



Client Relationship Summary

(PART 3 OF FORM ADV - CRS)

March 1, 2023

Introduction

Carlsbad Wealth Advisory Group, Inc. ("we," "us," "firm," "our," or "Carlsbad Wealth") is registered with the Securities and Exchange Commission as an investment advisor. This summary is designed to help you understand the important differences between brokerage and investment advisory services and the fees associated with each. This document is intended to help you start a conversation between you and our advisors about important topics related to our services. There are also free and simple tools available to assist you with researching financial services firms and professionals at www.Investor.gov/CRS, which also provides basic educational materials about investing.

What investment services and advice can you provide me?

We provide discretionary investment management, supervision, and financial planning services to individual investors. We are a fiduciary that operates on a fee-only business model. Our services are intended to be provided on an ongoing basis and one of the often used tools in your arsenal. We use some of the latest software to help monitor our clients' investments and provide better insight into how proper financial planning can improve one's ability to achieve financial goals. The timing of reviews and rebalancing of portfolios will depend on the financial objectives, size, and type of each account.

We have a minimum assets under management (AUM) requirement for new clients of \$250,000 of assets managed by Carlsbad Wealth.

We will request discretionary authority from you in order to select securities and execute transactions without permission prior to each transaction. Risk tolerance levels will be reviewed with you and agreed upon before implementation.

We offer financial planning services as part of our discretionary investment management & supervision services. To accommodate clients who do not wish to have Carlsbad Wealth manage their investment accounts but still receive all of the other services available to AUM clients, a flat fee option is available.

For additional details about our services please see our Form ADV Part 2A Item 4.

Additional questions to ask your Carlsbad Wealth Advisor:

- *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 mean?*

What fees will I pay?

We charge a fee that is based off of a percentage of a client's average daily balance of assets under management. The annual fee is a tiered schedule that starts at 1% and goes down to .4% depending on the total value of assets under management. Our investment management fees are billed quarterly and paid in arrears directly from your account.

We are compensated by the amount of assets we have under management. The more assets we manage the more we're compensated. We therefore have an incentive to encourage you to increase the assets under our management.

You will not pay a transaction fee when we buy an investment for you, although you will pay a small fee to the SEC when an investment is sold. If \$100,000 of an investment is sold, you'll pay \$2.20 which is deducted from the proceeds of the sale. While not common, you will pay for any other fee charged by the custodian. Wire fees and transfer fees are two examples but there are many more possible fees that are charged in rare situations.

For additional details about our fees please see our Form ADV Part 2A Item 5.



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Additional question to ask your Carlsbad Wealth Advisor:

Help me understand how these fees and costs might affect my investments. If I give you \$1,000,000 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?

We are held to a fiduciary standard that covers our entire investment advisory relationship with you. For example, we are required to monitor your portfolio, investment strategy, and investments on an ongoing basis.

It's possible our interests can conflict with your interests. In the event of a conflict of interest, we must eliminate the conflict or tell you about it in a way you can understand. Once informed, you can decide whether or not to proceed with opening a new account or continuing with our services. Here is an example:

We receive certain benefits from the custodians we recommend. These benefits include access to discounted services, business management consulting, access to research and data, and educational conferences. Such benefits create a potential conflict of interest as clients may pay higher transaction fees than they might at other discount brokers, and an incentive exists to recommend Schwab because of the benefits offered.

For additional details about our compensation and potential conflicts of interest please see our Form ADV Part 2A Item 10 & Item 12.

Additional question to ask your Carlsbad Wealth Advisor:

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

How do Carlsbad Wealth financial professionals make money?

Our financial professionals are compensated by either a salary, shareholder distributions, a portion of the quarterly asset fees generated by their clients, or a combination thereof.

Do you or any of your financial professionals have legal or disciplinary history?

None of our financial professionals have a legal or disciplinary event requiring disclosure. Visit Investor.gov for a free and simple search tool to research our firm and our financial professionals.

Additional question to ask your Carlsbad Wealth Advisor:

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

For additional information about our investment advisory services or to request a copy of our latest Client Relationship Summary, Form ADV, or any other information please visit our website at www.carlsbadwealth.com or call us at (760) 607-0812.

Additional question to ask your Carlsbad Wealth Advisor:

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?