

Introduction

Hapanowicz & Associates is an Investment Adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professionals at 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?

Description of Services: We offer investment advisory services to retail investors. Our investment advisory services include: Asset Management Services and Financial Planning and Consulting Services.

Asset Management Services: Hapanowicz & Associates provides asset management services which involves us managing and trading your designated account(s). Hapanowicz & Associates will discuss your investment goals and design a strategy to try and achieve your investment goals. Hapanowicz & Associates will continuously monitor your account when providing asset management services and contact you at least annually to discuss your portfolio. We offer asset management services through both wrap fee programs and non-wrap fee programs. For more information please see **Item 4** of our **Form ADV Part 2A**. When providing asset management services you can choose whether you'd like us to provide services on a **discretionary** basis (we will have the authority to determine the type and amount of securities to be bought or sold in your account) or a **non-discretionary basis** (we will have to confirm any trades in your account with you before we place them). For more information please see **Item 16** of our **Form ADV Part 2A**.

Financial Planning & Consulting Services: We also provide financial planning and consulting services. Financial planning services involve us creating a written financial plan for you which covers mutually agreed upon topics. Financial consulting is used when a written financial plan isn't needed. It involves one time and/or ongoing meetings to discuss your financial situation. Please see **Item 4** of our **Form ADV Part 2A**.

Limited Investment Offerings: We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities which are available on your custodian/broker-dealer's platform. When providing you services, we do not recommend or offer advice on any proprietary products.

Account & Fee Minimums: The minimum household account size is \$1,000,000 with the exception of \$300,000 for family members of existing clients. Exceptions to these minimums may be granted at the discretion of the firm. To reach account minimums, clients can aggregate all household accounts. The minimum fixed fee generally charged for financial planning and consulting services is negotiable and based upon the complexity of the client's situation and specified in the client's agreement.

Conversation Starters: *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?

Description of Principal Fees & Costs: Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance on a quarterly calendar basis. Advisory fees for the current calendar quarter are based on the Account's asset value as of the last business day of the prior calendar quarter. For billing purposes, the market value used by Advisor in calculating the quarterly advisory fee will vary from the market value reported in the account statements sent by LPL due to the timing differences associated with the receipt of dividends and interest. The annual investment advisory fee charged varies up to a maximum of 2.5% of the assets held in the account and is negotiable based upon the market value of the account, asset types, the client's financial situation and trading activity. The asset management fees to be charged will be specified in your client agreement. Because our fee is based upon the value of your account we have an incentive to recommend that you increase the level of assets in your account. We utilize wrap fee and non-wrap fee programs. Under a wrap fee program the fee you pay us covers both our advisory services and the transaction fees imposed by the broker-dealer. Under a non-wrap fee program you will be charged transaction costs separately. Since a wrap fee covers transaction expenses it tends to be higher than non-wrap fee programs. You will also be charged internal fees and expenses by the funds we invest in within your account. For

more information about the fees we will charge you and expenses you may incur please see **Item 4** of our **Form ADV Part 2A** and our **ADV Part 2A Appendix 1**.

Hapanowicz & Associates provides financial planning and consulting services under fee arrangement that is negotiable based upon the complexity of the client's financial plan and subject to amendment once the process begins.

You will pay in advance a mutually agreed upon retainer that will be available for Hapanowicz & Associates to bill fees against for our financial planning and consulting services. We will bill our financial planning fees to you on a monthly basis.

Any fees we charge for financial planning and consulting services will not cover the costs associated with implementing any recommendations we may make. For more information please see **Item 5 of our Form ADV Part 2A**.

Additional Information: 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 Starters: *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?

Standard of Conduct: 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: Some of our investment adviser representatives (IARs) also serve as representatives of a brokerage firm and/or are insurance agents. Through their role as such they may sell, for commissions, various investment or insurance products. We have a conflict of interest in recommending these products to you because of the potential for additional revenue.

Additional Information: For more information about our conflicts of interests and the ways we are compensated please see **Item 5** and **Item 10** of our **Form ADV Part 2A**.

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

How do your financial professionals make money?

Description of Salary/Payment of IARs: We compensate our IARs based on the level of assets that they bring in to Hapanowicz & Associates. This creates a conflict of interest as it gives your representative an incentive to recommend you invest more in your account with us due to the potential for increased payments.

Our IARs also serve as registered representatives of unaffiliated broker dealers and/or are independently licensed as insurance agents. When acting in this capacity they will receive commissions for selling investment or insurance products. This creates a conflict of interest when they recommend you purchase these products through them. For more information about these conflicts of interest please see **Item 10 of our Form ADV Part 2A**.

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

Neither us, nor our IARs have a legal or disciplinary history to report. You can look up more information about us and our IARs at <https://www.investor.gov/CRS>.

Questions to Ask Us: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information about Hapanowicz & Associates

Additional information about Hapanowicz & Associates and copies of our Form ADV Part 2A disclosure brochure are available on the Internet at www.hapanowicz-associates.com. You can also find our disclosure brochures and other information about us at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for Hapanowicz & Associates Financial Services, Inc. or our firm's CRD number 157523. If you have any questions If you have any questions or want an up-to-date copy of this relationship summary we can be reached by phone at (412) 261-5966.

Questions to 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?*