

## Introduction

Kohlhepp Investment Advisors, Ltd. (“Kohlhepp”) is an Investment Adviser registered with the Securities and Exchange Commission (“SEC”). We feel it is important to for you to understand how advisory and brokerage services and fees differ in order to determine which type of account or service is right for you.

There are free and simple tools available to research firms and financial professionals at [www.investor.gov/crs](http://www.investor.gov/crs), which also provides educational materials about investment advisers, broker-dealers, and investing.

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

As an investment adviser, Kohlhepp offers advisory services to retail investors for either an hourly fee or an ongoing asset-based fee based on the value of your account. Our advisory services include investment management services, investment advisory services and financial analysis. If we are providing investment management or investment advisory services to you, we will review your objectives, time horizon, risk tolerance, and financial needs to determine an appropriate investment portfolio or outside manager for you. We will monitor your investments on an ongoing basis, as part of our standard services. Please refer to Item 4 of our Form ADV Part 2A for further information.

We manage accounts on a discretionary basis, which means we do not need to call you when buying or selling investments in your account. You will sign an investment management agreement and limited power of attorney giving us this authority. This agreement will remain in place until you or we terminate our relationship. We also manage accounts on a non-discretionary basis, which means that you make the ultimate decision regarding buying or selling investments in your account. Please refer to Item 16 of our Form ADV Part 2A for further information.

We do not limit our advice and services to proprietary products or a limited menu of products or investments. Our minimum account size requirement is \$25,000.

### *Questions to Ask Us:*

*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 means?*

## What fees will I pay?

Fees and costs affect the value of your account over time and vary depending on certain factors. Please ask our representative to give you personalized information on the fees and costs you will pay. For investment management and investment advisory services we charge an ongoing asset-based fee paid quarterly in advance. Our incentive is to increase the value of your account over time, which will increase our fees over time.

The broker-dealer (“custodian”) that holds your assets can charge you a transaction fee when we buy or sell an investment for you. These transaction fees are in addition to our advisory fee. You could also pay fees charged by the custodian for certain investments and maintaining your account. Some investments, such as mutual funds and exchange traded funds charge additional fees that will reduce the value of your investments over time.

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. Please refer to Item 5 of our Form ADV Part 2A for further information.

### *Question to Ask Us:*

*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. Kohlhepp's revenue is from the advisory fees we collect from our clients' accounts each quarter; however 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 may recommend a particular custodian from whom we receive support services. This presents a conflict of interest, because our receipt of their support makes us more inclined to continue using and recommending them.
- Our Investment Advisor Representatives may recommend commission-based securities or insurance products. This presents a conflict of interest, because they can recommend that you purchase securities or insurance commission-based products based upon the compensation they will receive, rather than your individual need. You are not under any obligation to purchase those products.
- We may recommend rollovers out of employer-sponsored retirement plans and into Individual Retirement Accounts that we manage for an asset-based fee. Since we do not manage employer plans, this will increase our compensation.

### *Question to Ask Us:*

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

## How do your financial professionals make money?

Our Investment Advisor Representatives (IARs) are generally compensated on a salary basis and are eligible to receive discretionary bonuses that can be but are not necessarily based on the acquisition of new clients, commissions, and advisory fees. In addition, some of our IARs are equity owners, who stands to receive a share of the firm's profits. These payment structures present conflicts of interest, as they could incentivize our IARs to recommend that you place additional assets under our management. We mitigate that conflict by adhering to our fiduciary duty when making investment recommendations, so that we only make recommendations in conformity with each client's investment objectives and savings strategy. You should discuss your IAR's compensation directly with your IAR.

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

Our firm, no. Our financial professionals, yes. Visit [www.investor.gov/crs](http://www.investor.gov/crs) for a free and simple search tool to research our firm and our financial professionals.

### *Questions to Ask Us:*

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

## Additional Information

You can find additional information about our investment advisory services on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #113989. You may also contact our firm at 215-340-5777 or [info@kohlheppadvisors.com](mailto:info@kohlheppadvisors.com) to request a current copy of our Form ADV Part 2 or up-to-date Form ADV Part 3 – this relationship summary.

### *Questions to Ask Us:*

*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?*