

Form ADV Part 3: Customer Relationship Summary ("Form CRS")

CYStein Management LLC

Registered Investment Advisor

CRD #290365

June 30th 2020

Item 1. Introduction

CYStein Management LLC is registered with the Securities and Exchange Commission (SEC) as an investment adviser.

Fees for brokerage and investment advisory services differ, and it is important for you to understand these differences. You can use free and simple online tools to research firms and financial professionals by visiting Investor.gov/CRS. This website also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. Relationships and Services

What investment services and advice can you provide me?

Our firm offers investment advisory services to retail investors. As disclosed in our Form ADV Parts 1A and Part 2A, we offer ongoing supervision of its clients' portfolios as well as educational seminars involving a broad range of investing topics.

As disclosed in our Form ADV Part 2A, Item 8, Our firm primarily recommends investment strategy is based on Modern Portfolio Theory; oriented toward reducing risk by diversifying among an extensive range of asset classes such as domestic and international equities, fixed-income securities, and real estate. Portfolios constructed under this theory may be tilted to have a greater exposure toward a specific market capitalization,¹ value stocks,² or highly profitable stocks in an effort to capture risk premiums historically associated with those asset classes. We typically recommend ETFs for client portfolios, and will take into consideration preexisting holdings.

Our firm does not offer traditional financial planning services, serve US retirement accounts, or sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees.

How we monitor your accounts

¹ Market capitalization ("cap") assists investors in understanding the relative size of a company versus another. It aids in measuring the worth of a company in the open market and the market's perception of its future since it reflects what investors may be willing to pay for the company's stock. Examples include:

- Large-Cap – Established companies with market values of \$10 billion or more; reputations for producing quality goods and services; history of consistent dividend payments and steady growth.
- Mid-Cap – Companies with market values between \$2 billion and \$10 billion; established companies in industries experiencing or expected to experience rapid growth, and increasing market share and/or improving competitiveness.
- Small-Cap – Newer companies with market values of \$300 million to \$2 billion; typically serving niche markets or emerging industries.

Aggressive risk category investment; may be impacted by economic downturn, vulnerable to competition and uncertainties of their market.

² Value investing involves buying above-average positions (holdings) at below-average prices. Conversely, when a holding is considered over-priced, it becomes a candidate to be sold.

As described in Item 13 of our Form ADV Part 2A brochure, we review accounts on both a scheduled and an unscheduled basis, as follows.

Scheduled Reviews

Investment portfolios are reviewed on a quarterly or more frequent basis by Pedro Padierna. Client-level portfolio reviews are also completed by Mr. Padierna, and we recommend that they occur on at least an annual basis. A copy of revised written plans or asset allocation reports in printed or digital format will be provided to the client upon request.

Unscheduled Reviews

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., changes in employment, an inheritance, etc.), or if you prefer to change requirements involving your investment account. Interim reviews are conducted by Mr. Padierna.

Additional portfolio reviews by Mr. Padierna may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

A copy of revised written plans or asset allocation reports in printed or digital format will be provided to the client upon request.

Investment authority

As disclosed in Item 16 of our Form ADV Part 2A firm brochure, we generally manage client portfolios on a discretionary basis. Via limited power of attorney signed by the client, discretionary trading authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of an account, or rebalancing an account in order to meet stated investment objectives, without requiring the client's prior authorization for each transaction. As noted in Item 4 of Form ADV Part 2A, we will allow for reasonable restrictions involving the discretionary management of your account.

Our firm prefers not to manage client accounts on a non-discretionary basis, but we may accommodate such requests on a case-by-case basis. Such non-discretionary account authority requires your ongoing prior approval involving the investment and reinvestment of account assets, as well as portfolio rebalancing.

You will grant the firm either discretionary or nondiscretionary trading authority within the engagement agreement you execute with our firm. You may amend our account authority by providing our firm revised written instructions.

Limited investment offerings

Our firm does not make available or offer advice with respect only to proprietary products or a limited selection of types of products.

Account Minimums and Other Requirements

We provide advisory services to individuals and high-net-worth individuals, small businesses, foundations, and charitable organizations. We do not require minimum income, minimum asset levels or other similar preconditions.] Our firm reserves the right to decline services to any prospective client for any nondiscriminatory reason.

For additional information, please see our firm's Form ADV Part 2A which provides all the information found in this document as well as additional information and details.

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?

Item 3. Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

Portfolio management services accounts are assessed an annualized asset-based fee of 0.45% (45 basis points) that is paid monthly, in arrears. Advisory fees are not negotiable. The fee will be determined by the reporting account value as of the last US market day of each month, and in consonance with the statement the client receives from the custodian of record for the purpose of verifying the computation of the advisory fee. In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and our clients may choose to separately seek such an opinion at their own expense as to the valuation of “hard-to-price” securities if necessary. The fee is calculated by multiplying the quotient by the applicable number of basis points (one basis point equals 1/100 of one percent). The result is then divided by 12 to determine the monthly fee.

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding that is recommended to a client. We do not receive “trailer” or SEC Rule 12b-1 fees from an investment company that may be recommended to a client.

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.⁴

For additional information, please see Items 4 and 5 of the firm’s Form ADV Part 2A which describe our services and fees in more detail, as well as Item 11 which discusses conflicts of interest as well as our Code of Ethics and standards of conduct.

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 that we provide you. Here are some examples to help you understand what this means:

Ask your financial professional:

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

For additional information, please see our firm's Form ADV Part 2A brochure which discusses all this information in greater detail.

How do your financial professionals make money?

The Firm's financial professionals are compensated as a percentage of AUM. We have the fiduciary duty to serve our client's interest first, so we do not encourage our clients to add assets if it doesn't align with their investment strategy and objectives.

Item 4. Disciplinary History

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

No. Visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research you and your financial professionals.

Ask your financial professional:

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

Item 5. Additional Information

For additional information about our services, please refer to the firm's Form ADV Part 2A which discloses all the information in this customer relationship summary document and provides greater detail. If you would like additional, up-to-date information or a copy of this disclosure, please call + 1 (210) 888-0986

Ask your financial professional:

Who is my primary contact person? Is he or she a representative of an investment adviser? Who can I talk to if I have concerns about how this person is treating me?
