio management services of a third-party manager. We also monitor your investment portfolio on an ongoing basis as part of our advisory services. The frequency and limitations of this account monitoring depend on the advisory program that you select and on your financial needs. We will meet with you at least annually to review your investments and confirm that your account is still appropriate for you and make any needed changes. Not all of our Financial Advisors (“FAs”) can offer our investment advisory services. We offer a discretionary and a non-discretionary investment management program. In the discretionary program your assets are managed by unaffiliated third-party managers on a fully discretionary basis, which means that you are not asked for prior approval for specific transactions. Our non-discretionary investment management program is one in which you are consulted by the FA, but you make the ultimate decisions. Both are fully described within our Form ADV Part 2A and Form ADV Part 2A Appendix 1, which are available at Unionbank.com/invest. **Each investment advisory sub-program has a minimum balance requirement; for specific account minimum balance for each sub-program, please refer to our Form ADVs: The [Managed Account Solutions Form ADV Part 2A](#) and the [Personal Portfolio Solutions Form ADV Part 2A – Appendix 1](#).**

For additional information regarding both brokerage and investment advisory programs, please see our [Guide to Brokerage Services, UnionBanc Investment Services Commission & Fee Schedule, Disclosures, and Service Agreements, Form ADV, Part 2A brochure](#) (Items 4 and 7 of Part 2A or Items 4 and 5 of Part 2A Appendix 1), and other applicable documents.

Conversation Starter. Ask your financial professional **(i) 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? (ii) How will you choose investments to recommend to me? (iii) What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?**

WHAT FEES WILL I PAY?	
BROKER-DEALER SERVICES	INVESTMENT ADVISER SERVICES
<p>We are paid each time you trade in your brokerage account or make a new investment. This payment is typically called a “commission,” “sales charge” or a “markup/markdown.” The type and amount of compensation UBIS receives for brokerage services provided to you varies depending on the investment you select and the size or amount of the transaction and if you use FA or broker assistance or simply transact online. UBIS receives this compensation for effecting securities transactions including making recommendations, where applicable. This compensation is typically paid up-front and often is based on the amount of assets invested. The more you transact in your account, the more commissions you will pay to UBIS. UBIS and its FAs therefore have an incentive to encourage you to trade more often and make additional investments, which creates a conflict of interest for UBIS. UBIS can transact the following types of securities: (1) General securities and other instruments, such as equities (i.e., common stock), exchange traded securities, fixed income securities such as corporate bonds, money market securities, bank-issued Certificates of Deposits (“CDs”), mortgage-backed securities, municipal bonds, U.S. Treasuries, and U.S. Agency securities; and (2) Packaged products, such as Market-Linked CDs (“MLCDs”), mutual funds, variable annuities, and variable life insurance. In addition to sales charges and commissions discussed above, certain investments deduct other ongoing fees and expenses, such as mutual fund 12b-1 fees, management fees, or other servicing fees. These ongoing fees and expenses add to the cost of your investment and reduce returns, so you pay these ongoing fees and expenses indirectly. For more information on commissions or sales charges for each of your transactions (e.g., wire transfer fees, account termination fee, ACAT fee, margin fee, research fees, or custodial fees), please refer to the confirmation, prospectus or other offering document provided in connection with the investment. In addition, certain brokerage-related and administrative fees apply to your brokerage account, which is held in custody at National Financial Services (“NFS”), our unaffiliated clearing broker, and more information about these account level fees is available within the UnionBanc Investment Services Commission & Fee Schedule, Disclosures, and Services Agreements.</p>	<p>We are paid a fee based on a percentage of the assets, typically referred to as an “advisory fee.” You will pay this fee annually, billed quarterly in advance of each month. This fee covers various services such as clearing, custody, trading, technology, and monitoring for your account. The more assets you have in an advisory account, the more you will pay in fees, and the firm may therefore have an incentive to encourage you to add money to your account, which creates a conflict of interest for us. However, this also means that UBIS will make less when the value of your account drops or when you withdraw funds. For our wrap fee programs, you will typically pay a “wrap fee,” which includes the investment advisory fee and the costs for the execution of the securities transactions and other services. The wrap fee is usually higher than the advisory fees for non-wrap fee programs because it includes transaction costs. Each sub-program charges a separate management fee for providing investment management services. The Fund Strategist Portfolio (“FSP”) sub-program offers a third-party allocation strategist to clients seeking actively managed mutual funds or exchange traded fund portfolios. The Separately Managed Account (“SMA”) sub-program offers clients direct access to global investment managers. The Unified Managed Account (“UMA”) and Choice Unified Managed Account (“Choice UMA”) sub-programs allow your FA to build customized model portfolios utilizing mutual funds, SMAs, and/or ETFs in a single diversified account. The Personal Portfolio Solutions (“PPS”) sub-program is a non-discretionary program allowing our FAs to build customized models for our clients using either mutual funds and/or ETFs. Lastly, the WealthBuilder program offers a limited set of ETFs to clients with a minimum investment of \$10,000. Please note that both the PPS and WealthBuilder sub-programs are no longer offered to clients. UBIS pays all ticket charges for all transaction fees related to the managed account program and does not pass along the fees to the client. UBIS does not charge additional brokerage account transaction fees to the client. The client only pays one fee, which is the total program fee. You can find more information about our investment advisory fees within our Form ADV Part 2A Brochures, Managed Account Solutions; or Personal Portfolio Solutions.</p>

For both Brokerage and Investment Advisory accounts, 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.

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

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN 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?

BROKER-DEALER SERVICES	INVESTMENT ADVISER SERVICES
<p>As a broker-dealer, we must act in your best interest and not put our interest ahead of yours when making an investment recommendation. 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 it can affect the recommendation. Examples of conflicts of interest when providing you securities recommendations are: (1) <u>Proprietary Products</u>: Investments issued, sponsored, or managed by UBIS or any affiliate would create a conflict of interest for us because we or our affiliate would receive compensation if you purchased these investments. UBIS does not offer proprietary investments but does use an affiliated sweep called the Bank Deposit Sweep Program (“BDSP”). BDSP invests or “sweeps” uninvested brokerage account cash balances into an interest-bearing deposit account at our affiliate, Union Bank. Union Bank earns compensation from the BDSP and pays UBIS a fee for this service. This compensation creates an incentive for us to encourage your participation in the BDSP sweeps. (2) <u>Third-Party Payments</u>: UBIS receives third-party payments from investment product issuers, sponsors, or managers, such as 12b-1 fees, marketing allowances, subsidized FA training and/or revenue sharing payments, each of which create an incentive for UBIS to recommend these products to you. UBIS receives these payments in part to maintain a relationship with these issuers. (3) <u>Principal Trading</u>: In its fixed income business, UBIS often buys or sells for its own account, earning a markup/markdown when either buying from, or selling to, retail investors.</p>	<p>In our capacity as an investment adviser, we are a fiduciary and are required to always put your interest ahead of our own. While there are inherent conflicts of interest as we provide you investment advice for a fee, we provide these disclosures within our Form ADV Part 2A Brochures for Managed Account Solutions; or Personal Portfolio Solutions. You should understand and ask us about these conflicts because they can affect the advice we provide you. In certain cases, we may be compensated by unaffiliated third parties based on the amount of assets our clients have with them. This represents a conflict of interest in that we are incentivized to recommend the services of the third-party from which additional compensation may be received. However, neither we nor our FAs generally direct the transactions in our wrap fee program. Furthermore, we do not favor the sales of any particular product sponsor, nor do we encourage or otherwise promote any particular product sponsor. For Choice UMA, UBIS uses two asset allocation models: the Envestnet/PMC models and The Private Bank Asset Allocation Model from HighMark Capital Management (“HCM”), an SEC-registered investment advisory firm and subsidiary of MUFG Union Bank, N.A. HCM does not charge UBIS or its clients a fee for providing its asset allocation model, however as UBIS and HCM are related firms, we are providing this disclosure to our clients. NFS charges UBIS a fee to provide transaction execution, clearance, settlement, custody, and other related services for our advisory clients. These fees are reduced as our assets under management increase and reaches predetermined dollar thresholds. This creates an inherent conflict of interest in that we are incentivized to recommend an advisory program in order to realize the financial benefits of our arrangement with NFS. In addition, as part of our agreement with NFS, we receive a Business Development Credit each year for maintaining business with them. Unlike brokerage accounts, investment advisory accounts may not use the BDSP to sweep uninvested cash, which means neither UBIS nor Union Bank makes money from this product. Our parent, Union Bank, also offers managed accounts not governed by the Investment Advisers Act, which UBIS FAs may recommend or refer clients to as bank employees or refer clients to as part of the Wealth Markets business. As bank employees, UBIS FAs earn compensation, which may be higher for either product.</p>

Conversation Starter: Ask your financial professional. **How might your conflicts of interest affect me, and how will you address them?**

For additional information, please see our [Guide to Brokerage Services, Form ADV, Part 2A brochure](#) (Items 4 and 7 of Part 2A or Items 4 and 5 of Part 2A Appendix 1) and other applicable documents.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

BROKER-DEALER SERVICES	INVESTMENT ADVISER SERVICES
<p>Our FAs receive a portion of the commissions that we receive as compensation for selling you a product and/or service. FAs are paid a monthly commission based on their monthly "production level," which is based on an internal commission payout grid. All qualified sales revenue for the current and previous 5 months' sales are aggregated into a monthly average calculation, which is used to determine the payment to the FA. The compensation our FAs earn is a conflict of interest because they have a financial incentive to recommend investments that pay them more compensation. We mitigate this conflict by limiting compensation within product categories and requiring FAs to make recommendations that are in your best interest.</p>	<p>Our Financial Advisors (FA) receive a portion of the investment advisory fees we receive as compensation based on your assets under management, including any assets in the UBIS wrap fee program. Your FA receives a portion of the total program fee for each of the specific sub-programs listed above. This compensation represents a conflict of interest based on the total assets held in our managed account program as we and our FAs make more money when your account balance increases, and therefore have an incentive to recommend you increase the assets in your account. Because our compensation increases as your account balance grows, we and our FAs have an incentive to provide advice and services intended to help your account's investment performance.</p>

For both Broker-Dealer and Investment Adviser services, our FAs occasionally receive gifts of nominal value (limited to \$100 or less per person/per year) from product or service vendors, including our affiliates. Certain vendors may also invite our employees to training/educational events or host reasonable business entertainment that are deemed necessary and/or customary industry practices. These product or service vendors may be recommended to you.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

Yes. Please review our Form ADV Item 11 of Part 1A or Item 9 of Part 2A. Disciplinary history of our individual FAs, is located on their respective ADV Part 2B. Visit Investor.gov/CRS for a free and simple search tool to research UBIS and our financial professionals. You can also get specific information about UBIS and our financial professionals by visiting [FINRA's BrokerCheck](#) site.

Conversation Starter. Ask your financial professional. **As a financial professional, do you have any disciplinary history? For what type of conduct?**

Additional Information. We encourage you to seek out additional information.

For additional information about UnionBanc Investment Services or to get a copy of this Client Relationship Summary, you can visit our website at www.unionbank.com/invest. Our Client Services Desk can also provide you with a copy of the Client Relationship Summary (Form CRS) upon request by calling 800-634-1100. If you have any concerns about how your FA is treating you, please call 800-634-1100 and ask for the Compliance Department.

Conversation Starter. Ask your financial professional. **Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?**