



## Client Relationship Summary

Form CRS/Form ADV, Part 3

March 2022

Ewart, Young & Hobbs Investment Management is an investment adviser registered with the U.S. Securities and Exchange Commission. Brokerage and investment advisory services and fees differ and it is important to understand the differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors, and investing.

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

We offer asset management and financial planning services to clients. Investment advisory services are provided on a discretionary basis which means we don't need to call you when buying or selling in your account. You give us this authority when you sign our investment management agreement. This agreement will remain in place until you or we terminate it. As part of this service we may provide some financial planning services on an as-needed basis. In addition, we furnish advice to you on matters not involving securities, such as taxation issues and trust services that often include estate planning.

Our investment planning process ensures the design of a strategic investment plan that is customized to each client's unique goals and objectives yet is flexible enough to respond to a client's changing financial circumstances. This process includes:

- Initial consultation
- Financial analysis
- Asset allocation modeling
- Investment Selection
- Portfolio Monitoring & Rebalancing
- Reporting

We do not restrict our advice to limited types of products or investments. Our current minimum for new clients is \$500,000 in investable assets with us. This minimum may be waived at our discretion.

Client accounts are reviewed on a quarterly basis by Derek Hobbs, President and Carlos Perez, Investment Advisor Representative. More frequent review is performed when dramatic events occur that impact the stock market, if asset allocation targets are out of alignment or if there is a change in client's financial circumstances.

Additional information about our services is located in Items 4, 5, 7, 13 and 16 of our [Firm Brochure](https://adviserinfo.sec.gov/firm/brochure/110263) (adviserinfo.sec.gov/firm/brochure/110263).

### **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?***

You will be charged an ongoing annual fee, billed in quarterly installments. This fee is billed in advance based on your account value as of the last day of the prior calendar quarter. For example, your fees for January - March will be billed in January based on the December 31 account value. Our fees vary based on your assets under management and range from 0.25% to 1.00%. Fees are negotiable at our sole discretion. Financial planning services are included within this fee for current clients. The more assets you have in your advisory account, the more you will pay us. This gives us an incentive to encourage you to increase the assets in your account which will increase our fees.

The broker/dealer (custodian) that holds your assets can charge you a transaction fee when we buy or sell an investment for you. The broker/dealer's transaction fees are in addition to our fee for advisory services if you are not in the wrap program.

You may also pay charges imposed by the broker/dealer holding your account for certain investments and maintaining your account. Some investments, such as mutual funds, index funds, exchange traded funds, and variable annuities charge additional fees that will reduce the value of your investments over time.

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. Additional information about these fees and costs may be found in Items 5 and 12 of our [Firm Brochure](#).

#### **Conversation Starters**

- ✓ Help me understand how these fees and costs might affect my investment. 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 advisor? 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 this means.

We recommend Charles Schwab & Co., Inc. to serve as custodian to our clients. Schwab provides us with certain products and services at no cost that benefit us but do not benefit our clients. Certain of these products and services assist us in managing and administering our clients' accounts and others help us develop our business. The receipt of these products and services creates a conflict of interest because it gives us an incentive to have clients choose Schwab as a custodian.

Additional information about our conflicts of interest is located in Items 12 and 14 of our [Firm Brochure](#).

#### **Conversation Starters**

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

#### ***How do your financial professionals make money?***

Our financial services professionals are compensated on a portion of the total fees received by the firm and a base salary.

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

No. [Investor.gov/CRS](http://Investor.gov/CRS) is a free and simple search tool to research Evert, Young & Hobbs Investment Management and our financial professionals.

#### **Conversation Starters**

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

#### ***Additional Information***

Additional information about our investment advisory services is available in our [Firm Brochure](#) and our [website](#). You may request a current copy of this relationship summary at (650) 802-0342 or download it [here](http://adviserinfo.sec.gov/firm/summary/110263) (adviserinfo.sec.gov/firm/summary/110263).

#### **Conversation Starters**

- ✓ Who is my primary contact? 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?

## Customer Relationship Summary

### Introduction

Evart, Young & Hobbs (EYH) is an investment adviser registered with the U.S. Securities and Exchange Commission. Investment advisory and brokerage services and fees differ; therefore, 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](https://investor.gov/CRS), which also provides educational materials about investment advisers, broker-dealers, and investing.

### Relationships & Services

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

#### **Description of Services and Monitoring**

EYH provides investment advisory services to individual clients, as well as trusts, qualified retirement plan sponsors, and business entities. We are in our 38<sup>th</sup> year of operation. We are a fee-only firm and we currently manage \$215.7 million in assets. EYH manages securities in accounts on your behalf. We do not act as custodian of your assets. You always maintain asset control. We place trades for you under a limited power of attorney. EYH recommends institutional-class stock mutual funds with low annual expense ratios, and extremely low or no transaction costs, along with other low-cost investment solutions, such as Exchange Traded Funds (ETFs), and individual stocks. For more on our investment philosophies, and the risks of our strategies and/or specific investments recommended, please refer to [Item 8](#) in the attached.

On request we furnish advice to you on matters not involving securities, such as [financial planning matters, taxation issues, and trust services that often include estate planning](#).

#### **Monitoring**

[Portfolio Reviews and Rebalancing](#) of your portfolio, for the assets held under management with us will be undertaken: (1) periodically; (2) upon request, and (3) upon a substantial asset class change, under the following adopted policies and procedures.

#### **Investment Authority**

We accept [discretionary authority](#) to manage securities accounts on your behalf. We have the authority to determine, without obtaining your specific consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

If there were any transaction fees or commissions paid by you to the custodian on certain trades, we do not receive any portion of those fees. A limited power of attorney is a trading authorization for this purpose.

#### **Account Minimums and Other Requirements**

We generally require discretionary advisory clients to maintain a [minimum account size](#) of \$500,000, although this minimum may be waived in certain circumstances.

#### **Additional Information**

For additional Information, please see our [Form ADV Part 2A](#) (with special emphasis on Items 4, 7, and 16 of Part 2A)

#### **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?

### Fees, Costs, Conflicts, and Standard of Conduct

#### **“What fees will I pay?”**

We base our [fees on a percentage of assets](#) under management. We, in our sole discretion, may waive our minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For asset management, we charge a tiered ongoing asset-based fee in advance, at the end of each quarter. The fee is charged as a percentage of your assets that we manage. (Part 1A Item 5.E.)

Assets Under Management	Annual Fee %
First \$1,500,000	1.00%
Next \$1,500,000	0.75%
Next \$2,000,000	0.50%
Amounts over \$5,000,000	0.25%

**Description of Other Fees and Costs:** Custodians may charge transaction fees on purchases or sales of certain mutual funds and Exchange-Traded Funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian may charge to buy or sell the security.

**Additional Information:** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce the amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. More detailed information about our fees and costs are included in our Form ADV Part 2A (Items 5).

**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?”***

When we act as your investment adviser, we must act in your best interest, putting your interest ahead of ours. Where the interests of our Firm or staff conflict with our duties to you, we will work to eliminate the conflict or inform you of it with clarity. You should understand and ask us about these conflicts because they can affect the investment advice, we provide you.

***“How else does your firm make money and what conflicts of interest do you have?”***

We only generate revenues from our asset management services and financial planning fees, as described above. Therefore, the more assets in your advisory account, the more you will pay in fees, and we may have an incentive to encourage you to increase the assets in your account. For example, we may recommend that you rollover a 401K retirement account to an IRA account managed by EYH, as this would increase the amount of assets under our management.

***“How do your financial professionals make money?”***

Our financial services professionals are compensated on a portion of the total fees received by EYH and a base salary. For more information about our conflicts of interest, we recommend reading our ADV Part 2A, Items 4 and 10.

**Conversation Starter**

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

**Disciplinary History**

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

No – Neither the Firm nor any of our financial professionals have a disciplinary history. We invite you to visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research our Firm and financial professionals.

**Conversation Starters**

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

**Additional Information**

We encourage you to seek out additional information about our investment advisory services in our Form ADV Brochure on [Investor.gov](https://www.investor.gov) or [adviserinfo.sec.gov](https://adviserinfo.sec.gov) (CRD 110263). Alternatively, you can call 650-802-0342, and ask either of our Principal’s, Rosalee S. Young or Derek Hobbs and speak with one of them directly.

**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?