Lobnek Wealth Management, Inc.

Form CRS – Form ADV Part 3

January 1st, 2023

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Item 1. Introduction

Lobnek Wealth Management, Inc. ("Lobnek", "LWM" or the "Firm") is an SEC registered investment adviser. This Relationship Summary is posted on our website and filed with the SEC at https://adviserinfo.sec.gov/firm/summary/284024. Investment advisory, brokerage services and related fees differ, it is important for you as a retail investor (client) to understand the differences. Free and simple tools are available to research firms and financial professionals at 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?

Why should you choose our investment advisory services? Why or why not? How do we select investments for you? What is our relevant experience, including licenses, education and other qualifications, and what do these mean?

Lobnek's origins go back to 2006 following a major liquidity event for a Swiss family active in the health care sector. Today, we look back on 16 years of successful wealth management experience. Our team is composed of qualified professionals, holders of degrees in business and finance or comparable educational background, each with professional practice of 25 to 35 years in banking, brokerage or wealth management.

In 2022 LWM decided to establish a branch office in Geneva, thus extending business activities in Switzerland without establishing a separate legal entity nor changing it's current ownership and control. Operations will begin after approval by the Swiss authorities (1st half of 2023).

We provide four main categories of service independently from each other:

A. **Asset Management**[1] is offered on either a discretionary or an advisory basis. In both cases we monitor your portfolio on a regular basis, at least once a calendar month (overall allocation, asset classes, individual positions, transaction execution, corporate actions). We do not offer brokerage (execution) services.[2]

You can choose to delegate investment decisions to Lobnek (*Discretionary Asset Management*), allowing us to invest your funds on your behalf. Decisions are based on your personal objectives, preferences and risk ability, which, together with our proprietary investment strategy and any of your restrictions, determine the suitability of the investments we chose.

Should you want to reserve investment decisions for your own, our role is counseling you with respect to placing your funds (*Non-Discretionary Investment Advisory*). While our proprietary investment strategy is the main reference for such advice, we may also respond to specific requests not explicitly covered by the strategy. For an advisory relationship the final investment decision remains always with you.

B. **Private Equity**: From time to time, Lobnek may become aware of investment opportunities in unlisted business ventures. Our service consists in obtaining information on and facilitating access to such opportunities. We do not give any investment recommendation, an investment decision is made exclusively and independently by yourselves, based on your own due diligence, information sources and judgement. You need to be a qualified investor responding to certain criteria, such as minimum net worth and the ability to cope with an investment's illiquidity and the potential total loss of capital.

C. **Financial Reporting**: We can assist you in keeping control of your wealth, in particular:

(i) *Consolidation*: Our report gives you a global picture of your total wealth, focusing on asset allocation and performance; it includes financial and non-bankable assets, being deposited with various financial institutions or held by you directly.

(ii) *Cost Control*: We report on the cost of your different financial providers, segregating charges by categories, such as custody fees, management fees, transaction fees, foreign exchange fees, administrative fees, etc. By monitoring account charges we ensure the respect of the fee agreements with your providers.

(iii) *Risk Control*: Assets have different risk characteristics. We analyze the classes of risk of your investments, their correlation and help you understanding the global risk situation of your wealth on a consolidated basis.

D. **Wealth Planning**: This service addresses needs like succession planning, wealth protection and structuring, domiciliation and re-location issues and more. We help you to analyze your wealth planning needs and assist in defining the appropriate strategy. For its implementation, we work with third-party professionals, be it any of your existing trusted advisors or members of our network of specialists. Lobnek itself is not qualified to provide, and does not provide, any legal or tax advice on its own.

More information is available in our Form ADV Part 2A Items 4, 7 and 8.

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[1] While Lobnek does not require minimum account sizes in general, an investment of at least USD 5 million is generally recommended in order to fully participate in the Firm's scope of service offerings.
Our Asset Management Services include all types of asset classes and types of financial investments (stocks, bonds, derivatives, investment funds and other). We do not propose limited investment offerings, like proprietary financial products, or a restricted menu of products or types of investments.

[2] You may grant us the authorization to implement investment decisions, such as the purchase or sale of a security, through a Limited Power of Attorney ("LPA") with your custodian, restricted exclusively to placing trade orders and debiting our advisory fees. The client may terminate this LPA at any time by providing written notice of termination to both, Lobnek and your custodian.

Item 3. Fees, costs, expenses, conflicts of interest/standard of conduct: What fees and costs will you pay? How might our conflicts of interest affect you and how do we address these?

Here, we explain how fees and costs affect portfolios and investments.

For our Asset Management Services, both, discretionary and advisory, we charge a percentage fee per annum of the assets being managed. In the case of Private Equity, Lobnek applies a performance linked remuneration model (a share of the investment's capital appreciation). For Financial Reporting Services you pay a flat remuneration per account and per year, determined according to the complexity of the accounts and its components. Wealth Planning charges are determined individually on a time spent basis.

As a general rule, we calculate and debit our fees on a quarterly basis in arrears.

Lobnek does not charge or receive a commission or other compensation on client securities or other investment product transactions. Lobnek does not participate in wrap fee programs.

In addition to our compensation, other service providers (e.g. your custodian) may charge transactional or service fees. Examples are charges for brokerage, custody, mutual funds, account maintenance, wire transfers, and other transactional and product-level fees. 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.

For example, if you give us $1'000'000 to manage, how much will go to fees and costs, and how much will be invested?

In this case, our standard fees for accounts under USD 5 mio. would be applicable. Our asset management service would cost you 0.95% or USD 9'500 p.a.

As our remuneration is an asset-based fee, the more assets you entrust us with, the more you will pay in absolute terms. We may therefore have an incentive to encourage you to increase the assets in your account. In response to this we apply a degressive fee schedule according to asset-size. Depending on specific circumstances, Lobnek's standard fees can be negotiated or discounted.

When we act as your investment adviser, we do so in your best interests and do not put ours ahead of yours. At the same time, the way we make money creates conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice that we provide you or that we act on. Here are some examples to help you understand what this means.

We aim at aligning our interests with yours to the greatest extent. We therefore engage to provide a maximum of transparency on all charges our clients have to support. Our only and exclusive revenue is the remuneration we receive directly from our clients. Lobnek does not cause you any undisclosed or indirect costs. In particular, we do not obtain any retrocessions, nor do we gain directly or indirectly from any other source. We do not offer any proprietary products, do not receive third-party payments, have no revenue sharing arrangements, nor do we practice any principal trading activity for our own account.

What are our legal obligations to you when acting as your investment adviser? How else do we make money and what conflicts of interest do we have and how will they affect you?

As a fiduciary, we act in your best interests. This legal obligation comes from the antifraud provisions of the U.S. Investment Advisers Act of 1940 and the rules thereunder, the SEC's Standard of Conduct Interpretation and includes the duties of loyalty and care - best execution, the disclosure of material facts, such as conflicts of interest and the means to address (mitigate) them, suitability and a reasonable basis for recommendations.

As noted above, we make money based only on the fees that we charge. The Firm's policies require our management to conduct business activities in a manner that avoids conflicts of interest between the Firm and its clients, or that may be contrary to law. Lobnek will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest that might reasonably compromise its impartiality or independence.

Further information about our conflicts of interest can be found in our Form ADV Part 2A Item 10.

How will our professionals make money?

Lobnek's financial professionals are remunerated by a fixed salary plus a bonus depending on the Firms overall results. The bonus allocation also considers the professional's degree of qualification and experience, as well as the level of know-how employed for serving complex client needs. All compensations are in the form of cash payments. Some members of management are shareholders of the firm and participate as such in its overall results. The Firms compensation practice does not raise any specific issues of conflicts of interest. In particular, Lobnek refrains from applying quantitative criteria such as the amount of client assets serviced, sale of products, revenue participations or alike.

More information is available in our Form ADV Part 1 Item 5.E, and Form ADV Part 2A Items 4, 5 and 10.

Item 4. Disciplinary history: what is our disciplinary history and, if any, what type of conduct?

We have nothing to report.

More information is available in our Form ADV Part 1 Item 11. Please see Form ADV Part 2A Item 9. Please also visit Investor.gov/CRS for a free search tool to research us and our investment professionals.

Item 5. Additional Information

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?

Your primary contact person is *Gianpiero Sturzo*. If you have any concerns about us or this person, contact *Marc A. Moret*, and you can reach us at the e-mail address or phone number, below.

You can obtain a copy of this Relationship Summary and our Form ADV Part 2A and Part 2B, if applicable, by contacting us at lobnekinc@lobnek.com or phone number +41 22 718 90 30, or by accessing these on our website at www.lobnek-inc.com.