

Form ADV Part 3: Relationship Summary Lighthouse Financial Management, LLC

Introduction

Lighthouse Financial Management, LLC (“Lighthouse Financial Management” or “we”) is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and the fees we charge are different from those of a broker-dealer and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>. This site also provides educational materials about investment advisers, broker-dealers, and investing.

What Investment Services and Advice Can You Provide Me?

Description of Services: Lighthouse Financial Management offers investment advisory services to retail investors.

Investment Management Services: As part of your management services, we construct a portfolio aligned with your investment goals using low-cost mutual funds. We create an investment policy statement that will target your asset allocation. Your investment policy statement will allow us to buy and sell investments in your accounts on a discretionary basis without consulting with you in advance of each transaction. We continuously monitor your accounts and review your asset allocation quarterly.

Other Advisory Services: Individual federal and state income tax returns are prepared through our affiliate at no additional charge for clients who have advisory assets over \$500,000. Our affiliate may charge additional fees when individual tax returns include business and related activities such as sole proprietorships, partnerships, limited liability companies, and S Corporations. As part of your investment management services, we may provide ongoing financial planning on areas such as income tax, insurance, retirement, estate, education, cash management, and budgeting.

Investment Offerings: As an independent advisor, we have no restrictions on the types of funds we offer to investors; however, your custodian or broker-dealer’s platform may limit the funds available to us. Before trading in your accounts, we will work in conjunction with you to develop an investment policy statement, and we will be constrained by the parameters outlined in this document. When providing you services, we do not recommend or offer advice on any proprietary products, sell any products, or receive commissions.

Account & Fee Minimums: We require advisory clients to maintain a minimum account size of \$500,000. To reach this account minimum, you can aggregate all household accounts.

Conversation Starters: *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you select 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?

Description of Principal Fees & Costs: Fees charged for our management services are charged based on a percentage of assets under management, billed in arrears on a quarterly calendar basis, and calculated based on the fair market value of your account as of the last business day of the current billing period. The annual fee is based on a tiered fee schedule between 1.00% and 0.25%.

Basing fees on the value of your account(s) creates an incentive for us to recommend that you increase the levels of assets in your account.

When engaging us for management services, you will also incur other fees and expenses. The broker-dealer/custodian on your account will charge you transaction fees for executing trades in your account. The funds we invest in within your account will also charge you internal fees and expenses.

Additional Information: You will pay fees and expenses whether you make or lose money on your investments, which will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and expenses you are paying. For more information about the fees we charge and the other costs you will incur, please see **Item 5** of **Form ADV Part 2A**.

Conversation Starters: 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?**

Standard of Conduct: 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. 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. 1) When we provide management services, we ask that you establish an account with TD Ameritrade to maintain custody of your assets and to effect trades for your account. When we selected TD Ameritrade as our custodian, we did not base our decision solely on your interest in receiving the best execution. They also provide us with research, products, and tools that help us manage and further develop our business operations. As a result, we do not have to pay for such benefits, which saves us money; however, these arrangements create a conflict of interest. 2) One of our investment adviser representatives and executive officer is a licensed CPA, offering accounting services. A conflict of interest exists whenever there is a recommendation to utilize our affiliate accounting services if your accounts are below our asset minimum. For more information, see **Item 10** and **Item 12** of **Form ADV Part 2A**.

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

Additional Information: For more information about our conflicts of interests and the ways we are compensated, please see **Item 5** and **Item 10** of our **Form ADV Part 2A**.

How Do Your Financial Professionals Make Money?

Description of Salary/Payment of IARs: We compensate our investment adviser representatives with a flat salary that is not dependent on the level of revenue they generate for the firm.

Do You or Your Financial Professionals Have Legal or Disciplinary History?

We have not, nor do our investment adviser representatives, have a legal or disciplinary history to report. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

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

Additional Information About Lighthouse Financial Management

Additional information about us and copies of our Form ADV Part 2A disclosure brochure and this relationship summary are available on the Internet at www.lighthousefm.com. You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/127748>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at 401-596-3392.

Conversation Starters: 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?
