

Credit Union Investment Services

Form ADV Part 2A

Investment Adviser Brochure as of January 2, 2024

801 Hillsborough Street, 3rd Floor

Raleigh, NC 27603

800-451-5467

www.ncsecu.org

Item 1: Cover Page

This brochure provides information about the qualifications and business practices of Credit Union Investment Services. If you have any questions about the contents of this brochure, please contact us at 800-451-5467. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Credit Union Investment Services is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

These material changes are only the material changes since the last annual update to CUIS's Investment Adviser Brochure on June 30, 2023.

Item 5: CUIS is increasing its annual asset-based fee with respect to cash and non-fixed income securities. The new fee schedule is shown in the chart below.

Product	Annual Fee	
Cash	0.25%	
Individual Fixed Income	0.25%	
All other Securities	0.50%	

Item 3: Table of Contents

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Description of Firm.....	4
Advisory Services Offered.....	4
Meeting Clients’ Needs.....	4
Item 5: Fees and Compensation.....	4
Asset-Based Fee.....	4
Refund Due to Termination	4
Transaction and other Custodian Fees	5
Mutual Fund and Exchange Traded Fund Expenses.....	5
12b-1 Fees.....	5
Additional Compensation	5
Item 6: Performance-Based Fees and Side-By-Side Management.....	5
Item 7: Types of Clients.....	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9: Disciplinary Information	6
Item 10: Other Financial Industry Activities and Affiliations.....	6
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...	7
Item 12: Brokerage Practices	8
Item 13: Review of Accounts	8
Item 14: Client Referrals and Other Compensation.....	8
Item 15: Custody.....	9
Item 16: Investment Discretion.....	9
Item 17: Voting Client Securities	9
Item 18: Financial Information	9
Item 19: Requirements for State-Registered Advisers.....	9
Stacey Waddell, CFP®	9
Rex Alan Spivey, CPA	9
Peter Boyette Simms, J.D., CFP®	10

Item 4: Advisory Business

Description of Firm

Credit Union Investment Services (“CUIS” or “We”), is an investment adviser registered with the State of North Carolina. CUIS acts as a fiduciary. By acting as a fiduciary, CUIS puts clients’ interests before its own. We have been in business since October of 2007. CUIS is a wholly-owned subsidiary of State Employees’ Credit Union (SECU), headquartered in Raleigh, North Carolina. CUIS owns SECU Brokerage Services (SBS), a broker-dealer, through whom securities are purchased and sold. As of June 30, 2023, CUIS held \$2,046,251,944 in non-discretionary client assets in our advisory program.

Advisory Services Offered

CUIS offers asset allocation, financial and retirement planning, and investment advice on a non-discretionary basis. Our investment advice is mostly limited to mutual funds and fixed income products, though we sometimes recommend holding or selling individual securities.

Meeting Clients’ Needs

We meet with clients to determine their goals and educate them about investing. Based on their investment and other goals, tolerance for the risk of loss, time until the investment will be needed, and financial circumstances, we make an investment recommendation. Clients may choose not to accept our recommendation and instead make their own investment choices.

If clients have investments at other financial institutions, upon request we will analyze their holdings to see if the asset mix is appropriate.

Upon request, we prepare a pre-retirement or post-retirement assessment or financial plan and discuss clients’ retirement or other

financial planning needs. As with the other advisory services provided by CUIS, a client retains full discretion with respect to whether to implement any financial and/or retirement planning recommendation made by CUIS.

Item 5: Fees and Compensation

Asset-Based Fee

CUIS is compensated by an annual asset-based fee. The fee is charged as shown below.

Product	Annual Fee
Cash	0.25%
Individual Fixed Income	0.25%
All other Securities	0.50%

The fee covers our services, including education on the securities markets, reviewing clients’ investment objectives, making recommendations, performance reporting, data aggregation, and annually reviewing clients’ asset allocations. This fee is non-negotiable. It is deducted quarterly in advance directly from a client’s accounts based on the value of the assets in client’s account on the last business day of the preceding calendar quarter. CUIS reserves the right to increase its asset-based fee following 30 days written notification.

CUIS allows clients to transfer assets from other firms to a CUIS advisory account and to purchase non-recommended investments. CUIS does not advise on these assets, but they are included in our annual asset allocation review. Our asset-based fee is charged on these assets.

Refund Due to Termination

Either CUIS or the client may terminate the Advisory Agreement for any reason upon one week’s advance written notice. Upon termination, the fees charged for advisory services will be pro-rated and a refund of any unearned fees will be issued. If the client cancels the Advisory Agreement within five days of signing, a full refund of advisory fees

will be issued. We will not reimburse for market losses.

Transaction and other Custodian Fees

For new accounts, CUIS pays the cost of the first purchase of a recommended mutual fund. CUIS also pays for automated periodic trades in mutual funds the client already owns. The client is responsible for all costs associated with other transactions. These transaction fees are passed on to the client from Pershing, LLC (“Pershing”), the clearing and custody broker-dealer for SBS, our introducing broker-dealer. Pershing also charges an IRA custodial fee, but this fee is paid by SBS. Clients are responsible for all other custodian fees, such as wire fees, returned checks, etc. See Item 12: Brokerage Practices, for more information. The cost for the most common transactions and services is included in Exhibit A of the Advisory Agreement.

Mutual Fund and Exchange Traded Fund Expenses

Mutual funds and exchange traded funds (ETFs) have their own fees and expenses that are charged to investors. These fees are in addition to the asset-based fee paid by clients to CUIS. A description of these fees and expenses is available in each fund’s prospectus.

A client could invest in a mutual fund or ETF directly, without the services of CUIS. In that case, the client would not receive all the services provided by CUIS which are designed, among other things, to assist the client in determining which funds are most appropriate based on the client’s financial condition and objectives. Accordingly, the client should review both the fees charged by the mutual funds or ETFs and the fees charged by CUIS to fully understand the total amount of fees to be paid by the client and to thereby evaluate the reasonableness of the fees in light of the advisory services being provided.

12b-1 Fees

None of the funds CUIS recommends charge 12b-1 fees or provide revenue sharing payments. Some clients transfer funds that do have 12b-1 fees from other institutions. When a share class without these fees is available, we may request clients’ permission to exchange their shares for shares of that class. When clients purchase non-recommended mutual funds on a self-directed basis, we encourage them to purchase the fund class that has no 12b-1 fees, if available. Any 12b-1 fees received are rebated to the client’s cash account.

Retirement and Financial Planning

CUIS provides clients with retirement and financial planning services at no additional cost. This does not include any fees, costs or expenses that a client may incur or be charged in connection with implementing any financial plan, if a client chooses to do so.

Additional Compensation

The CUIS investment adviser representatives are paid a salary by SECU, the parent of CUIS. They do not receive commissions or any portion of the asset-based fee. Thus, they do not have an incentive to offer investment products based on commission related compensation.

Item 6: Performance-Based Fees and Side-By-Side Management

No supervised person of Credit Union Investment Services accepts performance-based fees.

Item 7: Types of Clients

CUIS clients must be residents of North Carolina to open and maintain an account. Most CUIS accounts are individuals; however, CUIS has a small number of trust clients.

In order to open an investment account with CUIS, the potential client must generally initially invest \$3,500 in the account.

CUIS also requires, with respect to certain securities purchases that clients initially invest more than \$3,500 in an account. Some products have higher minimums, such as fixed income and certain mutual funds. After a client opens an IRA, CUIS requires that a \$200 minimum balance be maintained. CUIS does not require a minimum balance for taxable accounts.

In some instances, minimum account sizes may be negotiated or waived. Additionally, clients who opened accounts prior to June 1, 2022, are generally subject to lower investment minimums, which were in effect when those accounts were opened.

CUIS further requires that all clients agree to accept electronic delivery of documents.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

CUIS believes that investing should be a long-term strategy; therefore, we recommend a holding period of at least five years for most investments. From time to time, CUIS may recommend short-term strategies for specific investors, such as U.S. Treasuries or Brokered CDs. Past performance is not a guarantee of future returns. Investing in mutual funds or other securities or investments involve a risk of loss.

Generally, we implement this strategy by recommending no-load, low-cost, well-diversified mutual funds. Almost all the funds CUIS recommends are index-based. An index-based approach allows funds to keep the cost of doing business low.

We also recommend diversifying among asset classes and countries. While diversification can lower risk, it does not guarantee against loss. By investing in mutual funds, a client's account may lose value. Specific risks are outlined in the prospectuses of the mutual funds we recommend.

CUIS does not participate in initial public offerings on behalf of its clients.

CUIS develops financial plans for clients based on information provided by such client regarding their investments and financial goals, and CUIS is dependent upon the accuracy of such information provided by the client in developing a financial plan for such client. There is no guarantee that any financial planning or other client will meet their financial or retirement goals.

CUIS uses goals-based planning software to create illustrations that depict future values, income, expenses, or other estimated figures that are hypothetical to serve as estimates based on information provided by the client and assumptions that CUIS has determined are reasonable in its discretion.

Item 9: Disciplinary Information

Credit Union Investment Services and its management have not been involved in legal or disciplinary events.

Item 10: Other Financial Industry Activities and Affiliations

All active CUIS investment representatives are also licensed with SECU Brokerage Services. SBS is a FINRA-registered broker-dealer whose primary purpose is to introduce CUIS accounts to Pershing. SBS is wholly owned by CUIS and is licensed to offer mutual funds, municipal bonds, corporate bonds, government bonds, Brokered CDs and equities. Clients pay most transaction costs

and other fees charged by Pershing, our clearing and custody broker-dealer.

State Employees' Credit Union (SECU), CUIS's parent company, is a North Carolina chartered credit union. SECU offers financial services including checking accounts, savings accounts and loans to its members.

SECU owns a subsidiary life insurance company, SECU Life Insurance Company. CUIS investment representatives may sell insurance products as licensed insurance agents to CUIS clients. Clients are not obligated to purchase insurance through CUIS investment representatives or agents of SECU. SECU receives commissions on insurance sales. SECU insurance agents are paid by salary, not commissions, so they have no direct financial incentive to recommend insurance products.

SECU is the parent company and sole owner of SECU*RE property management company. SECU*RE provides property management services. SECU*RE, as a real estate firm, has licensed real estate agents on staff who sell properties from the portfolio. CUIS investment representatives may assist SECU*RE in renting and/or selling properties. CUIS clients are not obligated to rent or purchase property through a SECU*RE employee. SECU*RE receives rent from properties currently owned, and would receive commissions if listed as the agent for property transactions. SECU*RE employees and CUIS investment representatives are paid by salary, not commissions, so they have no direct financial incentive to recommend rental or purchase of SECU*RE properties.

CUIS does not recommend or select other investment advisers for clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CUIS maintains a Code of Ethics that sets forth standards of conduct expected of advisory personnel and addresses conflicts that arise from personal trading by advisory personnel. Among other things, the Code of Ethics requires our supervised persons to report their personal securities transactions.

CUIS employees may buy and sell the same securities that are recommended to clients. If the possibility of a conflict of interest occurs, the client's interest will prevail. Priority will always be given to the client's orders over orders of an employee of CUIS.

CUIS has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) An officer or employee of CUIS shall not buy or sell securities for their personal portfolio(s) where the decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. CUIS and its employees shall put the interest of clients ahead of their own.
- 2) CUIS receives statements and confirmations for all securities holdings for itself and anyone associated with this advisory practice.

For a copy of CUIS's Code of Ethics, please write to the address listed on the front page of this document or call 1-800-451-5467.

Financial planning recommendations pose a conflict of interest. CUIS has an incentive to recommend that a client engage it or one of its affiliates to implement a financial plan. Clients are not obligated to implement any

recommendations made by CUIS or engage CUIS or any of its affiliates to provide any on-going services with respect to or implementation of any part of a financial plan.

Item 12: Brokerage Practices

CUIS's affiliate SBS introduces client accounts to Pershing to maintain custody of their assets and to effect trades for their accounts. CUIS requires clients to use the brokerage services of SBS and Pershing. Some investment advisers allow clients to choose their own broker-dealers. CUIS is not affiliated with Pershing.

Pershing provides SBS with access to its trading and operations services. SBS makes these services available to CUIS and its representatives. Pershing also makes available to SBS other products and services that assist with managing and administering clients' accounts. These products and services include software and other technology that do the following:

- Provide access to client account data, including trade confirmations and account statements
- Facilitate trade execution
- Provide pricing information and other market data
- Facilitate payment of the asset-based fees from clients' accounts
- Assist with back-office support, recordkeeping and client reporting

Many of these services will benefit all or a substantial number of our accounts. The availability of the foregoing products and services is not dependent upon committing to Pershing any specific amount of business (assets in custody or trading).

CUIS does not receive soft dollar research or other benefits, other than those noted above.

CUIS does not currently aggregate trades for clients. We absorb the initial trade fee for recommended mutual funds and the fee for systematic mutual fund purchases.

Envestnet provides CUIS with account billing support and access to performance reporting and account aggregation software.

Item 13: Review of Accounts

CUIS reviews client accounts on an annual basis. In this annual review, CUIS also includes non-advised assets held at the firm. These reviews are conducted to determine if account holdings are aligned with the client's investment objectives and financial circumstances. Clients can request that their account be reviewed on a more frequent basis.

Accounts are also reviewed to ensure that clients are in the correct share class. This review occurs primarily when assets are transferred into the account. Mutual funds are reviewed to ensure that clients are in no-load share classes without 12b-1 fees, when available, and in share classes with lower expense ratios when fund minimums are met.

Pershing provides clients with quarterly statements which include account beginning and ending values, asset allocation and estimated yield. Most CUIS clients have agreed to electronic delivery of account documents, though some receive paper documents by mail. The financial planning services provided by CUIS do not include any on-going or periodic review of any financial plan provided by CUIS.

Item 14: Client Referrals and Other Compensation

CUIS does not offer rewards or any other compensation for client referrals.

Item 15: Custody

CUIS does not have custody of client assets; however, Envestnet bills Pershing on behalf of CUIS and Pershing deducts the asset-based fee from client accounts. Clients will receive a statement that shows the fee and the corresponding asset amount. CUIS tests a random sample of accounts to ensure that asset-based fees are calculated correctly. Pershing sends statements to each client at least quarterly. Clients should carefully review these statements. CUIS does not send account statements.

CUIS will also accept standing letters of authorization to send funds to third parties. Pershing will send an initial confirmation of the standing letter of authorization and an annual reminder. This standing letter can be revoked at any time by the account owner.

Item 16: Investment Discretion

CUIS does not have discretion over client accounts.

Item 17: Voting Client Securities

CUIS does not vote client securities. Clients receive their proxies or other solicitations directly from Pershing. CUIS does not give advice or recommendations regarding proxies or other solicitations.

Item 18: Financial Information

CUIS is exempt from providing financial information since it collects fees three months rather than six months in advance.

Item 19: Requirements for State-Registered Advisers

Below is information about the principal executive officers of CUIS.

Stacey Waddell, CFP®

Year of Birth: 1980

Formal Education after High School:

- University of North Carolina at Asheville, 2002 – Bachelor of Science

Business Background for the Preceding Five Years:

- September 2020 to Present
Credit Union Investment Services, Inc. – President/Chief Executive Officer
- September 2020 to Present
SECU Brokerage Services – President/Chief Executive Officer
- September 2023 to Present
State Employees' Credit Union—
Deputy Chief Operations Officer
- September 2020 to Present
SECU Life Insurance Company –
President/Chief Executive Officer
- September 2020 to September 2023
State Employees' Credit Union—
Associate EVP of Financial Advisory Services
- October 2012 to September 2020
SECU Life Insurance Company –
Secretary/Chief Operating Officer
- July 2013 to September 2020
State Employees' Credit Union –
Senior Vice President, Member
Insurance Services

Rex Alan Spivey, CPA

Year of Birth: 1961

Formal Education after High School:

- University of North Carolina – Chapel Hill, 1983 – B.S. in Business Administration with concentration in Accounting

Business Background for the Preceding Five Years:

- September 2016 to Present
SECU Life – Chief Financial Officer
- September 2016 to Present
Credit Union Investment Services—
Chief Financial Officer

- September 2016 to Present
SECU*RE – Chief Financial Officer
- September 2016 to Present
State Employees’ Credit Union –
Chief Financial Officer
- October 2008 to September 2016 State
Employees’ Credit Union – Senior
Vice President,
Management Reporting

Peter Boyette Simms, J.D., CFP®

Year of Birth: 1990

Formal Education after High School:

- University of North Carolina – Chapel
Hill, 2013 – B.A. in Public Policy and
Political Science

Business Background for the Preceding Five
Years:

- August 2023 to Present
Credit Union Investment Services,
Inc. – Chief Compliance Officer
- August 2023 to Present
SECU Brokerage Services – Chief
Compliance Officer
- October 2023 to Present
State Employees’ Credit Union –
Senior Vice President, Financial
Advisory Services Compliance
- November 2023 to Present
SECU Life – Chief Compliance
Officer
- February 2023 to October 2023
State Employees’ Credit Union – Vice
President, Investment Compliance
- June 2018 to February 2023
State Employees’ Credit Union –Vice
President, Trust Company Compliance
- April 2017 to June 2018
State Employees’ Credit Union –
Manager,
Trust Company Compliance

its principal executive officers also serve as executive officers for SECU and SECU Brokerage Services (SBS), affiliates of CUIS. Stacey Waddell, President/CEO, and Rex Spivey, Chief Financial Officer, will dedicate up to 5% of their time to the investment program. The remainder of their time will be dedicated to SECU activities. Peter Simms, Chief Compliance Officer, will dedicate approximately 90% of his time to the activities of the investment program. The remainder of his time will be dedicated to SECU activities.

CUIS does not engage in any business other than providing investment advice. However,