



## Client Relationship Summary Investment Advisory Services (Form CRS) March 20, 2024

### **Item 1: Introduction**

Lafayette Investments, Inc. (“Lafayette” or “the Firm”) is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ. It is important for you to understand the differences. We do not offer brokerage services to our clients. Free and simple tools are available for you to use at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing.

### **Item 2: Relationships and Services**

#### **What investment services and advice can you provide me?**

**Services:** Lafayette offers investment advisory services, including wealth management and financial planning consulting, to retail investors. We work closely with you to identify your individual objectives, time horizons, risk tolerance and cash needs. Account supervision is guided by your stated objectives as well as tax considerations.

#### **Conversation Starters: Ask your financial professional -**

- 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?

Our investment recommendations include advice regarding the following securities: exchange-listed securities, securities traded over-the-counter, foreign issuers, corporate debt securities, municipal securities, mutual fund shares and United States governmental securities. You may provide restrictions on the inclusion of specific securities or industries in your accounts as well as direct us to sell or avoid selling specific securities. We monitor your account on an ongoing basis, with each account reviewed at least quarterly.

We provide these services on a discretionary basis. You will sign an Investment Advisory Agreement with Lafayette granting us full investment discretion authority to determine the securities or other assets to purchase or sell in the account. We maintain this discretion until either the client or Lafayette gives written notice to the other party of its intentions to cancel.

**Account Minimums and Additional Information:** In general, we require a minimum of \$1,000,000 in investible liquid assets to open and maintain an advisory account. At our discretion, we may waive this minimum account size. *For further information about our advisory services, please see items 4-8 of our Form ADV, Part 2A Disclosure Brochure. For a copy of the Brochure please visit the Important Disclosures page on our website [www.lafayetteinvestments.com](http://www.lafayetteinvestments.com) or <https://adviserinfo.sec.gov/firm/summary/22471>.*

### **Item 3: Fees, Costs, Conflicts and Standard of Conduct**

#### **What fees will I pay?**

Lafayette Investments, Inc. charges retail clients an annualized asset based fee not to exceed 1%. Our tiered fee schedule can be viewed in our Form ADV Part 2A brochure. This fee is paid quarterly, in advance, and based on the market value of the account on quarterly valuation dates (last business day of each quarter). Fees are negotiable based on the investment objectives and the nature of the services rendered and are outlined in the Investment Advisory Agreement between you and Lafayette. The more assets there are in a retail investor’s advisory account, the more a retail investor will pay in total fees. This creates an incentive for us to

#### **Conversation Starters: Ask your financial professional -**

- 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?

encourage you to increase the assets in your account. Under Lafayette's tiered fee structure, the rates charged to a client's assets under management will decrease as assets increase above the base tier amount.

In addition to our investment advisory fees, accounts are subject to fees related to brokerage and advisory services. Fees can be charged directly or indirectly. Direct fees can include transaction fees, exchange fees, wire transfer fees, electronic fund fees and other fees and taxes on brokerage account and securities transactions which are charged from the custodian. Indirect fees can include internal management fees and annual fund operating expenses charged by mutual funds, money market funds or other investment companies ("Funds"), which are disclosed in the fund's prospectus. 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. **For Additional information on our fees, please see item 5 of our Form ADV, Part 2A, Disclosure Brochure. Our Brochure is available on the Important Disclosures page of our website [www.lafayetteinvestments.com](http://www.lafayetteinvestments.com) or <https://adviserinfo.sec.gov/firm/summary/22471>.**

### **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 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.

#### **Conversation Starters**

Questions to ask when considering our services:

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

We charge an investment advisory fee based on the assets we manage. Therefore, we have a financial incentive to encourage you to add assets to an account we manage. This includes a recommendation to rollover your retirement plan. Lafayette generally recommends Charles Schwab & Co., Inc. ("Schwab") to serve as custodian to our clients. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Schwab makes available to our firm other products and services that benefit us but do not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab. The receipt of such creates a conflict of interest as it gives incentive to have clients custody their assets with this custodian. **For Additional information about our firm's potential conflicts of interest, please see items 10, 11, and 12 of our Form ADV, Part 2A Disclosure Brochure. Our Brochure is available on the Important Disclosures page of our website [www.lafayetteinvestments.com](http://www.lafayetteinvestments.com) or <https://adviserinfo.sec.gov/firm/summary/22471>.**

### **How do your financial professionals make money?**

Our financial professionals are compensated based on an agreed upon share of the advisory fees you pay. As the total managed assets increase the payout increases. This creates a financial incentive to add assets to accounts managed. Their compensation is not based on the time and complexity required to meet a client's needs. Our professionals that provide other services directly to our firm also receive compensation based on a fixed annual salary.

### **Item 4: Disciplinary History**

#### **Do you or your financial professionals have legal or disciplinary history?**

No financial professionals have legal or disciplinary history. Please go to [www.Investor.gov/CRS](http://www.Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

#### **Conversation Starters: Ask your financial professional -**

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

### **Item 5: Additional Information**

You can view additional information about our investment advisory services by viewing our Form ADV Part 2A, Disclosure Brochure, available via our firm's website [www.lafayetteinvestments.com](http://www.lafayetteinvestments.com). You can request up to date information and a copy of our Client Relationship Summary by contacting us at 301-570-2959 or by email at [info@lafayetteinvest.com](mailto:info@lafayetteinvest.com).

#### **Conversation Starters: Ask your financial professional -**

- 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?