



First Republic Investment Management, Inc., and First Republic Securities Company, LLC

Form CRS Client Relationship Summary – October 2020

■ Introduction

First Republic Investment Management, Inc. ("FRIM") is a federally registered investment adviser with the Securities and Exchange Commission ("SEC"). First Republic Securities Company, LLC ("FRSC") is a broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). FRIM and FRSC are wholly owned subsidiaries of First Republic Bank ("FRB"). Brokerage and investment advisory services differ, and it is important for you to understand these differences. Free and simple tools are available for you to research firms and financial professionals at investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers and investing.

■ What investment services and advice can you provide me?

Investment advisory and brokerage services are available to you through FRIM and FRSC, respectively.

FRIM provides **investment advisory** services, including ongoing advisory services, wrap fee programs, an online investment management platform (Eagle Invest), financial planning, private funds, insurance and separately managed accounts.

FRIM primarily offers these services in an account that provides FRIM discretion to buy and sell investments without asking you in advance (a "**discretionary account**"). FRIM also has these services in an account in which FRIM recommends transactions to buy or sell and you retain the decision-making authority (a "**non-discretionary account**").

FRIM will offer advice on a periodic basis and supervise on a continuous basis. FRIM will discuss your investment goals with you, design an investing strategy with you and monitor your portfolio on an ongoing basis. FRIM will contact you at least once annually to discuss your portfolio.

There is a \$7,500 annual fee minimum for ongoing advisory accounts. There is a \$5,000 account minimum for Eagle Invest accounts.

FRSC offers the following brokerage services:

- Full-Service Brokerage: An FRSC financial professional can provide you with recommendations designed to meet your investment needs, and you retain decision-making authority for investment decisions.
- Online Brokerage Services: You manage your assets using our self-directed online brokerage platform.

Products available in FRSC brokerage accounts include, depending on the account type selected:

- Equities, Mutual Funds, Exchange-Traded Funds and Options
- Money Market Mutual Funds
- Fixed Income
- Margin Loans
- Structured Product Investments
- Stock Donation Brokerage Services
- 10b5-1 Plans
- Hedging Strategies for Concentrated Stock Positions
- FDIC-Insured Eligible Bank Sweep Accounts
- Private Placement Agent for Alternative Investments
- Private Placement Life Insurance
- Insurance Products (Variable, Fixed and Life)

FRSC does not offer ongoing investment monitoring as part of its brokerage services.

For additional information, please see FRIM's Form ADV, Part 2A, brochure (Items 4, 5 and 7 of Part 2A or Items 4 and 5 of Part 2A, Appendix 1) and FRSC's disclosures at firstrepublic.com/pwm/important-disclosures.

Conversation starters

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 these qualifications mean?

■ What fees will I pay?

FRIM offers its advisory services on:

- An asset-based fee basis, which is an annual percentage rate — that can either be flat or subject to a fee schedule — charged on the value of cash and investments in your advisory account, or
- A flat-fee basis

Asset-based fees will generally include any accrued dividends and interest. FRIM's annual fee is prorated and generally billed quarterly in advance.

Clients invested in pooled investment vehicles that are managed by FRIM and/or a third-party investment manager are subject to performance-based fees and others fees as outlined in Offering Documents.

Some investments (such as mutual funds and insurance products) impose additional fees that will reduce the value of your investment over time.

For accounts not part of the wrap fee program, you will pay a transaction fee when we buy and sell an investment for you. You will also pay fees to a broker-dealer or bank that will hold your assets (called "custody"). Although transaction fees are usually included in the wrap program's fee, sometimes you will pay an additional transaction fee (for investments bought and sold outside the wrap fee program). Further details are set forth in FRIM's Form ADV.

The more assets you have in the advisory account, including cash, the more you will pay us. FRIM therefore has an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if you do not buy or sell.

Paying for a wrap fee program could cost more than separately paying for advice and transactions if there are infrequent trades in your account.

An asset-based fee may cost more than a transaction-based fee, but you may prefer an asset-based fee if you want continuing advice or want someone to make investment decisions for you. You may prefer a wrap fee program if you prefer the certainty of a quarterly fee regardless of the number of transactions you have.

FRIM typically charges a fixed fee for financial planning and consulting services. Amounts billed are typically payable before any work can begin.

FRIM, in its sole discretion, can waive or negotiate lower or higher fees with different clients based upon a variety of criteria.

FRSC is compensated in a variety of ways when you make an investment, including commissions, markups/markdowns, sales credits or 12b-1 trailers.

Because FRSC is compensated on a transaction basis, FRSC and your financial professional receive higher compensation when you trade more frequently.

If you do not plan to trade often, the transaction-based fee structure may be beneficial to you.

Because the commissions charged by FRSC vary depending on the product, FRSC and your financial professional receive higher compensation when you are placed into products with higher commissions. See the Full-Service Commission Schedule for details.

FRSC is charged service and maintenance fees by our clearing firm, Pershing LLC ("**Pershing**"). FRSC passes these charges on to our clients and in most instances adds additional charges to cover the services provided by FRSC. See the FRSC Fee Schedule for details.

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.

For additional information, please see FRIM's Form ADV, Part 2A, brochure (Items 5 and 6 of Part 2A or Items 4 and 6 of Part 2A, Appendix 1) and FRSC's disclosures at firstrepublic.com/pwm/important-disclosures.

Conversation starter

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 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.

Examples of ways we make money and conflicts of interest

FRIM and FRSC both offer the Eagle Sweep Program (“Eagle Sweep”) to clients. Eagle Sweep is a cash bank sweep product offered by our parent bank, FRB, and maintained through FRSC’s clearing firm, Pershing. FRSC is paid a fee for each account enrolled in the Eagle Sweep program. FRB also receives benefits from the Eagle Sweep program. Further details about these conflicts can be found in FRIM’s Form ADV and FRSC’s Eagle Sweep Disclosure brochure.

FRIM and FRSC can recommend that you roll over your ERISA plan, such as a 401(k) or 403(b), to an IRA so that we can provide you with advice and/or recommendations and receive fees and/or transaction-based compensation.

FRSC is compensated for margin interest, which gives FRIM and FRSC an incentive to encourage you to carry a margin balance.

FRIM is the investment adviser of a mutual fund that charges a management fee. FRIM either waives this management fee for the fund or reduces the account-level advisory fee paid by FRIM clients (by rebate, credit or otherwise) by the amount of any such management fee.

FRIM has an incentive to recommend an insurance policy because there is a third-party ownership agreement with a nonaffiliated entity in which FRIM receives compensation based on the sale of an insurance product as well as on the sale of optional policy features. You may also be required to pay fees when certain insurance products are cancelled. This relationship creates a conflict of interest because certain FRIM employees have an incentive to recommend insurance and securities products through the nonaffiliated entity based on the compensation received and not on your particular needs.

FRSC and its financial professionals have an incentive to advise you to invest in certain mutual funds and exchange-traded funds because the manager or sponsor of those investments shares revenue it earns on those investments with us.

When FRSC provides you with a recommendation as your brokerdealer, the compensation received by FRSC is transaction based and varies by product.

Conversation starter

Ask your financial professional:

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

For additional information, please see FRIM’s Form ADV, Part 2A, brochure or Part 2A, Appendix 1, and FRSC’s disclosures at firstrepublic.com/pwm/important-disclosures.

■ **How do your financial professionals make money?**

FRIM and FRSC financial professionals receive compensation on referrals to affiliates and FRB. FRIM and FRSC also receive compensation for referrals from nonaffiliated third parties.

A portion of the fees you pay to FRIM is allocated on an ongoing basis to your financial professional. Your financial professional has an incentive to recommend full-service investment advisory services instead of other FRIM programs and services or FRIM-affiliate programs or services. Your financial professional is compensated on the amount of assets under management.

In addition, your financial professional has discretion to charge a fee lower or higher than the fee noted in the fee schedule. The financial professional has an incentive not to reduce fees.

Your FRSC financial professional is compensated when you make an investment in a variety of ways including, but not limited to, commissions, markups/markdowns, sales credits or 12b-1 trailers.

Your financial professional may receive compensation on the sale of certain insurance or securities products. Your financial professional has an incentive to recommend these insurance or securities products based on the compensation they receive and on the profits that FRIM receives under its compensation arrangement with the nonaffiliated entity.

When you invest in a mutual fund, the compensation received by your FRSC financial professional will vary by the fund provider and share class, which gives your FRSC financial professional an incentive to recommend a mutual fund that provides the most compensation.

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

Yes. Visit investor.gov/CRS and brokercheck.finra.org for a free and simple search tool to research us and our financial professionals.

Conversation starter

Ask your financial professional:

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

■ Additional information

For additional information about our services, including our privacy policy, please visit firstrepublic.com.

For additional, up-to-date information or a free hard copy of this Relationship Summary, please call (415) 392-1400.

Conversation starter

Ask your financial professional:

- Who is my primary contact person? Are they 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?