

# ADV Part 3: Client Relationship Summary

June 30, 2020



## Introduction

Pensionmark Financial Group, LLC ("Pensionmark") is registered with the Securities and Exchange Commission (SEC) as an investment adviser under the Investment Advisers Act of 1940. Because brokerage and investment advisory services and fees differ, it is important for you, the retail investor, to understand these differences to determine the best type of account for you. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing in general.

## What Investment Services and Advice Can You Provide To Me?

Pensionmark provides fee-based, separate account investment advisory services directly to individuals, high net worth individuals, and trusts. Our services include, but are not limited to, establishment of individual investment objectives and/or investment policy statement, discretionary investment supervision on a continuous and regular basis, asset allocation analysis, ongoing investment performance management, financial planning and analysis, insurance needs review and charitable gifting strategies. Services are offered through a wrap fee program or a non-wrap fee program. In a wrap fee program, clients are charged an all-inclusive wrap fee that covers advisory and execution services.

**Monitoring:** Pensionmark offers advice on a regular basis as part of our standard services. We will discuss your investment goals, design a strategy to work toward those goals, and regularly monitor your account. We will contact you when we become aware of a significant change in the market or to your individual circumstances. If financial planning is offered as a stand-alone service, we will not provide ongoing monitoring.

**Investment Authority:** Pensionmark makes trades (purchase and sell orders) in your accounts in accordance with your stated investment objectives without discussing the specific trades with you in advance. This is known as "discretionary authority" and will be in effect until such time as our advisory agreement with you is terminated.

**Investment Offerings:** Pensionmark's investment advice is not limited to a particular type of security or product. We provide advice with respect to equities, fixed-income and cash-type investments.

**Account Minimums:** Pensionmark does not impose account minimums for opening and maintaining accounts, or otherwise engaging our services.

*For additional information, please request our [Form ADV Part 2A Brochure](#) for complete details concerning our services and fees.*

### 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?

## What Fees Will I Pay?

You will pay an ongoing, mutually agreed asset-based fee each month, in advance, for our services according to the terms of our advisory agreement with you based on the value of the cash and investments in your advisory account. As assets in your account increase, so do the fees. As a result, the firm may be incentivized to encourage you to increase the assets in your account. Our standard fees range from 0.50% to 3% of assets under management and are negotiated on an individual basis. The more assets there are in a retail investor's advisory account, the more a retail investor will pay in fees, and this creates an incentive for us to encourage you to increase the assets in your account. Financial planning fees are based on an agreed-upon fixed fee, ranging from \$1,000 to \$5,000, or an hourly basis, ranging from \$100 to \$275 per hour, depending on the nature and complexity of the engagement.

You are responsible for all custodian and execution fees charged by the custodian and/or executing broker-dealer. Pensionmark's asset-based fees are separate and distinct from custodian and broker-dealer execution fees, unless you are participating in a **wrap-fee program**. In those instances, you will be assessed a higher asset-based fee; however, the custodian and execution fees will be included in the overall asset-based fee you pay.

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Some investments, such as mutual funds, impose additional fees which reduce the value of your investment over time. Additionally, your financial professional may select third-party asset managers to assist with the management of your account. If selected, the third-party asset manager is compensated through a percentage of the overall investment advisory fee assessed by Pensionmark.

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 in your investments over time. Please make sure you understand what fees and costs you are paying.

## 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 that means.

Some of our financial professionals may also effect securities transactions for clients as registered representatives of Pensionmark Securities, LLC, or St. Bernard Securities, LLC broker-dealers. Your financial professional may receive compensation for such transactions, but such compensation will be separate and distinct from compensation related to our investment advisory services. Additionally, some Pensionmark financial professionals may also be licensed as insurance agents with Pensionmark Partners Insurance Services, which is affiliated with Pensionmark through common ownership and may receive compensation directly from the carriers.

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## Conversation Starter: 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 financial professionals are compensated based on the revenue our firm earns from the advisory services we provide, the total assets they service and the time and complexity required to meet individual client needs. Additional revenue may be received from outside business activities such as broker-dealer transactions, or fixed insurance business.

## Do you or your financial professionals have legal or disciplinary history?

Yes, some of them do. You can access the legal and disciplinary history of our firm and our financial professionals using a free and simple search tool at [Investor.gov/CRS](http://Investor.gov/CRS).

## Conversation Starter: Ask Your Financial Professional

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

## Additional Information

You can find additional information about Pensionmark's investment advisory services on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching our CRD #208512. You may also contact our firm at (888) 201-5488 or [info@pensionmark.com](mailto:info@pensionmark.com) to request a copy of this relationship summary and other up-to-date information. Our current Relationship Summary and the Relationship for Pensionmark Financial Group, LLC, an affiliated broker-dealer, can be found on our website at <https://pensionmark.com/>

## 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?

Pensionmark® Financial Group, LLC ("Pensionmark") is an investment adviser registered under the Investment Advisers Act of 1940. Pensionmark is affiliated through common ownership with Pensionmark Securities, LLC (member SIPC).