

March 19, 2024

## **ADV Part 3 - FORM CRS**

### ***Item 1***

Flagship Capital Management, Inc (“Flagship”) is an SEC Registered Investment Advisor. As an investment advisor, Flagship is compensated for its services, based upon a management agreement with its clients. The management fee is based upon the value of the assets managed by Flagship. Free information about Flagship’s registration is available at [Investor.gov/CRS](https://www.investor.gov/crs).

### ***Item 2***

#### ***What investment services can you provide me?***

Flagship provides investment advisory and management services to retail investors. These services can include investment planning for retirement, education and capital purchases and planning for the purchase of homes, cars or other large expenditures. Currently, client custodial investment accounts are established at Charles Schwab and are primarily taxable individual and joint accounts and tax-deferred retirement accounts, such as IRA, Roth IRA or IRA rollovers.

Flagship consults with its clients to establish their individual investment goals and portfolios are created to align with and achieve those goals. Flagship’s client Investment Management Agreement details that investment accounts are managed on a discretionary basis, meaning that Flagship does not need prior client authorization for the purchase or sales of investments. The asset allocation of each portfolio is balanced to accommodate the client’s individual and unique risk tolerance and goals. Investment activity and portfolio holdings are reviewed daily and retirement goals and budgets are established and reviewed quarterly, or annually. Clients may elect to exclude certain types of investments (e.g. tobacco, firearms, etc.) from their portfolios. The Investment Management Agreement may be terminated, without penalty by the client at any time, upon 60 days written notice.

#### ***Given my financial situation, should I choose an investment advisory service? Why or why not?***

Clients may choose to hire investment advisors because they may lack either the time, training or experience, to effectively nurture their own personal savings. Any type of investment requires planning, analysis and constant monitoring to ultimately achieve the desired goal. As your investment advisor, Flagship’s team of professionals have undergraduate and advanced degrees and certifications in accounting, finance and economics along with decades of investment experience. It is the collective experience of Flagship’s professionals, acting as a team, that provides clients with an advantage towards achieving successful investment results. Conversely, investors may elect to invest on their own to save on the cost of professional management services, or they may not be comfortable granting a third party the authority to select investments on their behalf.

#### ***How will you choose investments for me?***

When onboarding a new client, Flagship interviews the client to learn about their investment goals and level of risk tolerance (all investments incur some level of risk). With this information, an appropriate asset allocation is formulated and accordingly, the portfolio is constructed. Typically, such a portfolio consists of cash, equities and fixed income investments, either in the form of individual securities, or investment products, such as exchange traded funds (ETF’s), or mutual funds. Each of these investments are analyzed based upon specific criteria, which include, but are not limited to service or products offered, industry and competition, management competency, profitability and financial strength.

#### ***What is your relevant experience, including your licenses, education, and other qualifications?***

Each member of the investment team holds a Series 65 Registered Investment Advisor license. Their individual resumes, detailing their certifications and levels of education and investment experience are on Flagship's website at [flagshipcap.com](http://flagshipcap.com).

### **Item 3**

#### **What fees will I pay?**

Flagship charges a quarterly management fee for its services, based upon the value of the client's portfolio at the end of the preceding quarter. The fee is a fixed percentage of the value of the client's assets, such that as the value of the assets rise or fall, the dollar amount of the fee will track the change in asset value. Certain of the investments selected by Flagship may also have fees, which are payable to third parties. These third-party fees are usually management fees for mutual funds or ETFs, which are included in most portfolios. Currently, purchases of equity securities and ETFs are transacted on a commission-free basis, however certain mutual fund share classes incur a transaction fee, charged by the custodian. This fee structure directly aligns Flagship's compensation with the performance of the client's investments, which creates an incentive for us to achieve the best possible outcome for our clients. Fees and expenses are paid regardless of performance and will reduce investment returns over time. Make sure you understand what fees and costs you are paying. Please see Flagship's fee structure on its [FORM ADV Items 5 A B C D](#).

#### ***Help me to 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?***

If a new client were to invest \$10,000 with Flagship, after four quarters they would incur \$100 in fees, absent any changes in the portfolio's value due to market returns.

#### ***What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?***

Flagship has a fiduciary obligation to act in its clients' best interests. Flagship is paid a fee for its services, which is calculated as a fixed percentage of the assets managed by Flagship, on behalf of its clients. This is outlined in the management agreement signed by the client. As the value of assets managed increases, the dollar amount of fees paid to Flagship increases proportionately, thus reducing any conflicts of interests regarding commission fees, or per-transaction compensation.

#### ***How might your conflicts of interest affect me, and how will you address them?*** These issues are disclosed on Flagship's [Form ADV Part 2A](#) and in the SEC's guidance on [Regulation Best Interest](#).

#### **How do Flagship's professionals make money?**

Flagship's employees are paid a yearly salary and a discretionary bonus, which is based upon the financial performance of the company.

### **Item 4**

#### ***Does Flagship or any of its professionals have any legal or disciplinary history?***

No. Investors may visit [Investor.gov/CRS](http://Investor.gov/CRS) for a search tool to research Flagship and its professionals.

### **Item 5**

#### ***Who is my primary contact person?***

Flagship uses a team approach to managing its clients' portfolios and advisors do not have their own book of business. All advisors are intimately familiar with a client's portfolio construction and investment objectives and can each competently answer any relevant questions. Flagship's phone number is 610-565-9580.