

Is An Investment Advisory Account Right For You?

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. This summary is intended to create a dialogue between you and your Investment Advisor Representative (Advisor) while also providing you important information and resources that you can use to help make more informed decisions about your investment options.

Gradient Advisors LLC (GA) is registered with the Securities and Exchange Commission as a Registered Investment Advisor (RIA). As an investor, it is important to understand the differences between services and fees of a broker dealer and an investment advisor. Firms such as GA that are registered as an RIA typically charge fees for services based on a percentage of assets or a flat fee. This differs when comparing the services and fees that are charged by firms operating as a broker-dealer which typically charge on individual transactions, also referred to as commissions.

www.investor.gov/CRS offers free and simple tools to research firms and financial professionals. Additionally, it also provides educational materials about broker-dealers, investment advisors, and investing.

What investment services and advice can you provide me?

Financial Planning Services: A financial plan is designed to help you with all aspects of your financial situation. A Financial Plan may include, but is not limited to, a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Asset Management Services: GA offers asset management services to clients. We will discuss your investment goals and design with you a strategy to help achieve your investment goals. We will monitor your accounts on a non-discretionary basis - you make the ultimate decision regarding the purchase or sale of investments. We also use the services of Third-Party vendors to manage your accounts. We help you complete the necessary paperwork of the vendor, provide ongoing services to you, and will provide the vendor with any changes in your status as you provide them to us. We will deliver the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the vendor. We do not limit advisors to proprietary products or a limited menu of products and types of investments. Our firm does not have a minimum account size or investment amount to establish an account or maintain a relationship. However, some Third-Party vendors and managers do have account minimums.

Additional Information

For more information about our services, we recommended reading our [ADV Part 2A Items 4, 10](#).

Questions you should ask when you meet with a Financial Professional:

- *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?

Asset Based Fees: Asset based fees are based on a percentage of your account value. For example, a typical annual fee we charge is 1% on the value of assets under service. Asset-based fees reduce the value of your account and will generally be deducted from your account on a monthly or quarterly basis and paid to our firm. Our fees are negotiable depending on the size and complexity of your account(s), the experience and training of your advisor, and other business considerations.

Generally, the more assets you have in the advisory account, the more you will pay in total fees. Therefore, we have an incentive to increase the assets in your account. This conflict is mitigated by our fiduciary duty and adherence to our code of ethics. When making recommendations and referring clients to a third-party vendor, your best interest will be the main determining factor.

Hourly or Fixed Fees: Fees can be charged under an Hourly Fee or a Fixed Fee agreement for financial planning or consulting services. The hourly rate can range between \$50-\$300 per hour. A Fixed Fee may range from \$500 up to more than \$2,000 for financial planning and consulting. Fees are based on a negotiated rate based on the complexity of the work, geographic market differences and the experience of the advisor. Fees for planning and consulting services are payable directly to GA.

Other Fees: Some Third-Party vendors may charge platform fees and management fees. Depending on the investments, there may be additional fees/expenses which are deducted directly from the investment to cover internal expenses associated with that specific investment. An example of

this fee would be the ongoing internal expenses that some mutual funds charge also referred to as “expense ratio”. You may also pay a transaction fee when investments are bought and sold in your accounts. You will also pay fees to a broker-dealer or bank that will hold your assets (called “custody”).

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.

Additional Information

For more information regarding our fees and costs, review [ADV Part 2A](#) Item 5.

*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?

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.

- Typically, the more assets you have in the advisory account, the more you will pay in total fees. Therefore, we have an incentive to see the value of the assets in your account to increase.
- Revenue Sharing: Our firm has an arrangement where we share in a portion of the management fee with Third-party vendors. This does not change the cost to you, it is a sharing arrangement paid from the vendor’s portion of the advisory fee. This situation creates a conflict of interest because we may select a vendor who would pay us a larger percentage of the fee.

These conflicts are mitigated by our fiduciary duty and adherence to our code of ethics. When referring clients to a vendor and making recommendations, your best interest will be the main determining factor.

Additional Information

For more information about our conflicts of interest, we recommend reading our [ADV Part 2A](#), Item 10.

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

How do your financial professionals make money?

Your Advisor is compensated based on the amount of the fees received by our firm for financial planning and asset management services. The more assets we service, the more compensation your Advisor will receive. This compensation creates a conflict of interest. The conflict is mitigated or avoided by the fact that your advisor and GA has a fiduciary responsibility to place your best interest first.

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

Yes, please visit www.investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

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

Additional Information

To find additional information about Gradient Advisors LLC, and to request a copy of the *relationship summary*, please go to www.gradientadvisors.com. You can also send inquiries via email at info@gradientadvisors.com. If you would like to request up-to-date information as well as to request a copy of the relationship summary, please contact via phone at (877) 885-0508.

*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?*