

INTRODUCTION

Klein Financial Advisors is registered as an investment adviser with the U.S. Securities and Exchange Commission (SEC).

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 www.investor.gov/CRS, which also provides educational material about broker-dealers, investment advisers, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We offer individualized investment advisory services including ongoing asset management and financial planning to retail investors. Through financial planning, we offer advice and recommendations regarding your personal financial goals and objectives, personal balance sheet, tax planning, risk management, retirement, education, cash flow and investment planning. When providing only financial advice we do not monitor your investments and you make the ultimate decision regarding the purchase and sale of investments.

We provide portfolio management services that we offer on a discretionary basis according to the authority you provide in an investment advisory agreement with us. When you grant us discretionary authority you provide us with authority to determine the investments to buy and sell in your account on an ongoing basis. You may impose reasonable restrictions on our discretionary authority, which must be provided to us in writing and accepted by us. If you do not provide us with discretion, then we will make recommendations and you will have the final decision regarding whether we purchase or sell investments on your behalf. As part of portfolio management services, we will continuously monitor your investments and provide advice. We require a minimum account size for portfolio management services.

We offer tax preparation and filing services. If you choose to engage us for tax preparation, you will enter into a separate agreement and may pay a separate fee in addition to the fees paid for financial planning and investment advisory services.

Additional information about our services can be found in ADV Part 2A, Items 4 and 7.

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?

WHAT FEES WILL I PAY?

Because our firm's primary focus is the discovery, design, and review of your financial plan, we charge a percentage of assets under our management. These fees are assessed each quarter, in arrears, which means on the value in the account at the end of the preceding quarter. Fees are based on the market value of the assets managed by us. We will automatically deduct fees from client's managed accounts, unless directed otherwise.

You should be aware that, if you pay us based on the market value of the assets we manage and bill for, the more assets there are in your account, the more you will pay in fees. This means we have an incentive to encourage you to increase the assets in your account. If you are charged on a retainer basis, you will pay the same fee regardless of whether the market value of your assets increases or decreases.

- *For our financial consulting and Divorce Financial Planning services we charge based on a fixed fee or hourly basis.* The deposit and balance due are based on the client agreement. When you pay us only an hourly or fixed fee, it will not include fees for implementing recommendations made. This means we have an incentive to recommend additional advisory services to you for which additional fees are charged.
- *We charge a one-time setup charge of \$2,500 at the start of a new investment advisory relationship.* We assess the setup charge when the client's account is opened with Klein Financial Advisors. Under special circumstances, we may negotiate or waive the setup charge.
- *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. Examples of other fees and costs are transaction fees charged by the custodian and expense ratios related to mutual fund investments.

Please refer to our firm's ADV Part 2, Item 5 for additional information regarding our fees.

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 interests 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 is an example to help you understand what this means:

If you pay us based on the market value of the assets we manage, the more assets there are in your account that we bill for, the more you will pay in fees.

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?

Financial professionals who are employees at Klein Financial Advisors receive a fixed annual salary. Financial professionals who are owners of the firm receive compensation based on the net profits of the firm. This means that we have the incentive to increase the firm's net profits based on the fees that you pay and the expenses of the firm.

None of the firm's financial professionals are compensated based on factors such as the amount of client assets they service; the time and complexity required to meet a client's needs; the product sold (i.e., differential compensation); product sales commissions; or revenue the firm earns from the financial professional's advisory services or recommendations.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No. We encourage you to visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to verify our background and to research the standing of other financial professionals.

ASK YOUR FINANCIAL PROFESSIONAL:

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

CALL US FOR A CONFIDENTIAL CONVERSATION

949.477.4990

www.KleinAdvisors.com



For additional information about services offered by Klein Financial Advisors or to request a copy of our firm's complete ADV, please contact us at **949-477-4990** or info@KleinAdvisors.com.