

Phase III Advisory is registered with the Securities and Exchange Commission as an investment adviser and, as such, we provide advisory services rather than brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences. Additionally, 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 advisers, and investing. This document is a summary of the services and fees we offer to "retail" investors, which are natural persons who seek or receive services primarily for personal, family, or household purposes.

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

We offer the following investment advisory services to retail investors: **Asset Management Services; Portfolio Manager to a Wrap Fee Program; Portfolio Monitoring Services; Financial Planning and Consultative Services; Selection of Other Advisers.**

**Account Monitoring:** If you open an investment account with our firm, as part of our standard service we will monitor your investments on at least an annual basis.

**Investment Authority:** We manage investment accounts on a **discretionary** basis whereby **we will decide** which investments to buy or sell for your account. We have discretion to select, retain or replace third-party managers to manage your accounts. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. We also offer **non-discretionary** investment management services whereby we will provide advice, but **you will ultimately decide** which investments to buy and sell for your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

**Investment Offerings:** We provide advice on various types of investments. Our services are not limited to a specific type of investment or product.

**Account Minimums and Requirements:** In general, depending on the type of account opened, we require a minimum household account value of \$100,000 with an individual account size minimum of \$5,500 to participate in our Advisory Managed Portfolios program. These minimums may be waived in our discretion.

**Additional Information:** Detailed information regarding our services, fees and other disclosures can be found in our Form ADV Part 2A Items 4, 7, and 8 by clicking this link <https://adviserinfo.sec.gov/firm/brochure/122959>.

#### **Key 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?

The following summarizes the principal fees and costs associated with engaging our firm for investment advisory services.

- **Asset Based Fees** - Payable quarterly in advance. Since the fees we receive are asset-based (i.e. based on the value of your account), we have an incentive to increase your account value which creates a conflict especially for those accounts holding illiquid or hard-to-value assets.
- **Hourly Fees** - Payable half up front with remainder due upon completion or in advance depending on the service;
- **Fixed Fees** - Payable half up front with remainder due upon completion for financial planning services; in advance for College Action Plan; and in arrears for Portfolio Analysis;
- **Wrap Program Fees** - Payable quarterly in advance. Asset-based fees associated with a wrap fee program generally include most transaction costs and fees to a broker-dealer or bank that has custody of the assets; therefore, the asset-based fee is higher than a typical asset-based advisory fee.
- **Commissions** - As an Investment Adviser, Phase III Advisory does not receive commissions. However, Advisory Representatives acting as Registered Representatives of Osaic Wealth, Inc., the broker-dealer, receive commissions.
- **Fees related to variable annuities and variable universal life, including surrender charges;**
- **Other Advisory Fees** - In addition to our fees, if applicable, you will also pay advisory fees charged by third party money managers, which are separate and apart from our fees;
- **Additional common fees and/or expenses such as:** Custodian fees; account maintenance fees; fees related to

mutual funds and exchange-traded funds; and transaction charges when purchasing or selling securities in non-wrap fee accounts;

**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 detailed information, refer to our Form ADV Part 2A Brochure, Items 5 and 6 and by clicking this link <https://adviserinfo.sec.gov/firm/brochure/122959>.

**Key Questions 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 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.

- **Third-Party Payments:** Persons providing advice on behalf of our firm are Registered Representatives with Osaic Wealth, a broker-dealer, and/or are licensed as independent insurance agents. These persons will earn commission-based compensation in connection with the purchase and sale of securities or other investment and insurance products transacted and held outside of the advisory account. Commission-based compensation earned by these persons is separate and in addition to our advisory fees. This practice presents a conflict of interest because they have an incentive to recommend investment and insurance products based on the compensation received rather than solely based on your needs. Investment management fees are not charged on any securities for which the Advisory Representative has been paid a commission within the last two years.

**Key Questions to Ask Your Financial Professional**

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

Refer to our Form ADV Part 2A Brochure, Items 5, 10, 12 and 14 by clicking this link <https://adviserinfo.sec.gov/firm/brochure/122959> to help you understand what conflicts exist.

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

The financial professionals servicing your account(s) are compensated through: Salary; Bonus; Product Sales Commissions, and Non-cash Compensation. Financial professionals' compensation is based on the amount of client assets they service; the time and complexity required to meet a client's needs, and the revenue the firm earns from the person's services or recommendations. They also receive non-cash compensation in the form of research, educational information and conferences, and monetary support for due-diligence trips and client events. Some Advisory Representatives receive forgivable loans from Osaic Wealth as incentive to maintain a broker-dealer relationship for a stated period of time. These loans are typically used to assist in the expansion of business practices.

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

No. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Key Questions to Ask Your Financial Professional**

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

You can find additional information about your investment advisory services and request a copy of the relationship summary at 847-520-5545 or click the link provided <https://adviserinfo.sec.gov/firm/brochure/122959>.

**Key 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?**