

*Access supplemental information by hovering over the underlined words or clicking on links.*

Prudent Investors Network (Prudent Investors) is registered with the Securities and Exchange Commission as an investment advisor. Services and fees differ between an investment advisor and a broker-dealer and it is important for you as a retail investor to understand the differences. As an investment advisor, we are paid a percentage of the assets under management or an hourly fee while brokers are paid commissions based on the investment products they recommend and sell. Free and simple tools are available to research firms and financial professionals and learn more about investment advisors, broker-dealers and investing at [investor.gov](https://investor.gov).

### What investment services and advice can you provide me?

We specialize in investment advisory services for fiduciaries, individuals, high net worth individuals, trusts, estates and other institutions. We abide by the fiduciary standard, which means we work directly for you and must place your interests ahead of our own.

We manage accounts on a discretionary basis. This means once we have determined a profile and investment plan with you, we will construct your portfolio and retain discretion to manage investments on your behalf over time. We provide ongoing monitoring and management services as part of our standard services.

We also provide expert witness and consulting services (including financial planning, compliance with probate codes, and tax loss harvesting) on an hourly basis. We do not recommend proprietary or limited investment offerings; however, we can provide advice about legacy holdings in existing portfolios. Our typical minimum account size is \$250,000.

#### Conversation starters about our services:

- *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?

Prudent Investors charges a fee as compensation for providing investment management services, such as advisory and consulting services, trade entry, and investment supervision. The [fees](#) are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rata basis and billed monthly in advance; our maximum annual fee for a managed account is 1.4%. Our recommended custodian may charge custodial fees, transaction fees, redemption fees, retirement plan and administrative fees or commissions.

Charging an asset-based fee could create a conflict of interest in that more assets being managed by Prudent Investors could result in larger total fees (although an increase in asset value may also result in a lower percentage fee. **Note: 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.**

Our expert witness and consulting services for clients who need advice on a limited scope of work are billed at \$750 an hour or a fixed negotiated fee for Consulting Services. Certain research services may be provided at \$200 per hour and liquidation consulting services for a percentage of assets.

## What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?

*When we act as your investment advisor, 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 is an example to help you understand what this means.*

Prudent Investors is a fee-only investment advisor and does not generate commissions for selling investment products. It should be said, however, that by charging a management **fee** based on a percentage of assets, the total amount of the fee will increase if the value of the portfolio increases. Conversely, if the value of the portfolio decreases, our company's total management fee will similarly decrease.

### Conversation starters about fees and conflicts:

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

## How do your financial professionals make money?

Some of our financial professionals earn a flat salary. Income from other of our financial professionals is partially dependent on the revenue Prudent Investors earns from the financial professional's advisory services. Excess revenue is distributed either as a bonus or dividends to our financial professionals. There could be a conflict of interest in that the more assets there are in your account, the more you pay in fees and we may therefore have an incentive to encourage you to increase the assets in your account.

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

Our financial professionals have no legal or disciplinary history. You may visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple search tool to research Prudent Investors and our financial professionals.

### CONVERSATION STARTER:

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

## Additional information

You may obtain additional information and request a copy of this relationship summary by emailing [info@prudentinvestors.com](mailto:info@prudentinvestors.com) or calling (760) 597-9255. It is also available for viewing on our website at [www.prudentinvestors.com](http://www.prudentinvestors.com).

### CONVERSATION STARTERS:

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



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