



## KB Financial Partners, LLC Form Customer Relationship Summary

July 8, 2020

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*This information about KB Financial Partners, LLC ("KBFP," "our," "we," "us") is provided to comply with federal investment advisory laws. It does not create or modify any agreement, relationship, or obligation between you and KBFP (or your financial professional). Please carefully review all applicable agreements you have with us for the terms and conditions that govern your relationship with us.*

KBFP is an investment adviser registered with the Securities and Exchange Commission ("SEC"). Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. 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 advisers, and investing.

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

KBFP offers various advisory services, which include Financial Planning and Portfolio Management.

Our **Financial Planning Services** offering includes meeting with one of our financial professionals to gather information about your financial circumstances and objectives in order to determine the scope of services that are most suitable for your financial situation and investment needs. This may include assessing your liquidity needs, personal needs, insurance needs, risk tolerance, and other financial-related information. Once we review and analyze the information you provide to us, we may deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Our **Portfolio Management Services** offering includes the management of your investment account(s) for an ongoing fee based upon the value of your account(s). KBFP will recommend a portfolio of investments that are continuously monitored, and if necessary, rebalanced to meet your changing needs. Ongoing account maintenance is part of the standard service provided to clients.

Generally, this includes an assessment of your investing profile, asset allocation, and portfolio design, and portfolio management. If you retain us to manage your portfolio, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information. The information we collect from you will help us identify a target asset allocation for you.

Portfolio Management Services are offered on either a discretionary or non-discretionary basis. If you would like us to manage your portfolio on a discretionary basis, we require you to sign a discretionary account agreement. A discretionary agreement allows us to buy and sell investments on your behalf. You do not decide on each investment and do not need to approve each transaction. Alternatively, if you would like us to manage your portfolio on a non-discretionary basis, we require you to sign a non-discretionary account agreement. A non-discretionary agreement requires us to obtain your permission before and on the same day that your order is placed for execution. In other words, you make the ultimate decision regarding the purchase and sale of your investments.

Both discretionary and non-discretionary agreements will remain in place until you or we terminate the relationship. We offer a full range of investment products and do not utilize or recommend any proprietary products whatsoever. To open an account for Portfolio Management Services, we generally require a minimum of \$1 million. However, at our discretion, we may waive the minimum requirement.

**For additional information about our advisory services, please see Item 4 of KBFP's Brochure (ADV Part 2A).**

### CONVERSATION STARTER: Ask your 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 those qualifications mean?**

### What fees will I pay?

Fees and costs affect the value of your account(s) over time. Please ask your financial professional to provide personalized information on the fees and costs that you will pay.

For our **Financial Planning Services**, we charge an annual retainer fee either as a fixed fee ranging from \$2,500 to \$50,000, or an asset-based fee of 0.15% of investable assets. This fee is negotiable, depending upon the complexity and scope of services provided.

Our **Portfolio Management Services** offering is based on a percentage of your assets that we manage. Our fees range from 0.35% to 1.15% on an annual basis and are deducted from your account on a quarterly basis.

The broker-dealer custodian that holds your assets can charge you a transaction fee when we buy or sell an investment for you. The broker-dealer's transaction fees are charged in addition to the advisory fee for Portfolio Management Services. You could also pay charges imposed by the broker-dealer holding your accounts for certain investments, as well as for maintaining your account. Some investments, such as mutual funds, exchange-traded funds, sub-advisers, and separately account managers (SAMs) charge management fees in addition to the fees that KBFP charges; these additional fees will reduce the value of your investments over time.

Our incentive is to increase the value of your account over time, which will increase the fees we collect over time. The quarterly fees will be automatically deducted from your account. 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 additional information about our advisory fees, please see Item 5 of KBFP's Brochure (ADV Part 2A).

**CONVERSATION STARTER: Ask your financial professional:**

- **Help me understand how these fees and costs will 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 a fiduciary duty 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 examples to help you understand what this means:

- Conflicts may arise when KBFP selects or recommends a broker-dealer custodian to safekeep your assets and execute your trades. By recommending a broker-dealer custodian to you, KBFP receives access to software and related services without cost because of KBFP's relationship.
- Through our Financial Planning Service, we may recommend that you enter into a separate engagement for our Portfolio Management Services in which we are compensated as a percentage of assets that we manage for you.
- As part of our Financial Planning Service, we may also recommend that you purchase insurance products (e.g., life insurance, accident, health). A conflict of interest exists insofar as, in addition to being an investment adviser, KBFP is also a licensed insurance agency. Commissions are generated by insurance products sold by financial professionals that are also licensed, insurance agents. This benefits both KBFP and their financial professionals.
- Some of our financial professionals are registered representatives and insurance agents of M Holdings Securities, Inc., a registered broker-dealer and insurance agency. In this capacity, your financial professional may receive commission-based compensation for the purchase and sale of securities and variable insurance products, including ongoing commissions for the sale of previously sold mutual funds, and renewals of previously sold insurance products. Some of our financial professionals also receive percentage fees for facilitating settlements of existing life insurance contracts.
- KBFP is a stockholder of M Financial Group. As a stockholder, KBFP shares in the profits of M Financial Group. The distribution of these profits is in addition to compensation paid by unaffiliated insurance carriers and other financial service providers.

**CONVERSATION STARTER: Ask your financial professional:**

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

For additional information about our conflicts of interest, please see Item 11 of KBFP's Brochure (ADV Part 2A).

### **How do your financial professionals make money?**

Your financial professional benefits directly from advisory services, as well as other products you select. Your financial professional may receive commission-based compensation for the purchase and sale of securities and variable insurance products, including ongoing commissions for the sale of previously sold mutual funds, and renewals of previously sold insurance products. Some of our financial professionals also receive percentage fees for facilitating settlements of existing life insurance contracts. Other employees of KBFP are paid a fixed salary. They may also receive bonuses at the discretion of management based upon the success of KBFP and specifically upon the contributions of the employee. Factors that affect the level of bonuses paid include client referrals, client retention, and total client assets KBFP manages.

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

No, neither our firm nor our financial professionals have any legal or disciplinary history. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

**CONVERSATION STARTER: Ask your financial professional:**

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

#### **Additional Information**

You can find additional information about our firm's investment advisory services on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by clicking on the "FIRM" tab and then searching CRD No. 119166. If you would like additional, up-to-date information or a copy of this disclosure (Form CRS), please call (609)-514-4700.

**CONVERSATION STARTER: Ask your financial professional:**

- **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?**