

FSB Premier Wealth Management, Inc.

Brokerage Disclosure of Compensation, Costs, and Conflicts *What You Need to Know Before You Invest with Us*

[Visit us at www.fsbfs.com](http://www.fsbfs.com)

The purpose of this disclosure is to make you aware of FSB Premier Wealth Management, Inc.'s ("FSB Premier") broker-dealer practices, compensation programs, and related conflicts of interest. There is no such thing as a conflict-free relationship involving payment for transactions or advice. However, FSB Premier and the financial services industry are committed to identifying, reducing, disclosing, monitoring, and eliminating conflicts of interest to the extent possible. This disclosure should be read along with our Relationship Summary available on our website at www.fsbfs.com. The Relationship Summary is a valuable tool designed to assist you in selecting the type of investment account that is right for you. You can find additional information about our firm and our broker-dealer professionals on FINRA's website, available at <http://brokercheck.finra.org>. Free and simple tools, for you to research firms and financial professionals, are available to you at Investor.gov/CRS, where you may also find educational materials about broker-dealers, investment advisers, and investing.

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What We Do

FSB Premier is registered as a Broker-Dealer with the U.S. Securities and Exchange Commission ("SEC"), Iowa, Illinois, Minnesota, Nebraska and Wisconsin, and is a member of the Financial Industry Regulatory Authority ("FINRA"). We are also registered with the SEC as an investment adviser. In addition to Broker-Dealer and investment advisory products, we offer insurance products in all 50 states. The securities products offered by the Broker-Dealer are limited to mutual funds and variable annuities sold on a subscription-way basis, directly with the issuer.

FSB Premier does not have discretionary authority over customer brokerage accounts. This means your broker will recommend securities for your consideration and accept orders that that you direct us to place. We do not have the authority to place trades on your behalf without your consent. *You make the ultimate decision regarding the purchase or sale of investments.*

We act as your agent ("Broker") when placing transactions on your behalf. We do not act as a principal ("Dealer") with regard to your transactions. This means that we do not purchase securities from you to hold in our own inventory account, nor do we sell securities to you from our own inventory account.

Our Team of Financial Professionals

FSB Premier's Financial Professionals may provide you with Broker-Dealer services, investment advisory services, or both, depending on the licenses they hold. Those Financial Professionals licensed to conduct Broker-Dealer services are known as "Brokers," and those licensed to conduct investment advisory services are known as "Advisers." The remaining disclosures focus on the activities of our firm and our Financial Professionals when they act in the capacity as your Broker. If you would like information about our firm and Financial Professionals when they act in the capacity as an Adviser, please refer to our Form ADV Parts [2A](#) and [2B](#), available on our website at www.fsbfs.com.

- ☛ ***You should ask your Financial Professional what capacity they will be acting when servicing your investment needs.***
- 🕒 You can review our firm and your Broker's background using FINRA's BrokerCheck, available at <http://brokercheck.finra.org>.

Broker-Dealer Products

Mutual Funds

FSB Premier has entered into selling arrangements with three mutual fund companies in order to offer you a variety of funds designed to meet your investment objectives and fit within your budget. We will not sell mutual funds unless we have entered into a selling agreement with the mutual fund company. When you purchase or sell shares of a mutual fund, you will pay FSB Premier a fee, referred to as a sales load or sales charge. FSB Premier shares these sales loads with your Broker. Depending on the share class selected, the sales load may be charged at the time of purchase (front-end load) or at the time sale

(back-end load). Front-end sales loads will reduce the amount available for you to invest. Back-end sales loads will decrease the proceeds you receive from the sale. The amount of the sales load is based on the share class selected and the amount of the investment. The maximum sales charge permitted is 8.5%, but you will typically pay a maximum of 5.75%. Sales charge percentages vary among the mutual fund companies.

In addition to the sales charges described above, FSB Premier will receive ongoing, third-party payments from a majority of mutual fund sponsors in connection with investments that our customers make in their funds. These third-party payments are referred to as “12b-1 fees” and will continue for the life of your investment. 12b-1 fees are paid from the assets of the mutual fund and are based on the share class selected and the amount of your investment. These fees vary among mutual fund companies but typically range between, 0% and 1% of assets annually. FSB Premier shares a portion of the 12b-1 fees with your Broker.

This compensation structure creates an incentive for us to sell mutual funds that pay 12b-1 fees, and those funds with higher sales charges; even though there may be other funds with similar attributes and investor benefits that do not pay these fees. It also creates an incentive for us to recommend that you increase your investment amount and trade more often because the more you invest and the more often you trade, the more we receive in sales charges and 12b-1 fees.

FSB Premier also receives compensation in connection with the sale and distribution of mutual funds that is referred to as non-cash compensation. Non-cash compensation includes, but is not limited to: merchandise, gifts and prizes that do not exceed \$100 per person, per year; an occasional meal, ticket to a sporting event or the theater or comparable entertainment; and travel expenses, meals, and lodging in connection with training and educational events that we attend or sponsor. Securities rules prohibit FSB Premier from accepting non-cash compensation that is preconditioned on the achievement of a sales target. While your Broker may receive nominal benefit from non-cash compensation, there is an incentive to recommend products of issues who have provided such non-cash compensation.

FSB Premier offers various share classes of mutual funds. Certain mutual fund share classes charge an upfront sales charge and an ongoing trail. These are often referred to as Class A shares. Other share classes, called Class C shares, do not have an upfront sales charge. Instead, Class C shares charge a contingent deferred sales charge if the investor redeems the shares within a certain period of time after purchase. Depending on the length of the holding period for the fund, and other factors, one share class may be less expensive to the investor than another, and FSB Premier and your Financial Professional may earn more or less in compensation for investments in one share class than another. Generally, mutual funds are considered to be long-term investments. Frequent purchases and sales of mutual funds can result in significant sales charges unless the transactions are limited to exchanges among mutual funds offered by a sponsor that permits exchanges without additional sales charges. While we have established policies and procedures that are designed to detect and prevent excessive mutual fund switching, we encourage you to monitor your account and discuss any frequent mutual fund purchases and sales.

☛ ***Always consult the mutual fund prospectus before purchase. You should ask your Broker about breakpoints available to you or if your investment in mutual funds may be better served through an investment advisory account. You should also ask your Broker any questions you have about compensation, costs, and the resulting conflicts of interest.***

■ You can access mutual fund cost calculators and comparison tools through https://tools.finra.org/fund_analyzer/


Variable Annuities


Similar to mutual funds, FSB Premier receives a sales charge when you purchase an annuity contract. The sales charge will reduce the value of your account and the return on your investment. The sales charge on an annuity is typically 1% but will vary depending on the annuity provider, share class of the investments selected, the life of the annuity and the type of annuity purchased.

In addition to the sales charges described above, FSB Premier will receive ongoing, third-party payments from a majority of annuity companies in connection with investments that our customers make in their annuity contracts. These third-party payments are referred to as “trailers” and typically continue for the life of your investment. The trails vary by issuer and depend on the type of annuity purchased but typically range from 0% to 2%. FSB Premier shares a portion of the trailers with your Broker.

This compensation structure creates an incentive for us to recommend an annuity company or share class that pays trailers and those annuities with higher sales charges or that participate in revenue sharing programs; even though there may be other annuity products with similar attributes and investor benefits that do not pay trailers or pay lower sales charges. It also creates an incentive for us to recommend that you increase your investment amount and because the more you invest, the more we receive in sales charges and trailers.

FSB Premier also receives compensation in connection with the sale of variable annuity contracts that is referred to as non-cash compensation. Non-cash compensation includes, but is not limited to: merchandise, gifts and prizes that do not exceed \$100 per person, per year; an occasional meal, ticket to a sporting event or the theater or comparable entertainment; and travel expenses, meals, and lodging in connection with training and educational events that we attend or sponsor. Securities rules prohibit FSB Premier from accepting non-cash compensation that is preconditioned on the achievement of a sales target.

 ***You should ask your Broker about the annuity contract's surrender period and the charges that apply if you surrender early and the surrender period. What is the free-look phase?***

 The SEC published a guide for investors when purchasing variable annuities. You can access this guide at <https://www.sec.gov/investor/pubs/sec-guide-to-variable-annuities.pdf>

Investment Strategies

Life Insurance Products

Some investment strategies may include the purchase of non-securities related insurance products, such as life insurance and fixed annuities. FSB Premier and your Broker receive compensation from the issuers of these insurance products that includes commissions, trails, and sometimes payments for administration services, marketing, training and education, (conferences). Commissions vary depending on the issuer, coverage, and the amount of premium; and typically range from 5% to 95% of the first year premium or target premium. FSB Premier also receives trailers that typically range between 0% to 4% of any subsequent premiums paid by the investor. FSB Premier shares a portion of commissions and trailers with its Brokers. FSB Premier has entered into selling agreements with issuers whereby it is entitled to additional compensation if our sales of the issuers' products exceed stated thresholds.

This compensation structure creates an incentive for us to recommend the purchase of higher premiums or recommend insurance products that pay additional compensation for exceeding stated thresholds, when there are other insurance products that offer the investor similar benefits at lower prices but do not pay us additional compensation.

There are some issuers that pay retention bonuses based on the amount of customer assets a Broker has placed in the issuer's products. These are referred to as "retention bonuses." FSB Premier does not participate in these bonus programs. However, we may make an exception and permit receipt of a single payment in the case where a Broker, who participated in such a bonus program with his/her former employer, has recently joined FSB Premier. Any retention bonus accepted is shared between FSB Premier and the Broker.

Additional Product Costs

Generally, each investment product offered by FSB Premier charges fees and costs that are separate from and in addition to the commissions and fees that FSB Premier and your Financial Professional receive. To learn more about these fees and costs as well as the risks associated with these investment products, you can review the product's prospectus, offering memorandum, or other disclosure documents.

Compensation Programs

Broker-Dealer and Advisory Services

A majority of our Financial Professionals are dually registered as a Broker and an Investment Adviser. Broker-Dealer and investment advisory services and fees differ. Financial Professionals earn different types and amounts of compensation depending on the type of service you receive. This compensation structure provides an incentive for your Financial Professional to recommend services that generate more compensation for FSB Premier and your Financial Professional. For example, if you anticipate that you will trade securities frequently in your accounts, a brokerage account would generate more compensation in the form of commissions than an advisory account would generate in the form of asset-based fees. Conversely, if you plan to invest and hold on a long-term basis, with little or no trading, a brokerage account would generate less compensation than an advisory account would generate in the form of ongoing asset-based fees.

- ☛ We encourage you to discuss your anticipated trading frequency and investment time horizon with your Financial Professional in order to determine if you would be better served by an advisory account, a brokerage account, or both.

Outside Business Activities

Our Financial Professionals are permitted to engage in business activities outside the scope of their roles and responsibilities with FSB Premier, provided they receive prior written approval and conduct such activities within the specific conditions or limitations imposed by the Firm.

There are some cases where a Financial Professional receives more compensation, benefits and non-cash compensation through the outside business activity than they do through FSB Premier. Some of our Financial Professionals are [accountants, real estate agents, insurance agents, tax preparers, or lawyers, and some Financial Professionals refer customers to other service providers and receive referral fees]. This may provide incentive for the Financial Professional to recommend products or services away from FSB Premier in the interest of promoting the outside business over your best interest.

- ☛ We encourage you to ask your Financial Professional about how their outside business activities may conflict with their responsibilities to you.
- Check out additional information about your Financial Professional's approved outside business activities on FINRA's website at <http://brokercheck.finra.org>.

Third-Party Custody, Execution and Clearing Services

Direct-Way Business.

FSB Premier purchases mutual fund shares and annuity contracts, on behalf of its customers, directly from the fund company or annuity provider. This is known as "direct-way business." These assets are held in custody at the fund company or annuity provider rather than in an FSB Premier brokerage account. FSB Premier has entered into Selling Agreements with three mutual fund companies and two annuity providers. Refer to the sections above regarding Mutual Funds and Variable Annuities for a discussion of compensation, costs and conflicts.

Miscellaneous Broker-Dealer Disclosures

FDIC

Non-deposit Investment products (including mutual funds) are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other agency of the United States, nor are they obligations of, nor insured or guaranteed by, FSB Premier. Investment products (including mutual funds) are subject to investment risks, including the possible loss of the principal amount invested.

Filing a Complaint

Written complaints may be delivered via email to corporate@fsbfs.com or addressed to the Compliance Department at 131 Tower Park Drive Suite 115, Waterloo, Iowa 50701.

Tax and Legal Advice Disclaimer

FSB Premier and its affiliates do not provide tax, legal or accounting advice. Materials are prepared for informational purposes only and are not intended to provide, and should not be relied on for tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.