

Gantzert Investment Co., LLC, 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](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

We are committed to increasing the financial security and wealth of our retail investors by investing your portfolio in a mix of readily marketable securities. These securities consist of stocks, bonds, and mutual funds that we research and monitor regularly based on disciplined strategies that have been in place for over 40 years. Investment decisions in your portfolio are made based on your specific goals. We work with you to develop a comfortable level of risk and reasonable expectations for portfolio performance. Our focus is on the long term and our goal is to maximize your return, after all fees and expenses, in view of your risk level and objectives. Financial peace of mind over the long term is more important than return.

To assist you in developing your goals, we provide a detailed net worth statement of your overall financial picture. This is updated annually to monitor your progress and make sure your investment goals are on track with your overall objectives. We also educate our clients on market fluctuations, the interest rate environment, and tax ramifications. Your account is regularly monitored, and we provide you with information on your account monthly.

While there are no specific account minimums, in general we want the portion of your portfolio that will be invested in common stocks to be more than \$600,000. This allows us to properly diversify and add value.

*For additional information, please see Form ADV, Part 2A brochure (Items 4 and 7).*

- ❖ **Given my financial situation, should I choose an investment advisory service? Why or why not?**
- ❖ **How will you choose which investments will be held in my portfolio?**
- ❖ **What is your relevant experience, including licenses, education, and other qualifications? What do these qualifications mean?**

## What fees will I pay?

The fees paid for our services is an investment management fee and is paid monthly directly from your account. This is the only fee we receive for our services. The fee is based on the month-end value of the investments in your portfolio. Our fee schedule charges slightly more for investments in individual common stocks versus investments in bonds or mutual funds. The size and common stock objective of your portfolio will determine if your account will benefit from holding individual securities.

The more assets there are in your account, the more you will pay in fees. Therefore, there is incentive to encourage the investor to increase the assets in their account. There is also incentive to recommend a higher position in common stocks, as the fee is higher, which is depicted in the below example. Every investor's circumstances and risk tolerance are different. We work closely with you to develop a comfortable level of risk along with reasonable expectations. We are committed to always act in your best interests.

For example, the Investment Management Fee on a \$2,000,000 account:

- with 75% in common stocks, would be \$15,500 annually (or .77% of account).
- with 50% in common stocks, would be \$13,250 annually (or .66% of account).
- with 25% in common stocks, would be \$11,000 annually (or .55% of account).



# Is an Investment Account Right for You?

April 30, 2020

Other fees you will incur are as follows:

- **Custody Fee.** Your assets are not held with us but with a custodian, and you will have a separate agreement with them. The custodian's fee is also based on the month-end value of the investments in your portfolio and is deducted directly from your account. For example, the fee on a \$2,000,000 account, will pay an annual custodian fee of \$4,000 (or .2% of account). In addition, the custodian has the following fees if it is relative to your account: administration fees on certain money market funds for providing administrative or shareholder services, to wire funds, or to provide date of death values for the securities held in your account.
- **Transaction Fees.** This is for the purchase and sale of common stock in your account. You will pay a commission of \$.01 per share on stock trades, based on a minimum of 200 shares. If the trade is less than 200 shares, there is a \$2 minimum charge. For example, the commission on 100 shares would be \$.02 per share, and the commission on 50 shares would be \$.04 per share. These charges are taken directly from your account by the custodian and paid directly to the broker.
- **Mutual Fund Fees.** Mutual fund companies generally charge a management fee for their services as investment manager. This is part of the expenses of the fund and is not a separate fee charged to you. We invest in no-load mutual funds, which are funds that are bought or sold without a commission or sales charge.

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 regarding fees, please see our Form ADV, Part 2A brochure (Items 5.A., B., C. and D.)*

## **What are your legal obligations to me when acting as my investment adviser?**

When we act as your investment adviser, we act in your best interest and do not put our interests 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. The following are some examples:

- By investing in individual common stocks versus bonds and mutual funds, our fee is slightly higher.
- By having a higher common stock position, our fee increases the more you have in individual stocks.
- By adding additional cash/securities to your portfolio, the value of your portfolio increases, along with our fee.

We do not receive any other type of compensation except for our investment management services. This limits our conflicts of interest.

*For additional information regarding conflicts of interests, please see our Form ADV, Part 2A brochure.*

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

Our financial professionals are paid a salary and do not receive any commissions. There is no correlation to the amount of client assets our professionals service, or to the time or complexity required to meet a client's needs.

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

No. This can be verified by visiting [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple tool to research our professionals and our firm.

## **Additional Information**

For additional information about our services, see our website located at: [www.gantzertinvco.com](http://www.gantzertinvco.com). If you would like additional information or a copy of this disclosure, please call our offices at (815) 773-2312.