



Meritage Portfolio Management, Inc.

August 31, 2020

**Meritage Portfolio Management Inc. ('Meritage') is registered with the Securities and Exchange Commission as an Investment Adviser.**

Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. 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.

**What investment services and advice can you provide me?**

Meritage offers investment advisory services to retail investors. We utilize bonds, equities, exchange traded funds, and occasionally, outside mutual funds to build diversified portfolios for our clients. Besides portfolio management, we offer financial planning as well as sub-advisory services to pooled funds and wrap account arrangements sponsored by other advisers. We have an active, on-going process for monitoring client accounts within agreed upon guidelines for each account and rebalance as needed to meet the client's changing needs and market conditions.

Meritage generally manages accounts on a discretionary basis, meaning we have the authority to make trades when we feel it is appropriate without securing client approval. Non-discretionary accounts, where the client must give Meritage specific approval before trades are made, limit our ability to actively manage the account are available if a discretionary account already exists. Meritage's stated minimum account relationship is \$2,000,000, but retains discretion to begin new relationships at lower levels.

For additional information, please refer to our Disclosure Brochure, Form ADV Part 2A, pgs 1-3, 7-11,18.

**Questions to 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?**

Meritage charges fees based on a percentage of client assets under management. Fees are calculated quarterly and generally billed in advance. Most clients opt to have their fees deducted from the respective investment accounts, but fees can also be billed directly. As your assets grow, so will what you pay in total fees, although the fee percentage rate declines with asset growth based on our sliding fee schedule.

Some investments such as mutual funds and exchange traded funds impose additional fees embedded in their pricing that will reduce the value of your investment over time. When Meritage manages the pooled vehicle, those assets are excluded from the quarterly management fee calculation so that you are not paying two layers of expense.

Depending on the custodian or broker-dealer holding your assets, you may have a transaction fee for security trading and/or an asset holding fee (also called a custody fee). Meritage does not receive any portion of these fees.

If Meritage is managing your investments via a wrap program sponsored by another investment adviser or broker-dealer, Meritage is compensated by the wrap sponsor based on assets under management.

Your fees in these arrangements are calculated and billed by the wrap program sponsor and may be significantly higher than other Meritage clients due to inclusive transaction and custody costs.

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 additional information, please refer to our Disclosure Brochure, Form ADV Part 2A, pgs 4-6, 14-17.

#### **Question to 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 are required to act in your best interest and not put our interest ahead of yours. At the same time, the way Meritage makes 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.

- IRA Rollovers from retirement plan accounts – advisory fees will likely be different and may be higher than the retirement plan fees. The fees may also be lower.
- Fee structures within Meritage sub-advised pooled accounts sponsored by other entities may be different than the fees for our separately managed accounts

For additional information, please refer to our Disclosure Brochure, Form ADV Part 2A, pgs 12-17,19, 21.

#### **Question to 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?**

All Meritage associates receive a market competitive salary and benefit package plus bonuses based on the firm's profitability and the associate's contribution to the firm's success. Our associates are not compensated with commissions of any kind.

For additional information, please refer to our Disclosure Brochure, Form ADV Part 2A, page 19 & Part 2B.

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

No, we have no legal or disciplinary issues to disclose. Go to [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research Meritage and our investment professionals.

For additional information, please refer to our Disclosure Brochure, Form ADV Part 2A, page 12.

#### **Question to ask your financial professional:**

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

#### **Additional Information**

For additional information on our advisory services, see our Disclosure Brochure (Form ADV Part 2A) available at <https://adviserinfo.sec.gov/firm/summary/107177>, and also available on our website at [www.meritageportfolio.com](http://www.meritageportfolio.com). Your financial professional will also provide you a copy of the Brochure Supplement, Form ADV Part 2B. You can reach us at [welcome@meritageportfolio.com](mailto:welcome@meritageportfolio.com) or 913-345-7000.

#### **Questions to 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?