

Item 1. Introduction

Professional Financial Management, Inc. is an investment adviser registered with the Securities and Exchange Commission (SEC). Brokerage and investment advisory services differ and it is important for the retail investor (hereinafter you/your) to understand the differences. There are free and simple tools available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. What investment services and advice can you provide me?

Professional Financial Management, Inc.'s investment advisory services include portfolio investment management and financial planning. We serve individuals, trusts, business owners, charitable foundations, corporations and other businesses, and sponsors of qualified retirement plans. The financial planning we provide as part of this service may include advice and recommendations on matters not involving securities, such as cash flow, budgeting, taxation issues, debt management, educational funding, charitable gifting, estate planning, and risk management. Our investment advisory services are tailored to meet your individual needs and financial situations or circumstances of each client. With a fact-finding questionnaire and additional relevant financial documents we ask you to provide we prepare financial planning recommendations, as appropriate and applicable, and develop an investment portfolio strategy that in theory is structured to assist the client in achieving their investment goals and objectives.

Professional Financial Management, Inc. evaluates all publicly traded investments, but we primarily recommend institutional share no-load mutual funds and other low cost investment vehicles such as ETFs, and, for some clients, individual fixed income securities.

Currently we do not have a minimum account size requirement; however acceptance of a client relationship is at our discretion. Clients with assets under management in excess of \$250,000 will receive quarterly performance statements, have access to all suitable investments, and we will meet annually to review your portfolios and answer any questions you may have. Clients with assets under \$250,000 have access to a limited number of low expense mutual funds and receive quarterly performance statements. An annual rebalancing recommendation will be made. Please see **Item 4. Advisory Services** and **Item 7. Types of Clients** in our **Form ADV Part 2 Disclosure Brochure** for additional information.

Conversation Starters: 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. What fees will I pay?

Principal Fees and Costs. We charge an annual percentage fee (assessed and paid quarterly in arrears) for our investment advisory services which include portfolio investment management and financial planning. Here is our current fee schedule:

Our minimum annual fee is \$2,000.00 per year (\$500.00 per quarter). Clients with assets below \$200,000.00 may pay a percentage rate greater than 1% on their annual fees, which is significantly more (as a percentage of the assets under management) than the fees paid by clients with greater assets under management.

<u>Average Monthly Household Value</u>	<u>Annual Fee</u>
First \$500,000	.85%
Next \$1,000,000	.65%
Next \$2,000,000	.45%
Next \$6,500,000	.35%
Next amount above \$10,000,000	.25%

The more assets you have in an advisory account, the more you will pay in fees. Therefore, we may have an incentive to encourage you to increase the assets in your account, to increase our fee revenue.

Other Fees and Costs. Clients incur transaction fees charged by the broker-dealer through which the investments are purchased or sold. Mutual funds and exchange traded funds also charge annual fees which include asset management, administrative, and operating fees. These fees are reported as an annual expense ratio which can be found in the fund's prospectus.

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. Please see **Item 5. Fees and Compensation** in our **Form ADV Part 2 Disclosure Brochure** for additional information.

Conversation Starters: 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:

- If we do not already include your employer sponsored retirement plan in our investment portfolio management services; upon retirement we may recommend you roll-over your employer-sponsored retirement account to an IRA managed by us, increasing the amount we manage for you and ultimately our revenue. There may be many benefits to you for doing so, but there is also a benefit to us. At the time of recommending a roll-over we will explain the benefits and costs to you and describe any conflicts this recommendation may present.

Please see **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading** in our **Form ADV Part 2 Disclosure Brochure** for additional information.

Conversation Starters: 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? Our firm is compensated only with investment advisory fees received from you as described above. Our financial professionals are paid a salary, subject to increases and bonuses depending upon job (not investment) performance evaluations.

Item 4. Do you or your financial professional have legal or disciplinary history?

No. There are free and simple tools available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS).

Conversation Starters: Ask your financial professional:

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

Item 5. Additional Information.

You may contact us at 406-587-1604 to request up-to-date information and a copy of this Form CRS. For more information please visit our website <https://profinancialmgmt.com>.

Conversation Starters: 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?