

Form CRS: Relationship Summary for Leumi Investment Services Inc.

June 30, 2020

Leumi Investment Services Inc. (“LISI,” “we” or “us”) is an SEC-registered broker-dealer and investment adviser. LISI is a member of FINRA and SIPC. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available 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 can you provide me?	
Brokerage Services	Advisory Services
<ul style="list-style-type: none"> ● We offer brokerage services to retail investors. If you open a brokerage account, you will pay us transaction-based fees, generally referred to as commissions, every time you buy or sell an investment. ● You may select investments or we may recommend investments for your account, but the ultimate investment decision for your investment strategy and the purchase or sale of investments will be yours. ● We can offer you additional services to assist you in developing and executing your investment strategy and monitoring the performance of your account but you might pay more. Account statements will be delivered to you either monthly or quarterly (depending on activity) in paper or electronically. ● The firm does not limit brokerage clients to proprietary products. Brokerage clients may purchase and sell any exchange-traded equities. Non-traded products, like structured notes and mutual funds, are limited to sponsors that LISI has a selling agreement with. ● There are no account minimums to maintain a brokerage account. 	<ul style="list-style-type: none"> ● We offer advisory services to retail investors. If you open an advisory account, you will pay an on-going asset-based fee for our services. ● We will offer you advice on a regular basis. We will discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account. We will contact you (by phone or email) at least annually to discuss your portfolio. ● You can choose an account that allows us or a designated manager to buy and sell investments in your account without asking you in advance (a “discretionary account”) or we may give you advice and you decide what investments to buy and sell (a “non-discretionary account”). ● Our investment advice will cover a limited selection of investments. Other firms could provide advice on a wider range of choices, some of which might have lower costs. ● The account minimum to maintain an advisory account is \$50,000. This may be waived from time to time.

For additional information see LISI’s Annual Disclosure Statement.

Ask your financial professional:

1. *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?*
2. *How will you choose investments to recommend to me?*
3. *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

What fees will I pay?	
Brokerage Services	Advisory Services
<ul style="list-style-type: none"> ● <i>Transaction-based fees.</i> You will pay us a fee every time you buy or sell an investment. This fee, commonly referred to as a commission, is based on the specific transaction and not the value of your account. With stocks or exchange-traded funds, this fee is usually a separate commission. With other investments, such as bonds, this fee might be part of the price you pay for the investment called a “mark-up” or “mark down”. With mutual funds, this fee (typically called a “load”) reduces the value of your investment. ● Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities you may have to pay fees such as “surrender charges” to sell the investment. ● Our fees vary and are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us. ● We charge you additional fees, such as custodian fees, account maintenance fees, and account inactivity fees. ● The more transactions in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions. ● From a cost perspective, you may prefer a transaction-based fee if you do not trade often or if you plan to buy and hold investments for longer periods of time. ● 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. 	<ul style="list-style-type: none"> ● <i>Asset-based fees.</i> You will pay an on-going fee each quarter based on the value of the cash and investments in your advisory account. The amount paid to our firm and your financial professional generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account. ● Some investments may impose additional fees that will reduce the value of your investment over time. ● Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. ● Although transaction fees are usually included in the advisory fees, sometimes you will pay an additional transaction fee (for investments bought and sold outside the advisory fee program). ● The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have 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 an advisory fee program could cost more than separately paying for advice and for 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 also may prefer an advisory account if you prefer the certainty of a quarterly fee regardless of the number of transactions you have.

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. Below are some examples to help you understand what this means.

Brokerage Services	Advisory Services
<ul style="list-style-type: none"> ● We can make extra money by selling you certain investments, such as mutual funds, because they are offered by companies that pay our firm to offer their investments. ● We also may have a conflict of interest because certain products that we can sell to you have recurring fees (e.g., mutual funds that generate 12b-1 fees) or provide higher payouts, such as selling a structured note in the primary versus a corporate bond on the secondary or an equity. ● We have an incentive to offer or recommend certain investments, such as mutual funds or alternative investments (e.g., hedge funds or private equity funds), because the manager or sponsor of those investments may share the revenue it earns on those investments with us. ● We can buy investments from you, and sell investments to you, from our own accounts (called “acting as riskless principal”). We can earn a profit on these trades, so we have an incentive to encourage you to trade with us. 	<ul style="list-style-type: none"> ● We can make extra money by advising you to invest in certain investments, such as Leumi Strategic Portfolios, because they are managed by our firm. ● For additional information on advisory services, see our website (leumiusa.com/LISI-Disclosures) and our Form ADV brochure available at Investor.gov.

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?

LISI financial professionals are compensated in part through sales of securities or products, asset-based sales charges (for advisory accounts) and service fees (on mutual funds). Fees and costs are paid directly or indirectly by retail investors as well as product sponsors. Certain products may provide more incentive compensation to financial professionals.

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 you and your financial professionals.

Ask your financial professional:

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

For Additional Information

- For additional information about our brokers and services, visit Investor.gov or [BrokerCheck \(BrokerCheck.Finra.org\)](http://BrokerCheck.Finra.org), our website and your account agreement.
- For additional information on advisory services, see our website (leumiusa.com/LISI-Disclosures) and our Form ADV brochure available at Investor.gov.
- This relationship summary is available on our website (leumiusa.com/LISI-Disclosures). To receive up-to-date information and a printed copy of this relationship summary call (212) 407-4353.

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?