



## STILES FINANCIAL SERVICES I N C O R P O R A T E D

### Customer Relationship Summary, JUNE 2020

Stiles Financial Services Incorporated (“SFSI”) is registered with the Securities and Exchange Commission as an investment advisory firm. Investment advisory services and fees differ from those offered through a brokerage firm and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://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?**

You may engage us as your advisor in the following ways: SFSI’s wrap fee program provides investment portfolio management, and/or financial planning services.

Our wrap fee program (“Program”) provides clients with an unbiased platform to trade in a multitude of investment products while not taking on separate brokerage commissions or transaction charges. Wrap fee programs are any arrangements in which the clients receive investment advisory services (including discretionary portfolio management and/ or advice on other investments) as well as execution of client transactions through a management fee and a program fee. SFSI assists you in developing an appropriate strategy for managing your assets and financial affairs by managing assets on a **discretionary** basis (allowing us to buy or sell investments without asking you in advance). SFSI seeks to ensure that your portfolio is managed in a manner consistent with your specific investment profile. SFSI consults with you on an initial and ongoing basis (at least annually) to determine your specific risk tolerance, time horizon, liquidity constraints and other factors relevant to the management of your portfolio. Client accounts are generally reviewed quarterly, but no less often than annually, by the investment advisor responsible for the client relationship.

Financial planning services are also available. Plans are developed by collecting information concerning your assets, liabilities, present and future foreseeable obligations, present and future income, your desired financial goals, and your tolerance of risk, along with any other data related to these areas of your financial profile. More detailed information about our services is available in our Form ADV Wrap Brochure and our Form ADV 2A.

***Ask us: 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?**

Fees and costs affect the value of your account over time. You will pay fees and costs whether you make or lose money on your investments. Please make sure that you understand what fees and costs you are paying.

Our wrap program management fee is structured on a declining breakpoint scale based on the total value of managed assets in your household and can be negotiable under certain circumstances. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. The more assets you have in the advisory account, the more you will pay us but will decline as a percent of assets as your assets increase. The amount paid to our firm and your financial professional does not vary based on the type of investment we select on your behalf. The program fee is in addition to the asset-based fee and is charged at a

uniform rate of .10% of assets under management. For households over \$3,000,000 the program fee drops to .08%. The program fee is paid in lieu of brokerage commissions, transaction fees and other related costs and expenses that would normally be incurred by the client from the custodian. Both fees reduce the value of your account and will be deducted from your account. Neither one of these fees pay for any taxes that you may incur from your portfolio. Although transaction fees are usually included in the wrap program fee, sometimes you will pay an additional transaction fee for investments bought and sold outside our preferred custodian. Some investments may also impose additional fees that will reduce the value of your investment over time, such as mutual funds and ETFs (exchange traded funds). Financial planning services are typically offered at a fixed amount which varies depending on the complexity of the plan. All fees are specifically addressed in our advisory agreement for the services contracted and fully disclosed.

***Ask us: 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 have to act in your best interest and not put our interest ahead of yours. It is our intent to always be transparent and disclose to our clients potential conflicts of interest. At the same time, the way we make money may inherently create some conflicts with your interests. You should understand and ask us about conflicts of interest because they can affect the investment advice we provide you. Here is an example to help you understand what this means:

- We have an incentive to increase the assets in your account in order to increase our collected fees. You will pay the quarterly asset-based fee even if we do not buy or sell and whether the market goes up or down.

The advisory services we offer you generates revenue to run our business and pay employee salaries and benefits. SFSI is a for profit corporation. Additional information about these conflicts are provided in our Form ADV 2A Brochure and our Form ADV Wrap Brochure.

***Ask us: How might your conflicts of interest affect me, and how will you address them?***

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

Our professionals are paid a salary and do not receive any commission compensation. In some cases they may also receive incentive bonus based on their performance.

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

No, our portfolio management and financial planning professionals do not have legal and disciplinary events. Visit [www.investor.gov](http://www.investor.gov) for a free and simple search tool to research our firm and our financial professionals.

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

**For additional information** on our investment advisory services, please see our Form ADV 2A and our Form ADV Wrap Brochure at <https://adviserinfo.sec.gov/firm/summary/117023>. Call us at (952) 988-0452 to request physical copies of this information and/or a copy of this Customer Relationship Summary.

***Ask us: 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?***