

Ceros Financial Services Client Relationship Summary

Introduction

Ceros Financial Services, Inc. (Ceros) is a securities broker-dealer, registered with the Securities and Exchange Commission (SEC). We are a member of the Financial Industry Regulatory Authority (FINRA), the National Futures Association (NFA) and the Securities Investor Protection Corporation (SIPC). There are significant differences between the services you receive and the fees you pay depending on the type of firm you choose to handle your investments. It is important for you to understand these differences. Free and simple tools are available to clients to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment adviser, and investing.

What Services Can Your Provide Me?

Conversation Starters

Ask your financial professional:

Given my financial situation, should I choose a brokerage service or an investment advisory service, or both types of services? How will you choose investments to recommend to me? What is your relevant experience, including licenses, education and other qualifications? What do these qualifications mean?

Ceros offers the following types of services

- Retail brokerage services through our financial professionals.

Ceros only offers brokerage services to customers whose accounts are associated with its own financial professionals or other financial professionals. Many of our financial professionals are also investment adviser representatives of unaffiliated registered investment advisers. We urge you to discuss with your financial professional the difference between his/her roles as Ceros financial professional vs. an investment adviser so that you are certain what types of services are being provided to you and the fees you are being charged. It is important for you to know that neither Ceros, nor your Ceros financial professional, monitors your investments.

If you open an advisory account (fee based) with one of our financial professionals' unaffiliated registered investment advisers, he/she is acting as an investment advisory representative with his/her unaffiliated registered investment adviser. Any advisory services provided, including investment monitoring (if applicable), is the responsibility of the financial professional's unaffiliated registered investment adviser, not Ceros. Ceros does not provide advisory services, recommendations or investment monitoring to these accounts. Ceros is registered as a broker-dealer only and cannot provide advisory services.

Qualifications vary between Ceros financial professionals. Some financial professionals may be limited to the types of investments they can recommend to you, depending on the licenses or registrations the financial professional currently holds with Ceros. We recommend that you review your financial professional using

the SEC's site <https://www.investor.gov/CRS> and ask the representative what products and services he is licensed to recommend and/or provide.

- Brokerage, trading and back office support to institutional clients such as Registered Investment Advisers and Hedge Funds

It is important for you to know that when you enter into any account or agreement with one of these unaffiliated institutions, advisory services, recommendations and investment monitoring (if applicable) is the responsibility of the institution with whom you entered into the account or agreement. Ceros does not provide advisory services, make recommendations or monitor investments within these accounts. It is also important for you to know that the individuals you work with at these unaffiliated institutions may also be financial professionals of Ceros.

- Distribution services to mutual funds registered under the Investment Company Act of 1940

Ceros provides distribution services to mutual funds. Many of the funds for whom these distribution services are provided are managed by our affiliated Registered Investment Adviser, Advisors Preferred, LLC and held within the Advisors Preferred Trust.

What Fees will I pay?

Conversation Starters

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 of that will go to fees and how much will be invested?

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. Our fees vary. The amount you pay will depend, for example, on how often you trade, what type of investment you buy or sell, and what kind of account you

have with us. Ceros' range of fees and charges are provided at the following link www.cerosfs.com/fees. The following fees and costs apply to your transactions through Ceros:

Commissions: a service charge assessed by us for handling purchases and sales of securities, a portion of which is paid to your financial professional

Transaction fees: a fee we charge per transaction which varies based on the type of transaction, among other factors

Ticket Charges: a fee we charge for trading a security, which varies based on the type of product, size of purchase/sale, among other factors. The ticket charges in your account are negotiated and agreed upon between Ceros and your

financial professional's institution (registered investment adviser). Since these fees are negotiated, they vary between institutions and it is possible for you to pay higher or lower fees depending on which financial professional opens your account with Ceros.

Because you are charged "ticket charges" for each trade in your account, we have an incentive to encourage your institution to trade often. In addition, you will be assessed fees and costs on your account and investments for a variety of other services we provide including custodian fees, account maintenance fees, fees related to mutual funds and variable annuities, and other transactional and product-level fees.

What are your legal obligations to me when providing recommendations as my broker-dealer?

When we provide you with a recommendation as your broker-dealer we have to act in your best interest and not put our interests 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.

How else does your firm make money and what conflicts of interest do you have?

Conversation Starter

Ask your financial professional:

What types of conflicts of interest do you have and how might they affect me?

As you work with your financial professional to determine the right investments and services to achieve your investment goals, you should understand how we are compensated. This is because various forms of compensation may create potential conflicts of interest, and it is important for you to evaluate potential conflicts of interest in making investment decisions.

In addition to commissions, transaction fees and ticket charges, there are other forms of compensation that may not be as familiar because they do not directly affect your account. These less familiar types of compensation can present potential conflicts of interest so we would like to explain them to you.

Revenue Sharing occurs for certain investments, such as mutual funds, where the manager or sponsor of those investments shares with us revenue it earns on those investments. Revenue sharing could influence Ceros to recommend/offer such products over similar products or services which do not provide revenue to us.

Additionally, commissions or other compensation varies between product types and even within the offerings of the same type of product. There is a potential conflict of interest for us to recommend/offer certain products over those with lower payouts.

How do your financial professionals make money?

Our financial professionals are compensated solely through commissions earned when customers purchase investments directly from product sponsors, such as mutual funds and variable annuity companies.

As previously discussed, many of our financial professionals are also investment advisory representatives of their own independent registered investment advisors. If your account is managed by an independent registered investment adviser, these financial professionals may charge an asset based or flat fee directly to you for their services.

Although Ceros does not receive any portion of the advisory fees charged by these independent registered investment advisers, we do earn transaction fees, ticket charges and may earn revenue sharing on these advisory accounts.

Do you or your financial professionals have disciplinary history?

Conversation Starter

Ask your financial professional:

As a financial professional, do you have any disciplinary history?

Ceros has disciplinary history. We invite you to visit <https://www.investor.gov/CRS> for a free and simple search tool to research Ceros and our financial professionals.