

CLIENT RELATIONSHIP SUMMARY (FORM CRS) – JUNE 1, 2020

Introduction

Stillwater Investment Management, LLC is registered with the Securities and Exchange Commission as an investment adviser. We provide advisory services for a fee rather than for brokerage commissions. As a retail investor, it is important to understand the differences between services and fees of an investment adviser and a broker-dealer. 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.

Is an Investment Advisory Account Right for You?

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. We are an investment adviser and provide investment advisory services rather than brokerage services. This document gives you a summary of the types of services we provide and how you pay. This document also provides specific questions you may want to ask us to understand our services in greater detail.

Relationships and Services

What investment services and advice can you provide me?

- **We offer investment advisory services to retail investors.** The services we provide to our retail investors are: balanced portfolio management and advocacy services.
- We manage these advisory accounts on a *discretionary* basis. *Discretionary* means you give us the authority to determine the investments and quantities to buy and sell in your account on an ongoing basis without asking you in advance. Account supervision is guided by your stated objectives within a balanced investment approach and other factors contained in the Investment Policy Statement. You may impose reasonable restrictions on our discretionary authority. Any restrictions must be provided to us in writing and accepted by us. We will monitor your account(s) on a regular and ongoing basis.
- While we can advise on many types of investments, our investment recommendations are primarily related to exchange traded funds and individual debt and/or equities. As a condition for starting and maintaining a relationship, we generally impose a minimum portfolio size of \$350,000 which we may waive at our discretion.
- We also offer Advocacy Services at no extra cost to you.

For additional information, please reference Form ADV Part 2A, Item 4, 7 and 16.

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?*

Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

- We charge an *asset-based fee* for portfolio management services. These fees are paid on a quarterly basis, *in arrears*, based on your account value on the last day of the quarter. Our maximum annual fee is 0.70% and is reduced based on your assets under management, allocation, and other portfolio criteria. In some cases, we can also negotiate a fixed fee for certain services on a quarterly basis. The more assets in your advisory account, the more you will pay in fees, and we may therefore have an incentive to encourage you to increase the assets in your account.
- Clients will incur certain charges imposed by custodians and other third parties (ie: client bank) such as custodial fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges and fees are in addition to our advisory fee.

For our fee schedule and additional information, please reference our Form ADV, Part 2A Brochure, Item 5.

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 \$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.

- Stillwater does receive some benefits from their preferred custodians (Charles Schwab and TD Ameritrade) because of the amount of assets held at these custodians. This could cause a potential conflict of interest by recommending these custodians. However, Stillwater does not receive any research, products, or services from any custodian or third party in connection with client securities transactions (“soft dollar benefits”).

For additional information, please see our Form ADV Part 2A, Item 14.

Conversation Starters:

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

How do your financial professionals make money?

- Our financial professionals are compensated via salary and bonuses. Bonuses are paid based upon achievement of specific company and individual goals and are determined by the CEO. Compensation is not incentivized based on individual client account returns or new business. Our owners receive salary and bonus as well as dividend distributions, which are allocated to the partners based upon their respective ownership. This is a conflict of interest because our financial professionals have an incentive to encourage a retail investor to increase the assets in a retail investor's accounts.

Disciplinary History

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

- No. A free search tool to research us and our financial professionals is available at investor.gov/CRS

Conversation Starters:

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

Additional Information

Please refer to our Form ADV, Part 2A Brochure for more information about our services. You may request updated information and a copy of our Relationship Summary by contacting us at 877-275-9380 or info@stillwaterinvest.com or by going to our website at www.stillwaterinvest.com.

Conversation Starters:

- *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?*



Stillwater Investment Management, LLC Fiduciary Acknowledgement

When *registered investment advisory representatives of Stillwater Investment Management, LLC* (“we”) provide investment advice to you regarding any non-governmental retirement plan account (i.e. 401(k)) and/or individual retirement account (“IRA”), we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable. This includes when we make recommendations to rollover your assets from a retirement plan to an IRA or from an IRA to a different IRA. ERISA and the IRC are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

More specifically, ERISA and the IRC require us to:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in *your* best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

The requirements that apply to us under ERISA and the IRC do not apply to all recommendations we make. If we make recommendations to you concerning your governmental retirement plan account (such as a 403(b) or a 457(b) plan) or moving money to/from a non-tax qualified account, we are subject to Securities and Exchange Commission (“SEC”) requirements that require us to act in your best interest, but not as an ERISA fiduciary unless we are rolling that account to an IRA. If you have any questions regarding this information, please discuss with your financial professional.

This written fiduciary acknowledgment is not intended to create or modify any other agreement, relationship, or obligation we have under other federal and state laws governing the provision of investment advice to retail investors.