



## Financial Avengers®, Inc.

Client Relationship Summary

Form CRS/Form ADV, Part 3

June 2020

Financial Avengers®, Inc. is registered with the Securities and Exchange Commission as an investment advisor. 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://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 both financial planning and investment management services. Our investment management services are offered 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. We do not restrict our advice to limited types of products or investments. However, we do tend to shy away from exotic investments and investment strategies, including options, puts, calls, straddles, margin or private placements. We have *never* had a minimum account size and we never *will* have a minimum account size.

Usually on a daily basis we review, in order, a limited number of client accounts. This review is part of our ongoing trading analysis, where we are taking any number of actions: adding new positions; removing positions where the investment thesis has changed; rebalancing; profit-taking; etc.

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/119636) ([adviserinfo.sec.gov/firm/brochure/119636](https://adviserinfo.sec.gov/firm/brochure/119636)).

- ✓ 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 0.50% to 1.50%. Financial planning services are included in this fee. Fees are negotiable in limited circumstances. 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 custodian's transaction fees are in addition to our fee for advisory services.

You may also pay charges imposed by the custodian holding your account for certain investments and maintaining your account. Some investments, such as mutual funds, index funds, and exchange traded funds 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](#).

- ✓ 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.

1. When you leave a job we almost always recommend that your 401K is rolled over to our management. We do that so that your entire asset pool can be invested according to your long-term goals and risk tolerance and because management of larger pools of assets is more efficient than smaller pools of assets. However, since we earn money when we have more assets under management, such a recommendation could be considered a conflict of interest.
2. The same is true for Employee Stock Purchase or Stock Option or Restricted Stock Unit plans. We recommend shares in such plans are eventually or periodically transferred to our management. We do this so we can keep an eye on these shares, sell the shares when it is tax advantageous to do so and diversify out of large blocks of shares over time and according to our jointly considered plan. Again, though, this could be considered a conflict of interest.
3. If you suddenly want to purchase a \$1 million second home and require us to liquidate your entire portfolio in order to make that happen, we may point out that this was not part of your original plan and would reduce or eliminate your liquidity pool and emergency assets. This may be very wise advice, but it could also be considered a conflict of interest since if you bought the home that you couldn't afford, we would have fewer assets to manage.
4. We urge savings constantly. That's because structured and disciplined and increasing savings is the path to Financial Freedom and Security. However, it is in our best interests to urge such savings. That small conflict will not, however, stop us from recommending savings.

Tom Swift is also an insurance agent who sells insurance products for a commission. He has an incentive to recommend insurance products to you in order to increase his compensation, even though insurance agency compensation makes up less than 1% of total compensation for the firm.

We require that all clients use Charles Schwab & Co., Inc. as custodian. 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 analyze securities and investments. 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 5, 12 and 14 of our [Firm Brochure](#).

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

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

Our financial professional is paid a salary. He is also an equity owner of Financial Avengers and periodically Financial Avengers pays dividends to its owners.

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

Neither our firm nor our financial professionals have any legal or disciplinary history. [Investor.gov/CRS](#) is a free and simple search tool to research Financial Avengers®, Inc. and our financial professionals.

✓ 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](#) ([www.financialavengers.com](http://www.financialavengers.com)). You may request a current copy of this relationship summary at (415) 773-2174 or download it [here](http://adviserinfo.sec.gov/firm/summary/119636) ([adviserinfo.sec.gov/firm/summary/119636](http://adviserinfo.sec.gov/firm/summary/119636)).

✓ 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?