

# Professional Financial Strategies, Inc.

## Form CRS – Client Relationship Summary

### Item 1: Introduction

Professional Financial Strategies, Inc. is registered with the Securities and Exchange Commission (SEC). Professional Financial employs only [Certified Financial Planner™ \(CFP®\) professionals](#) as advisers. Investment Advisory and Brokerage services and compensation are materially different, as well as their legal responsibilities to you. Understanding those differences is important. Free and simple tools are available for you to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS) which provides educational materials about investment advisers, broker-dealers and investing.

### Item 2: Relationships and Services

“What investment services and advice can you provide me?”

Our CFP® professionals provide investment management services as well as personal financial planning focused on retirement through a collaborative wealth management process in compliance with [CFP practice standards](#). Investment management is a core competency for us, but wealth management, if you choose it, includes mitigating taxes, protecting assets, preserving wealth, enabling legacies and more. Financial planning is intended to help you maximize your personal life goals. Our specialty is retirement and wealth planning for professionals and retirees. [Our advisory services are best suited](#) for the needs of those families and more affluent households. Unlike typical brokerage firms, we do not offer “stand-alone” investing without a broader household relationship.

(i) **Monitoring:** Accounts are monitored continuously and reviewed quarterly or as special situations arise. Wealth planning reviews, if elected by you subsequent to the planning done at the beginning of our relationship, are at least annually or periodically. Reports for investment accounts are quarterly as well as email or phone contacts. (ii) **Investment Authority:** Our relationship allows us to buy and sell investments in your accounts without asking you in advance (“discretionary”). However, your written investment policy, personalized for you, describes the types of strategies and investments you can expect us to employ within the limits of your authorization to us. (iii) **Limited Investment Offerings:** While there are exceptions, our portfolios are individually constructed using institutional-class mutual funds with very low costs, most often with Dimensional Fund Advisors. We do not utilize conventional “actively” managed solutions or engage quantitative hedge funds. (iv) **Account Minimums and Requirements:** While we have no specific account minimums, our ongoing management fee for new clients is at least \$2,500 quarterly. Therefore, you should have sufficient assets and a situation sufficiently complex to obtain benefits like tax savings to justify our fee. Also, there are fees for initial financial planning and platform set-ups.

### CONVERSATION STARTER:

- 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 fees have fixed and variable components dependent on the level of services we anticipate that you will need. [For financial planning](#) related to our wealth management process when we begin our relationship, fees typically start at between \$5,000 to \$10,000 depending the number of planning phases we complete and whether we are engaged for investment management services early in the process. (Planning fees for those with higher asset levels or requiring greater time and effort could be higher.)

There is no cost or obligation to you for your initial consultations. To include [wealth management with investment management](#), the minimum fee would be \$2,500 quarterly. When assets under management exceed \$1 million, a 0.20% (20 bps) quarterly fee begins to apply to those assets. As your assets under management increase, at various breakpoints the marginal rate you pay will enhance your services. At our discretion, investment managements fees calculated on the first \$1 million may be reduced if we find you are not using wealth management services. The rate you pay for investing does not vary based on the type of investments we select for you and is non-negotiable; what you could pay for special planning services is. Our asset-based fee is deducted from your accounts and reduces their value, but you can pay those fees directly.

[You will pay a transaction fee](#) when we buy or sell an investment for you to a custodian. [Charles Schwab & Co.](#) is our primary custodian. They do not share their fees with us, but they do provide substantial services to us that support our advisory relationship with you. Investments that we use such as mutual funds and variable annuities impose additional fees which will reduce the value of your investments over time. We primarily use only low-cost institutional class funds with no commissions because that is in your best interest. We do not invest your money with investment products with surrender charges. We have no incentive to trade your account, and we are compensated whether we make trades or not. Also, we have an incentive to encourage you to place more assets in your accounts with us. We also have an incentive to grow your account over time so our fees may be larger.

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 information related to our fees, see our current [Disclosure Brochure, ADV Part 2, Item 5](#).

#### CONVERSATION STARTER:

- Help me understand how these fees and costs might affect my investments. If I give you \$1,000,000 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 might your conflicts of interest affect me, and how will you address them?”

When we act as your investment adviser and as CFP®s, we have a fiduciary duty of loyalty and care to act in your best interest and to not put our interest ahead of yours. We are governed by a [Code of Ethics](#) and the [CFP® Code of Ethics and Standards of Practice](#). At the same time, the way we make money creates some conflict with your interests. You should understand and ask us about these conflicts because they can affect the investment advice that we provide you.

Here are examples to help you understand what this means:

[The level of service provided to you](#) is based on level of fees you pay. Clients and household-related accounts paying for a higher level of advisory service will receive preference relative to clients at a lower service level, and while our best efforts will be made based on your needs, higher service level clients would be reviewed sooner during times of market volatility.

The level of wealth management provided is affected by the level of fees. Clients who limit the assets we have under management will pay separately for any financial and wealth planning services they receive. Also, level of wealth management service will affect the seniority of CFP® as your primary contact. We have no proprietary products, make no third-party payments, or do no principal trading.

[Custodial services](#) are provided independently by [Charles Schwab & Co.](#), and you fully control all your accounts. [We do not have custody over any of your assets](#). We have only a very limited power of attorney over your custodial accounts such as to obtain information, to trade on your behalf and to debit your fees. We have no authority to withdraw or transfer funds without your written permission.

Our interest can conflict with yours, however. We either eliminate these conflicts or tell you about them in a way you can understand, so you can decide whether to agree to them. For instance, while Professional Financial receives no commissions for product implementation, [some professionals of the firm are licensed](#) as insurance brokers and will receive reimbursement when no “commission free” life or income annuity instrument is available or not in your best interest. We will disclose that reimbursement and offset financial planning fees related to that engagement and exempt those assets from the firm’s investment management fees charged to you.

“How do your financial professionals make money?”

[Full-time professionals](#) of Professional Financial are paid a salary and bonuses as CFP® professionals and for their management or administrative functions with the firm. Part-time CFP® professionals are paid based on client assets they are servicing. [Professionals acting as related persons](#) may receive compensation outside of the firm. Staff are not broker-dealer registered representatives and so not paid commissions on any investments transacted through us.

#### Item 4. Disciplinary History

“Do you or your financial professionals have legal or disciplinary history?”

No. Visit [Investor.gov/CRS](#) for a free and simple search tool to research any financial professional. Furthermore, we encourage you to ask financial advisers you may meet:

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

#### Item 5. Additional Information

More complete information about Professional Financial, a detailed description of our services, and a schedule of fees and conditions, as well as background for our CFP® professionals, is available on the SEC’s website at [adviserinfo.sec.gov](#).

You may contact our Chief Compliance Officer, Paul Byron Hill, to request a printed version of our current Disclosure Brochure (Form ADV Part 2A) or this relationship summary. Mr. Hill may be reached at (585) 218-9080 or [professionalfinancial.com](#).

#### CONVERSATION STARTER:

- Who is my primary contact person? Is he or she a representative of an investment adviser or of a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

A complete copy of our current Disclosure Brochure (Form Part 2A and B) is located at [https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd\\_iapd\\_Brochure.aspx?BRCHR\\_VRSN\\_ID=630415](https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=630415)

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