

## Introduction

TrustCore Financial Services, LLC (“**TCFS**”) is a Securities and Exchange Commission (SEC) registered investment advisory firm and TrustCore Investments, LLC (“**TCI**”) is a limited use broker/dealer registered as a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC®). Both companies are wholly owned subsidiaries of TrustCore, LLC. Investment advisory and brokerage services and fees differ, so it is important for you to understand these differences. This document gives you a summary of the types of services and fees offered by each of the affiliates. **TCFS’s** Disclosure Brochure (“**Brochure**”) is available on its website: <https://www.trustcore.com/legal/>. Outside of the Brochure, free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisors, broker-dealers and investing. Our firms’ and financial professionals’ registration information are also publicly available on the <https://www.investor.gov> website.

## Relationships & Services

**Q: What investment services and advice can you provide?**

**A: TCFS’s** services include full financial planning, risk management, and portfolio monitoring. Other services include access to alternative investments, developing and monitoring a financial plan, tax planning, the ability to consolidate your information into one location, seeking your best interest, working with retirement plans and planning, estate planning and special projects. With your permission, **TCFS** can also include accounts not managed directly us by in our review and recommendation process for investment allocation. As a part of **TCFS’s** standard advisory services, it monitors the assets held in your account(s) on an ongoing basis.

Clients may give **TCFS** financial planners investment discretion over their accounts held at our primary custodian, Charles Schwab & Co., Inc. (Schwab). If given, this will allow the planner to execute transactions on your behalf without contacting you first. Additionally, discretion, once given, remains in effect on your account until you notify us you no longer wish us to have discretion over your account. **TCFS** financial planners do not accept discretion over accounts not held at Schwab and will contact you for permission to execute trades on your behalf if we have advisory permission to do trades in any accounts.

**TCFS** uses allocations that include mutual funds, exchange traded funds, equities, fixed income assets, cash and alternative investments. On occasion, with your permission, **TCFS** may use a third-party manager within your investment plan. **TCFS** does not offer any proprietary products.

**TCFS** requires clients to sign a written engagement letter and fee schedule to authorize it to conduct advisory services for you. You may cancel these agreements at any time via written or verbal instructions. **TCFS** does not have a minimum requirement to receive advisory services. Additional information on relationships, fees and services can be found in **TCFS’s** Brochure in the “*Advisory Business*” and the “*Fees and Compensation*” sections.

**TCI’s** services include access to selected mutual funds. For mutual funds with whom **TCI** has a selling agreement, it can open, access and purchase mutual funds. **TCI** does not have any proprietary funds or access to exchange traded funds, equities, fixed income assets or alternative investments.

**TCI** does not offer continual monitoring of these accounts and **TCI** does not offer discretionary trading on any of these accounts. **TCI** cannot offer mutual funds outside the scope of its selling agreements. **TCI** does have selling agreements with some firms that offer variable annuity contracts. To open and maintain an account, you must provide **TCI** with adequate information regarding your financial situation and complete any required forms of the mutual fund providers.

**Q: 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?**

**A: Advisory** services are usually appropriate when you have a portfolio of securities for which you require ongoing advice. Generally, advisory services also offer additional things beyond the scope of investment advice. Investors who maintain one or two securities and are not inclined to make changes to their portfolio are likely best suited for a traditional brokerage account.

**Q: How will you choose investments to recommend to me?**

**A: TCFS** recommends investments based upon your individual circumstances, financial situation, expectation of current and future cash needs, investment objectives, and risk tolerance. In addition, **TCFS** attempts to identify those investments in which it expects to yield an acceptable level of return given the amount of risk you’re willing to assume, taking into account the level of diversification and how different securities and asset classes may complement one another.

**TCI** will consider your individual circumstances, financial situation, expectation of current and future cash needs, investment objectives and risk tolerance. **TCI** will identify the type of accounts that would be beneficial to you and review our limited selection of available mutual fund companies and their funds to identify which mutual funds might best suit your need.

**Q: What is your relevant experience, including your licenses, education and other qualifications?**

**A: TCFS's** professionals generally have applicable securities licenses such as the Series 65, advanced degrees, and professional certifications such as CFP, CFA, and ChFC. While a securities license is usually required to provide investment advice, the CFP and other professional designations are not. You can find information on the licensure and any professional designations of your **TCFS** financial advisor in the Form ADV Part 2B ("Brochure Supplement") **TCFS** provides you at the onset of the advisory relationship.

**TCI** registered representatives have successfully obtained their Series 6 or 7 and Series 63 or 66 licenses. These licenses represent the minimum required licenses from FINRA to transact investment business with the public. More information about these registrations can be obtained at <https://www.finra.org/investors#/>.

**Q: What do these qualifications mean?**

**A:** These qualifications assure that our professionals have met specific regulatory exam requirements required to conduct investment activities (e.g., Series 7, 24 and 65). In the case of professional certifications, recipients have passed in-depth industry certification requirements and they may have continuing education requirements in order to maintain their certification.

## Fees, Costs, Conflicts, and Standard of Conduct

**Q: What fees will I pay?**

**A: TCFS** charges advisory fees for financial planning, portfolio management or other services. **TCFS's** investment advisors negotiate the costs of your services directly with you when you agree to utilize its services. These fees are generally charged quarterly and may be a fixed rate, hourly or project rate or based on your assets under management. If your rate is based on assets under management, generally, there are breakpoints available as you increase the amount of assets you allow **TCFS** to manage. **TCFS** does not receive any commissions, trails or concessions for any transactions through its custodian, Charles Schwab & Co., Inc. On top of **TCFS's** fees, most mutual funds, variable annuities, exchange traded funds and some other types of investments have internal expenses. **TCFS** does not receive any direct benefit from these internal expenses; however, they impact the performance of your investment over the life of the investment. You will be charged transaction or asset-based fees by your custodian for its services as described in the Fees and Compensation section of **TCFS's** Brochure. These fees vary depending on the custodian. Under a transaction fee arrangement, the more transactions effected in your account, the more fees you will pay, and high activity in your account does not assure positive portfolio performance. For custodians that charge their fees based upon a percentage of your assets, like an alternative investment or third-party manager, such fees may be more than would be the case if you are charged a transaction-based fee. Please be mindful of the effect of your portfolio size, the level of activity, and the rate of custodian asset-based pricing. Generally, large portfolios would be disadvantaged by paying an asset-based custodian fee versus a transaction-based fee.

You will pay **TCFS** as agreed, regardless of the performance of your investments. If your agreed upon fee is based on assets under management, this fee will fluctuate dependent on the amount of assets and their market value throughout the life of your engagement with **TCFS**. Because **TCFS's** fees increase with the amount of assets it manages for you, **TCFS** is incentivized to encourage you to increase the amount that you have it manage for you.

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 can find more information about **TCFS's** fees and costs in the Fees and Compensation section of its Brochure, available at <https://www.trustcore.com/legal/>.

**TCI** earns money through the concessions (commissions and trails) mutual fund companies and variable annuities pay to our registered representatives when you purchase their products. Additionally, depending on the share class of mutual funds or selected annuity, the registered representative may receive annual fees from the company (also known as trails or 12-b 1 fees) from the provider for as long as you hold that product. **TCI** does not always have access to share classes that do not pay a concession or trail to the registered representative. Additionally, mutual funds and variable annuities have internal expenses. **TCI** does not receive direct benefit from internal expenses outside of its normal concessions or trails; but these internal expenses impact the overall performance of your investment throughout the life of the investment. Any trail concessions payable to **TCI** will continue directly from the fund provider to **TCI**, regardless of the performance of your investment. If you expect to buy and hold mutual fund investments and do not wish these accounts to be continually monitored or require any other planning services from **TCFS**, utilizing **TCI's** broker/dealer services may be cheaper for you.

**Q: 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 if I am a client of TCFS?**

**A: TCFS** generally charges asset-based fees, so its fees are calculated as a percentage of the value of your portfolio it manages. For example, a \$10,000 investment at a 1% annual fee results in an annual deduction of \$100 from your portfolio (meaning only \$9,900 ends up invested). This means that it will take longer for you to realize positive returns than if no fees were charged. In this example, if you generated a 3% return, your net return would be 2%. Assuming nothing changes, it could take 18 months to realize a \$300 return on your \$10,000 investment.

**Q: What if I am a client of TCI?**

**A: TCI** receives commissions (concessions and trails) directly from the mutual fund company based on the schedule provided by the mutual fund company for individual funds. This information is contained in the prospectus of the fund. These commissions can vary from fund to fund and are dependent on the mutual fund provider and the share class of the fund. For example, if you invest \$10,000 in a mutual fund that has a front end load of 5.75%, annual operating expenses of 0.78% and earns 5% the first year you invest, at the end of the first year your expenses will have been \$650.04 and your investment will be worth \$9,819.36. At the end of the second year, assuming no additional investments in the fund and the same rate of return, your investment would be worth \$10,230.23 (based on information from FINRA's Fund Analyzer tool.) FINRA has a fund analyzer on their website that can help you explore these expenses, [https://tools.finra.org/fund\\_analyzer](https://tools.finra.org/fund_analyzer). Additionally, because mutual fund companies continually issue new funds and share classes, there is no guarantee you will always be in the most advantageous share class of any fund.

**Q: What are TCFS's obligations to me when providing recommendations as my investment adviser? How else does TCFS make money and what conflicts of interest does it have?**

**A:** When **TCFS** acts as your investment adviser, it must act in your best interest and not put its interest ahead of yours. At the same time, the way **TCFS** makes money creates some conflicts with your interests. You should understand and ask **TCFS** about these conflicts because they can affect the recommendations and investment advice it provides you. Here are some examples to help you understand what that means:

As an investment adviser, **TCFS** does not earn any commissions or concessions, regardless of the investments it recommends. Therefore, **TCFS** does its best to recommend investments to you that have the lowest internal expenses. Unfortunately, many fund companies change their offerings so **TCFS** cannot always guarantee you will be in the lowest cost fund, exchange traded fund or alternative investment that is suitable for you.

Recommending you work with **TCFS** can pose a conflict of interest because if you negotiate a fee payment based on your assets under advisement, **TCFS's** fees are charged even if it makes no changes in your investment portfolios. If you are not taking advantage of any other of **TCFS's** advisory services, this may not be the best option for you. Please see the "Fees & Compensation" section of **TCFS's** Brochure for additional information about its fees.

**TCFS** uses Charles Schwab, & Co., Inc. as its primary custodian. There are some benefits **TCFS** receives from this relationship that only benefit **TCFS** and some benefits which benefit its clients.

**Q: What are TCI's obligations to me when providing recommendations? How else does TCI make money and what conflicts of interest does it have?**

**A:** When **TCI** provides you with a recommendation, it has to act in your best interest and not put its interest ahead of yours. At the same time, the way **TCI** makes money creates some conflicts with your interests. You should understand and ask **TCI** about these conflicts because they can affect the recommendations it provides you. Here are some examples to help you understand what this means.

**TCI** can continue to receive trails on your investments, even if it is not providing continual monitoring to your account as Adviser would. Because **TCI** is a limited use broker/dealer and it only has selling agreements with specific mutual fund companies, this limits the investments choices available to you. You can invest directly with any mutual fund companies and do not have to rely on **TCI's** relationship with any particular mutual fund companies. This gives you a wider selection of investment options.

A conflict of interest also exists because we can recommend you utilize the services of **TCFS** so you have a wider variety of investment choices; however, if you do not take advantage of other services offered by **TCFS**, this can be a more expensive option for you.

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

**A:** Conflicts of interest can incentivize **TCFS** to put its interests ahead of yours. **TCFS** manages these conflicts through disclosures and employing supervision procedures to ensure its financial advisors are acting in your best interest. If financial

advisor has outside advisory business activities, it will be disclosed in their Brochure Supplement. The primary conflict is the allocation of your financial advisor's time between the outside activity and servicing your account. See Items Other Financial Industry Actives and Code of Ethics in **TCFS's** Brochure for additional information about conflicts of interest.

Registered Representatives of **TCI** must receive approval for any outside business activities prior to engaging in those activities. Information about outside business activities for registered representatives of **TCI** can be found via a detailed report through FINRA's BrokerCheck link found in the biographies of **TCI** registered representatives on our website, [www.trustcore.com](http://www.trustcore.com).

**Q: How do your financial professionals make money?**

**A: TCFS's** investment adviser representatives make money from fees charged directly to you. These fees are often calculated based on your assets under management. They are not dependent on the number of trades you make during the life of your relationship.

Additionally, if you have accounts with **TCI** and your advisor is also a registered representative of **TCI**, your advisor will make concessions from investments you have with **TCI** directly from the mutual fund or variable annuity company in addition to any fees you pay.

Many of **TCFS's** advisors are also licensed insurance agents. Purchases you make through our affiliated insurance agency will generate commissions directly to our affiliated insurance agency and its agents.

Please see the "Fees & Compensation" section of **TCFS's** Brochure for additional information.

**TCI** makes commissions and concessions on all mutual fund purchases it processes. Additionally, many mutual funds pay trails to **TCI** throughout the life of these investments. In other words, **TCI** continues to make additional concessions after any initial commissions are paid. Often, these concessions can continue through the life of your investment.

## Disciplinary History

**Q: Do you or your financial professionals have any legal or disciplinary history?**

**A: Yes.** **TCFS** participated in the SEC's Share Class Selection Disclosure initiative in 2019. Under the terms of the Order, it agreed to and completed certain undertakings. Additional information about this incident may be found in **TCFS's** Brochure in the "Disciplinary Information" section, and on the SEC's public disclosure website, <https://adviserinfo.sec.gov/>.

In 1994 **TCI** had a client move from Tennessee to Massachusetts. **TCI** erroneously believed it was exempt from registering with the state as a broker/dealer. When the error was realized, **TCI** registered with the state and paid applicable fines. Additional information about this incident can be found on FINRA's website, <https://brokercheck.finra.org/>.

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

**A: None of TCFS's or TCI's** personnel have any disciplinary history. You can visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research **TCFS**, **TCI** and their financial professionals.

## Additional Information

**Q: Who is my primary contact person?**

**A: Your** financial advisor at **TCFS** or registered representative of **TCI** will be your primary point of contact. However, administrative requests may be handled by an administrative assistant or client service professional.

**Q: Is he or she a representative of an investment adviser or a broker-dealer?**

**A: Your** contact person may be an investment adviser of **TCFS**, a registered representative of **TCI** broker-dealer or both. You should ask them this question.

**Q: Who can I talk to if I have concerns about how this person is treating me?**

**A: In the event you** have issues to be addressed, you may contact our firm's CCO, LaRue McIntyre, 615-369-1431 or [larue.mcintyre@trustcore.com](mailto:larue.mcintyre@trustcore.com).

You can find additional information about **TCFS's** investment advisory services and **TCI's** brokerage services at [Investor.gov](http://Investor.gov). You may also request a printed copy of this Relationship Summary by contacting us at 615-377-1177 or [info@trustcore.com](mailto:info@trustcore.com).