

# Client Relationship Summary

## Introduction

SFMG Wealth Advisors is registered with the U.S. Securities and Exchange Commission ("SEC") as an investment adviser. Clients and prospective clients should be aware that brokerage and investment advisory services and fees differ, and it is important for retail investors to understand these differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](https://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 offer wealth management services to retail investors through combining our financial planning and investment management service offerings. Financial planning is a key aspect of our services so we can ensure that your investments align with your financial goals and objectives. Additionally, we see our role as a coordinator and, therefore, collaborate with your other trusted advisors from other disciplines.

We create and manage investment portfolios that reflect your financial goals and objectives, risk tolerance, return needs and expectations. We prefer to work with **discretionary** authority so we can make changes in your portfolio without receiving your preapproval for each transaction. If we have **non-discretionary** authority, you are responsible for making your trading decisions. We **monitor** your portfolio on an ongoing basis so we can respond to changes in your needs, objectives or market developments. Our minimum amount of investable assets per household is \$500,000. You may limit the securities we may trade in your account.

**Additional information:** Please see [Form ADV, Part 2A, Item 4 and Item 7](#)



### 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?

We are a fee-only firm. Our fees depend upon the service you have chosen. Wealth management and investment management fees are charged as a percentage of the value of your managed accounts at quarter end and are charged in advance. This means the more assets in your account, the more you will pay in fees, which may give us an incentive to encourage you to increase the assets in your account. Our bias is to grow your account. However, because we offer a tiered fee schedule, the effective rate that you pay will decrease as you meet certain breakpoints for assets we manage.

If you select financial planning as a separate service, we charge for the initial planning work on a fixed fee basis. Renewal fees for financial planning services are charged on a hourly basis. Additional fees you may pay are charged by the custodian (transaction, wire, exchange fees, for example) or by other parties, such as managers of mutual funds, ETFs or alternative investments.

## What fees will I pay? Continued

### **Additional Information:**

You will pay fees and costs whether you make or lose money on your investments. Also note that fees rise and fall with the value of your accounts. 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. Please see ***Form ADV, Part 2A, Item 5***



#### **Conversation Starter:**

- Help me understand how these fees and costs might affect my investments. If I give you \$500,000 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 must 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. Schwab, Fidelity and TD Ameritrade make available to us other products and services that benefit us but may not benefit your accounts. As a fiduciary, we make every effort to act in your best interests. Our recommendation that you maintain your assets with particular custodians is based in part on some of the products and services they provide us. Our receipt of products and services from custodians creates a potential conflict of interest with you. In addition, the purchase of certain mutual funds where the 12b-1 fees are paid to the broker dealer executing the trade, not to SFMG, in which case the broker dealer may provide us with additional benefits, creating a potential conflict of interest.

**Additional information:** Please see ***Form ADV, Part 2A, Item 14***



#### **Conversation Starter:**

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

## How do your financial professionals make money?

Our wealth advisors receive a portion of the revenue generated by the clients they serve. Advisors and staff both receive incentives to bring new clients to our firm in addition to their salaries and bonuses based on our profitability and their individual performance.

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

Yes. For more information, please see ***Form ADV, Part 2A, Item 9***. Visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.



#### **Conversation Starter:**

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

## Additional information

For additional information about our services or to request a copy of our latest Client Relationship Summary, please visit our website at [www.sfm.com](http://www.sfm.com) or call us at **(972)960-6460**.



#### **Conversation Starter:**

- 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?