

June 26, 2020

## **Item 1 – Introduction**

Portfolio Strategies, Inc. (“we”, “us” or “our”) is registered with the U.S. Securities Exchange Commission (“SEC”) as an investment adviser. Investment advisory services and compensation structures differ from that of a registered broker-dealer, and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS). The site also provides educational materials about broker-dealers, investment advisers and investing.

## **Item 2 – Relationships and Services**

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

We provide investment advisory services, including discretionary investment management to individuals, trusts and estates (our “retail investors”). We manage client accounts in accordance with specific model portfolios more particularly described in our Disclosure Brochure, which portfolios are applicable to your objectives. When a retail investor engages us to provide investment management services we shall monitor, on a continuous basis (no less than quarterly), the investments in the accounts over which we have authority as part of our investment management service. Furthermore, when engaged on a discretionary basis, we shall have the authority, without prior consultation with you (unless you impose restrictions on our discretionary authority), to buy, sell, trade and allocate the investments within your account(s) consistent with your investment objectives. We may invest your assets in affiliated mutual funds that we manage. A complete description of each affiliated fund, including associated costs, is set forth in the fund’s prospectus. Our authority over your account(s) shall continue until our engagement is terminated. We do not offer financial planning services as part of our investment advisory engagement. We do not limit the scope of our investment advisor services to proprietary products or a limited group or type of investment. However, we primarily allocate client assets among unaffiliated and affiliated open end mutual funds.

**Additional Information:** For more detailed information about our *Advisory Business* and the *Types of Clients* we generally service, please See Items 4 and 7, respectively in our ADV Part 2A.

*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?*

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

### **What Fees will I pay?**

We provide our investment advisory services on a fee basis. When engaged to provide investment management services, we shall charge a fee calculated as a percentage of your assets under our management (our “AUM Fee”). Our annual AUM Fee is negotiable, but generally ranges from 0.80% to 2.50%. Our fee schedule may vary, depending upon which investment program you select. Your AUM Fee may also vary in accordance with the solicitor or adviser introducing you to our firm. We typically deduct our AUM Fee from one or more of your accounts, quarterly in advance, based upon the market value of your assets under management on the last business day of the previous business quarter. Because our AUM Fee is generally calculated as a percentage of your assets under management, the more assets you have in your advisory account, the more you will pay us for our investment management services. Therefore, we have an incentive to encourage you to increase the assets maintained in accounts we manage. We serve as investment manager to certain affiliated mutual funds for which we receive compensation. If we invest your assets in one of our affiliated funds, your management fee will be proportionately reduced by the amount of

A copy of our Part 2A is available at:

[https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd\\_iapd\\_Brochure.aspx?BRCHR\\_VRSN\\_ID=650188](https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=650188)

the management fee paid to us by the affiliated fund. We also offset the advisory fee paid to referring solicitors or investment advisers by the amount of 12b-1 payments they may separately receive from an affiliated or unaffiliated mutual fund.

**Other Fees and Costs:** Your investment assets will be held with a qualified custodian. Custodians may charge transaction fees for effecting certain securities transactions. You will pay the custodian an asset based fee (based upon the amount of assets in your account) in lieu of such transaction fees, generally ranging from 0.90% to 0.15% on annual basis. Thus, the overall amount that you pay could be higher, based upon market conditions and the corresponding amount of trading that occurs in your account. In addition, relative to all mutual fund and fixed income security transaction fees, certain charges will be imposed at the fund level (e.g. management fees and other fund expenses). We may also recommend the use of independent managers who charge a separate investment management fee for their services. 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. **Additional Information:** For more detailed information about our fees and costs related to our management of your account, please See Item 5 in our ADV Part 2A.

*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?*

**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. As an example, we may recommend a particular custodian to custody your assets, and we may receive support services and/or products from that same custodian, certain of which assist us to better monitor and service your account while a portion may be for the benefit of our firm.

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

**Additional Information:** For more detailed information about our conflicts of interest, please review our ADV Part 2A.

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

Our financial professionals are generally compensated on a salary basis. In certain instances, compensation may be tied to the amount of assets managed by the financial professional. Also, certain of our financial professionals, based upon their ownership interest in our firm, will receive a profit distribution. You should discuss your financial professional's compensation directly with your financial professional.

**Item 4 – Disciplinary History**

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

No. We encourage you to visit [www.Investor.gov/CRS](http://www.Investor.gov/CRS) to research our firm and our financial professionals.

Furthermore, we encourage you to ask your financial professional to inquire about us: *As a financial professional, do you have any disciplinary history? If so, for what type of conduct?*

**Item 5 – Additional Information**

Additional information about our firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may contact our Chief Compliance Officer at any time to request a current copy of your ADV Part 2A or our *relationship summary*. Our Chief Compliance Officer may be reached by phone: (253) 383-1676. *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?*

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[https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd\\_iapd\\_Brochure.aspx?BRCHR\\_VRSN\\_ID=650188](https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=650188)