

Penrod Financial Services, Inc. (referred to as “PFS”, “we” “us” or “our”) is registered with the U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority as a broker-dealer. As you have different choices when it comes to your investments, we feel that it is important for you to understand how brokerage fees differ. To help you research firms and financial professionals, you can access free and simple tools available at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

As a broker-dealer, we offer brokerage service and generally make available a range of investment products, such as stocks, bonds, mutual funds, variable annuities, exchange-traded funds (ETFs), Unit Investment Trusts (UITs) which may have specific requirements, such as account or investment minimums. The range of investment choices available to you may be limited depending on company licensing; ask about any investment limitations that may exist. As a broker-dealer we are committed to providing you with recommendations that is in your best interest and that do not place our interests, ahead of yours. PFS specializes in conservative investors. **“Although we have access of all the aforementioned securities. We do not recommend some of them due to risk.”**

Our Brokerage Services

- We are an introducing broker-dealer, meaning we have a contract with a clearing firm who handles the execution and settlement of trade orders it receives from us and our clients. The clearing firm also holds your securities for safekeeping (known as having “custody” of your securities). Our brokerage services include taking your orders and executing your securities transactions, and making recommendations for you to buy, sell, exchange, or hold securities, recommendations of account types, and rollovers or transfer of assets. We maintain a full range of product offerings which will not generally limit your investment choices you have with us. Specifically, Penrod has a tri-party agreement with B.B. Graham & Co. (“BBG”), which generally offers “tri-party”, “sub-clearing”, or “piggyback” clearing arrangements. With a piggyback agreement in place, Penrod has access to the full services of BBG’s clearing partner, RBC Correspondent Services (“RBC”), which confirms and carries all customer accounts introduced by Penrod.
- We provide recommendations to you on specific investments, but you make the final investment decisions for your account. We do not maintain any proprietary products such as investments that are issued, sponsored, or managed by us.
- We only provide voluntary monitoring under our brokerage services. Investment minimums depend on the investment selected, see prospectus or ask your broker.

Additional Information about our brokerage services you can visit our website: <https://penrodfinancialgroup.com>



Questions to ask your Financial Professional:

- 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 those qualifications mean?

What fees will I pay?

As part of your investment decision making process, it is important for you to know the fees and costs that you will incur for your investment accounts, including frequency assessed and the conflicts of interest they create so you can carefully consider which types of accounts and services are right for you. Ask for specific fee schedules for our brokerage and investment products.

Our Brokerage Fees

- Stocks or ETFs, the transaction-based fee is usually charged as a separate commission. Bonds, this fee is typically included as part of the price you pay for the investment (called a mark-up or markdown).
- Mutual funds and annuities, we receive transaction-based fees from the investment product sponsor in the form of asset-based sales charges (called sales loads). Additional costs would include, for example, both costs associated with the purchase of the security, as well as any costs that may apply to the future sale or exchange of the security, such as deferred sales charges or liquidation costs. Fees are based on the amount invested in the product and, depending on the product, may be based on how long you hold the investment. With asset-based sales loads, we have an incentive to recommend products or sponsors that include sales charges.
- The custodian that holds your assets can charge you a transaction fee when we buy or sell an investment. You could also pay charges imposed by the custodian holding your accounts for certain investments and maintaining your account. Some investments, such as mutual funds and exchange traded funds charge additional fees that will reduce the value of your investments over time.
- Although cost is an important factor that is considered when making a recommendation, it is not the only consideration and therefore our recommendations are not always the lowest cost option available. As fees and costs affect the value of your account over time, please ask for fees and costs that you will pay, based on your investment choices.

Other Fees and Costs

- If applicable to your account, we’ll charge you directly for other fees in addition to brokerage commissions, including account maintenance fees such as custody, trade fees, trade confirmation processing, corporate actions, and transfer fees; cash management fees such as cash sweeps, checking and wire fees; and investment specific fees for the administration of alternative investments or foreign securities. These

fees are not charged by us if your account is held directly with the sponsor.

- In addition to brokerage commission charged by us, you may also pay fees charged by the specific investment products in which you are invested, such as mutual funds, annuities, ETFs, and other investment products. Certain investment products have fees triggered by specific events. For example, annuities may include mortality expenses, administrative fees, and fees for excessive transfers or early withdrawals. Please make sure you understand the fees you will be paying.

Additional Information

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. For more information about our fees and overall costs, ask for details on your specific investment choices.



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 as your broker-dealer, 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. Here are some examples to help you understand what this means. If you have questions about whether any of these situations could apply to your investments, ask your Financial Professional.

- **Third Party Payments-** We receive compensation from third parties related to investments you make in certain products, including asset-based sales charges or service fees on mutual funds, annuities, ETFs, and alternative investments. This compensation includes ongoing distribution charges such as 12b-1 fees or trail payments which an investment product charges you and then pays to us.
- **Principal Trading (Riskless Principal)-** We can buy from you or sell to you certain fixed income investments which are considered riskless principal trades. A riskless principal trade is one in which we, after receiving an order to buy or sell a security, execute the order as principal, at the same price, to satisfy that order. We make money by charging you a markup or markdown on riskless principal trades, so we have incentive to encourage you to make a trade with us. PFS does not conduct principal trading. We use an agency trade for those securities with full disclosure of fee.

Additional information about our conflicts of interest are available upon request



Questions to ask your Financial Professional:

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

How do your Financial Professionals make money?

Our Financial Professionals who provide brokerage services will receive a portion of the commissions or markup/mark downs received from your trades. Our Financial Professionals receive different levels of compensation for selling different investments or services. These could include, for example, a share of the 12b-1 fees, trails or sales loads paid to us by an investment product. Although your Financial Professionals must recommend investment products or manage your account in your best interest, these forms of compensation, such as brokerage commissions and other production related compensation models, create an incentive for them to recommend certain products, encourage you to trade more frequently or increase your investment account size. We do not have sales contests, sales quotas, bonuses, and/or non-cash compensation that are based on the sale of specific securities or specific types of securities.

Do you or your Financial Professionals have legal or disciplinary history?

- Yes, visit investor.gov/CRS for a free and simple search tool to research broker and company..



Questions to ask your Financial Professional:

- As a Financial Professional, do you have any disciplinary history? For what type of conduct?

Additional Information

You can find additional information at FINRA's BrokerCheck by searching by our name or by our CRD number 22785. Or contact us at 417-334-3455 to request up-to-date information or a copy of this relationship summary.



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?