

HUTNER CAPITAL MANAGEMENT, INC.

Client Relationship Summary (Form CRS) - June 2020

Hutner Capital Management, Inc. ("HCM") is an **investment adviser** federally registered with the Securities and Exchange Commission ("SEC"). Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://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 investment management services to individuals, families, trusts, and institutions such as foundations and corporate pension plans. Our investment decisions are based on your objectives, including an assessment of your present financial position and projections of how certain assets might impact your portfolio over time. We invest in individual stocks, government and corporate bonds, preferred stock, warrants, options, and cash equivalents such as Treasury Bills and money funds. Occasionally, we purchase securities of registered investment companies such as open- and closed-end funds and ETFs.

In addition to these core investment advisory services, our basic fee includes coordination with your legal and tax professionals on estate planning and tax strategy, and trustee and executor services.

- As part of our investment management services, we monitor all accounts continuously to be sure they meet your objectives. We report quarterly on each account and meet with clients and respond to their inquiries upon request.
- Our advice is separate from the custody of your assets. Your custodian bank or broker will provide regular statements of your account holdings and activity, and confirmations of all trades.
- You will open a custodial account directly with a third-party broker or bank and grant us trading authority to buy and sell investments in your account without asking you in advance (a "**discretionary**" account"). You can also designate specific assets within your account as **non-discretionary** or ask us to consult on a **non-discretionary** account or an account managed elsewhere. For **non-discretionary** assets, you make the ultimate decision to purchase or sell an investment. And for all accounts, only you can add funds to or withdraw funds from your account.
- Our **minimum account size** is \$1 million. Accounts below this minimum are sometimes accepted at HCM's discretion, most often when part of a family group.

More detailed information about HCM's services is available in Item 4 of Part 2 of our Form ADV, which is available online at <https://hutner.capital/adv>.

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?*

What fees will I pay?

Our fee is an annual rate of 1% on the first \$5 million of assets, 0.75% on the next \$5 million, and 0.5% on assets above \$10 million, charged quarterly, in advance. Our minimum account fee is \$500/quarter, unless waived for an account that is part of a larger family group.

We also charge flat fees and other individually negotiated fees on portfolios for which we provide limited investment advisory services. We may advise certain clients on the investment of their portfolios which we do not manage. We charge a fee of 0.25% of asset value per year for this service.

- The fees we earn increase as the assets we manage grow, so we benefit from long-term growth in our accounts and from the contribution of new assets to the accounts that we manage.
- In addition to our management fees, you will pay transaction fees to a broker and custody fees to a bank or broker for maintaining your account.
- When we buy investments like money funds, closed- or open-end funds, or ETFs for a portion of your portfolio those investments will charge you additional fees.

- The more assets (including cash) you have in the advisory account, 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 no investments are bought or sold in your account.

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 about our fees is included in Item 5 of Part 2 of our Form ADV, available online at <https://hutner.capital/adv>.

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 a duty 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 to you. Here is an example to help you understand what this means.

- Daniel E. Hutner, president of HCM, serves personally and as managing member of an LLC as General Partner of three investment limited partnerships. These relationships may create conflicts of interest in the allocation of Mr. Hutner's time and investments between the partnerships and HCM's clients. For this reason, under our policy and procedures regarding allocation among investment advisory accounts, each of these limited partnerships is treated as an investment advisory client account managed by HCM.

As an **investment adviser**, we have a special relationship of trust and confidence with our clients and a duty to place their interest above ours throughout the course of our relationship. A broker must only provide advice in your best interest at the time of a specific recommendation. Ask us more about the differences between investment advisory accounts and brokerage services.

More detailed information about conflicts of interest between HCM and its clients is available in Part 2 of our Form ADV, including Items 6, 10 and 11, available online at <https://hutner.capital/adv>.

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

How do your financial professionals make money?

HCM's financial professionals receive a salary and are eligible for discretionary bonuses. Compensation is designed to attract and retain the highest quality professionals, and is based on a variety of factors, including the number and value of accounts managed and the time and complexity required to meet a client's needs. In addition, Daniel Hutner, Sr. and a related entity, Avalon Partners Management LLC, receive both asset-based and varying performance-based fees for managing three limited partnerships.

Do your financial professionals have legal or disciplinary history?

No. You can research HCM and our financial professionals using the free and simple search tool available at [Investor.gov/crs](https://investor.gov/crs).

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

Additional information

Updated copies of this form and additional information about Hutner Capital Management, Inc. can be found at <https://hutner.capital/crs>. You can also request an up-to-date version of the Relationship Summary, or the more detailed Part 2 of our Form ADV, by calling us at 866-366-8157.

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?*