

June 30, 2020

Form CRS Disclosure for The Hogan-Knotts Financial Group, Inc.

Our firm is Registered with the Securities and Exchange Commission as an Investment Advisor, and whose principal location is in New Jersey.

Brokerage fees and commissions, and investment advisory services and fees, are different. It is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

Our firm (the adviser) offers financial planning & investment advisory services to retail investors. We engage in financial planning as a process for our clients in the manner delineated by the Certified Financial Planning Board of Standards, Inc.

Our firm begins by establishing and defining the client-planner relationship. We clearly explain and then document in a written agreement the services to be provided to our clients and define both their and our responsibilities. This is called an Investment & Financial Planning agreement. In addition to the overall financial plan, we also provide oversight and stewardship to every client's investment portfolio – the engine that drives the financial plan. In most cases a written review of the client's portfolio is provided quarterly. In some cases, the portfolio receives a written review annually at calendar year-end. In almost all cases, the investment portfolio is reviewed against its Statement of Investment Policy (SIP) in-house every three-months. We call this part of the financial planning process "Portfolio Management Services". This is defined as giving continuous advice to a client, or making investments for a client, based on the disclosed financial goals and objectives of the client. Our firm provides these services by receiving discretionary authority over a client's accounts based upon an agreed upon SIP. However, under all circumstances, the client makes the ultimate decisions about their financial plans and investment portfolios.

We provide financial planning and portfolio management services to individuals, high net worth individuals, businesses, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates & trusts. Generally, we require a minimum of \$500,000 in manageable assets to establish a relationship with this office. There are, however, exceptions made. These exceptions are primarily for the children, grandchildren and other family members related to our already established client relationships.

CONVERSATION STARTERS:

- 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?

The annual fee charged for investment supervisory services will range from 1.25% to 0.00% of assets under management. The specific way fees are charged by our firm is established in each individual client's written agreement with the adviser. We generally bill our fees on a quarterly basis. Clients are billed in arrears each calendar quarter. We directly debit fees on a quarterly basis from client accounts, which you must authorize at the beginning of the relationship and the establishment of the account. The more assets in an account means more fees to the adviser, thus there is an incentive to encourage clients to increase assets in an account. This, however, is also an incentive to do well for you in your investment accounts.

There are other fees and costs a client will pay indirectly. On occasion the custodian will charge a transaction fee, and in exchange traded funds (ETFs) and active mutual funds there are the underlying operating expenses of the funds. 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.

CONVERSATION STARTERS:

- 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 must 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:

1. We recommend you roll over your 401(k) into an IRA, even though you may maintain your 401(k) account after you leave employment of the plan sponsor.
2. We recommend you not pay off your mortgage because it requires the liquidation and transfer of investment assets out of your account

CONVERSATION STARTERS:

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

All our firm's financial planners and associates are paid an annual salary. At year end decisions are made concerning the profit of the firm, including funding of employee benefits and retirement plans, reinvestment into technology, etc. Then, the net profit, if any is split amongst the employees of the firm as a year-end bonus.

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

No. For free and simple search tools to research our firm and our financial professionals go to www.investor.gov/CRS

CONVERSATION STARTERS:

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

Additional Information

Additional information can be found at www.investor.gov/CRS, the firm's web site at www.hkfg.biz, or by calling the firm at 732-842-7400 to request up-to-date information and request another copy of CRS.

CONVERSATION STARTERS:

- 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?