

# RUTHERFORD INVESTMENT MANAGEMENT

CLIENT RELATIONSHIP SUMMARY - DATED: JANUARY 10, 2023

## Item 1. Introduction

Rutherford Investment Management (“RIM” “we” “us” and “Advisor”) is an Oregon limited liability company registered as an investment advisor under the laws of the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ and it is important for you to understand the 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.

## Item 2. Relationships and Services

### What investment services and advice can you provide me?

We offer ongoing portfolio management and investment advisory services that are tailored to the unique investment objectives, financial goal and circumstances, risk tolerance, and investment time horizon of each Client. Pursuant to a written investment advisory agreement entered into with each Client, we will continuously manage your investment portfolio on a discretionary basis. Stated plainly, this means you have granted us the authority to buy and sell securities within your account, without obtaining your consent for these transactions.

You shall have the ability to impose reasonable restrictions on our management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks, or other securities. These restrictions may be with respect to a specific company’s securities, industry sector, asset class, or any other restriction you request. All such requests must be provided to us in writing.

RIM generally reviews the firm composite on a daily basis to monitor the performance of individual securities and the overall performance of client accounts. Each client account is reviewed periodically to monitor the performance of individual securities within the account and the overall performance of the account. A minimum investment account size may apply at our discretion.

**Conversation Starters:** We encourage you to ask our financial professionals these key questions about our investment services and accounts:

- (i) *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- (ii) *How will you choose investments to recommend to me?*
- (iii) *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

## Item 3. Fees, Costs, Conflicts, and Standard of Conduct

### What fees will I pay?

We provide investment advisory services for a fee based on a percentage of assets under management. We are compensated solely by our clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes the conflicts-of-interest that are prevalent in the investment management industry. Our fee, based upon a tiered schedule, is provided in your Investment Advisory Agreement. The maximum annual fee is 1.25%. The fee is calculated quarterly, in arrears, and will be equal to the respective percentage per annum based on the market value of your account(s) on the last trading day of the previous quarter.

The more assets you have in the advisory account, including cash, 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 regardless of whether we buy or sell securities within that quarter. For any portion of your assets invested in investment companies (i.e., mutual funds and ETFs), you may be required to pay a proportionate share of the mutual funds’ fees and charges, which are disclosed in each fund’s prospectus. Mutual fund fees may include, but are not limited to, a management fee; upfront sales charges; 12b-1 fees to cover the mutual fund’s promotion, distribution, and marketing expenses and sometimes commissions; and other fund expenses. We do not receive any portion of these fees.

***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***

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***over time. Please make sure you understand what fees and costs you are paying.***

***Conversation Starter:*** We encourage you to ask us any questions you may have regarding our fees or how cost from third parties such as custodians or mutual funds affect your account. For example, start a conversation by asking, *“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:*

Example 1: Your account value goes up, and while the management fee percentage may stay the same, the total compensation you pay us goes up proportionately. Example 2: Your account value goes down, but you still must pay a management fee proportional to your assets under management.

***Conversation Starter:*** If you have any questions regarding conflicts of interests, please feel free to ask us. You can begin a conversation by asking, *“How might your conflicts of interest affect me, and how will you address them?”*

***How do your financial professionals make money?***

RIM is a fee-only registered investment advisor, which means our only form of compensation is from investment management fees paid directly from our clients. We do not earn any commissions or any other payments from anyone else.

Financial Professionals at RIM receive standard compensation that may consist of a combination of salary, profit-sharing, and optional bonuses based on work-related performance and/or firmwide revenue targets.

RIM does not pay commissions to any employee. Firmwide revenue and profit may have an impact on the compensation of Financial Professionals at RIM. Other than the indirect effect on firmwide revenue and profit, no compensation is *directly* tied to the any of the following factors: the amount of client assets serviced by a financial professional; the time and complexity required to meet a client’s needs; product sales commissions; or revenue the firm earns from the financial professional’s advisory services or recommendations.

More detailed information, including fee schedules, conflicts of interests, and other disclosures are available in our ADV Part 2A Firm Brochure, which can be found at: <https://adviserinfo.sec.gov/firm/summary/167545>.

### Item 4. Disciplinary History

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

Yes. We encourage you to visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research any of our financial professionals.

***Conversation Starter:*** In addition, feel free to ask: *“As a financial professional, do you have any disciplinary history? For what type of conduct?”*

### Item 5. Additional Information

***You can find additional information regarding Rutherford Investment Management and receive a copy of this Client Relationship Summary by going on our website at [www.RutherfordInvestment.com](http://www.RutherfordInvestment.com) or by contacting (503) 452-1210. We are always available to answer any of your questions.***

***Conversation Starter:*** If you do have any concerns, please let us know by asking the following questions: *“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?”*