

### Item 1. Introduction

Red Lighthouse Investment Management, LLC (“Red Lighthouse” “we” “us” and “Advisor”) is a New York Limited Liability Company registered as an investment advisor under the laws of the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ and it is important for you to 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 advisers, and investing.

### Item 2. Relationships and Services

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

In our investment advisory services offered to our Clients, we provide broadly diversified portfolios customized to each Clients’ needs. We focus on asset allocation, providing structured portfolio management. Within each asset class, we primarily use index funds and other “passive” products.

We construct portfolios to match our Client’s unique risk tolerance, financial objectives, and individual requirements. We believe that our use of low-fee, tax-efficient funds better enables our Clients to meet their financial goals. Once an individual Client’s investment policy is established, we are disciplined about rebalancing the investments.

We will discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account. We will contact you (by phone or e-mail) at least quarterly to discuss your portfolio.

The majority of our Clients choose a management format that allows us to buy and sell investments in your account without asking you in advance (a

“discretionary relationship”), and some require us to obtain Client’s approval of each specific transaction prior to executing investment recommendations (a “non-discretionary relationship”).

We generally set a minimum account requirement of \$2,000,000. However, under certain limited circumstances we may waive this requirement.

**Conversation Starter:** We encourage you to ask our financial professionals these key questions about our investment services and accounts:

- (i) Given my financial situation, should I choose an investment advisory service? Why or why not?*
- (ii) How will you choose investments to recommend to me?*
- (iii) 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 investment advisory services for a fee based on a percentage of assets under management. We are compensated solely by our clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes the conflicts-of-interest that are prevalent in the investment management industry. Our fee is provided in your Investment Advisory Agreement based upon a tiered schedule from 1.00% to 0.50%, with assets over \$5 million being negotiable. The fee is calculated quarterly, in arrears, and will be equal to the respective percentage per annum based on the market value of your account(s) on the last trading day of the previous quarter.

The more assets you have in the advisory account, including cash, the more you will pay us. We therefore

have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly regardless of whether we buy or sell securities within that quarter. Clients may be required to pay brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for their account. These fees are paid out of the assets in a Client's account and are in addition to the investment management fees paid to us.

***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.***

***Conversation Starter:*** We encourage you to ask us any questions you may have regarding our fees or how cost from third parties such as custodians or mutual funds affect your account. For example, start a conversation by asking, *"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. Here are some examples to help you understand what this means:*

Example 1: Your account value goes up, and while the management fee percentage may stay the same, the

total compensation you pay us goes up proportionately. Example 2: Your account value goes down, but you still must pay a management fee proportional to your assets under management.

***Conversation Starter:*** If you have any questions regarding conflicts of interests, please feel free to ask us. You can begin a conversation by asking, *"How might your conflicts of interest affect me, and how will you address them?"*

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

Red Lighthouse is a fee-only registered investment advisor, which means our only form of compensation is from investment management fees paid directly from our clients. We do not earn any commissions or any other payments from anyone else. Our financial professionals are compensated based upon the amount of clients they serve, the assets under management, and revenue derived from clients.

More detailed information, including fee schedules, conflicts of interests, and other disclosures are available in our ADV Part 2A Firm Brochure, which is available at: <https://adviserinfo.sec.gov/>.

#### **Item 4. Disciplinary History**

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

No. We have no legal or disciplinary actions in our history as a registered investment advisor. Regardless, we encourage you to visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research any of our financial professionals. ***Conversation Starter:*** In addition, feel free to ask: *"As a financial professional, do you have any disciplinary history? For what type of conduct?"*

#### **Item 5. Additional Information**

***You can find additional information regarding Red Lighthouse Investment Management, LLC and receive***



CLIENT RELATIONSHIP SUMMARY - DATED: JUNE 4, 2020

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***a copy of this Client Relationship Summary by visiting our website at [www.redlighthouseinvestment.com](http://www.redlighthouseinvestment.com) or by contacting (212) 799-3532.*** We are always available to answer any of your questions.

***Conversation Starter:*** If you do have any concerns, please let us know by asking the following questions: *"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?"*