

Stern Capital Management, Inc.
Form CRS Customer Relationship Summary March 2022

Introduction

Stern Capital Management, Inc. ("SCM") is registered with the Securities and Exchange Commission (SEC) as an investment adviser.

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 www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

Investment Advisory Services: SCM provides portfolio management services to clients using model portfolios designed to meet client investment goals. These accounts are primarily invested in mutual funds or with ETF's offered through Charles Schwab or any other firm that is the acting custodian on the account. Portfolio Management Services include the provision of continuous monitoring of client accounts based on their particular circumstances. These accounts are managed on a discretionary and a non-discretionary basis. When engaged on a discretionary basis, we will buy and sell investments in client accounts as appropriate, without requiring client pre-approval, on an ongoing basis until we are notified in writing, to switch to a non-discretionary relationship. Clients may impose reasonable restrictions. When engaged on a non-discretionary basis, clients make the ultimate decision regarding the purchase or sale of investments. **Financial Planning:** SCM offers financial planning services that evaluates the client's current and future financial state using known variables to predict future cash flows, asset values and withdrawal plans. The financial plan addresses the following areas; personal, investments, insurance, retirement, estate, tax & cash flow, and death & disability. This service is provided on a non-discretionary basis and does not include account monitoring.

For additional information, please see Items 4 and 7 of our Form ADV, 2A Brochure available at:

<https://adviserinfo.sec.gov/firm/summary/124405>

Conversation Starters. Ask your financial professional...

- 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?

Investment Advisory Services: SCM charges its fees for Investment Advisory Services based on a percentage of assets managed. The maximum annual fee is 2.00%, dependent upon the market value of assets under management, and is charged in advance on a quarterly basis. Clients may also be charged an administrative fee of \$25 per quarter if the combined assets of all accounts at the same custodian are below \$100,000. This fee is negotiable. **Financial Planning:** SCM's Financial Planning fees are charged on an hourly basis, the maximum fee is \$200 per hour. These fees may also be charged on a fixed basis, the maximum fee is \$5,000. These fees are negotiable if financial planning clients also engage SCM for Investment Advisory Services.

Some fee arrangements create conflicts of interest described in more detail in our Form ADV, Part 2A. We therefore have an incentive to encourage a client to increase the assets in his/her account. There may be other fees and costs related to our investment advisory services and investments in addition to the principal fees and costs listed above that you will pay directly or indirectly. You should understand that the fees discussed above are specific to what we charge and do not include certain charges which may be imposed by third parties, such as custodial fees, exchange traded or mutual fund fees and expenses, brokerage fees and commissions, and other fees and taxes on brokerage accounts and securities transactions.

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, please see Item 5 of our Form ADV, 2A Brochure available at:

<https://adviserinfo.sec.gov/firm/summary/124405>

Conversation Starter. Ask your financial professional...

- 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 recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

The more assets the client has in his/her account, the more we receive in fees. We therefore have an incentive to encourage a client to increase the assets in his/her account. In addition, our minimum account size is negotiable under certain circumstances and at our discretion. Should we agree to waive this minimum account size, we would receive less compensation for services provided. We, therefore, have a disincentive to waive this minimum.

Personnel of SCM are separately licensed as agents for various life insurance companies. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. These individuals can effect insurance transactions for which they will receive separate, yet customary compensation.

Conversation Starter. Ask your financial professional...

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

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How do your financial professionals make money?

Stuart Stern is compensated by salary and has the ability to take corporate distributions, if applicable. Alan Stern and Linda Nissen are compensated by salary and a bonus based on assets brought to SCM.

Do your financial professionals have legal or disciplinary history?

Neither our firm nor our financial professionals have any legal or disciplinary history. Visit www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter. Ask your financial professional...

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

Additional Information

If you would like additional, up-to-date information or a copy of this disclosure, or our Form ADV, Part 2A Brochure, please call (732) 679-7050.

Conversation Starter. Ask your financial professional...

- 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?