

FOURTH 4 STONE

Form CRS - Client Relationship Summary
March 2023

Introduction

Fourthstone LLC (“we” or “us”) is an investment advisor registered with the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. There are free and simple tools available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about investment advisers, broker-dealers and investing.

What investment services and advice can you provide me?

Fourthstone LLC offers investment advisory services to retail investors through a Separately Managed Account (“**SMA Client**” or “**you**”) and will source and recommend investment opportunities consistent with your investment guidelines.

Generally, we advise your account on a *discretionary* basis, which means we will make recommendations to you based on your personal investment goals and will make the ultimate decision regarding the purchase and/or sale of investments for your account. We monitor your account’s investments on an ongoing basis as part of our standard services. We may also provide financial advisory, portfolio reporting, due diligence and family office services, among other services, as and when requested by you from time to time.

Fourthstone’s other advisory clients are private pooled investment vehicles (the “**Funds**”). One of our affiliates may serve as the General Partner/Manager of the Funds. We typically recommend the same investment opportunities to the Funds’ portfolios as your account portfolio.

There is no minimum to open an SMA Account; however, an SMA Account may only be opened with us at our sole discretion.

Additional information about our advisory services is located in Item 4 and Item 7 of our Firm Brochure which is available online at www.adviserinfo.sec.gov by searching firm CRD# 169067.

Questions to Ask Us

- 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 those qualifications mean?

FOURTH 4 STONE

Form CRS - Client Relationship Summary
March 2023

What fees will I pay?

Fees for SMA Accounts are negotiated on a case by case basis as outlined in the SMA Account's investment management agreement ("IMA") and may include asset- and performance- based fees. Additionally, SMA Accounts may be charged certain investment-related expenses, commissions, management fees, and other operating costs by third parties that are separate from, and in addition to, our fees. These fees are paid directly to the third-party. We will not receive any portion of those 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 over time. Please make sure you understand what fees and costs you are paying.

Additional information about our fees is located in Item 5 of our Firm Brochure. Our Firm Brochure is available online at www.adviserinfo.sec.gov by searching firm CRD# 169067.

•

What are your legal obligations to me when acting as my investment adviser? How 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 affect the recommendations we provide you.

To help you understand what this means to you:

- As noted above, we recommend investments in Funds that we manage. These Funds pay us or one of our affiliates performance-based fees. We may also manage SMA Accounts which do not have the same fee structure, thus creating a conflict of interest because we may have an incentive to favor the accounts that pay performance-based fees when allocating investment opportunities.

Additional information about our conflicts of interest can be found in our Firm Brochure under Items 5, 6, & 11 which is available online at www.adviserinfo.sec.gov by searching firm CRD# 169067.

Questions to Ask Us:

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

FOURTH 4 STONE

Form CRS - Client Relationship Summary
March 2023

How do your financial professionals make money?

Our financial professionals are employees who are paid a fixed monthly salary and are entitled to receive an annual bonus at the discretion of management that is not tied to the performance of your account. Our staff, however, are not compensated based on the amount of client assets they service; the time and complexity required to meet client needs; products sold; commissions; or revenue we earn from the financial professionals' advisory services or recommendations.

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

No, our firm and/or financial professionals do not have any legal or disciplinary history material to an evaluation of our advisory services or the integrity of management. Visit investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Questions to Ask Us:

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

Additional Information

You can find additional information about our firm's investment advisory services on the SEC's website at www.adviserinfo.sec.gov by searching firm **CRD# 169067**. You may also contact our firm at (800) 771-8071 and talk to any one of our investment professionals or support staff.

Questions to Ask Us

- 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?