



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](https://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 brokerage accounts, retirement accounts, and services such as checking and credit cards. Some RR's 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.

Conversation Starter: Please consider asking us the following questions:

- Given my financial situation, should I choose a brokerage account, why or why not?
- How will I choose investments recommended to me?
- 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. *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, such as custodian fees, trust distribution and services fees, product level fees, account maintenance fees, and account inactivity fees if applicable to your account or type of transactions. **For additional information about fees, please ask us or your RR and consider the following Conversation Starters:**

Conversation Starter: As a retail investor, please consider asking our financial professionals about the impact of fees and cost on investments. For example, you can ask.... "Help me understand how the fees and costs might affect my investments. If I give you \$10,000 to invest for example, 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 Broker Dealer? How else does your firm make money and what conflicts of interest do you have? Standard of Conduct. When we act as your BD, 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 conflicts to help you understand what this means.

- When establishing an account with PFS, clients are required to utilize the custodian(s) of PFS choice. PFS does not allow clients to direct orders or clearing to another BD or Custodian. PFS currently uses Pershing LLC, a subsidiary of The Bank of New York Mellon as its clearing firm. PFS does not receive special compensation by Pershing for choosing it for clearing. You can get more information about Pershing at www.Pershing.com.
- Portsmouth is affiliated by common ownership with SEC Registered Investment Adviser (“IA”) Firms, The Putney Financial Group (CRD# 111639/SEC# 801-62638) and The Portsmouth-Smartlife Financial Group (CRD# 168299/SEC#: 801-119231). You can obtain more information about these firms at <https://adviserinfo.sec.gov/>.
- Some of the RRs at PFS are also Investment Adviser Representatives (“IARs”) with one or both of the IA firms mentioned above. The dual licensing with the IA firms allows the recommendation of products and services that may not be available with the BD. Dually licensed RR/IARs can earn commissions and fees from each of their affiliations. RRs may also be involved in outside business activities such as CPA and Tax services, which will be disclosed on their profile at <https://brokercheck.finra.org/>. **For additional information, please ask the firm or your RR about these additional licenses and services that are available by an affiliate of PFS.**

Conversation Starter: As a retail investor, please consider asking the financial professional about the impact conflicts of interest: “How might your conflicts of interest affect me, and how will you address them?”

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.

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 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: As a retail investor, please consider asking the following about the disciplinary history of the financial professionals. “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.PortsmouthFinancial.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: As a retail investor, please consider asking us the following questions:

- “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?”

To learn more about investing with a Broker-Dealer, like us, please use <https://www.investor.gov/>. Please visit <https://www.investor.gov/introduction-investing/investing-basics/glossary/conversation-starters> for a list of additional questions you can ask when choosing a financial professional.