

Investor: _____

Date: _____

Spence Asset Management is a registered investment adviser with the Securities and Exchange Commission. Investment advisory services and fees differ and it is important for the investor to understand these differences.

Free and simple tools are available at www.Investor.gov/CRS that provide educational materials about investment advisers and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We offer investment advisory services to retail investors which includes financial planning and retirement planning as well as guidance on current investments. We offer separately managed accounts that include stocks, bonds, exchange traded funds and cash management based on the investor's individual investment objective. We monitor these investments on a daily basis with discretionary authority to purchase and sell securities unless otherwise specified. We recommend a minimum account size of \$50,000.

Please see our Form ADV, Part 2 for further information regarding our investment programs and risks. This form is available on www.Investor.gov as well as is available from us upon request at any time.

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?

WHAT FEES WILL I PAY?

Asset-Based Fees Paid to Spence Asset

Management: Accounts will be charged a management fee quarterly, in arrears according to the fee schedule to the right unless otherwise negotiated:

Transaction/Trade Fees Paid to Charles Schwab:

Charles Schwab receives a fixed fee to process each transaction. These fees vary by product. Spence Asset Management and your adviser do not receive any portion of these fees.

Product Fees Paid to Exchange Traded Fund Providers or Money Market Providers: There are fees built into the exchange traded funds and money market funds that we use. Although you don't see these fees, they are built into the price of the security and benefit the company that issued the security. Spence Asset Management and your adviser does 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 over time. Please make sure you understand what fees and costs you are paying.*

<u>Equity</u>	<u>Quarterly</u>	<u>Annual</u>
First \$200,000	0.38%	1.50%
\$200,000 - \$500,000	0.34%	1.35%
\$500,000 - \$750,000	0.31%	1.25%
\$750,000 - \$1,000,000	0.29%	1.15%
Over \$1,000,000	0.25%	1.00%

<u>Fixed Income</u>	<u>Quarterly</u>	<u>Annual</u>
First \$500,000	0.16%	0.65%
\$500,000 - \$1,000,000	0.13%	0.50%
Over \$1,000,000	0.09%	0.35%

Spence Asset Management is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940.



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. We make money only through management fees that are based on the size of our assets under management. Although we are required to act in your best interest, 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:

- A potential conflict of interest arises in our fee structure in that we charge higher fees for equity investments which carry greater risk. These higher fees create an incentive for the investment adviser to recommend higher risk investments than is consistent with your risk tolerance.
- Your adviser and our employees own the same stocks in their individual accounts that are in our equity program. If you enter our equity program, you could be purchasing these shares at higher prices than where our employees purchased them and your purchase could further drive the price of those shares higher, benefitting our employees and advisers.

***Form ADV, Part 2 includes a detailed description of potential conflicts of interest.*

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

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our financial professionals are compensated based on the amount of client assets they service and the fees those assets generate. All employees also receive a portion of the firm's profits.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No. Please visit www.Investor.gov/CRS for a free and simple search tool to obtain information on me and our financial professionals.

Who is my primary contact person? Is he or she a representative of an investment adviser? Who can I talk to if I have concerns about how this person is treating me?

Additional information about our investment advisory services can be found on our website: www.spenceassetmanagement.com, in our Form ADV Part 2 or at Investor.gov.

You can request a copy of this relationship summary at any time by calling our office at 575-556-8500 or emailing info@spenceassetmanagement.com.

