

CRS FORM

Introduction:

Fredric E. Russell Investment Management Co. is a registered investment advisor governed by the U.S. Securities and Exchange Commission. We believe that it's important for our clients to understand the differences between advisory and brokerage services and fees, so that they can choose the account type that suits their needs. To help with this, there are free and simple tools available to research firms and financial professionals at www.investor.gov/CRS, which provides educational materials about investment advisors, broker-dealers, and investing.

What investment services and advice can we provide?

Our investment strategy focuses on a small number of companies, a maximum of thirty, which are either based in the United States or generate at least fifty percent of their revenues from U.S. operations. All our clients have the same common stock holdings, although the number of shares may differ depending on the account size. We only hold cash and United States treasury obligations temporarily before making further commitments to common stocks.

We offer discretionary services to all our clients, which means we have the legal power to buy and sell common stocks for any account without seeking the client's permission or agreement.

Clients may receive annual performance reports from us, but we are not obligated to provide them. They can access their account information via Schwab Alliance and receive a monthly statement through the Schwab portal.

It's important to understand that formulating our equity or common stock strategy is subjective. We aim to invest in companies that we believe have competitive advantages, such as a significant market share. However, there needs to be a universal and objective agreement on what constitutes a competitive advantage in business, which is discussed in our marketing literature. For more detailed information on our investment strategy, you can refer to our ADV Form Part 2A, available on our website at www.ferimc.com.

The minimum investment for an account is \$250,000.

What fees and costs will you pay?

We charge an annual fee of 1% of your account's market value per year, billed quarterly at a rate of 0.25%. If you open an account after the start of a quarter, we will adjust the fee accordingly. By opening an account with us, you authorize the custodian to collect the management fees on our behalf, as per the aforementioned terms.

There are no other fees, except for the minor exceptions mentioned above. However, Charles Schwab Co., Inc. may charge a small fee for investment activity executed through its professional desk and possibly for its treasury and cash equivalent fund. If your account is not under our management for the entire quarter, we will prorate our fee accordingly.

We urge you to carefully review and understand the fees and expenses you will be paying.

What are our legal obligations when acting as your investment advisor?

The Securities and Exchange Commission requires that any broker or custodian, such as Schwab, report to the client(s) within 24 hours of any investment activity undertaken by an investment manager for the client(s).

It is important to note that our firm's relationship with our clients assumes that we are not responsible for discussing the reasoning behind any purchase, sale, or other decision that impacts the portfolio. If you wish to change the asset allocation, you must inform the investment manager in writing. We are not obligated to rebalance the portfolio unless instructed in writing, even if market values diverge from your asset allocation directive.

If you initiate any investment activity in the portfolio, we reserve the right to liquidate such purchase without prior notice. You agree to hold our firm harmless for any loss incurred through such liquidation or sale. We do not encourage such client activity, as it makes it challenging to measure investment performance and confuses our responsibility. This also applies to any sale or investment activity initiated by you.

Similarly, if you transfer any securities into the account that we manage, we may sell such common stocks without notice to you.

You may terminate this relationship by giving us or the custodian written notice. If you end the relationship by instructing the custodian without notification to us, we will become free of any responsibility for managing the account. We may bill you for the report on the day of the delinking using values determined by Advent Software, FactSet, Yahoo Finance, or Charles Schwab & Co. to define the market value of the accounts. When such termination occurs, we will impose a service charge of \$500 in addition to the management fee discussed above. Five business days after the client-initiated termination, we may immediately liquidate all securities unless you specify otherwise in writing. We reserve the right to act accordingly in both cases.

Question 1: How else does your firm make money, and what conflicts of interest do you have?

Answer: Our firm does not have any other streams of income, and there are no conflicts of interest. You can find further details on the ADV.

Question 2: Do you or your financial professionals have a legal or disciplinary history?

Answer: No, our firm has a clean legal and disciplinary record. You can use free and simple tools available at www.investor.gov/CRS to research firms and financial professionals.

Additional Information:

For more information about our investment services and the CRS form, please visit www.ferimc.com. You can also visit the SEC's website at www.advisorinfor.sec.gov. If you have any concerns or questions, please feel free to contact us at (918)-743-5959.

Do you have any questions for us? You may ask us the following:

- Who is my primary contact person?
- Is the person a representative of an investment advisor or a broker-dealer?
- Who can I contact in case I have concerns about how this person treats me?