

Form ADV Part 3: Relationship Summary Weathervane Asset Management LLC

Introduction

Weathervane is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professionals at <https://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?

Description of Services: Weathervane offers investment advisory services to retail investors in the form of Investment Management Services which involves us managing and trading your designated account(s) using our Weathervane Momentum Investment Strategy. We will meet with you to identify your overall investment objectives and risk tolerance to determine if our Weathervane Momentum Investment Strategy is appropriate for your needs and determine the appropriate amount of your overall investment portfolio that should be concentrated in the strategy. As a standard part of our services, we will continuously monitor your account when providing asset management services and contact you at least annually to discuss your portfolio. For more information, please see **Item 4** of our **Form ADV Part 2A**. Investment Management Services are provided on a **discretionary** basis, meaning we will have the authority to determine the type and amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. For more information about investment authority, please see **Item 16** of our **Form ADV Part 2A**.

Limited Investment Offerings: We do not primarily recommend one type of security to clients. Instead, we recommend investments we deem most appropriate for our investment strategy. However, we are limited in investment selection in that we can only invest your account in securities which are available on your custodian/broker-dealer's platform. We will make recommendations and provide advice on our proprietary, private investment funds.

Account & Fee Minimums: There are no minimum investment amounts required for establishing an account managed by us. However, all clients must meet the SEC's definition of "qualified client" by having at least \$1,100,000 under management with our firm or \$2,200,000 net worth not including primary residence.

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?

Description of Principal Fees & Costs: Fees for Investment Management Services are charged based on a percentage of assets under management, billed in arrears on a quarterly calendar basis, and calculated based on the fair market value of your account as of the last business day of the current billing period. The annual fee for Investment Management Services is based on a fee schedule of 2.00% on accounts up to \$250,000 and 1.00% for accounts above \$250,000. We also assess a performance-based fee that will generally not exceed 25% of the capital appreciation attained within your account above a pre-determined hurdle rate. Because our fee is based upon the value of your account we have an incentive to recommend that you increase the level of assets in your account. When engaging us for Investment Management Services, you will also incur other fees and expenses. For example, the broker-dealer/custodian on your account will charge you fees and expenses for maintaining your account. You will also be charged internal fees and expenses by any Exchange Traded Funds we invest in within your account.

Additional Information: 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 more information about the fees we charge and the other fees and expenses you will incur, please see **Item 5 of Form ADV Part 2A**.

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?***

Standard of Conduct: 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. (1) We sponsor, operate and manage several private investment funds which pay us management fees. Additionally, our affiliated broker/dealer Phoenix Financial Services, serves as a placement agent for the private investment funds and is compensated to refer new investors into the private funds. Recommending that you invest in this fund creates a conflict of interest due to the potential for additional revenue if you invest in the fund. For more information see **Items 10 and 11 of Form ADV Part 2A**. (2) We will ask that you establish an account with Charles Schwab & Company, Inc. to maintain custody of your assets and to effect trades for your account. Our recommendation to use Schwab is not based solely on your interest of receiving the best execution possible. We also recommend Schwab because they provide us with research, products and tools that help us manage and further develop our business operations. As a result, we do not have to pay for such benefits, which save us money; however, these arrangements create a conflict of interest. See **Item 12** of our **Form ADV Part 2A** for more information about our arrangements with Schwab.

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

Additional Information: For more information about our conflicts of interests and the ways we are compensated, please see **Item 5** and **Item 10** of our **Form ADV Part 2A**.

How Do Your Financial Professionals Make Money?

Description of Salary/Payment of Investment Adviser Representatives: We compensate our investment adviser representatives based on the level of assets that the representative brings in to us. This creates a conflict of interest as it gives your representative an incentive to recommend you invest more in your account with us due to the potential for increased payments.

Do You or Your Financial Professionals Have Legal or Disciplinary History?

Yes. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

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

Additional Information About Weathervane

You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/312424>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at (516) 305-9438.

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?*