

Client Relationship Summary Somerset Securities, Inc.

Somerset Securities, Inc. is registered with the Securities and Exchange Commission and FINRA as a broker-dealer and is a member of SIPC. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences.

This document is a summary of the services and fees we offer to retail investors which are natural persons who seek or receive securities services primarily for personal, family, or household purposes. Additionally, 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 and brokercheck.finra.org which provides pertinent facts including disciplinary history about member firms and individual registered representatives.

What investment services and advice can you provide me?

We offer Mutual Funds, Variable Annuities, Private Placements and proprietary products to retail investors. There may be a minimum investment for these offerings. Please refer to the prospectus or offering document for important information about the investment options, death benefits and other features. If we make a recommendation to any of these products and you open an investment account with our firm, as part of our standard service we will monitor your investments on a regular basis.

Key Questions to Ask Your Financial Professional

- ✓ **Given my financial situation, should I choose a brokerage service? Why or Why Not?**
- ✓ **How will you choose investments to recommend to me?**
- ✓ **What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

What fees will I pay?

For variable annuities, commissions are paid when investors remit initial and ongoing premiums to the carrier. These fees are outlined in the prospectus. Mutual fund fees generally consist of annual fund operation expenses (ongoing fees toward the cost of paying managers, accountants, legal fees and marketing fees) and shareholder fees (sales commissions and other one-time costs when you buy or sell mutual fund shares). These fees are outlined in the prospectus. As an investor in a Private Placement, you are subject to the commissions, reimbursements and management costs of any offering. All of these fees are outlined within the offering memorandum. As a retail investor, you are charged fees on a per transaction basis and therefore the firm may have an incentive to encourage an investor to participate in transactions.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Key Questions to Ask Your Financial Professional

- ✓ **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means.

- *Proprietary Products:* We serve as the general partner or are affiliated with one or more private funds (private pooled investment vehicles) in which you may be solicited to invest.
- *Third-Party Payments:* Our financial professionals will earn compensation in their separate capacities as registered representatives, or as insurance agents in connection with investment recommendations made to you.
- *Revenue Sharing:* We have revenue sharing arrangements with our firm affiliate, Somerset Wealth Strategies, LLC.
- Different carriers and products have different commission schedules. Therefore, commissions on similar products may be higher with one carrier and/ or product than others. The variance in commission levels paid on similar products may give rise to a possible conflict of interest. This practice presents a conflict of interest because registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.
- Our brokerage services cover a limited selection of investments. Other firms could provide a wider range of choices, some of which may have lower costs.

Key Question to Ask Your Financial Professional

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

How do our financial professionals make money?

The financial professional servicing your account(s) are compensated based on commissions.

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

Yes. 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 and brokercheck.finra.org which provides pertinent facts including disciplinary history about member firms and individual registered representatives.

Key Questions to Ask Your Financial Professional

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

You can find additional information about our brokerage services and request a copy of the relationship summary at (800) 813-4000.

Key Questions to Ask Your Financial Professional

- ✓ **Who is my primary contact person?**
- ✓ **Is he or she a representative of an investment adviser or a broker-dealer?**
- ✓ **Who can I talk to if I have concerns about how this person is treating me?**