CETERA INVESTMENT SERVICES LLC
(SEC I.D. No. 8-31826)

STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 2025
(UNAUDITED)

CETERA INVESTMENT SERVICES LLC

UNAUDITED STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 2025

ASSETS		
Cash and cash equivalents	$	112,727,147
Cash segregated under federal regulations		86,011,125
Receivable from clearing organizations, brokers and dealers		9,363,680
Receivable from customers		31,392,686
Commissions receivable		18,510,739
Other receivables		8,291,128
Deferred charges		40,638,813
Intangible assets, net of accumulated amortization of $6,148,258		14,345,935
Investments in fractional shares held by customers		8,233,018
Property and equipment, net of accumulated depreciation of $5,722,594		5,873,327
Other assets		14,337,963
Total assets	$	349,725,561

LIABILITIES AND MEMBER'S EQUITY		
LIABILITIES		
Payables to clearing organizations, brokers and dealers	$	43,732,735
Payables to customers		88,090,851
Commissions payable		39,474,883
Related party payables		2,007,398
Accrued compensation		4,120,061
Accrued expenses and accounts payable		5,399,810
Deferred revenue		1,589,034
Repurchase obligation for investments held by customers		8,233,018
Other liabilities		30,566,572
Total liabilities		223,214,362
COMMITMENTS AND CONTINGENCIES (Note 10)		
MEMBER'S EQUITY		126,511,199
Total liabilities and member's equity	$	349,725,561

The accompanying notes are an integral part of this Statement of Financial Condition.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF THE COMPANY

Cetera Investment Services LLC (the "Company") is a broker-dealer registered under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company provides brokerage and insurance services to individuals nationally through financial institutions and independent advisors.

A majority of the financial advisors affiliated with the Company hold both securities and advisory licenses and provide investment advisory services through Cetera Investment Advisors LLC ("CIA"), an affiliated registered investment advisor ("RIA"). As a result, all advisory business generated by the Company's advisors is recorded at CIA.

The Company is a wholly owned subsidiary of Cetera Financial Group, Inc. ("Cetera Financial") which is a wholly owned subsidiary of Cetera Financial Holdings, Inc. ("Cetera Holdings"). Cetera Holdings is a wholly owned subsidiary of Aretec Group, Inc. ("Aretec"). Aretec is a direct wholly owned subsidiary of GC Two Intermediate Holdings, Inc. which is a wholly owned subsidiary of GC Two Holdings, Inc. ("GC Two"). GC Two is a wholly owned subsidiary of GC Three Holdings, LLC ("GC Three").

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Statement of Financial Condition was prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of the Statement of Financial Condition in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Statement of Financial Condition. Accordingly, actual results could differ from those estimates, and these differences could be material.

Cash and Cash Equivalents

Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and that are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Cash Segregated Under Federal Regulations

The Company segregates cash pursuant to the requirements of Securities and Exchange Commission ("SEC") Rule 15c3-3 for the exclusive benefit of customers.

Receivable from and Payable to Customers

Receivable from and payable to customers include amounts related to cash and margin transactions. Customer cash receivables and payables arise from timing differences in the receipt and disbursement of customer funds. In margin accounts, the Company extends credit to its customers to finance their purchases of securities. Securities owned by customers are held as collateral for margin receivables. Such collateral is not reflected in the Statement of Financial Condition.

Commissions Receivable and Payable

Commissions receivable includes commissions from brokerage, mutual fund, and direct private placement transactions, traded but not yet received. Commissions receivable also includes mutual fund and annuity trailers. Commissions payable related to these transactions are recorded based on estimated payout ratios for each product as commission revenue is accrued.

Other Receivables

Other receivables primarily consist of accrued customer account fees, accrued receivables related to cash sweep programs, and accrued reimbursements and allowances from product sponsors.

Deferred Charges

The Company identifies all significant costs to obtain or fulfill a contract with a financial institution investment program and advisor. These costs include transition and growth allowances and advisor recruiting costs. Transition and growth allowances are provided to the Company’s investment programs and are used for costs associated with the program’s conversion, growth, and training. Transition and growth allowances are recognized as assets and amortized over the term of the related contractual agreement (typically 5-7 years). Advisor recruiting costs are recognized as assets and amortized on a straight-line basis over the estimated 20-year useful life of an advisor relationship.

The unamortized balance of these assets is presented as Deferred charges in the Company's Statement of Financial Condition. As of June 30, 2025, the Company had unamortized deferred charges of $40,638,813.

Intangible Assets

Intangible assets that are deemed to have definite lives are amortized over their useful lives, generally from 4 - 20 years. See Note 6 – “Intangible Assets”, for additional information.

Definite-lived intangible assets subject to amortization are reviewed for impairment when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset or asset group exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset or asset group exceeds the estimated fair value of the asset or asset group. There was no impairment of definite-lived intangible assets recognized during the six months ended June 30, 2025.

Investments in Fractional Shares Held by Customers

The Company offers a Dividend Reinvest Program (“DRIP”) that allows investors to reinvest cash dividends into additional shares of the underlying stock which may result in fractional shares transferred to client accounts. Fractional shares held by customers do not meet the criteria for derecognition under ASC 860, “Transfers and Servicing”, and as such are accounted for as a secured borrowing (repurchase obligation) with the underlying financial assets pledged as collateral. These financial assets are presented as investments in fractional shares held by customers with a corresponding repurchase obligation for investments held by customers on the Statement of Financial Condition. The Company elected fair value option (“FVO”) to measure the repurchase obligation. The fair value of these investments is determined by quoted prices in active markets and are classified as Level 1 within the fair value hierarchy.

Securities Owned and Securities Sold, Not Yet Purchased

Securities owned, and securities sold, not yet purchased are recorded on a trade date basis. Securities owned, and securities sold, not yet purchased are stated at fair value. As of June 30, 2025, securities owned of $282,656 are included in Other assets and securities sold, not yet purchased of $100,854 are included in Other liabilities in the Statement of Financial Condition. See Note 3 – “Fair Value Measurements” for more information.

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation and amortization. Office furniture and equipment and internally developed and purchased software are depreciated using the straight-line method over their estimated useful lives ranging from 3 to 10 years. Leasehold improvements are amortized over the lesser of their useful lives or the term of the lease.

Other Assets

Other assets include an alternative investment in a privately held equity investment of $4,924,052, which is measured using net asset value.

Other assets also include prepaid expenses and deposits with brokers and dealers and clearing organizations as well as an immaterial balance of advisor advances, net of allowance for bad debt. The Company estimates expected credit losses for advisor advances based on evaluation of several factors related to credit risk, including financial advisors’ affiliation status and advance purpose. Additionally, the Company considers overall macro-economic factors that may impact estimated expected credit losses. The methodologies and assumptions used in estimating credit losses are regularly evaluated to determine if estimates are appropriate, with adjustments made on a quarterly basis.

Other Liabilities

Other liabilities include financial institution investment program transition and growth reserves of $28,948,011. As part of these programs, the Company will provide an allowance to the financial institution to support conversion, growth, and training. Transition and growth reserves are initially recorded as liabilities and subsequently adjusted based on the amount of eligible costs reimbursed to the financial institution. The corresponding asset is recorded in Deferred charges in the Statement of Financial Condition.

Deferred Revenue

The Company records deferred revenue when cash payments are received or due in advance of its performance obligation, including amounts which are refundable.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Company determines fair value based on quoted prices when available or through the use of alternative approaches, such as discounting the expected cash flow using market interest rates commensurate with the credit quality and duration of the investment. U.S. GAAP defines three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset and liability or can be corroborated with observable market data for substantially the entire contractual term of the asset or liability.

Level 3 - Unobservable inputs that reflect the entity's own assumptions about the data inputs that market participants would use in the pricing of the asset or liability and are consequently not based on market activity.

The determination of where an asset or liability falls in the hierarchy requires significant judgment and considers factors specific to the asset or liability. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is the most significant to the fair value measurement in its entirety.

A review of the fair value hierarchy classification is conducted on an annual basis. Changes in the type of inputs used in determining fair value may result in a reclassification for certain assets. The Company assumes all transfers occur at the beginning of the reporting period in which they occur. For the six months ended June 30, 2025, there were no transfers between Levels 1, 2, and 3.

The Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis by product category as of June 30, 2025, is as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents - money market funds	$ 270,298	$ -	$ -	$ 270,298
Investments in fractional shares held by customers	8,233,018	-	-	8,233,018
Securities owned - recorded in Other assets:				
Equity securities	-	189,525	-	189,525
Exchange-traded funds	64,006	-	-	64,006
Unit investment trusts	23,019	-	-	23,019
Municipal bonds	6,106	-	-	6,106
Total securities owned	93,131	189,525	-	282,656
Total	$ 8,596,447	$ 189,525	$ -	$ 8,785,972

	Level 1	Level 2	Level 3	Total
Liabilities:				
Repurchase obligation for investments held by customers	$ 8,233,018	$ -	$ -	$ 8,233,018
Securities sold, not yet purchased- recorded in Other liabilities:				
Mutual funds	540	-	-	540
Municipal bonds	100,314	-	-	100,314
Total securities sold, not yet purchased	100,854	-	-	100,854
Total	$ 8,333,872	$ -	$ -	$ 8,333,872

Cash equivalents include money market mutual fund instruments, which are short term in nature with readily determinable values derived from active markets. Exchange-traded funds, unit investment trusts, municipal bonds and mutual funds with sufficient trading volume are fair valued by management using quoted prices in active markets. Accordingly, these securities are classified within Level 1. Convertible preferred equities included in equity securities are fair valued by management using third-party pricing services and are classified as Level 2.

Fair Value of Financial Instruments Not Measured at Fair Value

The fair value of cash and cash equivalents and cash segregated under federal and other regulations was estimated to approximate the carrying value and are classified as Level 1 of the fair value hierarchy.

The fair value of receivable from and payables to clearing organizations, brokers and dealers, receivable from and payables to customers, commissions receivable and payable, related party payables, other receivables, deferred charges, accrued compensation, accrued expenses and accounts payable, and deferred revenue were estimated to approximate the carrying value and are classified as Level 2 of the fair value hierarchy due to their short-term nature.

NOTE 4 - RECEIVABLE FROM AND PAYABLE TO BROKERS, DEALERS AND CLEARING ORGANIZATIONS

Receivable from and payable to brokers, dealers and clearing organizations result from the Company's processing of customer transactions and consisted of the following as of June 30, 2025:

Receivables:	
Omnibus account receivable	$ 7,017,087
Fails to deliver	2,346,593
Total	$ 9,363,680
Payables:	
Clearing organization	$ 5,121,842
Fails to receive	38,610,893
Total	$ 43,732,735

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2025:

Leasehold improvements	$ 5,082,335
Office furniture and equipment	5,772,244
Internally developed and purchased software	741,342
Total property and equipment	11,595,921
Less: Accumulated depreciation	(5,722,594)
Total property and equipment, net	$ 5,873,327

NOTE 6 –INTANGIBLE ASSETS

The following tables present the components of intangible assets with definite lives subject to amortization at June 30, 2025:

As of June 30, 2025	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Useful Life (years)
Financial advisor relationships	$ 20,494,193	$ (6,148,258)	$ 14,345,935	14.0
Total	$ 20,494,193	$ (6,148,258)	$ 14,345,935	

NOTE 7 - EMPLOYEE BENEFIT PLANS

The employees of the Company are covered by a 401(k) defined contribution plan and a health and welfare plan that are administered by Cetera Financial. Subject to eligibility requirements, all employees are eligible to participate. The 401(k) plan features an employer-matching program. The health and welfare plan is a self-insured plan sponsored by Cetera Financial. Costs of the plans are allocated to the Company based on rates determined by Cetera Financial. The Company had no separate employee benefit plans in 2025 and relied on Cetera Financial to cover all eligible employees. All benefits that were paid by Cetera Financial were charged back to the Company for reimbursement.

NOTE 8 - RELATED PARTY TRANSACTIONS

Cetera Financial allocates a portion of its general administrative expenses to the Company based on factors including total revenues, assets under management, sales volume, number of personnel and producing advisors. In 2025, the Company allocated expenses to its related party, CIA, per an expense sharing agreement. Further, the Company provides clearing and other services to CIA in connection with its advisory accounts.

The Company provides custodial services for certain customer retirement accounts of three affiliated companies, Cetera Advisors LLC, Cetera Wealth Services LLC and Cetera Financial Specialists LLC.

Because these transactions and agreements are with affiliates, they might not have been the same as those recorded if the Company were not a wholly owned subsidiary of Cetera Financial and affiliated with the other entities.

As of June 30, 2025, the Company had a $2,001,006 outstanding payable to Cetera Financial and $6,392 of outstanding payables to other affiliates. Additionally, the Company had a $154,461 outstanding receivable from CIA and $12,200 outstanding receivables from other affiliates, which are included in other assets as of June 30, 2025.

Cetera Financial may fund note receivables as part of the recruitment effort to the Company’s advisors. Those notes typically require the payback of principal and interest to Cetera Financial over periods of three to four years. The issuance of these notes by Cetera Financial is typically accompanied by the execution of a bonus agreement between the financial advisor and the Company, providing for the payment based on the passage of time or attainment of certain production targets.

Given the credit agreements Aretec has with its lenders, in the event of a default the Company’s assets could be used to satisfy Aretec’s obligations.

NOTE 9 - OFF BALANCE SHEET RISK

The Company is engaged in various principal and brokerage activities with counterparties primarily including broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty.

In the event a customer fails to satisfy its cash or margin account obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the customer's obligations. The Company seeks to control the risk associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires customers to deposit additional collateral or reduce positions, when necessary.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company maintains its cash in bank deposit accounts, the balances of which, at times, may exceed federally insured limits. Exposure to credit risk is reduced by maintaining the Company's banking relationships with high credit quality financial institutions.

The Company holds securities that can potentially subject the Company to market risk. The amount of potential gain or loss depends on the securities' performance and overall market activity. The Company monitors its securities positions on a monthly basis to evaluate its positions and if applicable, may elect to sell all or a portion to limit the loss.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Service contracts - The Company has contracted for technology processing services. The following table shows the future annual minimum payments due:

		Future Minimum Payments Due
2025	$	2,305,000
2026		4,657,500
2027		5,212,438
2028		5,319,613
2029		471,233
Thereafter		1,229,220
Total	$	19,195,004

Line of credit - The Company has a $50,000,000 uncommitted collateralized line of credit with a nationally recognized financial institution. The line of credit does not have a stated expiration. There were no outstanding borrowings as of June 30, 2025.

Legal and regulatory proceedings related to business operations - The Company is involved in legal proceedings from time to time arising out of business operations, including arbitrations and lawsuits involving private claimants, subpoenas, investigations and other actions by government authorities and self-regulatory organizations. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases in which claimants seek indeterminate damages, the Company cannot estimate what the possible loss or range of loss related to such matters will be. The Company recognizes a loss with regard to a legal proceeding when it believes it is probable a loss has occurred, and the amount can be reasonably estimated. If some amount within a range of loss appears at the time to be a better estimate than any other amount within the range, the Company accrues that amount. When no amount within the range is a better estimate than any other amount, the Company accrues the minimum amount in the range. The Company maintains insurance coverage, including general liability, directors and officers, errors and omissions, excess entity errors and omissions and fidelity bond insurance.

The Company is a registered broker-dealer and, as such, is subject to the continual scrutiny of those who regulate its industry, including FINRA, SEC, and the various securities commissions of the states and jurisdictions in which it operates. As part of the regulatory process, the Company is subject to routine examinations, the purpose of which is to determine the Company's compliance with rules and regulations promulgated by the examining regulatory authority. It is not uncommon for the regulators to assert, upon completion of an examination, that the Company has violated certain of these rules and regulations. Where possible, the Company endeavors to correct such asserted violations. In certain circumstances and depending on the nature and extent of the violations, the Company may be subject to disciplinary action, including fines.

When there is indemnification or insurance, the Company may engage in defense or settlement and subsequently seek reimbursement for such matters.

NOTE 11 - NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule 15c3-1. The Company computes its net capital pursuant to the alternative method provided for in the Rule 15c3-1, which requires the maintenance of minimum net capital of the greater of $250,000 or 2% of aggregate debit items.

At June 30, 2025, the Company had net capital of $39,451,824, which was $38,965,063 in excess of required net capital of $486,761.

NOTE 12 – SEGMENT REPORTING

The Company is engaged in a single line of business as a securities broker-dealer. Operating exclusively in the United States, the Company provides brokerage and insurance services through independent financial advisors. Operations constitute a single segment and therefore, a single reportable segment because the chief operating decision makers ("CODM") manage business activities using information of the Company as a whole. The CODM, listed below, use net income, including significant expenses such as commissions, to evaluate the business's performance, predominantly in the forecasting process, management of resources, and to make operational decisions to manage the Company. The Company does not have any customers that individually account for over 10% of revenues.

Chief Executive Officer, Cetera Holdings
Chief Executive Officer, Cetera Financial Group
Chief Financial Officer, Cetera Financial Group

The Company's financial statements contain all pertinent information, including assets, net income, and significant expenses, utilized by the CODM to manage the Company. The accounting policies used to measure the profit and loss of the segment are the same as those described in the summary of significant accounting policies.

NOTE 13 - SUBSEQUENT EVENTS

The Company has evaluated activity through the date the financial statement was issued and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statement.

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