



## CUSTOMER RELATIONSHIP SUMMARY – April 4, 2023

Copper Financial Network, LLC (“Copper”, “we” or “us”) is registered with the Securities and Exchange Commission as both a broker-dealer and an investment adviser. Our brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available for you to research firms and financial professionals at [Investor.gov/CRS](http://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 can provide you with services in a brokerage account, investment advisory account, or both at the same time. Our financial professionals may be limited on the types of products and services they can offer depending on the licenses they hold with us. We do not offer investments issued, sponsored, or managed by us or our affiliates (“proprietary investments”). There are important differences between brokerage and investment advisory accounts, including their costs and the nature and extent of the services provided. Some of the key differences between brokerage and investment advisory services are described below.

| Brokerage Services   | Investment Advisory Services   |
|--|--|
| <p>As a broker-dealer, we recommend and effect securities transactions for you, including the buying and selling of securities. You will pay us fees for each transaction.</p> <ul style="list-style-type: none"> <li>▪ We do not provide ongoing monitoring of the investments in your brokerage account, mutual fund account or variable insurance products even if we recommended the investment to you.</li> <li>▪ We offer a variety of investments, including, but not limited to, stocks, bonds mutual funds, exchange-traded funds (ETFs), college savings plans, and variable annuities.</li> <li>▪ We do not offer all products available in any given investment category. Other firms may offer products that we do not.</li> <li>▪ We do not have discretion over your account, which means you must preapprove each transaction in your account. You may select investments for your account, and we may recommend investments to you, but you are responsible for making the decision whether to purchase or sell investments.</li> <li>▪ Our standard brokerage accounts do not have a minimum investment requirement. Some products have minimum investment requirements set by the product issuer as outlined in the issuer’s prospectus.</li> </ul> <p><b>More information about our broker-dealer services and offerings is available in our Regulation Best Interest Disclosure, available at <a href="http://cu.financial/disclosures">cu.financial/disclosures</a>.</b></p> | <p>As an investment adviser, we offer investment advice and on-going management of your investment advisory account for a fee.</p> <ul style="list-style-type: none"> <li>▪ We or third-party managers we contract with monitor your advisory account on an ongoing basis to ensure it is aligned to your selected model portfolio.</li> <li>▪ The investment advisory services we offer include wrap fee programs, including a digital wrap fee program offered exclusively online, advisory programs offered by third-party managers, and financial planning services.</li> <li>▪ We will contact you no less than annually to review your portfolio. We do not monitor any other accounts (besides your advisory account) as part of our advisory services.</li> <li>▪ You grant us or the third-party managers discretion, for the duration of your advisory agreement, to buy and sell securities in your advisory account (consistent with the model you selected and with any agreed to restrictions) without asking for your consent in advance.</li> <li>▪ We limit our investment advice to recommending model portfolios managed by our approved third-party managers. These models are available in our wrap fee programs or managed directly by the third-party manager.</li> <li>▪ Although we offer a variety of advisory products and services, our investment advice will cover a limited selection of investments. Other firms may offer more or different choices at different costs to you.</li> <li>▪ To open and maintain an account, you must meet the account minimums outlined in the applicable Advisory Brochure. We have no minimum level for our financial planning services.</li> </ul> <p><b>More information about our investment advisory, specific account minimums, financial planning services and a list of approved third-party managers is available in our Advisory Brochures available at <a href="http://cu.financial/disclosures">cu.financial/disclosures</a>.</b></p> |

**ADDITIONAL INFORMATION:** We are a wholly owned subsidiary of a credit union. We primarily offer broker-dealer, insurance and investment advisory services to members of our affiliated credit union and through networking arrangements with unaffiliated credit unions. Copper has established residency or citizenship requirements for clients to establish accounts with us.

**?** **Questions to ask your Financial Professional:**

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

**What fees will I pay?**

**Brokerage Services**

- For brokerage services, you will pay a **transaction-based fee** every time you buy or sell an investment. The amount you pay will vary according to the particular investment and amount you invest. The more trades you make, the more transaction-based fees we earn. This creates an incentive for us to encourage you to trade often. You will also pay handling and processing fees on each securities transaction.
- For stocks and ETFs you pay a commission, which is a separate fee assessed on the principal value of the investment. For transactions in bonds the fee is incorporated into the price of the bond you pay when purchasing a bond, also called a “mark-up”, or the price when you sell a bond, a “mark-down”.
- Certain investments such as mutual funds, college savings plans and variable annuities, include ongoing fees and expenses, which you pay indirectly because the fees are factored into the cost of the investment. We receive a portion of this ongoing fee, which creates a conflict for us as there is an incentive to recommend products that pay ongoing fees and recommend you make additional investments in those products.

**Investment Advisory Services**

- You will pay us an **on-going monthly or quarterly fee** (sometimes referred to as an **asset-based fee**). This fee is a percentage of the value of your account. You pay this fee even if you don’t buy or sell investments. The more assets you have in your asset-based fee account, the more you will pay us in fees.
- “Wrap-fee” advisory programs we offer, including our digital wrap fee program, charge an asset-based fee paid to us that includes: (1) the applicable advisory fee, (2) third-party manager or vendor platform fees, if applicable, (3) execution charges on trades, and (4) custody and certain clearing service fees. The wrap fee **does not** include underlying management fees and operational expenses for investment products and other charges described in our Advisory Brochures. The asset-based fees in wrap account programs are typically higher than the fees in third-party managed accounts. Depending on the frequency of trading and the types of investments purchased and sold in a wrap fee account, wrap accounts may result in higher fees overall.
- Advisory accounts managed by a third-party manager are charged an advisory fee paid to us. The third-party manager also charges additional advisory fees and transaction-based fees, including commissions and mark-ups/mark-downs along with other applicable trading fees to purchase and sell investments in your account. The custodian holding your account also charges fees for their clearing firm and custody services. We do not receive a portion of the trading or clearing fees charged to these accounts.
- During periods of low trading activity, your asset-based fee may be higher than the transaction-based charges you would have paid in a brokerage account. You should carefully analyze the projected costs of an investment advisory account versus a brokerage account based on factors such as expected size, volume, and frequency of transactions, projected holding period and advisory services provided by your financial professional.
- Asset-based fees present a conflict because we receive more money as your assets increase, thus creating an incentive for us to encourage you to increase the assets in your advisory account. In addition, depending on the advisory program, we will receive more compensation when our financial professionals provide advisory services than when they provide broker-dealer services, which creates an incentive for us to recommend an advisory account.
- We charge hourly or an otherwise agreed-upon fixed fee for financial planning services.

## Brokerage & Investment Advisory Services

For accounts held with our clearing firm in addition to brokerage transaction-based charges or advisory fees (depending on the account type you've selected), you will incur other fees including, but not limited to: (1) account maintenance fees such as custody, corporate actions, termination and transfer fees; (2) money movement fees such as check and wire fees; and (3) investment specific fees such as those for administration of alternative investments or for foreign securities. See the Brokerage Fee Schedule at [cu.financial/disclosures](https://cu.financial/disclosures) for more information. We receive a portion of some, but not all, of these account maintenance and servicing fees charged by our clearing firm. These account servicing and maintenance fees are not charged by us or paid to us if your account is held directly with a product sponsor or held at a custodian other than our clearing firm through an advisory account directly managed by a third-party manager.

**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. More information about the fees and costs of the various broker-dealer products we offer can be found in our Regulation Best Interest Disclosure available at [cu.financial/disclosures](https://cu.financial/disclosures). More information about the fees charged on advisory accounts and for financial planning services is available in our Advisory Brochures available at [cu.financial/disclosures](https://cu.financial/disclosures).



### Questions to 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 recommendation 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?

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

**Third-Party Payments.** For brokerage accounts, we receive compensation from third parties related to investments you make in certain products, including mutual funds, ETFs, and annuities (“product sponsors”). This compensation includes ongoing payments, such as 12b-1 fees or trail payments, which an investment product issuer charges you and then pays to us. These payments create an incentive for us to sell you investments that generate these payments and to maintain our relationships with these issuers. Since the amount of compensation we receive varies between the issuers and the different investments that we offer as a broker-dealer, we have an incentive to sell you those investments that pay us more compensation.

**Revenue Sharing.** Product issuers, fund sponsors, and third-party managers also pay us “revenue share” payments whereby they share a part of the revenue that they earn on your investments in their products with us. Our clearing firm also shares some of the fees and revenues it earns on assets in your brokerage accounts with us, including balances held in cash or in the cash sweep vehicle. This includes the cash held in your advisory wrap fee account. The fees we receive for cash in your account are typically higher than the interest you earn on the cash in your account. We also receive a portion of certain account maintenance fees charged by our clearing firm. These payments are an incentive for us to offer investments that are subject to these payments and to encourage you to increase the amount of assets in those investments. More information about these revenue sharing payments received from product providers is available at [cu.financial/disclosures](https://cu.financial/disclosures).

**Principal Trading.** We conduct principal trading when we buy a security from you or sell you a security from our own account. We primarily conduct principal trading with bonds and other fixed income securities. If the principal trade involves a bond, we receive a mark-up or mark-down by either buying the bond from you at a lower price than we will sell it for or by selling the bond to you at a higher price than we bought it for. That creates an incentive for us to either buy the bond from you at the lowest price possible or sell the bond to you at the highest price possible and maximize our profit on the principal trade. In wrap fee advisory accounts, purchases of mutual funds, ETFs, and stocks are processed through our account, but we do not receive a mark-up or mark-down on these trades.

**ADDITIONAL INFORMATION:** Other conflicts include the incentive to recommend our products and services when creating your financial plan and that we retain a higher portion of the advisory fee for our wrap fee program (compared to a third-party manager). Additional information on potential conflicts can be found for our broker-dealer services in our Regulation Best Interest Disclosure, and for our investment advisory services in our Advisory Brochures available at [cu.financial/disclosures](https://cu.financial/disclosures).



### Questions to ask your Financial Professional:

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

## How do your financial professionals make money?

Our financial professionals receive a portion of the fees that we receive and other compensation as discussed below. Financial professionals are either employees of Copper or associated with Copper as independent contractors and employed by a credit union Copper has an agreement with. Financial professionals employed by a credit union may be subject to a different compensation plan approved by Copper. These compensation plans outline what portion the financial professional receives of the fees they generate. There may be different incentives for independent contractor financial professionals based on the credit union that employs them, which can create different conflicts for financial professionals. Financial professionals may also receive a salary in addition to a portion of the fees they generate from Copper or the credit union employing them.

- The amount of compensation we share with your financial professional depends on the investments recommended to you, their sales volume and the compensation plan they are subject to. Your financial professional's payout percentage will generally increase as their total sales increase. This creates an incentive for your financial professional to increase their sales to reach a higher payout percentage.
- For brokerage services, we pay our financial professionals a portion of the transaction-based charges you pay. This creates an incentive for financial professionals to recommend you purchase or sell products that pay transaction-based charges.
- For investment advisory services, we pay our financial professionals a portion of the advisory fees you pay. This creates an incentive for our financial professional to recommend you invest additional money in your investment advisory account to receive additional fees.
- Financial professionals may receive compensation from us in other ways, including:
  - Benefits based on their sales volumes, such as paid travel for recognition trips or reimbursement of certain expenses. This creates an incentive for your financial professional to increase their sales to receive these benefits.
  - Transition assistance if they move to Copper from another firm. This assistance can include upfront payments, forgivable loans, expense reimbursement or other incentives related to sales and asset growth at Copper. This creates an incentive for a financial professional to move your account to Copper and to increase sales and assets in their accounts at Copper.
- Issuers of certain products and third-party managers may provide our financial professionals other forms of compensation, including but not limited to, business entertainment, small gifts, covering expenses related to training and educational meetings, and financial assistance in covering the cost of marketing and sales events. The receipt of these payments presents a conflict by creating an incentive for the financial professional to recommend those products whose issuers or third-party manager offer these forms of compensation.

Your financial professional is required to act in your best interest and not put their interests ahead of your own. Copper has procedures in place to mitigate the conflicts of interest that arise from the way they make money.

**ADDITIONAL INFORMATION:** Copper pays a portion of the compensation earned from broker-dealer and advisory services to unaffiliated credit unions with which it has bank networking agreements. More information about compensation received by financial professionals is available for our broker-dealer services in our Regulation Best Interest Disclosure and for advisory services in our Advisory Brochures available to you at [cu.financial/disclosures](https://www.cu.financial/disclosures).

## Do you or your financial professionals have legal or disciplinary history?

Yes. Please visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research us and our financial professionals.



### Questions to ask your Financial Professional:

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

## Additional Information

Please visit [cu.financial/disclosures](https://www.cu.financial/disclosures) for additional information about our broker-dealer and advisory services. If viewing a paper version of this form, please visit [cu.financial/disclosures](https://www.cu.financial/disclosures) to access the linked documents. You can request a copy of this Customer Relationship Summary and obtain up-to-date information by contacting us at (888) 695-3477 or [investments@cu.financial](mailto:investments@cu.financial).



### Questions to 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?*