

# Professional Financial Solutions, LLC (“PFS”) - Form CRS – March 16, 2023

## Item 1. Introduction

PFS is registered with the Securities and Exchange Commission (SEC) as an investment adviser. 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](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

## Item 2. Relationships and Services *What investment services and advice can you provide me?*

The principal services we offer are financial planning and investment management on a fee-only basis. Advice is provided on accounts we manage as well as those outside of our management, such as your current employer retirement plan. However, our fee is based on just the assets we directly manage. We believe coordinating the financial planning and investment management will provide a better outcome for you. Our advice is not limited to a particular menu of products or type of investments.

Activity in managed accounts is reviewed daily. Our standard service includes monitoring accounts in more detail prior to placing a trade or when reviewing cash positions. This typically occurs quarterly. For clients with limited activity in their accounts, a review would occur as part of our annual review meeting process. We encourage you to meet with us at least annually to monitor your accounts and financial situation.

We prefer to have discretionary authority to make trades on behalf of our clients without specific approval for every trade. Our client contract will grant us discretionary authority. However, if a client prefers to require approval for each trade, we will operate on a non-discretionary basis and obtain the client’s approval for every trade. For non-discretionary services, the client makes the ultimate decision regarding the purchase or sale of investments.

For those potential clients seeking only investment management services, the minimum portfolio is \$500,000, which we may reduce and/or waive in our sole discretion.

*For additional information, please see Form ADV, Part 2A (Items 4 and 7).*

## **CONVERSATION STARTER: Ask your financial professional:**

- *Given my financial situation, should I choose an investment advisory service? 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?*

## Item 3. Fees, Costs, Conflicts, and Standard of Conduct *What fees will I pay?*

Our fee for investment management is based on the assets we directly manage for you. Our fee is charged quarterly in arrears based on the number of days in that quarter, based on the following schedule:

<u>Annual Investment management fee schedule</u>	<u>Annualized Rate</u>
Consolidated accounts managed, on the first \$1 million	1.00%
Consolidated accounts managed, amounts from \$1 million-\$2 million	0.50%
Consolidated accounts managed, amounts over \$2 million	0.25%
Donor Advised Funds/Foundations	0.50%

For example, a \$500,000 account will generate an annual fee of \$5,000 (\$500,000 x 1%). Therefore, the more assets in your account we manage, the higher the fee. This provides us with an incentive to encourage investors to increase the assets in their accounts that we manage. However, we discuss with you the pros and cons of doing any significant transfer of assets.

In addition to fees paid to us, there are charges imposed by the account custodian and transaction fees on the mutual funds we use. We use TD Ameritrade (TDA) and Charles Schwab (Schwab) as custodians. We typically use Dimensional Funds Advisor (DFA) mutual funds and the current charge for a DFA mutual fund trade is \$9.99. DFA

funds levy a management fee (expense ratio) that is deducted from the annual return generated by the fund. These vary by fund. You are encouraged to review the fund prospectus for specific fund expenses.

For our other services, our fee ranges from a \$2,000-\$4,000 fixed fee for financial planning and \$200-\$400 hourly fee for consulting services.

**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 our Form ADV, Part 2A (Item 5).*

**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 acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?***

**When we 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 investment advice we provide you. Here are some examples to help you understand what this means. We may receive training, information, promotional materials, gifts or other items from third parties, typically from industry conference and events, including those sponsored by DFA, TDA, and Schwab. This could create an incentive for us to use those third parties in providing our services to you. However, as a registered investment adviser, as a fiduciary and as CFP® Professionals, we are bound to adhere to a fiduciary standard and a code of ethics that require us to place your interests above ours.

**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 our Form ADV, Part 2A (Item 12, Item 14).*

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

Our employees' annual compensation may include a salary, bonus, and retirement plan contribution. Compensation is based on the performance of the firm with no specific incentive to any employee based on the number of clients or assets that they specifically manage. We utilize a team-based approach to client service and compensation.

**Item 4. Disciplinary History *Do you or your financial professionals have legal or disciplinary history?***

No. Visit [Investor.gov/CRS](http://Investor.gov/CRS) 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?*

**Item 5. Additional Information**

For additional information about our services visit our website [www.profinancialsolutions.com](http://www.profinancialsolutions.com), or to speak directly with us, please call 703-385-0870.

**CONVERSATION STARTER: 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?*