

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). 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 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 investment services and advice can you provide me?

Conversation Starters

Ask your financial professional:

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 licenses, education and other qualifications? What do these qualifications mean?

Ceros offers the following types of services

We offer brokerage services through our financial professionals, and can recommend and effect securities transactions for you. This includes buying and selling securities that can be either held in accounts with our clearing firms ("brokerage accounts") or directly with the issuer of the securities purchased ("directly held accounts"). 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 or account or provides investment advice. Ceros is registered as a broker-dealer only and cannot provide advisory services. Your Ceros financial professional may voluntarily review your holdings and may or may not make recommendations based on these reviews. Ceros does not accept or exercise discretionary authority over your account. You make the ultimate decision regarding the purchase or sale of investments.

We do not limit our investment offerings to a specific menu of products or proprietary investments. However, we make available proprietary products, including: mutual funds offered by our affiliated registered investment adviser, Advisers Preferred LLC; alternative investment funds and products managed by our affiliates; and private placements in which we have a financial interest. We have incentives to make recommendations of products managed or sponsored by our affiliates.

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. We generally do not have any minimum account requirements, but some investments have minimum investment requirements.

More information about our services is available at:
https://www.cerosfs.com/docs/Ceros_Broker_Disclosure_1.pdf.

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 fees for each trade in your account, we have an incentive to encourage you 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? How else does your firm make money and what conflicts of interest do you have?

Conversation Starter

Ask your financial professional:

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

When we provide you with a recommendation, 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 services we provide you. Here are some examples to help you understand what this means:

Revenue Sharing: Revenue sharing occurs for certain investments, such as the mutual funds, alternative funds managed by our affiliated registered investment advisers and other private placements, where the manager or sponsor of those investments shares with us payments or revenue it earns on those investments or we otherwise have a financial interest. Revenue sharing could influence Ceros to recommend/offer such products over similar products or services which do not provide revenue to us.

Proprietary Products: We may earn more compensation when you invest in one of our proprietary products, such as mutual funds or alternative funds managed by our affiliated registered investment advisers, and private placements in which we have a financial interest. Thus, we may have an incentive to recommend those products over other third-party products.

Varying Compensation: Commissions or other compensation vary 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.

For additional details on our conflicts of interest, see: https://www.cerosfs.com/docs/Ceros_Broker_Disclosure_1.pdf.

How do your financial professionals make money?

Our financial professionals are compensated through commissions and revenue sharing earned when customers purchase investments directly from product sponsors, such as mutual funds, alternative funds, private placements and variable annuity companies. In addition to the financial professionals that may have ties with our affiliated registered investment advisers, some of our financial professionals are also investment advisory representatives of their own independent registered investment advisers. These and other 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 and affiliated advisory accounts. The compensation of our financial professionals is based on factors that can vary based on the type of investment purchased and sold, and takes into account the time and complexity needed to service an account, as well as the expertise, geographic location, and performance of each financial professional. These variations could influence Ceros to recommend/offer products that provide Ceros or its financial professionals with additional compensation over other similar products.

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

Conversation Starter

Ask your financial professional:

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

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

Additional Information

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?

For additional information about our broker-dealer services, or services offered by our affiliates, please visit https://www.cerosfs.com/docs/Ceros_Broker_Disclosure_1.pdf. You can request up-to-date information and a copy of the Customer Relationship Summary by contacting us at +1 (866) 842-3356 or info@cerosfs.com.