

## **Penn Davis McFarland, Inc.**

### **Client Relationship Summary (Form CRS)**

**February 1, 2023**

Penn Davis McFarland, Inc. (PDM or our Firm) is an Investment Adviser registered with the Securities and Exchange Commission.

Investment advisory services and fees differ from brokerage fees and services, and it is important for you to understand the differences. Free and simple tools for you to research financial firms and their professionals are available at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing generally.

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

We offer discretionary asset management services through separately managed accounts. We provide these investment services to individuals, families, retirement plans, trusts, estates, partnerships and charitable foundations. Our minimum size to open an account is generally \$1,000,000.

PDM invests its client's assets primarily in publicly traded stocks and bonds. We allow clients to impose restrictions on investing in certain securities or types of securities. As part of our standard services, client accounts and securities are monitored daily. For more detailed information about our services, please see Items 4, 7, 8, 12, and 13 of our Brochure (Form ADV Part 2A) available at [www.investor.gov/CRS](http://www.investor.gov/CRS).

PDM also provides "family office services" for several of our clients. These services include bill paying and reporting, insurance placement, the payment of salaries/withholding and reporting for employees, and other complementary business services.

#### ***Questions to ask us about our services:***

- ***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 fees are based on the amount of assets in your account. Our fee is calculated quarterly based on the assets in your account as of the last day of the previous quarter. Our fee is billed in advance and deducted from your account, with the exception that you may request that our fees for managing your IRA accounts be deducted from your taxable account.

Your account may also be charged for custodian fees, brokerage fees, and other customary third-party fees charged based on the assets we invest in (e.g., fees related to and/or charged by American Depositary Receipts, exchange traded funds, or mutual funds). For more information about fees and costs you will incur, please refer to Item 5 of our Disclosure Brochure.

We also bill for our family office services on a quarterly basis. Our fees for family office services are negotiable and depend upon the amount of work performed.

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.

*Question to ask us about fees and costs:*

- *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 advisor? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment advisor, we have a fiduciary duty 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 is an example to help you understand what this means: the more assets in your account, the more you will pay in fees, and PDM may therefore have an incentive to encourage you to increase the assets in your account.

Please see Item 10 of our Brochure for more information about our conflicts of interest.

*Question to ask us about conflicts of interest:*

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

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

Our PDM principals and employees are compensated via a salary and discretionary year-end bonus (with the bonus depending upon the profitability of our Firm). No one at the Firm is compensated based upon sales commissions or incentives.

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

No. A free and simple search tool to research PDM and our financial professionals is available at [www.investor.gov/CRS](http://www.investor.gov/CRS).

**Additional information**, including a copy of this relationship summary and our Disclosure Brochure can be obtained by calling us at (214) 871-2772.

*Questions to ask us about our financial professionals:*

- *Who is my primary contact person? Is he or she a representative of an investment advisor or broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*