This Wrap Fee Disclosure Brochure (Brochure) is required by the Investment Advisers Act of 1940 and is a very important document between our members (you) and Navy Federal Investment Services, LLC (also referred to as NFIS throughout this Brochure).

This wrap fee program brochure provides information about the qualifications and business practices of Navy Federal Investment Services’ Automated Investing Advisory Program, Digital Investor. If you have any questions about the contents of this brochure, please contact us at 877-221-8108 or contactdigitalinvestor@navyfederal.org. 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.

Additional information about Navy Federal Investment Services, LLC is also available at the SEC’s website www.adviserinfo.sec.gov (go to the website, select “investment adviser firm” and type in our firm name or our CRD number which is 138459). Results will provide you both Part 1 and 2 of our Form ADV.

NFIS is an investment adviser registered with the SEC. Our registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, are information you use to evaluate us (and other investment advisers) which are factors in your decision to retain us or to continue to maintain a mutually beneficial relationship.
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Services, Fees, and Compensation

Overview

Navy Federal Investment Services (NFIS) is a wholly owned subsidiary of Navy Federal Financial Group, LLC (“NFFG”), which is a wholly owned subsidiary of Navy Federal Credit Union (“NFCU”). NFIS began operations in September 2005. NFIS’ principal business activity includes acting as an investment advisory firm and broker-dealer. NFIS offers advisory clients portfolio management services (known as “advisory services) for a fee. NFIS offers a number of advisory services that are designed to help you meet your investment goals and objectives for a “wrap” fee. This disclosure document specifically describes the Automated Investing Advisory Program. Descriptions of the services and fees for the other advisory services NFIS offers can be found in separate disclosure documents. NFIS also offers additional brokerage services, including a self-directed digital investor with information available in separate disclosure documents. Copies of the disclosures for our other advisory and brokerage services are available upon request or from www.sec.gov.

Description of the Automated Investing Advisory Program

NFIS’s principal business activity for the Automated Investing Advisory Program (“Advisory Program”) is acting as an investment adviser firm. NFIS has the discretionary authority to hire and fire third-party portfolio managers (“Account Managers”), and select portfolio options of the Account Manager based upon the suitability information disclosed by the client. All Program Accounts will contain a money market position to provide the client with sufficient cash to pay any distribution that he or she may request. NFIS retains limited discretionary authority to sell shares within a Program Account and transfer the proceeds to the default money market position. NFIS and/or the Account Manager reserve the right, in their discretion, to determine which shares and how many shares to sell. Such sales may have tax consequences. Other than the limited discretionary authority to hire/fire Account Managers, select suitable portfolio options offered by an Account Manager, liquidate assets in order to cover the advisory fees or to cover distributions requested, NFIS will not have discretionary investment authority for assets held in the Program Accounts.

For the NFIS Advisory Program, NFIS is responsible for (1) conducting initial and ongoing due diligence of Account Managers; (2) determining suitability for the Program Account; (3) confirming with the client the accuracy and completeness of the information contained in his/her Program Account; and (4) compliance with applicable regulations regarding marketing, sales, and disclosures.

DriveWealth, LLC

DriveWealth, an unaffiliated third party, is the custodian of accounts, and will be responsible in all respects for custody of Program Account funds and securities, transaction execution and settlement, position valuation, and other clearing function roles.
Electronic Relationship

The Advisory Program services are provided to the client electronically through the Navy Federal Digital Investor website, which is accessed through the use of Navy Federal Online Banking. Communications related to an account will be sent electronically. Clients will need to complete the “Customer Agreement” and any other agreements as necessary to participate in the Advisory Program. In order to access the Advisory Program page, you will be required to establish online credentials with Navy Federal Digital Banking and provide us with a valid email address and other contact information. You must notify us immediately of any changes to your contact information. You may update your information through Digital Banking or by contacting us at 1-877-221-8108.

Fees and Compensation

Fees for the Automated Investing Advisory Program are pre-set, generally not negotiable, and are billed monthly at the rates set forth in NFIS’s fee schedule. The fee for asset management services is a flat rate fee referred to as the Subscription Fee. The total subscription fee charged will cover execution costs; however the Subscription Fee does not include all fees the client could pay. The initial Subscription Fee for the first calendar month (or part thereof) in which a client participates in the Program Account will be waived. Thereafter, the subscription fee will be billed monthly in advance at a cost of $3.50, or $2.50 for active duty NFCU members that have an Active Duty Checking account and for Navy Federal employees.

Notwithstanding this, NFIS and DriveWealth may, under certain circumstances, negotiate special terms based on a mutual agreement. At certain times, DriveWealth may also assess wire fee charges, annual IRA maintenance fees, and other miscellaneous fees.

The cost to you for the services provided in the Program Account may be more or less than you would pay for the Account Manager, NFIS and DriveWealth, should you purchase the services separately, or from other providers of the same or similar services. The subscription fee for a Program Account is a flat fee. You are responsible for understanding and being aware of the fees and fee structure in your account. Depending on your account balance, trading activity, and other parameters an Assets Under Management (AUM) or per trade fee may be more or less costly than our subscription based fee.

NFIS does not receive compensation for directing orders in equity securities to particular broker/dealers or market centers for execution. NFIS receives a form of the Subscription Fee as compensation.

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRA Custodial Fee</td>
<td>A fee for Roth and Traditional IRAs billed at account opening and annually on the anniversary of account opening.</td>
<td>$15</td>
</tr>
<tr>
<td>IRA Closing Fee</td>
<td>A fee to close a Roth or Traditional IRA that is billed at account closing.</td>
<td>$75</td>
</tr>
</tbody>
</table>
goals. The client agrees to notify NFIS of any material changes to his or her financial
situation or investment objectives. NFIS, at least annually, will contact the client to determine whether there have been any changes in their financial situation or investment objectives. The client agrees to notify NFIS of any material changes to his or her financial

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Fee Description</th>
<th>Fee</th>
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<tbody>
<tr>
<td>ACAT Out (USA)</td>
<td>A fee assessed if you transfer your account to another brokerage firm; only whole shares can be transferred</td>
<td>$50</td>
</tr>
<tr>
<td>ACAT pass through fee (inbound and outbound) - per position</td>
<td>A fee assessed for each position you transfer to or from another brokerage firm; only whole shares can be transferred</td>
<td>$0.10</td>
</tr>
<tr>
<td>DWAC Transfer - per position</td>
<td>A fee assessed for each paper stock certificate you transfer from another custodian</td>
<td>$75</td>
</tr>
<tr>
<td>DTC Deliveries/ Receives - per position</td>
<td>A fee assessed for each position you transfer to or from another brokerage firm if they use DTC; only whole shares can be transferred</td>
<td>$15</td>
</tr>
<tr>
<td>Returned Checks</td>
<td>A fee assessed if a check submitted by you or someone acting on your behalf can’t be deposited</td>
<td>$20</td>
</tr>
<tr>
<td>Check Stop Payments</td>
<td>A fee assessed if you request a stop payment on a check that was issued from your brokerage account</td>
<td>$25</td>
</tr>
<tr>
<td>Overnight Check Delivery</td>
<td>A fee assessed if you request a check from your brokerage account be sent by express mail</td>
<td>$20</td>
</tr>
<tr>
<td>Returned Wire Transfers (applies to attempted third party wires)</td>
<td>A fee assessed for wire requests that can’t be completed</td>
<td>$25</td>
</tr>
<tr>
<td>1099 Request for Exempt Accounts</td>
<td>A fee assessed if you request a tax form for an account that wouldn’t usually receive one</td>
<td>$50</td>
</tr>
<tr>
<td>Physical Copy of Tax Document (Fax and Regular Mail)</td>
<td>A fee assessed for each paper copy you request of a tax form that was issued electronically</td>
<td>$25</td>
</tr>
<tr>
<td>Physical Copy of Trade Confirmations - per confirmation</td>
<td>A fee assessed for each paper copy you request of a trade confirmation that was issued electronically</td>
<td>$3</td>
</tr>
<tr>
<td>Physical Copy of Monthly Account Statements - per statement</td>
<td>A fee assessed for each paper copy you request of an account statement that was issued electronically</td>
<td>$5</td>
</tr>
<tr>
<td>Paper Check / e-check (USD)</td>
<td>A fee assessed if you request a paper or electronic check from your brokerage account</td>
<td>$3</td>
</tr>
<tr>
<td>Outgoing Domestic Wire Transfer</td>
<td>A fee for wire transfers requested to a domestic location</td>
<td>$25</td>
</tr>
<tr>
<td>Outgoing International Wire Transfer</td>
<td>A fee for wire transfers requested to an international location</td>
<td>$35</td>
</tr>
<tr>
<td>Returned ACH Fee - per ACH failure</td>
<td>A fee assessed if an ACH you entered can’t be completed</td>
<td>$20</td>
</tr>
<tr>
<td>SEC Fee (sell side only) per million</td>
<td>A fee charged by the Securities &amp; Exchange Commission (SEC) to register and trade securities. It is only charged when selling securities.</td>
<td>$13 per $1,000,000 sold, rounded up to the nearest penny</td>
</tr>
<tr>
<td>TAF Fee (sell side only) per share</td>
<td>A regulatory fee assessed by FINRA to recover the cost of supervision. It is only charged when selling securities.</td>
<td>$0.000119 per share sold, rounded up to the nearest penny, with a maximum charge of $5.95 per trade</td>
</tr>
<tr>
<td>Foreign Dividend Tax Withheld</td>
<td>A percentage of dividends paid by companies based outside of the US that is withheld as a tax</td>
<td>Varies by country</td>
</tr>
<tr>
<td>Additional shares traded</td>
<td>You can trade up to 2,000 shares per month as part of your subscription. This fee is assessed for each share over 2,000 that you trade in a month.</td>
<td>$0.01 per share</td>
</tr>
</tbody>
</table>

Account Requirements and Types of Clients

To establish an account with our Automated Investing Advisory Program (known as “Program Account”) a client must execute a Customer Agreement, and any other agreements as necessary, through the Navy Federal Digital Investor website. The client must be a member of NFCU, and use their digital banking log-in credentials to access the Digital Investor page. The client must fill out a questionnaire and create a profile. The information from the questionnaire and profile will be used to select the appropriate portfolio option. NFIS, at least annually, will contact the client to determine whether there have been any changes in their financial situation or investment objectives. The client agrees to notify NFIS of any material changes to his or her financial
situation when they occur. He or she may notify NFIS by logging into his or her account and updating his or her profile. The client represents and warrants that, except in the case of joint accounts, he or she is the sole beneficial owner of all the assets in the Program Account and that he or she personally, nor the Program Account or asset therein, are affected by any lien, court order, agreement, or other restriction affecting the management of the Program Account which has not been disclosed to NFIS. The client agrees to promptly notify NFIS in the event that any lien, court order, or agreement or other restriction arises during the term of his or her agreement with NFIS regarding the Program Account. There is no minimum balance requirement, and clients can invest as little as one dollar per stock or ETF.

**Portfolio Manager Selection and Evaluation**

**Account Management**

**Member Trust Company**

NFIS has designated Members Trust Company (MTC) as its Account Manager. The Account Manager will act as the portfolio manager and is responsible for investment selection within your Program Account. NFIS has discretionary authority to hire or fire Account Manager(s) on a client’s behalf without first consulting with him/her.

MTC is organized as a national trust company that is owned by a consortium of credit unions and related organizations located throughout the U.S. MTC provides fee-based investment management and trust services. The service offerings of MTC include managed ETF portfolios and managed mutual fund portfolios, as well as customized managed account solutions.

NFFG, the parent company of NFIS, owns a portion (currently less than 10%) of MTC and the COO of NFIS serves as a member of the Board of Directors of MTC. The relationship between NFFG, NFIS, and MTC creates a material conflict of interest. NFIS addresses that conflict of interest through due diligence reviews, financial audits, and an account review. NFIS is not incentivized or given any additional compensation for using MTC portfolios.

MTC uses a conservative investment philosophy. In making portfolio decisions, MTC maintains a disciplined approach that is intended to manage downside risks. MTC provides active management utilizing passive ETFs to gain broad-based market exposures thereby mitigating company specific risk. ETFs provide portfolio managers greater flexibility and efficiency in maintaining and readjusting portfolio allocations across asset classes than individual bonds, stocks, or mutual funds. Other benefits of ETFs can include lower costs and increased liquidity and transparency. Portfolio options offered by MTC for the Advisory Program are based on long-term risk and return characteristics while incorporating Modern Portfolio Theory along with other portfolio design tools.

The Account Manager will have the full authority to supervise and direct the investment of monies in a Program Account without prior consultation with the client. The Account Manager will have unlimited investment discretion with respect to any changes to investments in a Program Account, within the parameters of the selected Portfolio Option. This includes
discretion to adjust asset allocations and replace or reduce investment holdings in a Program Account. All transactions in Program Accounts will be initiated by the Account Manager.

**Client Information Provided to Portfolio Managers**

When a client enrolls in the Advisory Program, they fill out their profile information and a questionnaire detailing their investment objectives and any reasonable restrictions the client may have. NFIS, through its agreement with DriveWealth, LLC, shares this information with the Account Manager. NFIS provides updated information to the Account Manager as necessary thereafter in order for the Manager to appropriately provided management services. The client may make updates directly to his or her profile on the Digital Investor web site, and that information will be immediately communicated over to the Account Manager.

**Client Contact with Portfolio Managers**

The portfolio selection made is based on each client’s responses to the questionnaire provided at account creation and their profile. All portfolio decisions will be based on the client’s questionnaire, profile, and other appropriate suitability standards. The Account Manager will have full authority to supervise and direct the investment of the monies contributed by you to the Program Account without prior consultation. It is the client’s responsibility to notify NFIS of any material changes to their financial situation. This notification can be accomplished by updating their profile and investment preferences on the Digital Investor web page. Clients who wish to contact the Account Manager can do so by utilizing the chat function on the Digital Investor web page.

**Additional Information**

A. Disciplinary Information

This item is not applicable to NFIS’ brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to NFIS’ business or the integrity of NFIS’ management.

B. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

*Code of Ethics Summary*

NFIS has established a Code of Ethics that will apply to the firm and to all of its supervised persons. As a fiduciary, it is an investment adviser’s responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our Insider Trading and Personal Securities Transactions Policies and Procedures. NFIS requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times.

Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code
of Ethics. NFIS has the responsibility to make sure that the interests of all clients are placed ahead of NFIS’ or its supervised person’s own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. NFIS and its supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

This disclosure is provided to give a summary of NFIS’ Code of Ethics. However, if the client wishes to review NFIS’ Code of Ethics in its entirety, a copy will be provided promptly upon request.

Employee Personal Securities Transactions Disclosure

NFIS and its registered representatives do not recommend buying or selling particular securities as part of this Advisory Program. However, NFIS does monitor the personal securities holdings and trading of all NFIS registered representatives.

C. Review of Accounts

NFIS will review client accounts on at least an annual basis. NFIS may review accounts more often due to changes in the client’s circumstances, the client’s express request, or changes within the market. NFIS also has an investment committee meeting on a quarterly basis that reviews a certain number of randomly selected accounts.

NFIS also conducts review of large cash balances in client accounts and the trading in the accounts. This review is to help ensure that the Third-Party Portfolio Manager is actively and adequately managing the account. Additionally, NFIS conducts a review of share class selection during the onboarding of the Third-Party Portfolio Managers and on a quarterly basis. NFIS will likely identify instances where a share class conversion from the higher to lower expense share class is warranted and will initiate such conversion.

NFIS does not provide reports directly to clients. Our qualified custodian, Drive Wealth, LLC, provides monthly account statements to each Program Account.

D. Client Referrals and Other Compensation

Neither NFIS nor any of its related persons, directly or indirectly, compensates any person who is not a supervised person of NFIS for client referrals.

E. Financial Information

This item is not applicable to NFIS’ Brochure. NFIS does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance. NFIS is not subject to a financial condition reasonably likely to impair its ability to meet contractual commitments. Finally, NFIS has not been the subject of a bankruptcy petition at any time.