

ADV PART 3 - FORM CRS: CUSTOMER RELATIONSHIP SUMMARY

DATE OF BROCHURE LAST REVISED: 3/27/2023

Our firm is a Registered Investment Adviser with the Securities and Exchange Commission. Brokerage and investment advisory services differ and it is important for you to understand the differences. Additional free and simple tools are available to research firms and financial professionals at investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisors, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We provide investment supervisory services to investors. Management services are based on your needs related to investment portfolios and/or selected allocation framework. We gather data to determine your basic financial situation or investment objectives. Our financial professionals will use their knowledge of financial securities, strategies, and regulations to formulate recommendations for you. Portfolios are constructed using publicly traded securities, with some exceptions. Securities typically include common and preferred stocks, bonds, closed-end mutual funds, and other domestic and foreign securities. We do not offer proprietary products. We generally do not participate in initial public offerings, although we may consider them at any point. Our goal is to work towards attaining your goals and objectives. However, risks and other factors often result in failure to reach these goals/objectives. An important part of our service is to disclose the chances of material losses that can occur with investments. We implement strategies based on our interpretations of your goals which will need to be updated. You should immediately inform us of material changes in your financial situation and/or risk tolerance so we can adjust our services and strategies.

Reports and statements are disbursed from us and the custodian regularly (or upon request) for you to assess how we are investing your assets. Investing is done on a portfolio basis so specific securities could be higher risk or designed to hedge other assets. For your convenience and tracking purposes, multiple sub-accounts can be aggregated into an overall portfolio group. These smaller individual sub-accounts may differ from the overall portfolio group objectives. You should look at the aggregate portfolio composition to determine appropriateness. We provide access to our staff for ongoing support. We are available to discuss your life or goal changes, investment performance, and adjust your financial strategies.

As a part of our standard service, we monitor your portfolio on a continuous basis. Our financial professionals review your investments, strategies, taxes, and/or restrictions. Reviews may be triggered by material changes in the market, economy, politics, or in your financial situation (such as retirement, termination of employment, physical move, or inheritance).

You give us discretionary authority to determine the securities to be bought or sold. You sign a limited power of attorney and may also choose to hold non-managed assets or impose reasonable restrictions. When you limit our discretionary authority, the decision and responsibility regarding the purchase and/or sale of investments is yours alone. We do not impose any specific minimum account size requirements however we believe \$100,000 is a reasonable amount to diversify equity accounts. We recommend and may impose a minimum account size of \$250,000.

For more detailed information about our services and fees, please feel free to request a copy of the firm's disclosure Form ADV, Part 2A brochure. This brochure can also be found at the following public site: <https://adviserinfo.sec.gov/> (Select "Firm" and indicate our CRD number: 104707).

Conversation Starters – We encourage you to ask our financial professionals these key questions:

- 1. Given my financial situation, should I choose an investment advisory service? Why or why not?*
- 2. How will you choose investments to recommend to me?*
- 3. What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

WHAT FEES WILL I PAY?

We charge advisory fees for our investment advisory services. They are calculated and charged based on a percentage of assets under management on a quarterly cycle. Standard fees range from 1.60% annually of account assets to \$100,000 and decline to 0.6% annually of account assets over ten million. Discounts are given under varying conditions. Our fees and minimums are negotiable at our sole discretion. Because we charge a fee based on the total amount of assets we

manage for you, we have an incentive to recommend that you invest more of your assets with us. This represents a conflict of interest in our advice. Our fees are exclusive of brokerage commissions, transaction fees, and other account-related costs and expenses which may be charged by the custodian. Fees and expenses are also charged by executing brokers or investment products/managers (e.g. ADRs, exchange traded funds, mutual funds, etc.) You are responsible for such expenses which are exclusive of and in addition to our fee. Please note, that we do not receive any portion of these costs.

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 detailed information about fees, please refer to our firm's disclosure Form ADV, Part 2A brochure.

Conversation Starters to ask your financial professionals: *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 interests 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. We are "fee-only" meaning that our only source of income comes from fees we charge you and that we do not receive or accept payments or commissions from any third parties. We do receive third-party research, technology services, and other benefits at no charge to us from Charles Schwab & Co., Inc. This gives us an incentive to recommend that our clients use this custodian which represents a conflict of interest.

More detailed information can be found in our firm's disclosure Form ADV, Part 2A brochure.

Conversation Starters to ask our financial professionals: *How might your conflicts of interest affect me, and how will you address them?*

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our primary source of income comes from fees we charge you and we do not receive or accept commissions from third parties on account assets.

Compensation for our financial professionals is based on the fee revenue generated from our advisory services, the growth of your accounts, and/or the overall success of our firm. Professionals have an incentive to increase the number of clients we serve and our total advisory assets on which fees are based on.

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

No, the firm and its principals have no legal or disciplinary history to disclose. [Investor.gov/CRS](https://www.investor.gov/crs) has a free and simple search tool to research financial professionals. Third-party promoters are not employees and not supervised by us.

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

ADDITIONAL INFORMATION

For more detailed information about our services and fees, please feel free to request a copy of the firm's disclosure Form ADV, Part 2A brochure. Please contact (949) 752-7500 to request up-to-date information and the most current copy of this Form CRS. Alternatively, you may visit our website at www.privatemanagementgroup.com. This summary is required to be limited to two pages which we view as inadequate for full and complete disclosure. This summary should not be viewed as a substitute for other disclosures.

Conversation Starters to ask your financial professionals: *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?*