

NEW CAPITAL

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Introduction

New Capital Management, LP is an investment adviser registered with the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ among investment advisers and another class of financial professional called a “broker-dealer.” It is very 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 advisers, and investing.

What investment services and advice can you provide me?

We will provide you with advice on a regular basis.

We will extensively discuss your background, life, financial situation, and goals, produce a financial plan with and for you, design a strategy to achieve your goals, educate you about modern investment foundational ideas and process, and regularly monitor your accounts using independent third party analytics and trading software to which we subscribe. We will provide you with detailed quarterly reports about your accounts’ performance, a subscription to *The New Capital Journal* (our news and advice publication), meet with you at least annually to review, and be available to you at all times by email, phone, text, or in person to discuss your finances, accounts, and other matters that may be pertinent.

You can choose an account that allows us to buy and sell investments in your account without asking you in advance (a “discretionary account”) or we may give you advice and you decide what investments to buy and sell (a “limited discretionary account”). The vast majority of our clients elect discretionary accounts. While we do not have a stated account minimum size, most of our clients have accounts with value in excess of \$250,000. Our largest client(s) have accounts with value in excess of \$50 million. Our average account size is approximately \$3 million.

Our investment advice will cover a selection of investments that generally represent a “passive” or “indexed” approach to investments, which focuses on broad global diversification and minimizing costs. While we are able to invest in almost any registered investment fund, and also assist clients with private investments, our standard investments are with a select group of companies including Dimensional Fund Advisors, Vanguard Group, BlackRock Inc., and JP Morgan/Chase & Company. We regularly evaluate this group and alternatives to ensure their continued use.

You may wish to 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?

If you open an advisory account, you will pay an on- going asset- based fee at the end of each quarter for our services, based on the value of the investments (excluding cash) in your advisory account.

Fees and costs affect the value of your account over time. Please ask us to give you personalized information on the fees and costs that you will pay.

The amount paid to our firm generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account.

Some investments (such as mutual funds) impose additional fees that will reduce the value of your investment over time. The investment funds we employ for clients charge fees from approximately 5 basis points (.05%) to approximately 25 basis points (.25%), which are generally regarded as among the lowest available in the investment industry. We are paid in such a way that our incentive is to minimize, as much as possible, these fund fees on your behalf.

Our own fees (the fees assessed and retained by New Capital) vary and are not generally negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your accounts. We do, however, occasionally make

exceptions to our fees in particular cases where a client faces a financial hardship, has specific circumstances with their investments, or some other extenuating circumstance. We have a \$2500 minimum annual fee for any client relationship.

You may pay a transaction fee to a broker when we buy and sell an investment for you. You may also pay fees to a broker-dealer or bank that will hold your assets (called “custody”), although such fees tend to be de minimus. New Capital is not paid from these fees, and our incentive is to minimize them on your behalf.

Generally, the more assets you have in the advisory account, excluding cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if we do not make purchases or sales during that time.

You may wish to 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?

We must abide by certain laws and regulations in our interactions with you.

When we act as your investment adviser, we are held to a fiduciary standard, the highest standard of client care in the financial advisory industry, that covers our entire investment advisory relationship with you. In short, we must - by law - put your interests ahead of ours at all times.

We are required to monitor your portfolio, investment strategy, and investments on an ongoing basis, and to manage your investments prudently, including with an appropriate degree of diversification and risk.

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

New Capital earns revenue solely from fees paid directly to us by our clients, all of which are clearly disclosed on quarterly invoices. We do not make extra money by advising you to invest in certain investments. We do not have an incentive to advise you to invest in certain investments. We do not buy investments from you or sell investments to you, from our own accounts (called “acting as principal”).

We may earn additional revenue if you decide to add funds to your accounts, including, for example, if you decide to “roll over” investments from a qualified employer retirement account to a personal IRA account.

You may wish to ask us: “How might your conflicts of interest affect me, and how will you address them?”

How do your financial professionals make money?

Our financial professionals receive a salary and discretionary bonuses based on their contributions to the firm.

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

New Capital has no history of legal or disciplinary events. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research our firm. New Capital’s CRD number (our primary SEC ID number) is **131658**.

You may wish to ask us: “As a financial professional, do you have any disciplinary history? For what type of conduct?”

Additional Information

For additional information on our advisory services, see our Form ADV brochure on IAPD on Investor.gov or on our website www.newcapitalmgmt.com. To request a copy of the relationship summary (Form CRS) please call New Capital at (800) 724-9866.

You may wish to 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?”