phraction

PHRACTION MANAGEMENT LLC **FORM CRS – Client Relationship Summary**
November 9, 2020

Phraction Management LLC ("Phraction") is an investment adviser registered with the Securities and Exchange Commission. We feel it is important for you to understand how advisory and brokerage services and fees differ in order to determine which type of account is right for you. There are free and simple tools available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about investment advisers, broker-dealers, and investing.

What investment services and advice can you provide me?

Our Firm offers investment advisory services. Generally, our minimum account size requirement is USD $5 million. Our advisory services for retail investors include the following:

Discretionary Services. We offer discretionary investment management services. We monitor the accounts continually with formal reviews performed at least quarterly. We have discretionary authority with respect to these accounts, which means we don't need to contact you when buying or selling in your account. You will sign an investment management agreement giving us this authority. This agreement remains in effect until you or we terminate the relationship.

Limited Discretionary Services. We also offer limited discretionary management services. We monitor your accounts on an ongoing basis (at least quarterly). We contact you to recommend buy and sell transactions based on your financial holdings, profile and objectives. You make the ultimate decision whether to buy or sell the recommended security. When you approve of a transaction that we recommend, we arrange for the transaction in your account.

Manager Selection. We evaluate the third-party investment managers who manage your portfolio. We perform these evaluations at least quarterly. We have the authority to terminate the services of the third-party portfolio managers, hire new portfolio managers, and reallocate your invested assets among portfolio managers.

Model Portfolios. We offer clients who have brokerage accounts with Charles Schwab the option to subscribe to one or more model portfolios managed by us. Model portfolios are not customized to your investment objectives but pursue a particular strategy in concert with a given risk appetite. We offer three model portfolio options for each of two investment strategies: the Opportunistic Portfolio strategy and the Managed ETF Portfolio strategy. We assist the client in selecting the model most closely aligned with the client's objectives and risk tolerance. We continually monitor the model portfolios and buy and sell securities in the clients' accounts consistent with the particular model's strategy and objectives.

Consulting. We provide non-discretionary services including research, securities buy and sell recommendations or asset allocation recommendations, and/or portfolio management advice. Implementation of our advice rests with the client. We do not arrange for securities transactions in the client's account.

Additional information about our advisory services is located in Items 4 and 7 of our Brochure.

Questions 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?

For discretionary, limited discretionary, and model portfolio management services, we charge an annualized 0.20% on all assets under management plus an additional fee ranging from 0.30% to 0.67% based on the portfolio's asset classes. For certain relationships, we charge an annualized fee between 0.25% and 1.50% of the value of the managed assets. Fees are charged monthly or quarterly in arrears and will either be invoiced or will be automatically deducted from the managed account, as agreed by us and you. We have an incentive to encourage you to increase the assets in your account. We also have an incentive to increase the value of your account over time which will increase our fees over time. We charge a fixed monthly or annual fee for manager selection services and a fixed monthly or quarterly fee for consulting services.

The broker-dealer (and/or custodian that holds your assets) can charge you a transaction fee when we buy or sell an investment for you. These transaction fees are in addition to our fee for investment advisory services. Our fees do not cover: (1) brokerage transaction costs; (2) product-level fees (sales loads or charges), administrative fees, account maintenance fees, and other fees charged by the custodian, distributor, or issuer of the securities bought or sold; (3) administrative fees charged by the broker-dealer or clearing firm; (4) odd-lot differentials; (5) transfer taxes; (6) postage and handling fees; or (7) advisory fees and expenses of mutual funds, closed-end investment companies, or exchange-traded funds ("ETFs") held in your account or charged by the third-party portfolio manager (as applicable).

See Item 5 of our Brochure, which provides more detailed information about fees and costs. 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.

Question to Ask Us:
✓ Help me understand how these fees and cost might affect my investments. If I give $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:

- For the discretionary accounts, there may be periods of time with low or no transaction activity. In these low turnover situations, you would likely have paid lower fees overall if you had purchased the same securities in a brokerage-only account with a traditional pay-per-trade commission structure.
- Our investment advisory programs charge different fees. This creates an incentive for us to recommend advisory services that pay us higher fees over other services.

See our Brochure for more information about conflicts of interest.

Question to Ask Us:
✓ How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Primarily, our financial professionals receive a salary. They also may receive a bonus or other forms of compensation based on a percentage of our Firm's revenue, which is tied to the advisory fees we collect from you. Please see Item 10 of our Brochure for additional details.

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

No, we do not have reportable legal or disciplinary history. Visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Question to Ask Us:
✓ As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information

For additional information, see our Brochure available at https://adviserinfo.sec.gov/firm/summary/298633 and any brochure supplement your representative provides. **You may request additional information** about our investment advisory and consulting services, request up-to-date information, and request a copy of our most recent relationship summary by **contacting us** at compliance@phraction.com or at 860-531-9590.

Questions to Ask Us:
✓ Who is my primary contact person?
✓ Is he or she a representative of an investment adviser or broker-dealer?
✓ Who can I talk to if I have concerns about how this person is treating me?

Material Changes Exhibit

We amended the services and fees sections to describe the model portfolios that we offer and more fully describe our other services and fee structures. We amended the conflicts section to further describe our conflicts of interest.