

XLII FINANCIAL SERVICES LLC
Client Relationship Summary (Form CRS)

XLII Financial Services LLC (“XLII”) is registered with the Securities & Exchange Commission as a broker-dealer. XLII is a member of FINRA and SIPC. Brokerage and investment advisory services and fees differ; it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at: www.investor.gov/CRS that also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

- The services we provide include buying and selling securities and recommending investments to retail investors. Our principal services include direct application way business in variable annuities and mutual funds held directly with the product sponsor. The costs for these services are determined by the product sponsor.
- We do not have minimum account size or minimum investment requirements for opening an account; however, we may recommend some investments that may require a minimum investment amount.
- We do not provide ongoing monitoring of your account; however, our financial professionals may voluntarily review your account on a periodic basis for purposes of providing buy, sell or hold recommendations.
- We may recommend investments, or you may select them, but the ultimate decision regarding an investment strategy or the purchase or sale of an investment will be yours.
- While we will ask about your income, other assets and investments as part of our compliance obligations, we are not preparing a financial plan for you.
- It is important to understand our products and services are limited as there are other investment products which we do not offer that may benefit your portfolio.

Here are some questions you can ask to start a conversation with 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 your licenses, education and other qualifications? What do these qualifications mean?*

What fees will I pay?

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.

- The fee you pay is based on the specific transaction and not on the value of your account.
- The fees are determined by the mutual fund or annuity carrier, not XLII.
- With mutual funds, a fee typically called a load reduces the value of your investment. For many securities products, there are on-going fees (such as management fees, operating expenses, or mortality and expense charges) built into the cost of the product that you pay indirectly to the product issuer. The product issuer in turn often pays us part of these fees as an on-going commission, such as a “12b-1 fee”. For variable annuities and variable insurance products, the product issuer generally pays us a commission based on deposits into your annuity or insurance product. Securities products may also charge you direct fees based on actions you take, such as deferred sales charges and redemption fees, reducing the value of your investment.
- XLII does not charge you additional fees such as custodian fees, account maintenance fees, and account inactivity fees.
- There are different fees related to different products, such as mutual funds, variable annuities, exchange traded funds, etc. Please refer to the specific prospectus for other details.

Here are some questions you can ask to start a conversation with 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? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, 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 we provide you. Here is an example to help you understand what this means.

- Certain products, such as mutual funds and variable annuities, include continuing payments to us known as “trail”. We could have an incentive to recommend investment products that include trails, even if other investments available to you have lower costs or may perform better.
- We must act in your best interest and not place our interests ahead of yours when we recommend an investment or an investment strategy involving securities. When we provide any service to you, we must treat you fairly and comply with a number of specific obligations.
- Our interests can conflict with your interests. When we provide recommendations, we must eliminate these conflicts or tell you about them and in some cases reduce them.
- For further information please refer to the product prospectus.

Here is a question you can ask to start a conversation with your financial professional:

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

How do your financial professionals make money?

Financial professionals are compensated by product sales commissions as determined by the mutual fund, annuity, and insurance carrier. Some products pay a higher commission than others; therefore, your financial professional has a conflict of interest to recommend a product that pays higher compensation. This commission will vary based on the type of product and the product issuer. Certain financial professionals will also receive cash or non-cash compensation, such as merchandise, gifts, technology, travel expenses, and lodging, directly from product providers and sponsors as further detailed in the Form CRS Supplement.

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

- No. Visit www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals. For additional information about our firm and brokers please visit <https://brokercheck.finra.org/>.

Here is a question you can ask to start a conversation with your financial professional:

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

ADDITIONAL INFORMATION

- You may request a copy of the Form CRS Relationship Summary by contacting your investment professional or XLII Financial directly at 972-721-3613.
- To report a problem to the SEC, visit Investor.gov or call the SEC’s toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA call their toll-free investor assistance line at (240) 386-HELP (4357).
- You may contact us directly by mail by writing to our main office located at 10023 Apple Creek Dr., Dallas, TX 75243. You may also contact our main office at 972-721-3613 if you have any questions or require additional information about our services or your account(s).

Here are some questions you can ask to start a conversation with your financial professional:

- *Who is the primary contact person for my account? Is he or she a registered representative of a broker-dealer? If I have concerns about how this person is treating me, who can I talk to?*