

HCR Wealth Advisors

Form CRS Customer Relationship Summary, June 18, 2024

HCR Wealth Advisors (“HCR”) is registered with the Securities and Exchange Commission (SEC) as an investment advisor. 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://www.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 offer investment advisory services to retail investors, including portfolio management and financial planning and consulting services. When we provide you portfolio management services, we generally allocate your assets among mutual funds, exchange-traded funds (ETFs), individual debt and equity securities and, in some cases, private placements (e.g., limited partnership investments). We take into account your investment objectives and tax considerations and will manage your account on a discretionary basis. Our financial planning and consulting services may take into account your personal situation, tax and cash flow, investments, insurance, retirement goals, needs regarding death or disability, estate considerations, the purchase or sale of real estate or businesses, and issues relating to divorce. We may agree to abide by certain investment restrictions you may have, including but not limited to restrictions on securities or types of securities. Portfolios are monitored by investment personnel as needed but typically at least on a quarterly basis.

We have a minimum portfolio size of \$500,000 with regard to our portfolio management services. This minimum is negotiable under certain circumstances. For additional information, please see our Form ADV Part 2A brochure (Items 4 and 7).

Conversation Starters – Ask Us

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?

What fees will I pay?

When we provide you portfolio management services, we charge you a percentage of the market value of the assets we manage. Our asset-based fee is charged to you quarterly in advance and ranges from 0.25% to 2.00%. These fees are generally deducted directly from your custodial account. We retain the discretion to negotiate fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors.

When we charge you an asset-based fee, the more assets there are in your account, the more you will pay in fees. We therefore have an incentive to encourage you to increase the assets in your account. Please also note that you will incur certain charges and fees imposed by financial institutions and other third parties that are separate from the advisory fee we will charge you. These charges include brokerage commissions, custodial fees, transaction fees, and charges and fees imposed directly by a mutual fund or ETF in your account. Thus, depending upon the investment, you may be directly and indirectly paying two levels of advisory fees (one layer paid directly to us and one layer paid to a fund).

When we are engaged solely to provide a written financial plan and not to provide ongoing portfolio management services, our fee is determined based on the nature of the services being provided and the complexity of your circumstances. Our financial planning fees typically range from \$500 to \$10,000 when a fixed fee is charged or up to \$750 an hour for financial consulting services. There is a minimum annual fee of \$2,500 for these services, which we may waive in certain cases, such as when we are also managing your assets.

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

Conversation Starters – Ask Us

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

- Some of our investment adviser representatives are registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. When these individuals act in their broker-dealer or insurance capacity, they may implement investment recommendations for advisory clients for separate compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest if these individuals recommend that you invest in a security which results in them receiving a commission. You are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at your discretion.
- Greg Heller of HCR is also the General Partner of a private fund. This is a conflict of interest since Mr. Heller has an incentive to recommend that clients invest in that fund or other funds he and/or HCR manages.
- Jordan Kahn, our Chief Investment Officer, receives compensation from AXS Investments LLC (“AXS”), the portfolio manager of the AXS Dynamic Opportunity Fund and the AXS Tactical Income Fund (“AXS Funds”). Mr. Kahn’s receipt of compensation presents a potential conflict of interest to the extent that HCR and Mr. Kahn individually recommend the purchase and sale of shares of the AXS Funds in clients’ portfolios. To mitigate this conflict, there are no referral arrangements between HCR and AXS and no HCR client is obligated to buy the AXS Funds.
- We may recommend that you rollover your retirement plan or other retirement account into an IRA or other account managed by us. Such a recommendation creates a conflict of interest because we will earn new (or increase our current) compensation if you wish to act upon this recommendation.
- We receive certain products and services from certain custodians that have custody of your assets and execute securities transactions in your account and from certain mutual fund and ETF providers, such as First Trust. Some of these products and services benefit you while others benefit only us. We also participate in TD Ameritrade’s AdvisorDirect program, through which we receive referrals of clients. As a result of these benefits, there is a conflict of interest since we have an incentive to recommend that clients use these custodians or fund providers.

For more information about our conflicts of interest, please see our Form ADV Part 2A brochure (Items 10 and 12).

Conversation Starters – Ask Us

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

How do your financial professionals make money?

Investment adviser representatives of HCR receive a salary and bonus, the latter of which is based in part on the representatives’ assets under management and job performance. The owners of HCR also receive compensation based on the firm’s profitability. On occasion, an advisory representative may receive a gift or entertainment from a third-party, the receipt of which would be subject to our Code of Ethics. We do not receive any transaction-based compensation, such as brokerage commissions or mutual fund sales charges, except in the limited cases when an investment adviser representative acts as a registered representative or insurance agent or as otherwise disclosed above.

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

Yes. Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starters – Ask Us

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

Additional information about our firm can be found at <https://www.hcrwealth.com/> and <https://adviserinfo.sec.gov/>. You can obtain a copy of this relationship summary, or any other up-to-date information, upon request and free of charge by contacting us at 310-473-5445.

Conversation Starters – Ask Us

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?