



Form CRS Relationship Summary

September 9, 2023

Realized Financial, Inc. (“Realized Financial” or “Firm”) is a broker-dealer registered with the Securities and Exchange Commission (SEC), member of the Financial Industry Regulatory Authority (FINRA) and Securities Investors Protection Corporation (SIPC). The Firm is also an investment adviser registered with Texas and New Jersey.

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 a broker-dealer and investment adviser and offer both broker-dealer and investment advisory services. We offer broker-dealer services and investment advisory services to clients only with respect to a single asset class (real estate) and, specifically a subset of real estate including Delaware Statutory Trusts (“DSTs”), Qualified Opportunity Zone funds (“QOZs”), and certain non-traded real estate investment trusts (“REITs”) (collectively, “Alternative Investments”). These investment options are not suitable for every investor and have suitability requirements. Realized Financial seeks to ensure that advice given is suitable based on your overall financial situation, investment experience, liquidity needs, investment objectives, and holdings. We do not advise you with respect to your entire portfolio held away from Realized Financial. You should carefully consider your overall portfolio taking into account holdings outside of your account with us. Alternative Investments are generally sold through subscription documents, so you will need to sign required paperwork before the Alternative Investment can be bought or sold. The firm does not act in a discretionary manner or take discretion over any account.

For **broker-dealer services**, you will pay us a transaction-based fee (“commission”), when you invest. Realized Financial may make recommendations on investments but the decision is ultimately yours. Depending on where your security is held, the sponsor or custodian, an account statement will be delivered to you no less than each quarter. Broker-dealer accounts will not be monitored as part of our service. We offer a limited selection of investments through our platform and these solutions are designed to support a Tax Optimized Investment Strategy. Other firms may offer a wider range of investment choices, some of which might have lower costs. Not all investments, however, are able to support a 1031 Exchange or participate in a Qualified Opportunity Zone.

For **investment advisory services**, you will not pay a transaction-based fee upfront but will pay a quarterly advisory fee based upon your Assets Under Management. We will provide advice and recommendations to meet your investment objectives and goals. The decision to execute these investment recommendations effecting the purchase or sale of investments will be yours. The firm operates on a non-discretionary basis only. Depending on where your security is held, the sponsor or custodian, an account statement will be delivered to you no less than each quarter along with an invoice for advisory fees. We will monitor your holdings, performance, and communicate with you regularly about your account during the account reviews. We offer a limited selection of investments through our platform and these solutions are designed to support a Tax Optimized Investment Strategy. Other firms may offer a wider range of investment choices, some of which might have lower costs. Not all investments, however, are able to support a 1031 Exchange or participate in a Qualified Opportunity Zone.

Realized Financial will work with you to understand your financial and liquidity needs, your risk tolerance, your financial and life-style goals, investment objectives, your investment experience, and the details of your Real Estate transaction(s) to assess suitability and determine which products to recommend for your portfolio. Once constructed, we will assist you in implementing the strategy and building your portfolio. The DSTs and/or other products recommended for your portfolio may be in primary or secondary distributions or a combination.



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For additional information, please see [Regulation Best Interest Disclosures](#), [Form ADV 2a](#) (Items 4 and 7 of Part 2A) and other applicable documents.

CONVERSATION STARTERS → Ask your financial professional:

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?

The fees you pay depend on whether you choose broker-dealer services, advisory services, or both.

For **broker-dealer services**, the commission, you pay is based on the specific transaction and not the value of your account. For example, if you have a higher volume of trades, the more commissions you would be charged. Therefore, we have an incentive to encourage you to trade more frequently, and in greater amounts. With DSTs and QOZs, this fee is usually a separate commission which is paid at the time you make your investment. Our commissions are negotiable.

For **advisory services**, our advisory services fees are based on Assets Under Management. For purposes of account billing, we define Assets Under Management to be the lesser of a) the total amount of client funds that have been invested or b) the total Net Asset Value of the real estate assets included in securities held in the account. Our fee schedule is attached as Schedule A to our Advisory Agreement with each client, and our fee schedules are also included in our ADV 2A as Schedule A. Fees are charged quarterly in arrears. Our fees and account minimums are negotiable.

You will pay fees, commissions, 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 [Form ADV 2a](#) (Items 5.A., B., C., and D.), advisory agreements, and [Regulation Best Interest Disclosures](#).

CONVERSATION STARTERS → Ask your financial professional:

- 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 PROVIDING RECOMMENDATIONS AS MY BROKER-DEALER OR WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

When we provide you with a recommendation as your broker-dealer or 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 recommendations and investment advice, we provide you. Here are some examples to help you understand what this means.

Examples of Ways We Make Money and Conflicts of Interest:

Brokerage compensation: Our advisory representatives receive broker-dealer compensation from the sale of investment products including DSTs, QOZs and REITs in non-advisory accounts. This arrangement creates a conflict of interest in that the Firm has an incentive to offer the products through the broker-dealer so it can earn commissions on the transactions. We will never receive broker-dealer compensation from advisory transactions.

Revenue from Third Parties: We receive payments from certain third-party product sponsors and managers (or their affiliates) when we recommend or sell certain products. As such, we have an incentive to recommend (or to invest your assets in) products of third parties that pay us over products of third parties that do not pay us or pay us less. Certain managers and sponsors (or their affiliates) share the revenue they earn when you invest in certain of their investment products with us. As such, we have an incentive to recommend (or to invest your assets in) products of sponsors and managers that share their revenue with us, over other products of sponsors or managers that do not share their revenue, or who share less.

Non-Cash Compensation: Realized Financial and its financial professionals receive non-cash compensation from Sponsors that is not in connection with any customer or investment. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or reimbursement in connection with educational meetings, customer workshops or events, or marketing and advertising initiatives.

CONVERSATION STARTERS → Ask your financial professional:

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

For additional information, please see [Regulation Best Interest Disclosures, Form ADV 2a](#), [Disclosure - Realized Financial](#) and other applicable documents.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Cash Compensation - Your financial professional, in his/her capacity as a registered representative or investment advisor representative of Realized Financial, is paid a salary plus a bonus based upon revenue.

Non-Cash Compensation - From time to time, product sponsors contribute toward training and educational programs. Financial professionals do not receive a portion of these payments; however, receipt of non-cash compensation such as occasional gifts, meals, or entertainment and/or their attendance and participation in educational or training forums, and the increased exposure to vendors who sponsor these events, may lead financial professionals to recommend the products and services of those vendors as compared to those vendors that do not provide non-cash compensation or sponsor such events.

DO YOU OR YOUR FINANCIAL PROFESSIONAL HAVE LEGAL OR DISCIPLINARY HISTORY?

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

CONVERSATION STARTERS → Ask your financial professional:

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

For additional information about our services, please visit our website, www.realizedfinancial.com. If you would like additional, up-to-date, information or a copy of this disclosure, please call (512) 472-7171 or (877) 797-1031

CONVERSATION STARTERS → Ask your financial professional:

- 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?