

SCH Enterprises, Inc.
A FINRA Member Broker-Dealer, Registered with the SEC

Form CRS Relationship Summary

June 1, 2020

Is A Brokerage Account Right for You?

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you.

We are a broker-dealer that is limited to selling mutual funds and variable investments rather than advisory accounts and services. This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information. There are some suggested questions at the end of this Summary.

Relationships and Services

1. If you open an account with us, you will be purchasing a mutual fund or variable annuity from a third-party company and how you are charged depends on the company and the product. We are compensated from those companies in the form of a commission or trail fee.
2. If you invest in a mutual fund, you may pay an up-front **transaction-based** sales charge which varies depending on the company and how much you have in total assets with that company. Trading within the same mutual fund family typically does not incur any additional fees. The mutual fund company also assesses an asset-based management fee against the total assets of the fund or funds that you own and this fee reduces the return that fund will produce. Specific costs vary from fund to fund and are available within that fund's prospectus.
3. If you invest in a variable annuity, you typically will not pay an up-front transaction-based sales charge. The insurance company will impose a surrender charge for certain withdrawals made within a proscribed period from the time of investment, which varies depending on the company and product used. Trading within the annuity typically does not incur any additional fees. The insurance company also assesses an asset-based mortality and expense charge the total assets in the policy this charge reduces the return that policy will produce. Additional charges may be assessed depending on what specific benefits are provided. Costs vary from company to company and are available within that company's sales material and the specific prospectus. Each subaccount within the policy will also assess charges similar to the asset-based management fees listed in Section 2 above.
4. You may select investments or we may recommend investments for your account, but the ultimate decision as to your investment strategy and the purchase or sale of investments will be yours.
5. Your statements will be delivered to you by the investment companies themselves.
6. We offer a limited selection of investments. Other firms could provide advice on a wider range of choices, some of which might have lower costs.

Our Obligations to You. We must abide by certain laws and regulations in our interactions with you.

1. 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. Unless we agree otherwise, we are not required to monitor your portfolio or investments on an ongoing basis.
2. 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.

Fees and Costs. Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay.

1. The sales charge you pay is based on the specific transaction and not the value of your account.
2. Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities you may have to pay fees such as **surrender charges** to sell the investment.
3. The sales charges and other fees are set by the mutual fund or insurance company and cannot be modified by us.
4. The more assets you have in your funds or annuities, the more we are paid in trail fees. We therefore have an incentive to increase the assets in your account in order to increase our fees.

Compare with Typical Advisory Accounts

You could also open an advisory account with an **investment advisor**, where you will pay an ongoing asset-based fee, in addition to any internal fees charged by the investments in that portfolio, which is based on the value of the cash and investments in your advisory account. Features of a typical brokerage account include:

1. Advisors provide advice on a regular basis. They discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account.
2. You can choose an account that allows the advisor to buy and sell investments in your account without asking you in advance (a **"discretionary account"**) or the advisor may give you advice and you decide what investments to buy and sell (**"non-discretionary account"**).
3. Advisers are held to a fiduciary standard that covers the entire investment advisory relationship. For example, advisors are required to monitor your portfolio, investment strategy and investments on an ongoing basis.
4. If you were to pay an asset-based fee in an advisory account, you would pay the fee periodically even if you do not buy or sell. You may also choose to work with an investment advisor who provides investment advice for an hourly fee, or provides a financial plan for a one-time fee.
5. For an advisor that charges an asset-based fee, the more assets you have in an advisory account, including cash, the more you will pay the advisor. So, the advisor has an incentive to increase the assets in your account in order to increase its fees.
6. You can receive advice in either type of account, but you may prefer paying
 - a. A **transaction-based fee**, from a cost perspective; if you do not trade often or if you plan to buy and hold investments for long periods of time.

- b. An **asset-based fee** if you want continuing advice or want someone to make investment decisions for you, even though it may cost more than a transaction-based fee.

Conflicts of Interest. We benefit from the advisory services we provide to you.

1. We earn money by selling mutual funds through the up-front sales charges and ongoing trail fees and from selling variable annuities from sales commissions and ongoing trail fees. We have an incentive to recommend that you invest in mutual funds and variable annuities.
2. We have an affiliated investment advisor firm, Heinekamp Financial Planning & Tax Service, LLC, and any investments made through that entity benefit members of this firm through advisory fees paid.

Additional Information. We encourage you to seek additional information.

1. We have not had, to date, any legal or disciplinary events. Visit Investor.gov for a free and simple search tool to research our firm and our financial professionals.
2. For additional information about our brokers, visit Investor.gov, or BrokerCheck.Finra.org.
3. To report a problem to the SEC, visit Investor.gov or call the SEC's toll-free investor assistance line at (800) 732-0330, or FINRA at (340) 386-4357. If you have a problem with your investments, account or financial professional, contact us in writing at PO Box 607, Brownsburg, IN 46112.

Key Questions to Ask. Ask our financial professionals these key questions about our investment services and accounts.

1. Given my financial situation, why should I choose a brokerage account?
2. Do the math for me. How much would I pay per year for a typical brokerage account? What would make those fees more or less? What services will I receive for those fees?
3. What additional costs should I expect in connection with my account?
4. Tell me how you and your firm make money in connection with my account. Do you or your firm received any payments from anyone besides me in connection with my investments?
5. What are the most common conflicts of interest in your brokerage accounts? Explain how you will address those conflicts when providing services to my account.
6. How will you choose investments to recommend for my account?
7. How often will you monitor my account's performance and offer investment advice?
8. Do you or your firm have a disciplinary history? For what type of conduct?
9. What is your relevant experience, including your licenses, education, and other qualifications? Please explain what the abbreviations in your licenses are and what they mean.
10. Who is the primary contact person for my account? What can you tell me about his or her legal obligations to me? If I have concerns about how this person is treating me, who can I talk to?