

## Pin Oak Investment Advisors – Client Relationship Summary

### **Introduction**

This Client Relationship Summary is intended to answer some of the questions you may have as a new or prospective client of Pin Oak. Pin Oak Investment Advisors, Inc. is an investment advisor registered with the Securities Exchange Commission. The services and fees of an investment advisor (like us) differ from those of brokerage firms and it is important for you to investigate and understand the differences. Free and simple tools are available for you 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.

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

We offer investment advisory services like financial planning, retirement planning, and investment management. When we manage your investments, we work as a team to stay updated on the investments we have selected for you. This is a continual process rather than a periodic review. When investing in traditional investments – like stocks, bonds and mutual funds – we do this on a discretionary basis for you, meaning that we make the investment decisions and take action on your behalf. We also use non-traditional investments; many of these are proprietary funds that we have created for you. Although these are an integral and important part of our solution, the non-traditional investments are not purchased discretionarily, meaning that you make the ultimate decision regarding the purchase of such investments. Generally, investment management and personal financial planning services are included as part of our traditional fee schedule. The non-traditional investments are charged a fee either in place of or in addition to the traditional asset fee as described below. Our minimum relationship size is \$1 million. Non-traditional investments have additional eligibility requirements, so not everyone will qualify. More detail on our services is available on our forms ADV Part 1 and ADV Part 2 which we file with the SEC and can also be found via [www.sec.gov](http://www.sec.gov). A few questions you may want to ask us are:

- *“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?**

Our standard fee schedule for traditional assets is below. This fee is not applicable to money invested in proprietary funds where we are paid for managing the fund. The fees for proprietary funds vary but are higher than those for traditional assets. This creates a conflict of interest between us and you. This is one reason that we do not purchase those discretionarily; you get to decide whether the fee is justified before investing. Most of the fee difference is performance-based so the better you do in a proprietary fund, the better we do, too. There are other costs charged by others, like trade commissions, custody fees, mutual fund expenses, etc. We don't pay these for you. Since our total fee increases with the amount we manage for you, we are incented to encourage you to increase the assets we manage for you just like we are incented to increase the value of those 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. You may want to ask:

- *How much will go to fees and costs, and how much will be invested for me?”*

| <b>Standard Asset Management Fee Schedule</b> |                   |  |
|---|-------------------|--|
| <b>Market Value</b>                           | <b>Annual Fee</b> |  |
| First \$500,000                               | 1.25%             | > Billed in arrears  |
| \$500,000-\$3 Million                         | 1.0%              | > Billed pro rata after each quarter end   |
| \$3 Million - \$5 Million                     | 0.8%              | > When we receive compensation as manager of a proprietary fund, that will be in lieu of the standard fee schedule |
| Over \$5 Million                              | 0.6%              | > Annual administration fee is \$250.  |
|   |                   | > "Premium Services" fee schedule is .25% higher   |

**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:*

- We manage some proprietary funds that invest in things like loans, real estate and private companies. These are more time intensive, so we charge higher fees on these investments, mostly as a performance fee. This creates an incentive for us to both use these proprietary funds and to manage them well.
- We accept “soft-dollars” from brokerage firms. These payments are not cash payments made to us but are payments to other companies on our behalf to help cover the cost of services or products we use to provide services to you. This can create an incentive for us to use one brokerage firm versus another, but we allow our clients to use the custodian of their choosing.
- You may want to ask: *“How might your conflicts of interest affect me, and how will you address them?”*
- Additional discussion regarding conflicts of interest is available in Part 2A of our Form ADV.

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

Our financial professionals make money by servicing you, our clients. The financial professional serving you receives a percentage of the fees you pay us. The two primary conflicts this presents are: an incentive to use our proprietary funds, and an incentive to encourage you to entrust to our care more of your assets. Both of these conflicts are controlled by you since: 1) we do not purchase proprietary funds without your specific authorization, and 2) we do not expect that you will increase your relationship with us unless you are satisfied with our services and choose to do so.

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

Yes. You can visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

You might want to ask us:

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

**Additional Information**

You can find or request additional information about us here or by contacting as follows:

510 Bering, Suite 100  
Houston, TX 77057  
713-871-8300  
[www.pinoak.com](http://www.pinoak.com)

Some additional questions you may direct our way are:

- *“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?”*

Important disclosures and additional information are available on our forms [ADV Part 1](#) and [ADV Part 2](#) which we file with the SEC. These are available on request and can also be found via searching [www.sec.gov](http://www.sec.gov).