



## AdvisorNet Wealth Management - Form CRS

June 30, 2020

### Introduction

AdvisorNet Wealth Management is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ and 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](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

- We offer investment advisory services to retail investors, which can include wrap or non-wrap investment management programs, financial planning and consulting services.
- Trading authority granted by you can be on a “discretionary” basis, which allows us to make trading decisions and execute trades without your prior verbal consent. It can also be granted by you on a “non-discretionary” basis, which requires us to obtain your prior verbal consent when executing trades and you will make the decisions regarding purchases and sales.
- There may be limitations on trading authority granted on a non-discretionary basis in the event of a market correction and you are not available to provide your verbal consent.
- For investment management services, we will provide investment monitoring services using an investment policy statement and your client profile. You must notify us of updates to your profile or there will be limitations to the investment monitoring services. As part of the financial planning and related consulting services, investment monitoring is not part of the standard services and must be selected by you.
- Generally, we do not require an annual minimum fee or asset level for investment management services
- We manage a wide range of various types of investments according to your goals and objective, such as: mutual funds, equities, fixed income, exchange traded products, investment managers, and select alternative investments.
- We will have some limitations on the types of investments we agree to manage, but these will generally be investment types which are not known to be widely held.

For more detailed information on investment services and advice, please refer to Item 4 and 7 of the Form ADV, Part 2A - Firm Brochure and Item 4.A. and 5 of the Form ADV Part 2A: Appendix 1 – Wrap fee Brochure.

#### *Ask your financial professional the following questions —*

- 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?

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### What fees will I pay?

- For investment management, you will pay an ongoing fee based on the calculation methods below and as selected by you and your advisor:
  - » Fixed flat fee – a fixed annual dollar amount.
  - » Flat fee – based on a fixed percentage of all assets under management
  - » Floating flat rate – when assets under management reaches each threshold in the fee schedule, all assets are charged successfully lower percentages.
  - » Tiered fee – when assets under management reach each tier in the fee schedule, the assets within each tier are charged successfully lower percentages.
- If you are paying an asset-based fee, the more assets there are in your account, the more you will pay in fees. Therefore, we have an incentive to encourage you to increase the assets in your account.
- Fees can be paid on a non-wrap basis, which means you will pay an asset-based fee and a transaction fee, as applicable at your custodian, when you buy or sell an investment.

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- Fees can be paid on a wrap basis, which bundles transaction fees, custody, reporting and investment management fees into a single fee and therefore are higher than a typical asset-based fee.
- A Wrap Program can cost you more or less than purchasing such services separately and creates a conflict of interest by incentivizing us to minimize the number of transactions and total cost in your account.
- For Financial Planning, you will typically pay a fixed fee, but may pay an hourly fee under some circumstances.
- For Consulting services, you will pay a fixed or hourly fee or asset-based fee for investment monitoring services.
- Some investments, such as mutual funds and annuities, impose internal operating fees in addition to the fees that we charge. These fees increase the overall cost and will reduce the value of your investment over time.
- You will also pay additional fees at the custodian. Additional fees include account service fees such as exchange process fees, account activity fees, cashiering fees, asset movement fees, transfer fees, checking fees, and fees for other optional services chosen by you.
- You may pay an investment management fee to other managers, which is separate and in addition to our fee.
- You will pay fees and costs whether you make or lose money on your investments, and regardless of which type of account you select. Fees and costs will reduce any amount of money you make on your investments over time. Please be sure that you understand what fees and costs you are paying. For additional information, please see Item 5.A., B, C and D of the Form ADV Part 2A – Firm Brochure or Item 4 of the Form ADV Part 2A: Appendix 1 – Wrap fee Brochure.

*Ask your financial professional the following question —*

- 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?

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## **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 must 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 affect the recommendations we provide you. Here are some examples to help you understand what this means.*

- We may recommend assets are allocated to Portfolio Partners, an internal investment management team. This is a conflict of interest because a portion of the fee you pay will be retained by an affiliate.
- We may recommend the purchase of insurance through this AdvisorNet Property & Casualty, LLC, a licensed insurance agency, which is a conflict of interest as compensation will be further retained by an affiliate.

For additional information, please see the Form ADV Part 2A – Firm Brochure or the Form ADV Part 2A: Appendix 1 – Wrap fee Brochure. Conflicts of interests are notated throughout both documents.

*Ask your financial professional the following question —*

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

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

Financial professionals are compensated on a portion of the annual investment management, financial planning or consulting fees you pay. These fees are negotiable and may be based on factors such as the amount of assets being serviced or time and complexity required to meet your needs. Financial professionals also receive commissions on insurance products, such as fixed annuities, and this presents a conflict of interest when purchased through an affiliated insurance agency which will result in the additional compensation to be retained by an affiliate.

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

Yes. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

*Ask your financial professional the following question —*

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

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## **Additional Information**

For additional information about our services, please contact us at [wealthmanagement@advisornet.com](mailto:wealthmanagement@advisornet.com). If you would like additional, up-to-date information or a copy of this disclosure, please call us at (612) 347-8600.

*Ask your financial professional the following question —*

- 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?