Navy Federal Investment Services Disclosures

Navy Federal Investment Services, LLC (“NFIS”) is registered as a broker/dealer and a Registered Investment Advisor with the Securities and Exchange Commission and is a member of FINRA/SIPC. https://www.sipc.org. Free and simple tools are available to research firms and financial professionals at investor.gov/crs, which also provides educational materials about broker/dealers, investment advisers, and investing. As a broker/dealer, we are subject to Regulation Best Interest, which establishes a standard of conduct for us and our Financial Advisors (“FA”) when we make a recommendation to you of any securities transaction or investment strategy involving securities, including recommendations of types of accounts.

This Disclosure Document provides a summary of important information regarding the scope, terms and fees for the brokerage and investment advisory services we offer, as well as the material conflicts of interest that occur when we provide services to you. We encourage you to review this information, along with other disclosure documentation you receive from us, including our Customer Relationship Summary (Form CRS) available at https://www.navyfederal.org/investment-services/disclosures.html Our Form CRS contains important information about the types of services we offer along with general information related to fees, compensation, conflicts of interest, and any disciplinary actions.

Investment advisory and management services are provided through our Registered Investment Advisory division which provides you separately with its Form ADV Part 2A Disclosure Brochure which is available at https://adviserinfo.sec.gov/firm/summary/138459.

Please carefully review and consider the information in each section below.

Scope and Terms of Your Relationship with Us

When you open a brokerage account through us, you have the ability to buy, sell, and hold investments within your account. For all recommendations we make for your brokerage account, we will be acting in a broker/dealer capacity and your FA will be acting as an Associated Person of our broker/dealer, unless otherwise explicitly stated at the time of the recommendation.

Overview of Brokerage Accounts Offered

Brokerage Account Types

We offer many different brokerage account types for retail clients, including individual and joint tenant accounts, estate and trust accounts, individual retirement accounts and other types of retirement accounts as outlined in our new account agreement. You should speak to your FA or refer to your new account documentation for a complete list of account types.

Clearing Services

We have entered into a tri-party arrangement with Pershing, LLC (also referred to as our "clearing firm") and Osaic Institutions (Osaic) to carry your account and provide certain back-office functions. We and the clearing firm share responsibilities with respect to your account as set forth in the new account opening documents provided to you.

Cash Brokerage Accounts

Our brokerage services are provided through a cash brokerage account, based on a review of your new account form profile. In a cash brokerage account, you must pay for your purchases in full at the time of purchase, but no later than settlement date.

Brokerage Services and Products

We offer brokerage services to retail investors, including buying and selling securities. This includes soliciting recommendations in certain situations regarding which securities to buy or sell. This means we provide advice regarding the value and characteristics of securities or advisability of a transaction in securities only in connection with our primary business of buying and selling securities.

You make the ultimate decision regarding the purchase or sale of investments. We do not monitor your account on a continuous basis or set frequency. We will, however, review your account for the purpose of making recommendations. The principal types of investments include equities, annuities, ETFs, mutual funds, and bonds, including governments, corporate and municipal bonds.

Understanding Risk

It is important for you to understand that all investment recommendations involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher risk investments may have the potential for higher returns, but also for greater losses. The higher your "risk tolerance," meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. We align risk tolerances with investment needs to offer you different investment objectives from which to choose. You should speak with your FA regarding the selection of investment objectives and risk tolerances that are best aligned with your brokerage account goals and needs.

Our Approach to Making Recommendations

It is important for you to understand that when our FA makes a brokerage recommendation to you, we have to act in your best interest and not put our interest ahead of yours. When making a recommendation to you, we consider reasonably available product alternatives, and base recommendations upon information captured in your new account profile, including, among other things, your risk tolerance, general investment knowledge, investment time horizon, liquidity needs, financial information, tax status, and the investment goals, which are described below. We encourage you to carefully consider your information contained in your new account form profile before investing. We also encourage you to discuss each recommendation with your FA prior to investing.

You may accept or reject any recommendation. It is also your responsibility to periodically review and monitor the investments in your brokerage account, and we encourage you to do so regularly. To reiterate, we do not monitor your account on a continuous basis or set frequency. If you prefer on-going monitoring of your account or investments, you should speak with your FA about whether an advisory services relationship is more appropriate for you.

Investment goals typically have different investment time horizons and different income and growth characteristics. We encourage you to discuss your risk tolerance with your FA when you open an account and on an ongoing basis when we make recommendations.

When we make a securities recommendation, investment strategy recommendation, or recommendation to rollover assets from your qualified retirement plan, such as a 401(k) retirement plan, to an Individual Retirement Account (IRA), we will take into account information contained in your new account profile and any other relevant factors, as well as the potential risks, rewards, and costs of the IRA rollover compared to the investor's existing 401(k) account investments and costs.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account, such as educational resources or marketing materials. When we offer these resources and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information with you and may provide you with investment recommendations.

Brokerage Fees You Will Pay

Transaction Based Fees

You will pay a commission or sales charge when you buy or sell securities.

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 or your investment over time. Please make sure you understand what fees and costs you are paying. You should discuss commission charges with your FA to understand the ranges of fees and costs you will pay. Commissions are also disclosed in your trade confirmation, which you will receive after each transaction. For principal trades, we will add a mark-up or mark-down fee on the transaction. We only conduct principal trading in fixed-income securities. The amount of the mark-up or mark-down will be disclosed on the trade confirmation when they are riskless principal transactions.

We do not maintain a formal fixed retail commission schedule and generally negotiate commission equivalent rates with you. Please speak to your FA for more information regarding our commissions upon account opening and at the time of a transaction.

Account and Service Fees

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions. To illustrate, you may incur account/service fees and costs related to the investments in your account, such as custodian fees, Reg T extension requests, inactivity and paper statement fees, wire transfer fees, fees related to mutual funds, such as fund management fees, 12b-1 distribution fees, and other product related fees, such as redemption fees. Please refer to our website, https://www.navyfederal.org/investment-services/disclosures.html for more information on ancillary fees. Fee schedules are included below.

The listed fees do not include commissions, markups, commission equivalents or advisory fees. These fees apply to brokerage accounts held at Osaic Institutions. Some of these fees may not apply to all brokerage account types. Some of these fees may be waived under certain conditions.

Commission schedule – Brokerage accounts	
Equity	Up to 5% of principal ($35 minimum)
Mutual funds	No Load Purchase/Redemption and Load Redemption: up to $13 Load Purchase: $0
Fixed income/UIT	Up to 2.75% of principal ($45 minimum)

**Some companies charge an additional $10 surcharge*

These are the standard commission charges. Actual charges could be less depending upon the circumstances of your transaction. Representatives have the discretion to lower the suggested commission as long as the commission charged falls within the parameters established by Osaic Institutions, Inc. Mutual funds, variable annuities and other products sold by prospectus have a stated commission or load amount which can be found in the prospectus.

No ticket charges are levied when trades are executed direct with the fund company.

Account or Service	Fee	Frequency
Account service fees		
Confirmation surcharge	$1.50/month	Paper mailing of statements, trade confirmations, prospectuses, notifications, and proxy/shareholder communications (charged quarterly in arrears)
Voluntary cash tenders	$50	Per event
Mandatory tenders[1]	$10	Per event
Returned check/ACH	$20	Per event
Stop payment[1]	$10	Per event
Overnight check delivery, Saturday[1]	$12	Per event
Check copy (Corestone)	$2.50	Per check
Wired funds	$25	Per wire
Inactive equity account[1]	$50	Per year
Mutual fund only IRA conversion	$50	Per event
Retirement account termination fee	$95	Per event
Outbound transfer – non-retirement account[1]	$150	Per event
Equity dividend reinvestment	$1.00	Per investment (no fee for IRA accounts)
Customer name safekeeping charge	$10	Per account, per position, per month
Certificate cancellation fee	Varies based on TA	Per transaction
DRS transfer fee	$15	Per transaction
Employee stock option exercise fee	$50	Per event
DTC delivery	As incurred by Transfer Agent	Per event
DK item	$10	Per item, per day

Account or Service	Fee	Frequency
Custodial fees		
Qualified plans	$75 or $125	Per year
Traditional, Roth, Education IRAs, and 5305 SEPs	$43.50	Per year
SIMPLE IRA	$58.50	Per year
Special product fee (registered securities)	$35.00	Per year
Special product fee (non-registered securities)	$85.00	Per year
UBTI tax filing	$50	Per year
International clearing		
Eurobond clearance[1]	$50	Per transaction
All other foreign securities	$75	Per transaction

[1] Osaic Institutions adds an additional amount ("markup") on the fee imposed by Pershing.

[2] A fee assessed by Osaic Institutions, Inc. and not Pershing.

ACCOUNTS CARRIED AT PERSHING LLC.

Fees subject to change at any time. This schedule represents Navy Federal Investment Services standard fees and expenses. Please note other fees may apply. Depending upon the circumstances, individual advisors may have the ability to negotiate lower fees and expenses for their clients.

How We Are Compensated

The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus, which we encourage you to review prior to investing for information on fees and expenses.

Equity, Options and Fixed Income Securities

When we execute transactions in securities for your account, we are compensated in the form of a commission on equity and options transactions or a markup (or markdown) of up to 3.00% when acting as principal on fixed-income transactions. Generally, we will charge a commission of no greater than 3.00% on the dollar amount of equity transactions with a $49.00 minimum. When acting as principal on a fixed income transaction, we add a markup to any purchase, and subtract a markdown from any sale. The markup or markdown will be included in the price and yield quoted to you. Commissions on option transactions are negotiated.

Whether a commission, markup or markdown, or commission equivalent, we are required to charge only fair and reasonable amounts, taking into consideration all relevant circumstances.

You may pay more or less than similar clients for identical transactions depending on your particular circumstances, including the size of your account, the services you have applied for, past changes to our fees, and any separate agreement between us. We reserve the right not to place any trades or effect any other transactions for your account when such fees are unpaid.

Mutual Funds

We currently offer many mutual funds, varying in share class structure and investment style. For specifics on particular products, including fees, please refer to the prospectus, which will be delivered to you at or prior to the transaction in accordance with the method of delivery you have selected.

Some mutual funds offer investors different types of shares, known as "classes." Each class invests in the same portfolio of securities and has the same investment objectives and policies. But each class has different shareholder services and/or distribution arrangements with different fees and expenses. Because of the different fees and expenses, each class will likely have different performance results. A multi-class structure offers investors the ability to select a fee and expense structure that is most appropriate for their investment goal (including the time that they expect to remain invested in the fund).

Here are some key characteristics of the most common mutual fund share classed offered to individual investors: Class A shares typically charge a front-end sales load, but they tend to have lower 12b-1 fees and lower annual expenses than other mutual fund share classes. Some mutual funds reduce the front-end load as the size of the investment increases. These discounts are called breakpoints.

New Class B share sales are very rare and typically do not have a front-end sales load. Instead, they may charge a back-end sales load and a 12b-1 fee (along with other annual expenses). The most common type of back-end sales load is the "contingent deferred sales load," also referred to as a "CDSC" or "CDSL." Typically, the amount of the contingent deferred sales load decreases the longer you hold the shares. Class B shares also might convert automatically to a class with a lower 12b-1 fee and no contingent deferred sales load if you hold the shares long enough.

Class C shares might have a 12b-1 fee, other annual expenses, and either a front-end or back-end sales load. But the front-end or back-end load for Class C shares tends to be lower than for Class A or Class B shares, respectively. Class C shares tend to have higher annual expenses than either Class A or Class B shares unless/until they convert to class A shares.

If a fund offers multiple classes, it may describe them all in a single prospectus, or it may describe them separately in separate prospectuses. In some cases, you may not be eligible to purchase all classes.

We may receive direct and indirect compensation in connection with such mutual fund investments as described below:

Front-end Sales Charge Fees/Contingent Deferred Sales Charges (CDSC)

Front-end sales charge fees will be paid to us, including to your FA, when you purchase a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge can range up to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction and rights of accumulation. You should speak with your FA to discuss eligibility for sales charge waivers.

CDSC is a charge you pay upon withdrawal of money from a fund prior to the end of the fund's CDSC period. CDSC charges range from 0.00% to 5.750%. CDSC time periods can range from zero to seven years. This charge typically exists only on share classes that do not have a front-end sales charge. It is often referred to as the back-end load. CDSCs are not charged at the time you purchase a fund. You can find a description of all fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus are charged against the investment values of the fund.

12b-1 Fees

We offer products, including mutual funds, some of which pay to us and our FAs, ongoing distribution fees, also referred to as servicing fees or 12b-1 fees. These fees differ by share class. Depending on the share class, the 12b-1 fees can range from 0.00% - 1.00%. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.

Revenue Sharing

We receive a portion of the revenue that our clearing firm receives from certain product sponsors for investing client assets in their products.

Revenue Sharing – Cash Sweep Programs

We share in revenue received relating to client balances swept into money market funds and bank deposits. These programs may create a financial benefit for us. Pursuant to the Money Market Funds and FDIC Insured Sweep Deposit Account sweep options and the Broker Distribution assistance provision in our clearing and custody agreement with Pershing, LLC, we will receive fees based upon the assets within each money market fund family and in accordance with the terms of its most recent agreement. Amount will vary as indicated in the cash sweep program disclosure statement. This amount may change without notice to you. As a result of the fees and benefits to us, the cash sweep program may be more profitable to us than other available cash sweep options. Other cash sweep options may also provide you with a higher rate of return. Speak to your FA to obtain more information about our Cash Sweep Program, the details of which are provided to you upon account opening in the Pershing Disclosures.

Variable Annuities

A variable annuity is a long-term investment issued by an insurance company that can help you grow your money, take income in retirement, and pass on your wealth. The annuity owner invests in underlying funds that generally consist of stocks or bonds or a combination of the two. NFIS variable annuities offer a broad range of carefully selected underlying funds, plus fixed account options. These underlying funds may have a name, portfolio manager, objective, strategies and/or characteristics that are the same or substantially similar to those of a publicly traded retail mutual fund. Despite these similarities, these underlying funds are not the same as any publicly traded retail mutual fund. Each underlying fund will have its own unique portfolio holdings, fees, operating expenses, and operating results. The results of each underlying fund may differ significantly from any publicly traded retail mutual fund.

As with other investments, there is potential to lose money based on the performance of the underlying funds. Unlike other investments, they provide a guaranteed death benefit for your beneficiaries, as well as optional guaranteed benefits with growth opportunities and protection features for an additional fee.

Variable annuities generally offer tax-deferred growth. This means you do not pay taxes until you take withdrawals. If your annuity is in a retirement plan that already offers tax deferral (such as an IRA), the annuity does not provide any additional tax deferral. But you can benefit from all the other features that the annuity has to offer. Because of their tax-deferred status, withdrawals made prior to age 59½ may incur an IRS early withdrawal penalty.

With a variable annuity, you will pay a Mortality and Expense (M&E) fee, which helps cover the guarantees they provide. Variable annuity investors also pay underlying fund expenses, and in some cases, an annual contract charge. A surrender charge may apply to withdrawals during the surrender charge period.

NFIS offers several different annuities which your financial advisor may be authorized to offer you. Each annuity has different features and benefits that may be appropriate for you based on your financial situation and needs, your risk tolerance, your age and how you intend to use the annuity. The different features and benefits may include the investment options, fund managers, interest rates, guarantees, bonus crediting, surrender charge schedules, optional riders, and liquidity (access to your money without fees or charges). The fees and charges may also be different among the annuity contracts we offer.

You should consider the investment objectives, risks, charges and expenses of the variable annuity and its underlying investment options carefully before investing. For a free copy of the annuity's prospectus and underlying investment's prospectus, which contains this and other information about variable annuities, please speak with your Financial Advisor. Read the prospectus carefully before you invest.

Variable annuities are primarily designed to allow an investor to accumulate non-tax qualified funds on a tax-deferred basis that can be converted to an income stream upon retirement (which can be guaranteed for life). Variable products are intended to be long-term investments for long-term protection, income, and investment goals, and should not be purchased by an investor who anticipates a need in the short-term to access or withdraw funds invested in a variable product, as withdrawing funds or surrendering a variable product in the short-term will likely result in surrender charges and tax penalties. If you are considering purchasing a variable annuity through us, you should understand the fees and charges that impact your account value (i.e., the amount that you can withdraw or receive on full surrender), as well as other features of these products. For more detailed information about specific variable products, please refer to the prospectus for the variable product you are considering.

There are unique fees and charges for variable annuity products that cover the cost of contract administration, acquisition costs (such as the commission we receive when we sell a variable product) and the insurance benefits provided by the product, as well as the operating expenses of the underlying funds. Some of the fees and charges in the variable products we make available are described (usually as a range) in more detail below. Fees can exceed the ranges provided. You should carefully read the prospectus for the variable product you are considering to make sure that you understand its fees and charges.

Surrender Charge or Contingent Deferred Sales Charge (CDSC): Depending on the product type and share class you invest in, you may incur a surrender charge or a CDSC if you withdraw funds early or surrender the product during a certain timeframe (called the "surrender period").

If you withdraw funds from a variable annuity during the surrender period (within a certain timeframe after the contract issuance or making a purchase payment), the insurance company will assess a CDSC, which is a kind of asset-based sales charge. The initial CDSC for a variable annuity can equal up to 8.5% of the amount withdrawn or surrendered. However, the CDSC usually declines to zero gradually over the surrender period, which can sometimes last up to 7 years, with the higher surrender charges applying to surrenders and withdrawals made at the beginning of the surrender period, and the lower surrender charges applying to surrenders and withdrawals made toward the end of the surrender period. The CDSC is separate from any tax penalties that can apply to surrenders or withdrawals made before age 59½. Some variable annuities allow you to take out a certain percentage of your account value without paying a CDSC.

Mortality and Expense Risk Charge: The variable products we make available provide for a daily asset-based charge called a "mortality and expense risk charge." The mortality and expense risk charge is typically described as intended to cover the insurance benefits provided by the insurance company under the insurance contract (such as the insurance company's obligation to make annuity payments after the annuity date regardless of how long you live and to pay death benefits under annuity and life insurance contracts), as well as the risk that the current charges will be insufficient to cover the actual cost of administering the contract. For variable annuities, this daily charge typically ranges from 0.95% to 1.40% on an annualized basis of total account value.

Administrative Charge: Some variable products we make available also have an administrative charge, which may be a daily asset-based charge, an annual fee, or both, typically described as intended to cover the costs of administering the contract, preparing and mailing annual reports and statements, and maintaining contract records. This fee is typically $25–$50 per year if imposed as an annual fee or around 0.15% on an annualized basis (or both). Some insurers will waive this fee if you invest over a certain dollar amount, generally at least $50,000 or $100,000.

Premium Expense Charges: Variable life insurance products also typically impose a premium expense charge (sometimes referred to as a premium load), with the effect that only the net premium amount is invested or allocated to the variable life insurance product's account value. This charge is typically applied to each premium payment made and is generally described as being used to cover taxes assessed by state and/or other governmental agencies, as well as insurer's sales expenses. This charge generally ranges from 3.25% to 18.00% of premiums paid.

Underlying Fund Operating Expenses: You will also indirectly pay the operating expenses for the underlying mutual funds in which you invest your variable product's account value. The underlying funds are typically "no-load" funds that do not have sales charges, but they do bear the same types of operating expenses as other mutual funds, including management fees and 12b-1 fees.

Optional Features and Riders: Some of the variable products we make available offer optional features or riders, such as higher death benefits, living or guaranteed minimum income benefits, long-term care insurance benefits, disability benefits and more. Typically, additional recurring charges are deducted from your variable product's account value for these optional features or riders. There may also be a charge when you exercise these optional features or riders.

Other Transaction Fees: Some variable products we make available charge fees for certain transactions, such as excess transfers of money among investment options, making withdrawals (separate from any CDSC), exercising riders and annuitization of the contract value in some states. Information about these fees can be found in each variable product's prospectus.

For variable annuities, the commission is usually calculated as a percentage of deposits. The commission can be paid as an upfront commission (usually up to 5.50% to 7.00% of your initial purchase payment) or a hybrid commission, which is an upfront commission (usually ranging from 0.50% to 5.00% of your initial purchase payment) when you purchase the variable annuity plus an annual amount that equals a percentage of the value of the contract value until you surrender or annuitize your contract (usually ranging from 0.25% to 1.00% of your contract value). Variable Life Insurance. For variable life insurance, the commission is usually calculated as a percentage of premiums paid, but the percentage can vary depending on whether the product is purchased with a single premium or on the basis of on-going premium payments. If there are on-going premium payments, the percentage each year typically varies, ranging from 45.00% to 85.00% (and in some cases higher) of premium payments in the first policy year, and 1.00% to 5.00% of premium payments in subsequent years.

Some insurers whose variable annuities we make available offer different versions of their variable annuities, in different categories, sometimes referred to as "classes." These categories mainly differ in their initial investment requirements, fees, expenses, surrender or CDSC schedules, available features and riders, and may also differ in compensation we receive. The most common classes are B and C, although other classes may exist for specific variable annuities. Each class has different fees and expenses. Determining which class is right for you requires careful consideration in light of your specific investment time horizon, liquidity needs, desired selection of option riders, and other factors. Key characteristics of common share classes include:

"B Share" Annuities — These usually have a surrender period of 5 to 7 years on each purchase payment or since contract issuance and the surrender charge starts at approximately 6% to 8.5% and declines each year to 0% over the surrender charge period or "CDSC period". This class generally has an asset-based contract charge that ranges from 1.00% to 1.40%. There is also an administrative contract fee that ranges from $0–$50, which the product issuer may waive if you invest more than a certain dollar amount, generally at least $50,000 or $100,000.

"C Share" Annuities — These are fully liquid and do not have a surrender period. These annuities allow you to access your money immediately after you invest it, but you will pay higher fees for that flexibility. C Shares typically have an asset-based contract fee that ranges from 1.25% to 1.30%. There is also an administrative contract fee that ranges from $0–$50, which may be waived by the product issuer if you invest more than a certain dollar amount, generally at least $50,000 or $100,000.

Training and Education

Some mutual fund sponsors provide training and educational meetings as well as promotional items, meals or entertainment, or other forms of non-cash compensation. Navy Federal Investment Services and its FAs do not accept non-cash compensation through entertainment or sales contests.

Trade Errors/Corrections

While we agree to maintain a consistent and accurate level of quality in the processing of your transactions, you have a separate responsibility to ensure that all instructions have been carried out properly. Should you discover an error, omission, exception, or if you fail to receive a confirmation following an anticipated or requested transaction, you must notify us in writing. If an error is immediately reported to us, we will correct the error, but neither we nor your FA can accept responsibility for market fluctuations or other related expenses incurred due to a non-reported error. In rare instances there can be a benefit to a trade error.

Compensation for Termination of Services

Other than any IRA termination fees (when applicable), and account transfer fees, we will not receive any additional compensation in connection with the termination of our services. If you have any questions, contact your FA.

Conflicts of Interest

This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship.

Conflicts Related to Compensation We Receive from Clients

When we provide you with a recommendation, we must 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. A conflict of interest occurs when we participate in a transaction where our interest might incline us to make a recommendation that benefits us and is not disinterested. Our regulatory obligations require that we create, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

We earn compensation when we provide brokerage services to you. Available products include mutual funds, ETFs, equities and fixed income securities, UITs and variable and fixed annuities. The compensation that we and our FAs receive from you varies based upon the type of securities or products your purchase. This can create a financial incentive to recommend investment products or services that generate greater compensation.

As discussed earlier we act as principal in fixed income transactions where you pay a mark-up on purchases or a mark-down on sales. There may be additional compensation for us when acting as principal.

Conflicts Related to Compensation We Receive from Third Parties

You will pay a commission or sales charge when you buy or sell securities. Our firm and your FA earn more when there is more trading in your account and may therefore have an incentive to encourage you to trade often. This includes when we act as agent or principal on the transaction.

For principal trades, we will add a markup or markdown fee on the transaction. We only conduct principal trading in fixed income securities. This is an additional source of compensation for us.

We strive to maintain a consistent and accurate level of quality in the processing of your transactions. Should you discover an error, omission, exception, or if your fail to receive a confirmation following an anticipated or requested transaction, you must notify us in writing. It is possible for us, on a limited basis, to profit from a trade error.

Conflicts Related to Compensation We Receive from Third Parties

The total amount of payments we receive from third parties varies from product to product and varies with respect to the third-party investment management products we recommend.

Conflicts Regarding the Types of Third-Party Compensation We Receive:

Compensation from product sponsors, including mutual funds and 12b-1 fees, are paid out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund's behalf. This type of ongoing compensation is received by us and shared with our FAs. The amount of this compensation varies from product to product. These fees range from 0.00 – 1.00%. This means we have financial incentive to offer certain investments or products.

Revenue Sharing: We receive a portion of the revenue that the clearing firm receives from certain product sponsors for investing client assets in their products including cash sweep products held in your brokerage account. This means we have an incentive to recommend certain investments to you.

Mutual Fund Share Classes: Some mutual funds offer multiple structures of the same product (e.g. mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. We are incentivized to make available those share classes or other product structures that will generate the highest compensation to us.

We work with some mutual fund sponsors who provide training and education meetings on an infrequent basis to our FAs. While rare, these meetings or events are held to educate FAs on product characteristics, as well as various other topics. These meetings may include meals, entertainment, or promotional items. Navy Federal Investment Services does not participate in sales contests or accept non-cash compensation for the sale of any products.

Conflict Related to Compensation Received by Financial Professional

FAs are licensed to provide brokerage services and are compensated based on a percentage of the transaction fees generated from the number of securities they buy and sell. FAs also have an incentive to provide brokerage recommendations to increase brokerage trading activity and to reduce the number of discounts available to you. As a result, FAs have an incentive to provide brokerage recommendations that result in selling more investment products.

Ongoing compensation from product sponsors is shared with our FAs, commonly known as trails, service fees, or Rule 12b-1 fees in the case of mutual funds. The amount of this compensation varies from product to product. This means your FA has an incentive to recommend certain products based on the compensation he or she will receive.

Some of our FAs are also licensed with our Investment Adviser division to provide investment advisory services and receive related compensation from that division. Please refer to our Form CRS previously provided to you for further information, or available at https://www.navyfederal.org/investment-services/disclosures.html.

Some of our FAs are also licensed with our insurance agency (Navy Federal Financial Group) to provide non-investment related insurance products and receive related compensation from insurance activities.

Other Financial Professional Conflicts of Interest

Our FAs may have conflicts of interest beyond those disclosed in this disclosure document. If applicable, your FA will disclose any additional material conflicts of interest not later than the time of a recommendation, and that disclosure will be made orally.

ADDRESSING CONFLICTS OF INTEREST AND CODE OF ETHICS

Navy Federal Investment Services, LLC ("NFIS") has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics ("The Code") includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at NFIS must acknowledge the terms of the Code of Ethics annually, or as amended.

NFIS anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which NFIS has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which NFIS, its affiliates and/or clients, directly or indirectly, have a position of interest. NFIS employees and persons associated with NFIS are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of NFIS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for NFIS clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of NFIS will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of NFIS clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between NFIS and its clients.

Navy Federal Investment Services' Code of Ethics is disseminated to all affiliated personnel. Activities by anyone, from senior management to clerical staff, violating this Code of Ethics will not be tolerated. Every aspect of our business will be conducted in a fair, lawful, and ethical manner. Sufficient internal controls have been implemented to ensure that all reasonable efforts are always taken to deter and detect any activities which do not meet the highest standards of ethical behavior.

Senior management is committed to working with Compliance and all registered individuals to ensure the existence and awareness of a strong and committed compliance culture. Our leadership will consistently be such that we will instill ethical behavior throughout the firm and make it known that anyone acting in a manner less than what is expected will be sanctioned or terminated.

Senior management's leadership style will be to lead by example, creating an environment encouraging honesty and fair play by all employees in the conduct of his or her duties.

Our customers will be offered only those pre-approved products/services which have been determined to be appropriate for their specific needs and which provide fair value.

It is our obligation to respect and protect the right to privacy of all our clients.

Confidential or proprietary information, obtained during an individual's association or employment with NFIS, is not to be used for personal gain or to be shared with others for personal benefit.

All efforts are to be made to avoid actual or apparent conflicts of interest. Such a conflict may exist even when no actual wrongdoing occurs; the opportunity to act improperly may be sufficient to give the appearance of a conflict.

Strict compliance with all laws and regulations governing the securities industry is paramount. Insider trading, front running, and rumor mongering are prohibited.

Senior management will continue to ensure that the procedures in place are acceptable in terms of making determinations regarding the qualifications, experience, and training of all individuals prior to assigning them any supervisory responsibilities.

Individual employees not adhering to this Code of Ethics, as well as all other policies and directives issued by Navy Federal Investment Services, during any activities undertaken on behalf of Navy Federal Investment Services be subject to sanctions and possible termination.

Except for very limited circumstances as described below, it is Navy Federal Investment Services policy that the firm will not affect principal or agency cross securities transactions for client accounts. Navy Federal Investment Services will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Navy Federal Investment Services may affect principal or agency cross transactions under the following circumstances:

Navy Federal Investment Services may act as principal in transactions between its managed client accounts and those of non-discretionary brokerage client accounts. The managed account client must receive better than best wholesale bid if selling and pay less than best wholesale offer if buying. Markup or markdown to managed client is not to exceed $50.00 regardless of size. Transaction price must be determined to be economically beneficial to both buyer and seller by Navy Federal Investment Services. Confirmations will indicate that Navy Federal Investment Services acted as principal by disclosing markup or markdown, if any, to managed clients.

Navy Federal Investment Services may affect agency cross transactions between managed accounts under the same restrictions as above, but with an agency transaction fee of no greater than $25.00 to both buyer and seller.

Brokerage Practices

Managed accounts are required to use Navy Federal Investment Services as broker/dealer and the Bank of New York Mellon/Pershing as custodian, and execution and clearing agent. Securities transactions are directed to Pershing through Osaic Institutions subject to a tri-party clearing agreement. Navy Federal Investment Services, Osaic Institutions, and Pershing may receive economic benefit from transaction charges.

Navy Federal Investment Services does not participate in any soft dollar arrangements.

Although Navy Federal Investment Services utilizes third party research and services, they are not a factor in determining transaction costs and/or management fees to clients. Navy Federal Investment Services does not direct brokerage in return for any products or services.

GENERAL DISCLOSURES

Navy Federal Investment Services, LLC only transacts business in states where it is properly registered, or excluded or exempted from registration requirements.

Follow-up and individualized responses to persons that involve either the effecting or attempting to effect transactions in securities, or the rendering of personalized investment advice for compensation, as the case may be, will not be made absent compliance with state investment advisor and investment advisor representative registration requirements, or an applicable exemption or exclusion.

Compensation

When acting as your Registered Investment Advisor, Navy Federal Investment Services is compensated by fees based on a percentage of assets under management. The fee includes investment advice, asset allocation, daily portfolio management, tax management, performance measurement and quarterly reports. Please call us for details.

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Navy Federal Investment Services does not participate in any soft dollar arrangements. Although NFIS utilizes third party research and services, they are not a factor in determining trading costs and/or management fees to clients.

Navy Federal Investment Services does not direct brokerage in return for any products or services.

Navy Federal Investment Services does not compensate any non-related persons for client referrals.

Navy Federal Investment Services does not participate in sales contests in connection with its investment advisory activities.

Navy Federal Investment Services does not accept any cash or non-cash compensation from issuers of securities or third-party vendors.

Orders

Orders for the purchase or sale of securities cannot be accepted via e-mail. Please telephone our offices.

Risk

All portfolios have a level of risk associated with economic and market changes. Securities are not FDIC insured, not bank guaranteed, and may lose money.

Navy Federal Investment Services Business Continuity Plan Disclosure

Navy Federal Investment Services has developed a Business Continuity Plan explaining how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us

If after a significant business disruption you cannot contact your Navy Federal Investment Services Representative as you usually do, you should call our alternative numbers 877-221-8108. If you cannot access us through either of those means, and you have a brokerage account carried by our clearing firm, Pershing, LLC, you should contact Pershing via its website http://www.pershing.com/customer_support.htm or via telephone at (201) 413-3635 for instructions on how it may provide prompt access to your funds and securities including accepting buy and sell orders and issuing checks and wires from your account. If you cannot access the instructions from the website or previously noted telephone numbers, Pershing may be contacted via facsimile transmittal at (201) 413-5368 or at (213) 624-6100 extension 500 as an alternate telephone number for recorded instructions.

If your account is held at a mutual fund or insurance company, you should contact the company directly for access to your securities.

If you are unsure whether your account is carried by Pershing or by a mutual fund or insurance company, check your account statement. Brokerage accounts held with Pershing will have the Navy Federal Investment Services logo in the upper left corner; accounts held with a mutual fund or insurance company will have that company's name and logo at the top of the statement.

Our Business Continuity Plan ("BCP")

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as soon as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses the following: data back up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternative physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our clearing firm, Pershing, LLC, backs up our important brokerage records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to restore its own operations and be able to complete existing brokerage transactions and accept new transactions and payments within four hours. Your orders and requests for funds and securities could be delayed during this period.

If your account is held at a mutual fund or insurance company, the company will have back up records of your account information. Each company's estimate of its recovery time is different; you should contact the company directly if you require further information.

Varying Disruptions

Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within 24 hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area and recover and resume business within 48 hours. If the business disruption is so severe that it prevents us from remaining in business, we will assure our customers prompt access to their funds and securities.

In light of the recent COVID-19 pandemic, NFIS has reviewed its Business Continuity Plans (BCPs) to ensure they are sufficiently flexible to address a wide range of possible effects in the event of a resurgence or new pandemic. In this regard, Navy Federal Investment Services has evaluated possible pandemic related effects as set forth in Notice 09-59, which reflects FINRA's survey of selected member firms with respect to preparedness for a global pandemic. Identified concerns by the survey participants as possibly arising from a pandemic included: absenteeism, telecommunications disruptions, and remote work arrangements. Additional concerns included commuting, provision of customer service, transportation, trade clearance and settlement, counterparty risks, market volatility, regulatory filings, power disruptions, and access to online accounts.

For More Information

If you have questions about our business continuity planning, please contact your Navy Federal Investment Services Representative.

Order Routing & Best Execution

Navy Federal Investment Services does not receive compensation for directing order flow. Our clearing firm, Pershing,LLC, selects certain market centers to provide execution of over-the-counter and exchange-listed securities transactions which agree to accept orders, transmitted electronically up to a specified size, and to execute them at or better than the national best bid or offer (NBBO). On certain larger orders, or if the designated market centers do not make a market in the subject security, Pershing directly contacts market centers to obtain an execution. The designated market centers to which orders are automatically routed are selected based on the consistent high quality of their executions in one or more market segments and their ability to provide opportunities for executions at prices superior to the NBBO.

Pershing regularly reviews reports for quality of execution purposes.

Pershing has provided the data concerning the routing of order flow on the order routing disclosure web site. Although Pershing has used commercially reasonable efforts to provide accurate data, the data is provided to you on an “as is” basis.

If you would like to read this information, visit the order routing disclosure site, www.orderroutingdisclosure.com under Osaic Institutions.

Extended Hours Trading Risk

You should consider the following points before engaging in extended hours trading. “Extended hours trading” means trading outside of “regular trading hours.” Regular trading hours” generally means the time between 9:30 a.m. and 4:00 p.m. (ET). Navy Federal Investment Services does not recommend participation in extended hours trading, except for unusual circumstances.

- Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Liquidity is important because with greater liquidity investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.
- Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. There may be greater volatility in extended hours trading than in regular trading hours.

- Risk of Changing Prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning.
- Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities.
- Risk of News Announcements. Important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may cause an exaggerated and unsustainable effect on the price of a security.
- Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity in extended hours trading may result in wider than normal spreads.

Anti-Money Laundering and The Patriot Act

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. Failure to disclose all information requested may result in a delay or denial in opening your new account. Please be advised that our request for information is required under federal law.

SIPC

Information regarding the Securities Investor Protection Corporation (SIPC) including a SIPC brochure, may be obtained by contacting SIPC via its website at www.sipc.org or by calling (202) 371-8300.

Privacy Policy

This Privacy Statement answers some questions about what nonpublic personal information we collect, what we do with it, and how we protect it. Our privacy policy can be found at https://www.navyfederal.org/policy/privacy.html

At the time of opening an account with Navy Federal Investment Services, we gather from you certain personal and financial information on your new account application. This information may be used to determine the suitability of certain investment securities and to verify identity as required by federal law under the U.S. Patriots Act of 2001. You may be assured, however, that no information will be released to any third party except as required by law.

When you apply for or maintain an account with us, we collect the following types of information:

- Information provided by you, such as your name, address, social security number, date of birth, employment information and financial information.
- Information about your transactions with us.

Navy Federal Investment Services discloses the nonpublic personal information about you described above, primarily to provide you with the financial services you seek from us. Our privacy policy continues to apply to you even if you are no longer a customer.

Navy Federal Investment Services does not disclose nonpublic personal information about you to any non-financial services company. Navy Federal Investment Services does not sell your personal information to any nonaffiliated companies for marketing purposes.

Navy Federal Investment Services discloses information to nonaffiliated companies that work for us in providing financial services to you. For example, we provide information to nonaffiliated companies that perform data processing services for us and companies that prepare and mail statements and proxy materials. These companies, acting on our behalf are required to keep your personal information confidential.

Additionally, Navy Federal Investment Services discloses nonpublic personal information to nonaffiliated third parties as required by law. These parties include government/regulatory organizations such as the Internal Revenue Service and the Securities and Exchange Commission. Disclosures for which you have provided your consent are also permitted.

We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information. Access to your nonpublic personal information is limited to those employees who need to know that information to provide products or services to you, such as customer services personnel.