

Fairhaven Relationship Summary

Further Together. June 2020

Introduction

We are Fairhaven Wealth Management, LLC, an investment adviser registered with the Securities and Exchange Commission. Investment advisory and brokerage 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](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing. Registration information for our firm and financial professionals is also publicly available on this website.

Relationships & Services Conversation Starters:

Q: What investment services and advice can you provide me?

A: We offer customized investment advisory and financial planning services to retail investors. We offer advice on a full suite of securities described in Item 8 of our Form ADV Part 2A (“**Disclosure Brochure**”), including equities, fixed income, mutual funds, ETFs, options, and similar investments. Our services are generally provided on a discretionary basis, which means that we have the power to buy and sell securities for your account without your prior consent. This authority is usually unlimited and remains in effect until you revoke it. We may provide non-discretionary investment advice, where we make investment recommendations to you and you decide whether to implement the recommendation. We do not give advice on any proprietary investment products.

We usually review portfolios at least annually. We also monitor portfolios on a continuous basis and conduct ad hoc reviews if you change your objectives or risk tolerance, upon significant market and economic events, or if we change our investment strategy. We do not require a minimum account size or fee.

Q: Given my financial situation, should I choose an investment advisory service? Why or why not?

A: Advisory services may be appropriate when you have a portfolio of securities for which you require ongoing advice. Investors who maintain few securities holdings and are not inclined to make changes to their portfolio may be better suited for a traditional brokerage account with a FINRA-registered firm.

Q: How will you choose investments to recommend to me?

A: We recommend investments based upon your individual circumstances, financial situation, expectation of current and future cash needs, investment objective, and risk tolerance. In addition, we attempt to identify those investments in which we expect to yield an acceptable level of return given the amount of risk you are willing to assume, taking into account the level of diversification and how different securities and asset classes may complement one another.

Q: What is your relevant experience, including your licenses, education, and other qualifications?

A: Our financial advisors have a range of experience as members of the financial services industry. They maintain the Series 65 exam qualification and certain industry designations. You can find information on any professional designations of your financial advisor in the Form ADV Part 2B (“**Brochure Supplement**”) we provide you at the onset of the advisory relationship.

Q: What do these qualifications mean?

A: These qualifications assure that our professionals have met specific regulatory exam requirements required to conduct investment activities (e.g., Series 65). In addition, professional certifications such as the Certified Financial Planner™ (CFP®) require successful passing of a certification exam as well as rigorous continuing education requirements.

Fees, Costs, Conflicts & Standard of Conduct Conversation Starters:

Q: What fees will I pay?

A: Our quarterly fees are calculated as a percentage of the assets under our management. These fees rise and fall with the value of the assets we manage for you. Therefore, as the value increases, so do our fees.

In addition, you may be charged transaction or asset-based fees by your custodian. These fees vary depending on the custodian. Under a transaction fee arrangement, the more transactions effected in your account, the more fees you will pay. Frequent activity in your account does not assure positive portfolio performance.

For custodians that charge fees based upon a percentage of your assets, such fees may be more than would be the case if you are charged a transaction-based fee. Generally, large portfolios may be disadvantaged by paying an asset-based custodian fee versus a transaction-based fee. Some securities carry additional costs, such as mutual funds and ETFs. In addition to advisory and transaction fees, there are additional fees such as postage and handling, transfer taxes, SEC, governmental and similar fees. These additional fees are not material, but like advisory fees and custodian fees, they do have an adverse impact on the value of your portfolio over time. You can find more information about our fees and costs under Item 5 of our Disclosure Brochure, available at [Investor.gov/CRS](https://www.investor.gov/CRS).

Q: 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?

A: We charge asset-based fees, so our fees are calculated as a percentage of the value of your portfolio. For example, a \$10,000 investment at a 1% annual fee results in an annual deduction of \$100 from your portfolio (meaning \$9,900 ends up invested). Therefore, it will take longer for you to realize positive returns than if no fees were charged. In this example, if you generated a 3% gross return, your net return would be 2%. Assuming nothing changes, it could take 18 months to realize a \$300 return on your \$10,000 investment. 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.

Q: 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?

A: When we act as your investment adviser, we have to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts of interest. You should understand and ask us about these conflicts, because they can affect the investment advice we provide. For example:

- The investment professionals and employees of Fairhaven Wealth Management engage in outside business activities (OBAs). OBAs include many non-securities business activities which are conducted outside the scope of the typical duties of a financial advisor. In general, these activities might include fixed insurance sales, tax preparation, accounting support, bookkeeping, or legal advice. An activity does not need to result in compensation to qualify as an OBA. OBAs can include non-compensated leadership positions a financial advisor holds, such as being a president, treasurer, trustee, or other position of a non-profit board of trustees. OBAs may impede the amount of time spent managing client portfolios.
- Certain professionals of Fairhaven Wealth Management are licensed to sell insurance, which represents a conflict of interest in terms of compensation.

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

A: Conflicts of interest can incentivize us to put our interests ahead of yours. We manage these conflicts through disclosures and employing supervision procedures to ensure our financial advisors are acting in your best interest. Financial advisor OBAs will be disclosed in their Brochure Supplement. Please see Items 10, 11, and 14 of our Disclosure Brochure as well as your financial advisor's Brochure Supplement for additional information about conflicts of interest.

Q: How do your financial professionals make money?

A: Our financial advisors are paid a percentage of the fees we collect from our clients. As the value of your portfolio increases, so do our fees.

Disciplinary History Conversation Starters:

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

A: Yes, certain representatives of Fairhaven Wealth Management have disciplinary records, which can be found by accessing [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

Additional Information Conversation Starters:

Q: Who is my primary contact person?

A: Your Fairhaven Wealth Management financial advisor will be your primary point of contact. However, administrative requests may be handled by an administrative assistant or client service professional.

Q: Is he or she a representative of an investment adviser or a broker-dealer?

A: None of our professionals are registered with a FINRA broker-dealer. All investment professionals are licensed with Fairhaven Wealth Management as investment adviser representatives.

Q: Who can I talk to if I have concerns about how this person is treating me?

A: In the event you have issues to be addressed, you may contact Mr. Marc Horner at 630-990-9000 or by email to mhorner@fairhavenw.com.

You can find additional information about our investment advisory services at [Investor.gov/CRS](https://www.investor.gov/CRS). You may also request a printed copy of this Client Relationship Summary by contacting us at 630-990-9000 or via email to djahns@fairhavenw.com.