

NEW CAPITAL

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Introduction

New Capital Management, LP is an investment adviser registered with the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ among broker-dealers and investment advisers. It is important 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.

What investment services and advice can you provide me?

We provide advisory services, and help our clients establish and maintain custody for their accounts with third party brokerage services. We will discuss your life and investment goals, produce a financial plan with and for you, design with you a strategy to achieve your goals, and regularly monitor your accounts. We will provide you with detailed quarterly reports about your accounts' performance, a subscription to *The New Capital Journal* (our news and advice publication), meet with you at least annually to review, and be available to you at all times by email, phone, text, or in person to discuss your finances, accounts, and other matters that may be pertinent.

You can choose an account that allows us to buy and sell investments in your account without asking you in advance (a "discretionary account") or we may give you advice and you decide what investments to buy and sell (a "limited discretionary account"). The vast majority of our clients elect discretionary accounts.

Our investment advice will cover a selection of investments that generally charge among the lowest fees in the industry, and represent a "passive" or "indexed" approach to investment. The investment funds we employ for clients charge fees from approximately 5 basis points (.05%) to 25 basis points (.25%).

What fees will I pay?

Fees and costs affect the value of your account over time. Please ask us to give you personalized information on the fees and costs that you will pay.

The amount paid to our firm generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account.

Some investments (such as mutual funds) impose additional fees that will reduce the value of your investment over time.

Our fees vary and are not generally negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. We do, however, make exceptions to our fees in particular cases where a client faces a financial hardship, has very specific circumstances with their investments, or some other extenuating circumstance.

You may pay a transaction fee to a broker when we buy and sell an investment for you. You may also pay fees to a broker-dealer or bank that will hold your assets (called "custody"), although such fees tend to be de minimus.

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The more assets you have in the advisory account, excluding cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if we do not make purchases or sales during that time.

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?

We are held to a fiduciary standard, the highest standard of client care in the financial advisory industry, that covers our entire investment advisory relationship with you. In short, we must - by law - put your interests ahead of ours at all times. We are required to monitor your portfolio, investment strategy, and investments on an ongoing basis, and to manage your investments prudently, including with an appropriate degree of diversification and risk.

It is possible that our interests can conflict with your interests. In such cases, we must either eliminate these conflicts or tell you about them in a way you can understand, so that you can decide whether or not to agree to them. For example, if we recommend an investment to you in which we have a financial interest, we must disclose that to you. In general, New Capital refuses compensation from investments in which we place our clients' money to avoid conflicts with our clients. We do not benefit from the advisory services we provide to you. We do not make extra money and therefore do not have an incentive to advise you to invest in certain investments. We do not buy investments from you or sell investments to you, from our own accounts (called "acting as principal"). We may benefit by earning additional revenue if you decide to add funds to your accounts, including if you decide to "roll over" investments from a qualified employer retirement account to a personal IRA account.

How do your financial professionals make money?

Our financial professionals receive a salary and a discretionary bonus based on their contributions to the firm.

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

No, New Capital nor any of its professionals have a history of legal or disciplinary events. Visit Investor.gov for a free and simple search tool to research our firm. New Capital's CRD number (our primary SEC ID number) is **131658**.

Additional Information

For additional information on our advisory services, see our Form ADV brochure on IAPD on Investor.gov or on our website www.newcapitalmgmt.com.

To report a problem to the SEC, visit Investor.gov or call the SEC's toll-free investor assistance line at (800) 732-0330. If you have a problem with your investments, account, or financial professional, please contact us. New Capital Management maintains a detailed client complaint resolution process as part of our Policies & Procedures.

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Some Key Questions to Ask

Ask us these – or other - key questions about our investment services and accounts.

1. Given my financial situation, why should I choose to retain New Capital Management?
2. Approximately how much would I pay per year for an advisory relationship with New Capital? What services will I receive for those fees?
3. What additional costs should I expect in connection with my account?
4. Tell me how New Capital makes money in connection with my account. Does New Capital receive any payments from anyone besides me in connection with my investments?
5. What are the most common conflicts of interest in your advisory accounts? Explain how you will address those conflicts when providing services to my account.
6. How will you choose investments to recommend for my account?
7. How often will you monitor my account's performance and offer investment advice?
8. Does New Capital have a disciplinary history?
9. What is New Capital personnel's relevant experience, including education and degrees, professional certifications, and other qualifications? Please explain what the abbreviations in your titles are and what they mean.
10. Who is the primary contact person for my account? What can you tell me about his or her legal obligations to me? If I have concerns about how this person is treating me, with whom can I talk?