



## Portsmouth Financial Services, Inc. (CRD # 13980)

### Client Relationship Summary ("Form CRS")

May 15, 2022

#### Section 1. Introduction

Portsmouth Financial Services, Inc ("PFS") is registered as a Broker-Dealer ("BD") with the Securities and Exchange Commission ("SEC") and as a member firm of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Brokerage accounts and services, which we offer, and the related fees, are different than advisory accounts and services which are offered by an Investment Adviser ("IA") and it is important to us that you understand the differences. Free and simple tools are available for you to research firms and financial professionals at [Investor.gov/CRS](#). This link also provides educational materials about Broker-Dealers (like us) Investment Advisers, and investing.

#### Section 2. Relationships and Services. What investment services and advice can you provide me?

If you open a brokerage account with us, the services include the recommending of investments based on your investment and financial profile, placing orders, and executing your securities transactions. For these services, you will pay a transaction-based fee, referred to as a commission, every time an investment is bought or sold for your account. When our Registered Representatives ("RRs") make recommendations for you to buy, sell or hold securities, a resulting transaction is referred to as a "solicited" order. You may also select your own investments which is referred to as an "unsolicited" order. If we recommend investments for you, they will be based on your investment profile and objectives, which are based on personal and financial information that you will be required to supply to us and determined to be in your best interest. We offer but do not limit our service to proprietary products, or a specific asset class. We offer brokerage accounts, retirement accounts, and services such as checking and credit cards. Some RRs who have an insurance license can offer insurance products for which they will be paid a commission. Ongoing account monitoring will be offered under a specific agreement with your RR and no separate fee will be charged for this service.

**For additional information including minimum investment amounts, please see [www.portsmouthfinancial.com](#) for our Fee Schedule.**

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

*1. Given my financial situation, should I choose a brokerage account, why or why not? 2. How will you choose investments to recommend to me? 3. What is your relevant experience, including your licenses, educations, and other qualifications? What do these qualifications mean?*

#### Section 3. Fees, Costs, Conflicts, and Standard of Conduct.

##### A. What fees will I pay?

The following provides a **description of principal fees and costs**. If you open a brokerage account with us, you will pay a commission when we execute and order for your account. Commissions vary and are negotiable with your RR. The commission is based on the amount of the transaction and not the total value of your account or your assets. Some alternative investments and insurance products pay the firm more than transactional commissions. A conflict is created since you will pay a commission every time you buy or sell an investment, which means the more transactions that occur for you, the more commissions you will pay and the more commissions your RR will earn. We will work to ensure that all transactions are in your best interest.

The following provides a **description of other fees and costs**. Transaction-based fees: With stocks or exchange-traded funds, this fee is a separate commission that is charged above the value of the investment. With other investments, such as bonds, this fee might be part of the price you pay for the investment value of your account (called a "mark-up" or "mark-down"). With mutual funds, this fee is typically called a "load", which reduces the value of your investment. Certain mutual funds and variable annuities impose additional fees that will reduce the value of your investment over time and may have "surrender charges" (which can decline over time) to sell the investment in the early years of the contract. For whatever type of transaction that occurs, you will be provided a written transaction confirmation that will outline all of the costs and fees associated with the transaction. In addition, you will be provided a monthly or quarterly statement from the custodian holding your assets, whether it be Pershing or an outside Mutual Fund or Annuity company. You will also pay additional fees, and we will receive a portion of, certain fees associated with your brokerage account, such as custodian fees, paper document fees, trust distribution and services fees, product level fees, account maintenance fees, account inactivity fees if applicable to your account, termination or transfer fee when your brokerage account is terminated or transferred to another broker-dealer, and or type of transactions.

**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. For more detailed information about our fees and costs please review our Regulation Best Interest Disclosure and Fee Schedule found at [www.portsmouthfinancial.com/CRS](#). For additional information about fees, please ask us or your RR and consider the following Conversation Starters:**

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

*"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?"*

##### B. What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

**Standard of Conduct.** When we provide you with a recommendation, 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 recommendations we provide you. Here are some conflicts to help you understand what this means.

- We receive payments from third party product sponsors and managers (or their affiliates), such as mutual fund or insurance companies, when we recommend or sell certain products, and we may also receive ongoing payments, such as 12B-1 fees or trails, from them in your brokerage account. As such, we have an incentive to recommend (or to invest your assets in) products that pay us more compensation or products of third-parties that pay us over products of third parties that do not pay us, or pay us less.
- We have an incentive to advise you to invest in certain investments, such as the money market sweep program, because Pershing, the manager or sponsor of the investment, shares with us revenue it earns on those investments.
- Our firm engages in principal trading (buying or selling investments from your account for our own accounts) which can lead to price manipulation or the sale of unwanted securities to you. We may buy or sell securities to you for its own account (with your consent in advisory accounts). Because we earn compensation (such as commission equivalents, mark-ups, mark-downs, and spreads) and can receive other benefits in principal transactions, we have an incentive to trade with you on a principal basis and to recommend securities that we hold in inventory.

**Additional information:** For more detailed information about our fees and costs please review our Regulation BI disclosure and Fee Schedule found at <https://www.portsmouthfinancial.com/CRS/>.

**CONVERSATION STARTER:** Ask your financial professional -  
“How might your conflicts of interest affect me, and how will you address them?”

**c. How do your financial professionals make money?**

Our RRs are compensated by being paid a portion of the commissions that we charge you. RR's who are also licensed to sell products through the IA will be paid product sales commissions or fees charged for insurance products and advisory services. PFS and its affiliates do not pay bonuses or competitive sales related compensation fees to the RRs.

As noted above, the commissions we receive generally vary based on the investments purchased and sold and the volume of trading. This creates an incentive for our financial professionals to sell more investments to generate commissions.

In the case of certain investment funds and products, the issuer or the sponsor provides our financial professionals other forms of compensation, such as expense reimbursement for travel associated with educational or similar business meetings, financial assistance in covering the cost of marketing and sales events, and small gifts. The receipt of these payments presents a conflict because it creates an incentive for the financial professional to recommend those investments or funds whose issuers or sponsors offer these forms of compensation.

**Section 4 Disciplinary History. Do you or your financial professionals have legal or disciplinary history?**

**Yes.** PFS does have reportable disclosures and a disciplinary history, as well as some of the RRs licensed with the firm. To view reportable, legal, or disciplinary events, please visit [Investor.gov/CRS](https://Investor.gov/CRS) for a free and simple search tool to research the firm and our financial professionals. You can also view the firm and RRs disclosures at <https://brokercheck.finra.org/>.

**CONVERSATION STARTER:** Ask your financial professional -  
“As a Financial Professional, do you have any disciplinary history? For what type of conduct?”

**Section 5. Additional Information.**

For additional information on our firm, and to request a copy of this Client Relationship Summary (“Form CRS”), go to <https://brokercheck.finra.org/> and search using our firm name, or our CRD #13980. You can also visit our website at [www.PortsouthFinancial.com](http://www.PortsouthFinancial.com). You can obtain information about our affiliates at the link: <https://adviserinfo.sec.gov> using their SEC #'s referenced above. To report a problem to the SEC, call the toll-free investor assistance line at (800) 732-0330. If you have any questions or concerns, please feel free to contact Portsmouth Financial Services, Inc. at 415-543-8500.

**CONVERSATION STARTER:** Ask your financial professional -  
“Who is my primary contact person? Is she or he an investment adviser representative “IAR” and or a RR of a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?”