

# Macroclimate LLC | Form CRS (Form ADV Part 3)

## Customer Relationship Summary / March 28, 2024

*Brokerage and investment advisory services and fees differ. It is important for you to understand these 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 broker-dealers, investment advisers, and investing.*

### Item 1. Introduction

Macroclimate LLC ("Macroclimate") is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser. This document describes the Firm's investment advisory services, fees, standards of conduct and how to address potential conflicts of interest.

### Item 2. Relationships and Services

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

Macroclimate offers the following investment advisory services to retail investors: asset management of client funds based on the needs of each client.

Through personal discussions in which investment goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy statement (IPS). We create and manage client portfolios based on that policy. During our data-gathering process, we determine the client's investment time horizon, risk tolerance and importance of environmental considerations among other factors. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

**Investment Authority:** We manage advisory accounts on a discretionary basis. This means we place trades in a client's account without contacting you prior to each trade to obtain permission. All such discretionary authority is guided by the IPS which is mutually agreed with the client and reviewed annually. As a part of our standard service, we monitor your portfolio no less than quarterly and will automatically rebalance investments to stay aligned with your investment objectives. Our authority is limited to the IPS which can be changed by contacting us at the above number.

**Limited Investment Offerings:** When we design portfolios for clients, we are not limited in the investment options from which we can choose. However, due to our investment philosophy there are investment options that we rarely if ever recommend.

**Account Minimums and Other Requirements:** Minimum account size is \$200,000.

For additional information, please see [Frequently Asked Questions](#).

#### **CONVERSATION STARTER: Ask your financial professional:**

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

We recommend that you receive advice from appropriate specialists when necessary. Given the often-complex financial needs and circumstances of individuals and families, this is rarely true — no one is best-in-class at everything. Separate advisors for financial and tax planning versus investment management can help reduce conflicts of interest. **For additional information**, please see our strategy brief, [How to Pick Financial Advisors](#).

- *How will you choose investments to recommend to me?* Please see the Investments section of our [FAQs](#).
- *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?* Please see Biographical Information of Leadership Team on Item 19, [Part 2A Form ADV](#).

### Item 3. Fees, Costs, Conflicts, and Standard of Conduct

*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.*

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

Fees for our clients are as follows: for portfolios of \$200,000 to less than \$500,000, fee is \$2,000 per year; for portfolios of \$500,000 to under \$5M, annual fee is 0.4% of total assets under management; for portfolios of \$5M to under \$10M, annual fee is 0.35% of assets under management; for portfolios larger than \$10M, annual fee is 0.25% of assets under management. All fees are billed quarterly. **For additional information**, please refer to the [Rate Card](#) for details.

## **Additional Fees and Expenses**

All fees paid to Macroclimate for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Clients are also responsible for fees and expenses charged by the custodian, Charles Schwab and fees imposed by broker dealers for effecting transactions. **For additional information**, please see "Brokerage Practices" section (Item 12) of [Form ADV Firm Brochure](#).

### **CONVERSATION STARTER: Ask your financial professional:**

- *Help me understand how these fees and costs might affect my investments. If I give you \$200,000 (our minimum) to invest, how much will go to fees and costs, and how much will be invested for me?*

In this example, \$200,000 will be invested. \$2,000 per year, payable as \$500 quarterly, will be automatically deducted from your account per your instructions. Additional Fees and Expenses described above also may apply.

### **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.

We accept no commissions, soft dollars, or other hidden costs often associated with the asset management industry. Transaction cost savings, if any, are passed through to clients. Client fees based on assets under management are our only source of revenue. Such asset-based fees, which are typical in the industry, can raise a potential conflict of interest. For example, the more assets there are in a retail investor's advisory account, the more a retail investor will pay in fees. The Firm may therefore have an incentive to encourage the retail investor to increase the assets in his or her account. For more information, please refer to the "Code of Ethics" section (Item 11) of our [Form ADV Firm Brochure](#).

### **CONVERSATION STARTER: Ask your financial professional:**

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

Conflicts of interest are inherent in providing investment advice to you. Our firm is owned and operated by only two individuals. Our source of income is the revenues generated from the investment advisory services. Therefore, an increase in assets in your account results in increased income for the firm and the owners. **For additional information**, please refer to the "Code of Ethics" section (Item 11) of our [Form ADV Firm Brochure](#).

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

As a fee-only fiduciary advisor, clients are our only source of revenue. Client fees are based on assets under management. We never earn commissions based on where we invest your money or for helping you connect with the right tax and estate advisors.

## **Item 4. Disciplinary History**

### **CONVERSATION STARTER: Ask your financial professional:**

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

**Do you or your financial professionals have legal or disciplinary history?** Yes. Macroclimate advertised hypothetical performance on its public website without adopting and implementing new regulations for doing so. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals. For more information, please refer to the "Disciplinary Information" section (Item 9) of our [Form ADV Firm Brochure](#). Neither of our financial professionals have any legal or disciplinary history.

## **Item 5. Additional Information**

If you would like additional, up-to-date information or a written copy of this disclosure, please call 415-723-9695.

### **CONVERSATION STARTER: Ask your financial professional:**

- *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?*

Please call 415-723-9695 to speak with an investment adviser. You can contact the Chief Compliance Officer – [compliance@macroclimate.com](mailto:compliance@macroclimate.com) – if you have concerns about how you are being treated.