

# Santa Fe Advisors LLC

## March 2024

### Client Relationship Summary (Form CRS) - Form ADV, Part 3

#### Introduction

Santa Fe Advisors LLC (“SFA”) is registered with the Securities and Exchange Commission as an investment advisor. Investment advisory and brokerage fees differ, and it is important that you understand the differences. Free and simple tools to research firms and financial professionals are available at [Investor.gov/CRS](https://www.investor.gov/CRS). This website also provides educational materials about investment advisors, broker-dealers, and investing.

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

We offer investment advisory services to retail investors including financial planning and the investment management of client accounts. The financial planning process starts with a discussion about a client’s objectives, time horizon, risk tolerance, and personal financial and family information. We then prepare recommendations for the client. The client is free to accept or reject any recommendation. A client’s financial plan is reviewed and adjusted as needed. Planning services are available to clients as part of all investment management engagements. Our investment management services are usually provided on a **discretionary** basis. All client portfolios are governed by an investment policy statement (“IPS”) which outlines risk tolerance, asset allocation parameters, time horizon, distribution needs and other restrictions. The IPS is the guideline that we use in order to manage clients’ accounts.

To construct client portfolios, we use mutual funds and exchange traded funds (“ETFs”). We only recommend investments that have passed our due diligence process. SFA does not have proprietary investment products. We actively monitor client accounts and will adjust portfolios as necessary. In rare cases, we offer **nondiscretionary** investment advisory services. In these situations, the client shall approve any investment recommendation before it is implemented.

We generally require a minimum of \$1,000,000 of assets under management for each client relationship.

*For additional information about the services we provide to our clients, please see our Form ADV Part 2A, Items 4, 7, 8, 13, 16 and Part 2B.*

**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?*

#### A. What fees will I pay?

Clients pay an **asset-based fee** for the services provided under our investment management agreement, calculated and paid monthly in arrears based on the average fair market value of the assets in their accounts during the month. The fee percentage, expressed as an annual rate, is 1.00% on the first \$1 million of assets under management; 0.75% on the next \$4 million; 0.55% on the next \$5 million; and 0.35% on amounts over \$10 million. Fees may be negotiated in certain circumstances.

With an **asset-based fee**, the more assets there are in an investor’s account, the more an investor may pay in fees, so there may be an incentive to encourage the investor to increase the assets in his or her account. We have attempted to mitigate this conflict by lowering the fee rate as the asset amount grows larger.

In addition to our investment management fee, underlying investments such as mutual funds and ETFs have fees and expenses that are charged by the manager of the fund, the expense ratio.

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Accounts may also be subject to other costs, such as custodial fees, broker-dealer commissions, and transaction charges.

**For additional information about fees and expenses, please see our Form ADV Part 2A, Items 5, 6, 7, 12, 14, and 15.**

**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 \$1,000,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

**B. 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 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 recommend the consolidation of accounts which could result in an account or portion of a client's assets being charged a management fee that did not previously incur management fees.
- We recommend the rollover of an employer sponsored retirement plan to an IRA for our firm to manage. This change could result in an increase of expenses to that account.

**For additional information about how we manage conflicts of interest, please see our Form ADV Part 2A, Items 4, 9, 10, 11, 17, 18, and Part 2B.**

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

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

All of our employees are compensated on a salary and discretionary bonus basis. Partners are paid based on the firm's net earnings. We do not receive commissions in connection with providing investment advice to clients.

**D. Do your financial professionals have legal or disciplinary history?**

No, Santa Fe Advisors and our employees have not been subject to any legal or disciplinary events. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starters:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

**For additional information about our services.** Please call our office at 505-501-6200 for additional, up-to-date information or see our Form ADV available at <https://adviserinfo.sec.gov/IAPD>.

**Conversation Starters:** *Who is my primary contact person? Are they a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*