

**Item 1 – Introduction:** Key Financial, Inc. (“KFI”) is an SEC registered investment adviser that offers financial planning services and wealth management. Investment advisory services and compensation structures differ from that of a registered broker-dealer, and we feel it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS).

**Item 2 - Relationships & Services: “What investment services and advice do you provide?”**

Key Financial’s principal business is providing advice that rises out of a comprehensive financial plan with continuous investment management. The first phase is to provide an initial financial plan with scenarios, stress tests and specific recommendations. At the end of Phase One, you can choose to implement recommendations yourself or engage our firm for Phase Two. Throughout the ongoing advisory relationship in Phase Two, we will assist in implementing recommendations you approve, manage your portfolio so it stays congruent with your objectives, and monitor your progress and plan. We typically manage your assets on a discretionary basis, which means we shall have the authority, without prior consultation with you (unless you impose restrictions on our discretionary authority), to buy, sell, trade and allocate the investments within your account(s) consistent with your investment objectives. If we manage your account on a non-discretionary basis, we will be unable to effect any transactions without first obtaining your consent. Our authority over your account(s) shall continue until our engagement is terminated. We do not limit our advice and services to proprietary products. We generally require (with exceptions) a \$500,000 assets under management minimum for new clients

**Additional information:** For more detailed information about our Advisory Business and the Types of Clients we generally service, please See Items 4 and 7, respectively in our [ADV Part 2A](#).

**Conversation Starters:**

*Given my financial situation, should I choose an investment advisory service? Why or why not?*

*How will you choose investments recommended to me?*

*What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

**Item 3 - Fees, Conflicts, and Standard of Conduct: “What fees will I pay?”**

Our primary business is providing ongoing financial planning with advisory management. Fees and costs for these services affect the values of your account over time. Generally, the greater the amount of assets in the account, the more you will pay in fees, and the firm may have an incentive to encourage you to increase the value of your account. However, our firm offers discounted rates at higher ranges of assets under management; so, you may be rewarded for increasing the value of your account(s) through the reduction of the percentage of the asset-based fees you are charged. We do not have a minimum fee level. As further disclosed on [Part 2A of our Form ADV](#), a client’s cash positions (money markets, etc.) shall be included as part of assets under management for purposes of determining Key Financial’s advisory fee. The broker-dealer (“custodian”) that holds your assets can charge you a transaction fee when we buy or sell an investment for you. These transaction fees are in addition to our advisory fee. You could also pay fees charged by the custodian for certain investments and maintaining your account. Some investments, such as mutual funds and exchange traded funds charge fees that will reduce the value of the investments over time. You will pay fees 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.

**Additional information:** For more detailed information about our Advisory Business and the Types of Clients we generally service, please See Items 5, respectively in our [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?”**

When we act as your investment advisor, 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 best interests. You should understand and ask us about these conflicts because they can affect the investment advice, we provide you. As an example, if we recommend that you get a mortgage or a car loan instead of using invested assets to purchase a home or car, there is an inherent conflict of interest. Another might include consolidating accounts rather than have accounts that we do not manage. Further, financial professionals may receive expense reimbursement for due diligence trips, educational meetings, or client events from investment providers. We must abide by certain laws and regulations in our interactions with you as the firm is held to a high standard of conduct that pertains to all aspects of your relationship. This standard obligates our firm to always consider your best interests when monitoring accounts, recommending investment strategies, and evaluating investments on an ongoing basis. Further, when our interests come into conflict with your best interests, we must clearly communicate the issue so you can make an informed decision.

**Conversation Starters:** *How might your conflict of interests affect me, and how will you address them?*

**“How do your financial professionals make money?”** Our financial professionals are paid a fixed salary and can also receive an individual bonus based on exceeding expectations when providing a service to a particular client or group of clients. Irrespective of their role, every employee at Key Financial can receive a bonus at the end of the year based on a combined target formula of client retention and growth of the clients we serve.

**Item 4 - Disciplinary History: “Do you have legal or disciplinary history?”**

No for our firm. Yes, for a financial professional. We encourage you to visit [www.Investor.gov/CRS](http://www.Investor.gov/CRS) to research our firm and our financial professionals. Furthermore, we encourage you to ask your financial professional to inquire about us:

**Conversation Starters:**

*As a financial professional, do you have any disciplinary history? If so, for what type of conduct?*

**Item 5 - Additional Information**

You can find additional information about our investment advisory services at our website at [www.keyfinancialinc.com](http://www.keyfinancialinc.com) or by visiting the SEC’s website at <https://adviserinfo.sec.gov> by searching CRD #116240. You may also contact our Chief Compliance Officer at any time to request a current copy of our [Form ADV Part 2A](#) or our relationship summary. Our Chief Compliance Office can be reached by phone: 610-429-9050.

**Conversation Starters:**

*Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

