

## Form CRS - (Customer Relationship Summary)

Rochester Financial Services

June 24, 2020

**Rochester Financial Services** is registered with the Securities and Exchange Commission (SEC) as an investment advisor. Jeffrey Feldman, Ph.D., CFP is the owner of the firm. There are different ways you can get help with your investments – through a brokerage firm that can sell you investments or with an investment advisor who offers investment advice for a fee. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors, and investing.

### **Relationships and Services – Investment Services and Advice Provided**

Rochester Financial Services is a fee-only investment advisor which means that I do not sell any products nor do I receive any compensation that is contingent on the purchase of a financial product. Therefore all investments used for clients are no-load (no commission) investments. The only fees I receive are payments from clients for advisory services provided. Portfolio management and comprehensive financial planning services are provided on an ongoing basis, along with monthly performance reporting. These portfolios are managed on a **discretionary basis** (which means that the advisor is able to buy and sell investments in the client's account without the client's prior consent). The advisor is able to use any no-load mutual funds offered at a discount brokerage (e.g. Charles Schwab & Co.). The advisor has no investment amount minimums but does have a minimum annual fee of \$500.

### **Conversation Starters**

- 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?** - For those clients receiving portfolio management services, they are invoiced at the beginning of each 6 month service period. The fee for management of no-load stock mutual funds is equal to 0.4% of the first \$250,000 under management, 0.3% of amounts between \$250,000 and \$1 million, 0.2% of amounts between \$1 million and \$3 million, and 0.1% for amounts over \$3 million. The fee for management of no-load bond mutual funds is one half the above amounts (the advisor only uses no-load mutual funds for client accounts, although individual stocks can be purchased and sold with the client's request). It should be noted that

the more assets in your account, the larger my fee will be. I therefore may have an incentive to encourage you to increase the assets in your account.

Included in these fees are comprehensive financial planning services which include estate planning, tax planning, retirement planning and any other financial planning services appropriate for each client. For those clients looking only for a one-time financial review, the fee is \$150 per hour.

In addition to the fees charged by me, note that all mutual funds in your investment account also have an annual expense ratio, which is a fee charged by mutual fund families to support the operation of the fund. Brokerage institutions can also charge fees on certain mutual fund transactions. Two examples are 1) short term trading fees – a \$50 fee can be assessed on certain mutual funds if sold within 90 days of their purchase, and 2) institutional fees – a \$20 fee charged for the purchase and sale of institutional mutual fund shares (shares with a lower annual expense ratios).

**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.

### **Conversation Starters**

- 1) 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?
- 2) What are your legal obligations to me when acting as my investment advisor?
- 3) 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 (for example, as previously mentioned, I may have an incentive to encourage you to increase the assets in your account).

**Do I have a legal or disciplinary history?** No. You can visit [Investor.gov/CRS](http://Investor.gov/CRS) to research the disciplinary history of any financial professional.

Additional Information – To learn more about me and my firm, you can go to [investor.gov](http://investor.gov) or to my website, [RochesterFinancial.com](http://RochesterFinancial.com). You can also call me, Jeffrey Feldman, at 585-442-7580.