



Wealth Management

Comerica Securities, Inc., member FINRA/SIPC

Client Relationship Summary - June 30, 2020

This document contains important information regarding Comerica Securities, Inc. Its provision is required by federal law. We strongly encourage you to take the time to read this important information.

Comerica Securities, Inc. (“CS”, “we” or “us”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer and an investment adviser. You should be aware that brokerage and investment advisory services and fees differ, and it is important to understand the differences. The SEC offers free and simple tools to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

The shaded boxes contain questions the SEC suggests you consider asking your financial professional.

What investment services and advice can you provide me?

We offer brokerage and investment advisory (“advisory”) services to retail investors (“you”). CS and its Financial Consultants (“FCs”) will work with you to determine which services are in your best interest based on your investment needs and individual circumstances. We can act as a broker-dealer, as an investment adviser or both, depending on the investment services you choose.

Brokerage Services: Our brokerage services consist of buying and selling securities, including equities, mutual funds, exchange-traded funds (“ETFs”), unit investment trusts (“UITs”), bonds, options, and variable annuities; services also include the sale of insurance products and brokered certificates of deposit; we are involved in networking with Comerica Bank and Comerica Insurance Services, Inc.

We offer full-service accounts in which we can provide investment recommendations to you based on your investment profile, which can include your investment objectives, risk tolerance, and financial situation, as well as self-directed (“execution-only”) discount services, and online services where you can enter self-directed transactions. We also offer wealth planning services utilizing software to design an investment strategy to help you reach your stated investment goals. This is not a financial planning service and is offered at no cost to you. We do not offer investment monitoring as part of our brokerage services. Certain investments, including mutual funds, ETFs, structured products, insurance and annuities are limited to those that meet our due diligence requirements. Our UIT offerings are limited to an individual sponsor. We do not have a minimum account size or investment amount to establish or maintain a brokerage relationship. Certain investments, such as mutual funds, UITs and annuities, have minimum investments that are set by the product provider.

Advisory Services: Our advisory services consist of a wrap fee program (“wrap program”) that offers asset allocation model construction, asset allocation strategies, asset selection and ongoing investment management in an investment account. The specific advisory services and investments recommended are based on your investment profile, including factors such as investment objectives, financial situation, and your responses to a risk tolerance questionnaire. Portfolios are generally limited to investments in one or more of the following asset types: equities, mutual funds, ETFs, exchange-traded notes, and bonds.

As part of our standard services, portfolios are monitored on an ongoing basis by us, your assigned FC(s), and, if applicable, a third-party strategist, sub-adviser, and/or our advisory platform manager; how portfolios are monitored, including the frequency, will vary depending on the program, investments and rebalance schedule chosen by you. You will be contacted by your FC no less than annually to review your account, its performance and its continued alignment with your overall investment profile.

Our advisory services are provided on a discretionary basis. Depending on the program and investments you choose, you will grant one (or more parties) the authority to buy or sell investments in accordance with your risk tolerance and chosen investment strategy at any time and without speaking with you. The granting of discretion occurs when an investment agreement is signed and remains in force for the life of the relationship. We do not permit FCs to hold or provide advice regarding the purchase or sale of Comerica, Inc. common stock or certain derivative-based investments in portfolios they manage.

Our minimum investment requirements range from \$25,000 to \$50,000 based on the program you choose. The use of sub-advisers, and the percentage allocated to them in a portfolio, can result in a substantially higher investment requirement. **More detailed information about our products and services is available in our [Form ADV, Part 2A Brochure \(Items 4. and 7. of Part 2A or Items 4.A. and 5. of Part 2A Appendix 1](#) and our [Regulation Best Interest \(“Reg BI”\) Disclosure](#) (our website is listed below).**

Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?

Brokerage Services: In a brokerage account, you will pay us a transaction-based fee each time you buy or sell an investment. This fee is commonly referred to as a “commission,” but also takes the form of a mark-up/down, sales charge, or other transaction fee (depending on the investments you buy or sell). Our equity/ETF commission schedule has two rate tiers: standard and self-directed. Standard rates are higher than self-directed rates. For brokerage accounts assigned to an FC, the standard commission rates apply even when a trade is self-directed. Options and online trading commission schedules are also available. Most transactions are subject to minimum commissions. In a commission-based account, the more transactions that occur the more fees we receive. The nature of how we are compensated in a brokerage account can incentivize the encouragement of increased trading activity.

Advisory Services: Our advisory services are offered as part of a wrap program. In our wrap program, you pay a fee that is based on the market value of the assets (securities and cash) held in your account (*i.e.*, asset-based fee). The fees and fee schedule applicable to an account depends on the services and investments you choose. Changes in your portfolio holdings and/or allocation can impact the billing rate (%). Our fee schedules are “tiered,” which means as the value of an account’s assets reaches a new threshold (or tier), the assets above that threshold are charged successively lower percentages. Fees are negotiable, and discounts can be offered based on, for example, your household relationship with us and the amount of your total assets under management. Fees are billed monthly in advance.

In a wrap program, the asset-based fee includes most transaction costs and fees to a broker-dealer that executes trades and/or holds your assets (called “custody”), and as a result wrap fees are typically higher than non-wrap advisory fees (In non-wrap programs, commissions are typically charged on a trade-by-trade basis in addition to an advisory fee.) The more securities and cash held in an advisory account, the more you will pay in fees. The nature of how we are compensated in an advisory account can incentivize the encouragement to maintain and/or increase the assets held in your account(s).

Brokerage and Advisory: Certain products, such as mutual funds, ETFs, UITs, variable annuities (*etc.*), assess internal charges, such as operating expenses, management fees, redemption fees, 12b-1 fees (which are typically paid out to firms as “distribution fees”) and other fees and expenses. Brokerage and advisory accounts are also subject to other costs, including, for example, fees charged by our clearing firm for federal funds transfers, account transfers, reorganizations, inactivity/maintenance, and duplicate and paper account documents. For advisory clients who choose certain sub-advisers, your transactions can also include mark-up/downs, or other costs relating to purchase or sale of securities by a third-party. 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.

More detailed information about our fees and costs is available in the [Comerica Securities Fee Schedule](#), our [Form ADV, Part 2A \(Items 5. A.- D.\)](#) and [Reg BI Disclosure](#).

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 as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, 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 and investment advice, we provide you. Here are some examples to help you understand what this means:

- We are a subsidiary of Comerica Bank and act as an agent for certain deposit products and money market funds they offer. If you choose to invest in these funds, Comerica Bank receives a fee from the fund companies for these services. We are paid a portion of the fee for the services we provide. We have also entered into referral relationships with Comerica Bank, which can result in additional compensation to both CS and Comerica Bank;
- We receive sales concessions and 12b-1 fees (or other trailing compensation) from certain third-party product providers, for example, in connection with the sale of mutual funds and annuities;
- Certain third-party product providers have agreed to pay us additional cash compensation in the form of a flat fee, based on a percentage of sales, or an asset-based payment for the purposes of training and marketing support. Certain of these payments represent a share of the revenue earned by the product provider. In addition, our clearing and custodial firm provides us with reduced ticket charges when you buy or sell certain mutual funds and pays us a quarterly business credit subject to maintaining a minimum client asset value on its platform; and
- As a broker-dealer, when acting in a principal capacity, we buy fixed income securities from you, and/or sell them to you. When we do this, the trades are subject to a markup or a markdown in price. The difference between our cost or payment to us and the cost or our payment to you is our compensation.

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

More detailed information regarding conflicts and how we manage them is available in our [Form ADV, Part 2A \(Items 5., 10., 12. and 14.\), Part 2A Appendix 1 \(Items 4., 6., and 9.\)](#) and our [Reg BI Disclosure](#).

How do your financial professionals make money?

Your FC(s) will be paid based on the brokerage commissions and/or advisory fees charged to you; this includes trailing commissions, fees and non-cash compensation received in the form of training events and marketing support paid by certain product providers. FC compensation varies based on the percentage payout for each product type and on the FC's overall net sales. As an FC's sales production increases, the percentage payout increases at set intervals (*i.e.*, a payment grid). Payout is retroactive, so increases in grid level result in increased payout percentages of previously paid commissions (to the new grid level). For certain advisory programs, due to the additional time and responsibilities the FC undertakes to deliver the advisory services, the FC receives additional asset-based compensation. The nature of how FCs are compensated, including how payouts are calculated, can incentivize, for example, one product type or account recommendation over another. A small number of call-center representatives who provide advice are paid on a salary plus non-sales-based bonus.

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

Yes. CS and certain CS Financial Consultants have historical events for which public disclosure is required. This information allows you to make informed decisions regarding the firms and financial professionals with whom you choose to work. You are encouraged to visit www.investor.gov/crs for a free and simple search tool to research CS and our Financial Consultants.

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

For additional information regarding our brokerage or investment advisory services, including a downloadable copy of our Client Relationship Summary, Form ADV Part 2A, Part 2A Appendix 1 and other materials referenced in this document, you are encouraged to visit comerica.com/csresources. You can also request free copies of any of these other materials by calling 800-232-6983 or by contacting your FC directly.

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?

We hope that you have found this summary helpful, but we encourage you to ask any questions or discuss any matters with your FC that are important to you.

Securities products and services are offered through Comerica Securities, Inc., which is a broker/dealer, federally Registered Investment Advisor, member FINRA/SIPC and subsidiary of Comerica Bank. Insurance and annuity products are offered through subsidiaries of Comerica Bank, including Comerica Insurance Services, Inc. and its affiliated insurance agencies. Securities and insurance products are not insured by the FDIC or any government agency; are not deposits or other obligations of, or guaranteed by Comerica Bank or any of its affiliates; and are subject to investment risks, including possible loss of the principal invested. Comerica Securities, Inc. and its affiliates do not provide tax advice. Please consult a tax advisor regarding any tax issues.