



# PETERSON FINANCIAL SERVICES

Limited Liability Company • Registered Investment Advisory Firm

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## INTRODUCTION

Peterson Financial Services, LLC is an SEC-registered investment advisory firm in Denver, Colorado. We are not a broker-dealer. Brokerage and investment advisory fees and services differ and it is important that you understand the 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 advisors and investing.

## SUMMARY OF YOUR ADVISORY RELATIONSHIP AND SERVICES

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

We provide discretionary investment portfolio management services for a percentage of assets fee. This means we have investment authority over the selection and trading of your assets. We monitor the behavior and performance of these assets, along with market conditions, and replace assets with others as necessary, on an ongoing daily basis. Our discretionary management authority is contracted by you on an ongoing basis until one party terminates the agreement. Investments used are limited to those available on the trading platforms we use, however these are extensive and involve thousands of non-proprietary assets. We primarily use individual securities (stocks and bonds), exchange traded funds (ETFs), and mutual funds. Our \$100,000 account minimum may be waived for start-up accounts, related clients and charities.

We provide financial analysis and advisory services of your current situation relative to specific goals, such as retirement or saving for children's education, for an hourly fee. We collect relevant and necessary data from you, discuss your goals, and provide a report summarizing our findings, detailing our variables and assumptions, with associated calculations, and our recommendations for how to address your needs and proceed with a plan of action.

We offer term life insurance products which is unrelated to our investment advisory services. You may terminate your relationship with us at any time without penalty.

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

The answer to these questions will be determined in our initial "get-acquainted" meeting. There is no charge for this initial consultation. In this meeting we will ask necessary questions to familiarize ourselves with your specific goals, circumstances and resources. In collaboration with you we will jointly determine if our services and our method of delivering them is appropriate for your needs. If not, we will make recommendations for another service type that would better fit your needs.

### **How will you choose investments to recommend to me?**

Our process begins with a profile questionnaire to determine the appropriate portfolio type given risk tolerance, experience, time frame, tax considerations, biases, cash flow needs and other factors. We analyze the client's current financial situation relative to his goals and incorporate any specific instructions given to us. We select the assets held based on our research as to their appropriateness for your portfolio. We utilize both fundamental (asset-specific data characteristics) and technical (market-relative behavior and chart structure) analysis when choosing the asset allocation, industry group exposure, specific investments, and their holding periods. We use screening tools that enable us to identify particular characteristics of individual assets in comparison to similar or competing assets to incrementally fine tune variables leading to elimination of all but a few options conforming to our desired parameters. We build portfolios with wide diversification across appropriate asset classes for given current market conditions. Adjustments are made to reflect client inputs and alteration of market and economic conditions and continued relative strength.

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

The principal of the firm, Kirk R. Peterson, CFP® is the only person involved in the management of your money and services provided. He has a bachelor's degree and is a Certified Financial Planner®. He has been practicing in this industry since 1990. As a CFP® practitioner, he has studied and passed exams for six major areas of financial planning: fundamental financial information, insurance planning, investment planning, retirement planning, tax planning, and estate planning. He holds Colorado State insurance licenses as well. He completes ongoing continuing

education requirements for both his CFP® certification and insurance license. See our form ADV 2A for more information.

## **FEES AND COSTS**

### **What fees will I pay? Help me understand how these fees and costs might affect my investments.**

Investment portfolio management annual fees are 1.5% for the first \$100,000 managed, 1.25% for the next \$400,000, 1.00% for the next \$500,000, 0.75% for the next \$2,000,000, 0.50% for the next \$2,000,000 and are negotiated following this. All accounts are aggregated into a single portfolio for the purposes of investment management and fee payment. These fees are billed quarterly and you have the choice of paying them directly to us outside of your account assets, or having them deducted from your accounts.

**If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?** You will pay us \$37.50 and \$9,962.50 will be invested for you. This will be the first quarter's fee, and each subsequent quarter this same percentage fee will be applied to that new period's account value. We charge no transaction fees. Our fees decline if your account declines in value, and rise if your account gains in value. We have a common goal of maximizing your returns on a risk-adjusted basis in conformance with your profile. Mutual fund companies, third party administrators and custodians, record keepers and brokerage firms may charge additional fees we derive no compensation from. It is in our best interest, as well as yours, to limit those outside fees. 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. Hourly analysis work for financial planning is billed at \$220 per hour. We give you an up-front estimate of the expected hours for your situation. We earn commissions on insurance products, included in the premium you pay.

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

Our sole financial professional earns compensation as salary and bonuses after netting out business expenses from corporate revenue. No additional compensation is paid as a result of specific behavior of an individual client. There is no non-cash compensation.

## **CONFLICTS OF INTEREST**

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

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. Our firm may invest in the same securities we place our clients' funds in. As a matter of written policy and practice we always place clients trades ahead of those for ourselves. However, one trade could be to sell when another is to buy, so this could result adverse pricing in the marketplace. Our fees are based on portfolio value so they rise as your assets grow. Assigning a client to a portfolio type more aggressive in their risk tolerance warrants in order that the value grows more, could result in higher fees. This is addressed through the profile questionnaire which determines the appropriate portfolio type by mutual agreement. See our form ADV 2A for more information.

## **STANDARD OF CONDUCT**

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

*When we act as your investment advisor, we are a fiduciary to you.* This means we will make decisions that are in your best interest, and we do not place our interests ahead of yours. We will provide you all pertinent disclosure of material facts relating to your investments and our relationship. We will provide you an honest assessment of what is appropriate for you given your needs, even if it may not be pleasant news. See our form ADV 2A for more information.

## **DISCIPLINARY HISTORY**

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

No.

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

No.

## **ADDITIONAL INFORMATION**

### **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?**

Kirk R. Peterson, CFP® is the only person involved in the management of the company and the services provided to you. He is a representative of Peterson Financial Services, LLC, which is the investment advisor and is not a broker-dealer. **Clients can find additional information about our services in our form ADV 2A, and obtain a copy of that and this relationship summary by calling our office at 303-831-4800. Additional information is on our website at [www.petersonfs.com](http://www.petersonfs.com).**

**March 10, 2022**