




Is an Investment Advisory Account Right for You?

Northeast Advisers, Inc. (NAI) is an investment adviser registered with the SEC. There are different ways that you can get help with your investments. You should carefully consider which types of accounts and services are right for you. Investment advisory and brokerage services and fees differ, and it is important for you to understand the differences. This document gives you a summary of the services NAI provides and how NAI is compensated. Please feel free to ask us for more information - some suggested questions are provided as examples. Additionally, free and simple tools are available to you to further research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides free educational materials about broker-dealers, investment advisers, and investing.

What Investment Services and Advice Can You Provide Me?

NAI offers investment advisory and financial planning services. For both types of services, we work with you to determine an investment strategy based on your specific investment objectives and develop a customized Investment Policy Statement (IPS). Financial planning engagements conclude with delivery of the IPS. For investment advisory clients, we then provide ongoing monitoring of your accounts as part of our standard service through due diligence oversight of investments and account reviews with you. NAI's services are non-discretionary, meaning that NAI makes recommendations and you make the ultimate decision and give approval to proceed with each purchase or sale.

NAI's minimum for opening or maintaining an advisory account is an asset value of \$250,000 which may be aggregated across accounts or waived, at NAI's discretion.

 **For additional information** on NAI's services, please see our Form ADV, Part 2A Brochure, items 4, 7, 13 and 16.

- 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?

What Fees Will I Pay?

Our advisory fee begins at an annual percentage rate of 1%, diminishing on accounts greater than \$1,000,000. For example, a \$400,000 account would pay 1%, a \$1,400,000 account would pay 0.85%, and a \$1,800,000 account would pay 0.75%. Fees are charged quarterly based on the account value on the last day of the previous calendar quarter. Financial planning fees are billed at an hourly rate up to \$200 per hour. Fees may be subject to negotiation based on assets under management, the complexity of the relationship or project, and other factors at NAI's discretion.

Asset-based fees subject NAI to a potential conflict of interest in that the more assets there are in your advisory account, the more you will pay in fees, and thus the firm has an incentive to encourage you to increase the assets in the account.

Clients should be aware of additional fees charged by third parties. These costs include custodian fees and security trading fees (e.g., commissions). Investments in mutual funds include an embedded investment management fee paid to the fund's manager as well as other fees and expenses associated with the mutual fund. Clients are responsible for all fees and expenses charged by the mutual fund in addition to the management fee charged by NAI.

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.

 **For additional information** on NAI's fees, see our ADV Part 2A brochure, Section 5, Fees and Compensation.


Help me understand how these fees and costs might affect my investments. If I give you \$250,000 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:

When advising financial planning clients, NAI has an incentive to recommend ongoing investment advisory services in order to earn ongoing, asset-based fees.

When recommending an IRA rollover from a qualified retirement account (401(k) plans, etc.), NAI has a conflict of interest due to the fact that the rollover will increase our assets under management and ultimately the amount of assets on which we charge our fee.

 **For additional information** on NAI's services and conflicts of interest, please see our Form ADV, Part 2A Brochure, Items 4, 5, 7, 10, and 14.

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

How do your Financial Professionals Make Money?

NAI employees receive a salary and, potentially, a bonus based on overall firm profitability. Bonuses are not directly tied to account, client, or asset generation.

NAI has engaged with individual professionals to promote NAI services to their clients. For these referrals, promoters are paid a percentage of the fees earned by NAI from the accounts they introduce. This compensation is paid by NAI and does not result in additional costs to the client. Promoters have entered into a written agreement with NAI and are subject to specific disclosure requirements such as delivery of a promoters notice and NAI's Form ADV Part 2 Brochure and Form CRS.

 **For more information** on NAI's affiliations and its promoters use policies see our Form ADV Part 2A, Items 10 and 14.

How do I know when services provided are for independent IARs' other employers? Can I request a copy of Form CRS for the independent IARs' other employers?

Do You or Your Financial Professionals have Legal or Disciplinary History?

No. All clients and prospective clients are advised to research NAI and its investment professionals using the free and simple search tool at [Investor.gov/CRS](https://www.investor.gov/crs).

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

Additional Information

Additional information about NAI, including services, fees and financial industry relationships, are provided in NAI's Form ADV, which is available at www.adviserinfo.sec.gov. NAI's Part 2 brochure can also be requested free of charge by visiting our website www.northeastadvisers.com or by calling 610-240-7955 or 1-800-971-7039.

Free and simple tools are available to you to "check out" NAI and its financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides free educational materials about broker-dealers, investment advisers, and investing.

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?