

FORM ADV Part 3 (FORM CRS) FOR:  
PERSONAL FINANCIAL MANAGEMENT  
DECEMBER 31, 2023

INTRODUCTION

Personal Financial Management (PFM) is registered with the Securities and Exchange Commission as an investment adviser. The firm is not a broker. Brokerage and investment advisory services fees differ, and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about investment advisers and investing. The firm has been in business since December of 1992, under the same, 100% owner, John David Brennan. There is one additional employee, Bradley J. Vollstedt. As of December 31, 2023, the firm manages \$358,472,257 of client assets on a discretionary basis and \$136,984,023 on a non-discretionary basis.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

*Given my financial situation, should I choose an investment advisory service? Why or why not?* That is your choice, and it depends on your particular financial needs. We offer investment advisory services to retail investors primarily through comprehensive, fee-only financial planning to high-net-worth individuals in the areas of investments, income tax, business, retirement, insurance and estate planning. *How will you choose investments to recommend to me?* The firm constructs and maintains a unique database of information on each client, provides written plans based on the database, and provides ongoing financial counseling in each of the above areas. Fees are charged for financial planning and investment advice. There is no minimum to open an investment account, but the firm generally requires a net worth of at least \$5 million for financial-planning services.

Our investment advice is not limited to proprietary products or a limited menu of products or types of investments. When a client wishes to implement PFM's investment advice, he is free to choose any broker, and is so informed. If the client wants PFM to recommend a broker, the firm will make a recommendation based on the broker's skills, costs, reputation, dependability, and compatibility with the client, and never upon a financial arrangement between PFM and the recommended broker. For additional information, retail investors are directed to Form ADV Part 2A.

*What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?* John D. Brennan has an MBA in Finance and an APC in Federal Taxation from NYU's Graduate School of Business. For the past 28 years he has been a fee-only financial planner and investment advisor through sole ownership of PFM. Prior to founding PFM, he spent 11 years with E.F. Hutton as a Senior Financial Advisor in the Personal Financial Planning Division counseling high-net-worth individuals across the United States in the areas of investments, income tax, business, retirement, insurance and estate planning. These qualifications mean that you can have confidence in the financial advice offered by PFM, if you choose to seek it.

WHAT FEES WILL I PAY?

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.* The firm charges fixed fees for the preparation of written financial plans and ongoing financial-planning advice which are negotiable in the range of \$5,000 to \$20,000 or more for the first year, depending on the complexity of the client's financial situation. In subsequent years, the fee is negotiable as a percentage of the first year's fee. Ongoing planning fees are paid semi-annually. Any pre-paid fees are refunded on a pro-rata basis, in the event of a cancellation. Over 75% of the firm's annual revenue is generated by financial-planning fees.

*How else does your firm make money?* The firm also manages client accounts for a percentage of assets under management. Asset management fees are negotiable in the range of 0.10% to 1.00%, depending on account size, and are paid quarterly in arrears. Less than 25% of the firm's annual revenue is generated by asset management fees. All fees are deducted from assets or billed directly, at the client's option. *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?* Assuming the maximum 1.00% asset management fee, the purchase of a no-load mutual fund, and an annual expense ratio on that fund of 0.28%, \$128 will go to fees and expenses and \$9,872 will be invested.

*What are your legal obligations to me when acting as my investment adviser?* When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. *What conflicts of interest do you have? How might your conflicts of interest affect me, and how will you address them?* 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 is an example to help you understand what this means. On occasion, the owner and employees of PFM may buy or sell securities that are recommended to clients. However, there is no buying or selling of securities between clients and the firm. Additionally, the firm's owner or employees, or the firm acting for clients, will purchase mainly open-end mutual funds which are readily available to retail investors. For additional information, retail investors are directed to Form ADV Part 2A.

Planning clients are free to implement the firm's investment advice at any broker. If a client wants a recommendation, the firm will do so based on the broker's skills, costs, reputation, dependability, and compatibility with the client, and never upon a financial arrangement between the firm and the recommended broker. PFM has arrangements with Charles Schwab, Fidelity Brokerage Services and TD Ameritrade through which those firms provide PFM with "institutional platform services" for the majority of the \$365,005,083 of client assets that PFM manages on a discretionary basis. PFM is not affiliated with Charles Schwab, Fidelity or TD Ameritrade. The services that these firms provide include brokerage, custody and other related services which assist PFM in managing and administering client accounts with software and other technology that: (1) provide access to client account data; (2) facilitate trade execution; (3) provide research, pricing and other market data; (4) facilitate payment of fees from client accounts; and (5) assist with back-office functions, recordkeeping and client reporting.

These brokerage firms generally do not charge adviser clients such as PFM for custody services, but they are compensated by client account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through them or securities trades that settle into accounts at these firms, i.e., transaction fees are charged for certain no-load mutual funds, and commissions are charged for individual equity and debt securities transactions. These firms provide access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The brokerage and research products and services that these firms provide to PFM qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934, which provides a safe harbor to money managers who use the commission dollars of their advised accounts to obtain investment research and brokerage services. In recommending any broker, PFM does not have any interest in receiving client referrals, nor does PFM routinely recommend, request or require that a client execute transactions through a specified broker-dealer. PFM primarily recommends open-end, no-load mutual funds and therefore does not normally aggregate orders for the purchase or sale of securities. When other securities are purchased or sold, PFM will aggregate orders for the benefit of client accounts included in such purchases or sales.

#### DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

*As a financial professional, do you have any disciplinary history? For what types of conduct?* No, neither Personal Financial Management, its owner John Brennan, or its employees have any disciplinary history. Retail investors are directed to [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research the Adviser and its financial professionals.

#### ADDITIONAL INFORMATION

*Who is my primary contact person?* John David Brennan. *Is he a representative of an investment advisor?* Yes. He is the owner of Personal Financial Management and can be reached at 619-435-1600. He can provide additional information about investment advisory services provided by Personal Financial Management. He can also provide a copy of the current Customer Relationship Summary. *Who can I talk to if I have concerns about how this person is treating me?* Retail investors can send an inquiry to Personal Financial Management at 1001 B Ave, Suite 307, Coronado, CA 92118, with a copy to the Securities and Exchange Commission at an address obtained at [Investor.gov/CRS](http://Investor.gov/CRS).