



ITEM 1 - INTRODUCTION

Lafayette Square Financial Advisors, Inc ("LSQFA" or "Firm") is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. One of the requirements of being a Registered Investment Adviser ("RIA") is to produce this Client Relationship Summary. As an RIA, we do not sell securities products, and we do not accept commissions on securities transactions. Some of our financial professionals are separately licensed as insurance agents and do receive commissions on insurance products they sell to you, as described in Item 3.C below. We have a fiduciary responsibility to our clients and are legally required to act in their best interests. This differentiates us from brokerage firms, which offer other types of services, fee structures, and working relationships. Brokerage and investment advisory services and fees differ, and it is important to understand these differences, which is why the SEC provides free and simple tools for researching financial professionals at www.investor.gov/CRS. This site also provides educational materials about investment advisers, broker-dealers, and investing.

ITEM 2 – WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

LSQFA offers investment advisory services to retail investors. Our firm manages accounts on a discretionary basis. We also provide non-discretionary advice to retirement plan sponsors under Section 3(21) of ERISA; in those engagements the plan fiduciary makes the ultimate decision regarding the purchase or sale of investments. In a discretionary account, you grant our firm written investment authority in your advisory agreement, and that authority remains in effect until you terminate the agreement, which allows us to execute purchase and sell orders in your advisory accounts without consulting with you first. You may limit our authority, such as by imposing reasonable restrictions on investing or trading in certain securities or groups of securities. As an investment adviser, we provide investment advice and monitoring of your accounts through our Investment Adviser Representatives ("IARs") for an ongoing fee. Monitoring is part of our standard service; we review your accounts on an ongoing basis and formally review them with you at least annually. Our firm requires a minimum household size of \$500,000 in assets under management, which may be negotiated or waived at our discretion. We do not offer proprietary products, and we do not limit our advice to a proprietary menu; we primarily advise on equities, fixed income and debt securities, mutual funds and exchange-traded funds. If deemed appropriate for you, our Firm will recommend utilizing a separate managed account, independent third-party manager, program ("SMA" or "ITPM") to aid in the implementation of investment strategies for your portfolio.

Our Firm also offers financial planning and consulting services for our clients. These services can be provided on a stand-alone basis or in conjunction with our investment management services. These services usually include preparing long-term financial projections for clients and may also include but is not limited to advising on insurance policies, education funding, real estate decisions, non-managed investments, financial options, and estate planning matters.

FOR MORE INFORMATION, PLEASE SEE ITEMS 4, 7, 13, AND 16 OF OUR FORM ADV 2A "BROCHURE."

Conversation Starters:

- *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.A – WHAT FEES WILL I PAY?

We generally offer our advisory services for an annual investment advisory fee calculated as a percentage of the value of the assets that we manage in your account. Our fees are assessed monthly in arrears based on the ending market value of the client's account(s), as set forth in the fee schedule contained in your advisory agreement, not to exceed 1.50%. Our fees are exclusive of brokerage commissions, transaction fees, exchange fees, and other related costs and expenses. Where we determine to allocate capital to exchange-traded funds ("ETFs"), our fees are exclusive of the fees and expenses of the ETFs. The structure and level of our fees will vary by client based upon the services provided and other considerations deemed relevant by us. 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. The more assets in your advisory account, the more you will pay in fees, and therefore the Firm has an incentive to encourage you to increase the asset value in your account. We offer our investment management services through a non-wrap fee program. Under this arrangement, you pay our advisory fee separately from transaction costs and other fees associated with your account. Therefore, the more transactions in your account, the more you will generally pay in transaction costs. Occasionally a client will hire us only for standalone financial planning and/or consulting services. Our fees for these limited services are typically either an hourly fee not to exceed \$700, a flat fee for financial planning not to exceed \$25,000, or a flat fee for consulting services not to exceed \$50,000. For business consulting or exit planning engagements our fee may instead be based on a percentage of your business revenue, not to exceed 1.50%. Fees may be negotiated at the discretion of the firm. [Part 1A Item 5.E.(7) "Other" must be checked and specified to capture the revenue-based consulting fee.] Third-Party Money Manager ("TPMM") program fees are charged independently by mutual funds, exchange traded funds, private investment funds, and separate account managers. The billing methods of these organizations are outlined in each firm's brochure, prospectus, or contract. Where our firm engages a third-party manager under your advisory agreement, we pay that manager out of the advisory fee you pay us, and you do not pay the manager separately. Where you separately engage a manager through a third-party program, that manager bills its own fee in addition to ours and those fees are disclosed in the applicable program documents.

The custodian for an investment account (generally Charles Schwab) may charge transaction costs (also known as commissions), as well as custodial, redemption, administrative, and other fees. Our firm seeks to use no-transaction-fee or lower-cost mutual funds where we believe doing so is in your interest. Funds on a custodian's no-transaction-fee list may carry higher internal expenses than funds that charge a transaction fee. Most of our clients only pay transaction costs and occasional administrative fees. Schwab also earns fees in other ways including, but not

limited to, managing money market and proprietary mutual funds, margin loan interest, securities lending, and platform fees paid by fund managers. Our Firm does not share in Custodian Fees charged to your account.

For all services, fees will be billed as services are rendered. The amount paid to our Firm and your financial professional generally does not vary based on the type of investments selected on your behalf. 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 MORE INFORMATION, PLEASE SEE ITEM 5 OF OUR FORM ADV 2A BROCHURE.

Conversation Starters:

- *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?*

ITEM 3.B – WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY & 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) We earn more when your assets under management increase, which creates an incentive to encourage you to invest more. 2) We may recommend rolling over assets from a retirement account into an account we manage, even when lower-cost options are available. 3) The custodian we recommend provides us with research, technology and other support services at no cost, which reduces our business expenses and gives us an incentive to recommend that custodian to you. 4) Some of our financial professionals earn insurance commissions, which gives them an incentive to recommend insurance products to you. Our firm receives a fee as compensation for providing investment services on your account. We manage accounts for multiple clients and allocate our time based on each client's needs.

FOR MORE INFORMATION, PLEASE SEE ITEMS 5, 10, 11 & 14 OF OUR FORM ADV PART 2A BROCHURE.

Conversation Starters:

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

ITEM 3.C – HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our Financial Professionals receive a salary and may receive a discretionary bonus. Compensation is set with the intention of attracting and retaining highly qualified professionals. Compensation is based on a variety of factors, including the number, value, and complexity of accounts under management, the performance of those accounts, and client satisfaction and retention. Some of our Financial Professionals are insurance licensed and receive commissions, trails or other compensation from the respective insurance companies as a result of effecting insurance transactions. However, you have the right to decide whether to act on the recommendation. We recognize our duty to prioritize your interests and have established policies to avoid conflicts. While some of our Firm's Financial Professionals are engaged in outside business activities, we must disclose material outside business activities and any conflict that it may pose to you. Our Firm supervises the business activities of our Financial Professionals through our compliance program. All Financial Professionals must follow our Code of Ethics to mitigate any conflicts with you.

FOR MORE INFORMATION, PLEASE SEE ITEMS 5, 10, 11, & 14 OF OUR FORM ADV PART 2A BROCHURE & REFER TO YOUR FINANCIAL PROFESSIONAL'S ADV 2B BROCHURE.

ITEM 4 – DISCIPLINARY HISTORY

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No. Visit Investor.gov/CRS for a free and simple search tool to research LSQFA and our financial professionals.

FOR MORE INFORMATION, PLEASE SEE ITEM 9 OF OUR FORM ADV PART 2A BROCHURE OR REFER TO ITEM 11 OF OUR PART 1.

Conversation Starters:

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

ITEM 5 - ADDITIONAL INFORMATION

For additional information about our investment advisory services, visit the SEC's website at <http://www.adviserinfo.sec.gov/>. Our firm's CRD number is 343749. You may also contact us for up-to-date information and request a copy of the relationship summary by contacting us at (925) 284-7950 or advice@lsqfa.com.

Conversation Starters:

- *Who is my primary contact person? Is he/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?*