



## Client Relationship Summary – May 2020 (Form CRS/Form ADV Part 3)

### Item 1. Introduction

We are Gaia Capital Management, Inc. (“Gaia”), registered with the U.S. Securities and Exchange Commission (“SEC”) as a registered investment advisor. Clients and prospective clients should be aware that advisory services and fees differ between investment advisors and broker-dealers and it is important for retail investors (non-professional investors) to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investing and investment advisers.

### Item 2. Relationships and Services

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

*Services:* Gaia offers investment advisory services to retail investors (non-professional investors) through individually managed accounts using equity securities such as common and preferred stocks and investment company securities such as exchange traded funds, mutual funds and closed end funds. We provide our services through the investment account you maintain with an account custodian, such as Fidelity Investments, which holds your assets. Gaia does not have custody and under no circumstances can take possession of Your assets under our direction. We do have discretionary authority over your account to determine the securities or the amount of securities to be bought or sold, without your prior approval. Our discretion is active from the beginning of our relationship and will continue for the duration of our agreement. However, you may set restrictions such as a cash position to be left uninvested or certain investments to avoid.

*Opening and Maintaining Accounts:* Gaia does not require a minimum account size or investment amount to open or maintain an account. Through an inquiry about your current financial situation and financial goals, your risk tolerance and investment time horizon, we develop an investment profile to meet your individual needs and invest your account accordingly. As part of our service, we routinely monitor accounts and attempt to conduct periodic portfolio reviews (no less than annually) to ensure that your investment profile and investments are suitable for your objectives and goals.

*Additional Information:* Additional information on relationships, fees and services can be found in the Gaia Firm Brochure, Form ADV Part 2A (items 4-7) which is available on our website at [gaiacapital.com](http://gaiacapital.com).

#### **Conversation starter between you and a financial professional on Relationships and 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?

### Item 3. Fees, Costs, Conflicts and Standard of Conduct

#### What fees will I pay?

*Principal Fees and Costs:* Gaia is paid for investment advisory services strictly through investment management fees that are based on a percent of all assets in your account. Fees begin at 1.15% annually and drop at breakpoints to 0.55% as assets increase. Our general fee schedule is included in the Gaia Firm Brochure, Form ADV Part 2A (Item 5). Fees are paid monthly in advance. At our discretion, we may negotiate a lower fee. We do not charge a fee to terminate our agreement.

*Other Fees and Costs:* You may be charged fees in addition to what you pay Gaia. Examples are fees for mutual funds and variable annuities and brokerage commissions, transaction fees, deferred sales charges, exchange fees, SEC fees, wire transfer, account maintenance fees, and other related costs and expenses which you may be charged by your account custodian and/or broker-dealer either directly or indirectly. Commissions and transaction fees vary by broker-dealer and may be less at other brokerage houses.

*Additional Information:* 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. Additional information can be found in the Gaia Firm Brochure, Form ADV Part 2A (Item 5) which is available on our website at [gaiacapital.com](http://gaiacapital.com).

**Conversation Starter between you and a financial professional on Fees and Costs on Investments**

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

*When we act as your investment adviser, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money might create some conflicts with your interests. You should understand and ask us about these potential conflicts because they can affect the investment advice, that we provide you. Here are some examples to help you understand what this means.*

*Examples of Conflicts of Interest:* 1) We only make money through our asset-based fees that we charge for our services. The more assets there are in your account, the more you will pay in fees. We may therefore, have an incentive to encourage you to increase the assets in your account. 2) Gaia employees may own some of the same securities that are in your investment account. To prevent conflicts of interest, we have adopted a Code of Ethics with procedures in place for personal transactions in personal accounts and a quarterly monitoring system.

*Additional information:* Additional information on conflicts of interest can be found in our Form ADV, Part 2A (Items 5,10,11 and 12) which is on our website at [gaiacapital.com](http://gaiacapital.com).

**Conversation Starter between you and a financial professional on Conflicts of Interest**

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

How do your financial professionals make money?

Gaia employees are compensated based on individual performance and growth of the business and a portion of the fees paid to Gaia for advisory services.

**Item 4. Disciplinary History**

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

*Yes.* An administrative proceeding by the Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities was initiated and resolved in December 2012 for a late amendment of material changes to the Investment Adviser Representative Application (CRD) for James C. Pursley. We do not believe that this incident is material to Gaia's ability to provide investment advisory services and there have been no other proceedings or judgments against him or us. Clients and prospective clients can view the CRD records for Mr. Pursley through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Additional information on this disciplinary action is in our Form ADV, Part 2A (Item 9) on our website at [gaiacapital.com](http://gaiacapital.com). You may also visit [Investor.gov/CRS](http://Investor.gov/CRS) for free and simple search tools to research us and our financial professionals.

**Conversation Starter between you and a financial professional on Disciplinary History**

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

**Item 5. Additional Information**

If you have any questions about our services or if you wish to request a copy of the relationship summary, please contact us at 800-395-6636 or at [info@gaiacapital.com](mailto:info@gaiacapital.com). Additional information is also available on the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

**Conversation Starter between you and a financial professional on Contacts and Complaints**

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