**Relationship Summary**

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| **Introduction** |
| Prato Capital Management, Inc. is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for retail investors 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. |
| **Relationships and Services** |
| ***What investment services and advice can you provide me?***  We offer investment advisory services to retail investors.  Our financial planning services involve creating a financial plan and providing advice to the client after identifying the client’s goals, objectives, financial problems, and potential solutions.  Our portfolio management services involve formulating an individualized portfolio for the client and monitoring and assisting with the ongoing management of the client’s investment accounts. We provide our portfolio management services on a discretionary basis, which means that, subject to your objectives and restrictions, we have complete discretion to direct and implement the investment and reinvestment of assets held in your account without consulting you. We only provide portfolio management services to clients who open or hold an account with Charles Schwab & Co.  Our retirement plan consulting services involve performing a variety of services as both an ERISA non-fiduciary and as an ERISA non-discretionary fiduciary.  We do not require a minimum account size for any of our services. |
| ***Additional Information:***  You can find more detailed information about the services we offer in Items 4 and 7 of our Firm Brochure. |
| ***Conversation Starters:***   1. “Given my financial situation, should I choose an investment advisory service? Why or why not?” 2. “How will you choose investments to recommend to me?” 3. “What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?” |
| **Fees, Costs, Conflicts, and Standard of Conduct** |
| ***What fees will I pay?***  We provide our financial planning services on a fixed or hourly fee basis. Our fixed fee ranges between $1,500 and $10,000. Our hourly rate will not exceed $500 per hour, with a minimum of 2 hours per engagement. Our fixed and hourly fees will vary depending upon the nature and complexity of the client’s circumstances and the number of topics covered by the service. We collect one half of the agreed-upon fee at the time of engagement, and the remaining half upon delivery of the financial plan or consulting service.  For our portfolio management service, the fee is based on a percentage of the client’s assets under management. The annual fee will not exceed 2%, and it is negotiable. We bill our management fee quarterly in advance. Our portfolio management service may be provided as part of a wrap program. If we provide our service through a wrap program, asset-based fees associated with the wrap program will include most transaction costs and fees to a broker-dealer or bank that has custody of those assets, and therefore are higher than a typical asset-based advisory fee. Because our fee is based on a percentage of assets in your account, we have an incentive to encourage you to increase the assets in your account.  The fee for our retirement plan consulting service is billed either as a flat fee or as a percentage of plan assets. While our flat fee varies, it can be up to $60,000. If our fee is based on a percentage of plan assets, the fee will not exceed 2%. We may collect our fee monthly or quarterly, in arrears or in advance, depending upon what we agree upon with the client.  In addition to the fees described above, you may incur additional charges imposed by custodians, brokers, or other third parties, including custodian fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes. You may also incur internal management fees for mutual funds and exchange traded funds.  ***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. You can find more detailed information about our fees and costs in Item 5 of our Firm Brochure.  ***Conversation Starter:***  “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 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:   1. Our associates may be independent insurance agents and may recommend this service to you. This activity pays them commissions that are separate from the fees described above. This creates a conflict of interest, because our associates have a financial incentive to recommend and sell insurance products to you in order to earn commissions. 2. We use Schwab Advisor Services, which provides us and our clients with access to its institutional brokerage services and various support services. Some of those services benefit only us, and not our clients.   ***Additional Information:***  You can find more detailed information about our conflicts of interest in Items 10, 11, and 12 of our Firm Brochure.  ***Conversation Starter:***  “How might your conflicts of interest affect me, and how will you address them?” |
| ***How do your financial professionals make money?***  We pay our financial professionals a salary for the services they perform for our clients. |
| **Disciplinary History** |
| ***Do you or your financial professionals have legal or disciplinary history?***  No.  ***Additional Information:***  Visit Investor.gov/CRS for a free and simple search tool to research you and your financial professionals.  ***Conversation Starter:***  “As a financial professional, do you have any disciplinary history? For what type of conduct?” |
| **Additional Information** |
| ***You can find additional information about our investment advisory services and request a copy of our relationship summary using one of these methods:***  Website: www.pratocapital.com  Email: [pratocapital@pratocapital.com](mailto:pratocapital@pratocapital.com)  Address: 70 Gedney Way, White Plains, NY 10605  Telephone: (914) 930-6871  ***Conversation Starter:***  “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?” |