

Form ADV Part 3: Relationship Summary - Smedley Financial Services, Inc.®

Introduction

Smedley Financial Services, Inc.® ("SFS") is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professional at <https://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?

Description of Services: We offer investment advisory services to retail investors. Our investment advisory services include: Asset Management Services and Financial Planning and Consulting Services.

Asset Management Services: SFS provides asset management services which involves us managing and trading your designated account(s). SFS will discuss your investment goals and design a strategy to try and achieve your investment goals. SFS will continuously monitor your account when providing asset management services and contact you at least annually to discuss your portfolio. For more information, please see **Item 4 of our Form ADV Part 2A**. Asset management services are provided on a **discretionary** basis, meaning we will have the authority to determine the type and amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. For more information about investment authority, please see **Item 16 of our Form ADV Part 2A**.

Financial Planning & Consulting Services: We also provide financial planning and consulting services. Financial planning services involve us creating a written financial plan for you which covers mutually agreed upon topics. Financial consulting is used when a written financial plan is not needed. It involves one time and/or ongoing meetings to discuss your financial situation. Please see **Item 4 of our Form ADV Part 2A**.

Retirement Plan Participant Advice: If your retirement plan utilizes our Retirement Plan Participant Advice Service, we are available at your request to provide one-on-one advice to you as a retirement plan participant regarding your investment options under the plan. Please see **Item 4 of our Form ADV Part 2A**.

Limited Investment Offerings: We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities which are available on your custodian/broker-dealer's platform. When providing you services, we do not recommend or offer advice on any proprietary products.

Account & Fee Minimums: SFS typically requires a minimum of \$25,000 in order to open an account managed by SFS. The minimum fee generally charged for financial planning services provided on an hourly basis is \$150. The minimum fixed fee generally charged for financial planning services on a fixed fee basis is \$200. The minimum hourly fee generally charged for consulting services is \$150. The minimum fixed fee generally charged for consulting services is \$200.

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?*

What Fees Will I Pay?

Description of Principal Fees & Costs: Fees charged for our asset management services are charged based on a percentage of assets under management and dependent upon the program selected fees may be billed in advance or in arrears on a monthly or quarterly basis. The fee calculation method for management fees will also vary dependent upon the program selected. Please see **Item 5 of our Form ADV Part 2A**. The annual fee for asset management services will be between 1.25% and 2.00%. Because our fee is based upon the value of your account, we have an incentive to recommend that you increase the level of assets in your account. When engaging us for asset management services, you will also incur other fees and expenses. The broker-dealer/custodian on your account will charge you transaction fees for executing trades in your account. You may also be charged management fees by the funds we invest in, within your account.

Financial planning and consulting services are provided under an hourly fee arrangement. An hourly fee will range from \$150 up to \$500 per hour is charged by SFS for financial planning and consulting services under this arrangement. SFS also provides financial planning services under a fixed fee arrangement. The minimum fixed fee is generally \$200, and the maximum fixed fee is generally no more than \$2,000. At SFS' discretion you may be required to pay in advance a mutually agreed upon retainer that will be available for SFS to bill hourly fees against for our financial planning and consulting services. We will bill our financial planning and consulting fees to you on a monthly basis.

Any fees we charge for financial planning and consulting services will not cover the costs associated with implementing any recommendations we may make.

Additional Information: 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 more information about the fees we charge and the other fees and expenses you will incur, please see **Item 5 of Form ADV Part 2A**.

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?

**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?**

Standard of Conduct: 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.

To the extent we recommend you roll over your account from a current retirement plan to an individual retirement account ("IRA") managed by us and subject to our asset-based investment advisory fees, this is a conflict of interest because we have a financial incentive to recommend that you move your IRA to us even if it is not in your best interest. For more information about this conflict and our procedures to mitigate the conflict, see **Item 4** of our **Form ADV Part 2A**. When we provide asset management services, we will ask that you establish an account with National Financial Services to maintain custody of your assets and to effect trades for your account. Our recommendation to use National Financial Services is not based solely on your interest of receiving the best execution possible. We also recommend National Financial Services because they provide us with research, products and tools that help us manage and further develop our business operations. As a result, we do not have to pay for such benefits, which save us money; however, these arrangements create a conflict of interest. See **Item 12** of our **Form ADV Part 2A** for more information about our arrangements with National Financial Services. We actively manage our own personal accounts while at the same time managing your accounts and other client accounts. This creates different conflicts of interest for which we have developed procedures to mitigate and control for those conflicts. For more information see **Item 11** of **Form ADV Part 2A**. When we recommend that you utilize a third-party money manager we will receive a percentage of the fee which they collect from you. This creates a conflict of interest as we have an incentive to recommend managers who have such arrangements with us. We receive expense reimbursement for advertising and marketing expenses from distributors of investment and/or insurance products which is a conflict of interest because it creates an incentive to recommend products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. Some of our investment adviser representatives also serve as insurance agents. Through their role as such they may sell, for commissions, various insurance products. We have a conflict of interest in recommending these products to you because of the potential for additional revenue.

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

Additional Information: For more information about our conflicts of interests and the ways we are compensated, please see **Item 5** and **Item 10** of our **Form ADV Part 2A**.

How Do Your Financial Professionals Make Money?

Description of Salary/Payment of Investment Adviser Representatives: We compensate our investment adviser representatives with a flat salary with the possibility of a firm level performance based bonus and not dependent on the level of revenue they generate for the firm.

Our representatives also serve as licensed insurance agents. When acting in this capacity, the representative will receive commissions for selling insurance products. This creates a conflict of interest when the representative recommends you purchase insurance products through him or her. Our representatives also serve as registered representatives of Securities America, a securities broker-dealer. When acting in this separate capacity, the representative will receive commissions for selling securities which creates a conflict of interest.

Additional Information: For more information about these conflicts of interest, please see **Item 10** of our **Form ADV Part 2A**.

Do You or Your Financial Professionals Have Legal or Disciplinary History?

Neither us, nor our IARs have a legal or disciplinary history to report. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

Conversation Starters: As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information About Smedley Financial Services, Inc.®

Additional information and copies of our Form ADV Part 2A disclosure brochure are available at www.smedleyfinancial.com. You can also find disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/110870>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached at (801) 355-8888. SFS claims compliance with the Global Investment Performance Standards (GIPS®). GIPS reports are available at <https://smedleyfinancial.com/GIPS/>.

Conversation Starters: 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?