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Firm Brochure  
(Part 2A of Form ADV)  
February 28, 2024

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This brochure provides information about the qualifications and business practices of Northeast Investment Management, Inc. If you have any questions about the contents of this Brochure, please contact us at (617) 523-3588 or [rmanoogian@northeastinvest.com](mailto:rmanoogian@northeastinvest.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Northeast Investment Management, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Northeast Investment Management, Inc. is an SEC registered investment adviser. Registration of an investment adviser does not imply a particular level of skill or training.

## ITEM 2 - MATERIAL CHANGES

This Brochure, dated February 28, 2024, is an updated version of the firm's Brochure dated February 28, 2023. There have been no material changes to our advisory business since our last Brochure filing.

Consistent with SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year end. Additionally, we will provide you with a new Brochure as necessary based on changes or new information. A copy of our Brochure is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or on our website at <http://www.northeastinvest.com> [Privacy Policy & Forms section] or by contacting us directly at (617) 523-3588.

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## ITEM 4 - ADVISORY BUSINESS

Northeast Investment Management, Inc. (“NIM”) is a corporation organized under the laws of the Commonwealth of Massachusetts with its office located in Boston. The company formed in 1984 as Guild, Monrad and Oates and reorganized in 1987 as Northeast Investment Management, Inc. As of January 1, 2024, the owners are John F. Francini, Jr. (20%), Richard G. Manoogian (20%), Nancy M. Mulligan (20%), Justin E. Oates (20%) and John R. Lawrie (20%)

NIM provides investment advisory services on a discretionary and non-discretionary basis. For more information, see Item 16 – Investment Discretion. NIM tailors its portfolios to each client’s individual needs – be it to build, preserve or steward wealth. Clients may impose restrictions on investing in specific securities or types of securities. In addition to providing investment advisory services, NIM’s portfolio managers may provide estate-planning services and may serve as personal trustees. These services are included in the client’s investment counsel fee. NIM also provides ancillary services such as income and gift tax preparation, estate settlement, bill paying and general consulting - for which a separate fee is charged (see Item 5 – Fees and Compensation).

NIM’s investment advisory services are explained to the client in its *Investment Counsel Agreement*. The Agreement is ongoing but may be canceled by either party with thirty (30) days’ written notice to the other.

NIM has been approved by RBC Wealth Management (“RBC”) to participate in a program that offers RBC clients the services of outside investment management firms. RBC clients who participate in this program are charged a single wrap fee by RBC that combines the costs of security transactions execution, custody of the assets and investment advisory services (see Item 5 – Fees and Compensation). The decision to use this type of service is made solely by the RBC broker and his or her client.

As of December 31, 2023, Northeast Investment Management, Inc. had approximately \$2.512 billion in assets under management; \$2.459 billion discretionary and \$53 million non-discretionary.

## ITEM 5 – FEES AND COMPENSATION

Investment counsel fees are established in the client's *Investment Counsel Agreement*. NIM's stated fee schedule is as follows:

	<u>MARKET VALUE</u>	<u>RATES</u>
First	\$ 1,000,000	1.25%
Next	1,000,000	1.00%
Next	1,000,000	0.75%
In excess of	3,000,000	0.50%

Fees may be negotiated. Factors considered include – but are not limited to - the nature and type of assets to be managed and the existing relationship the client has with NIM. Some fee arrangements are based on a fixed dollar amount or include a fixed dollar component and could therefore exceed the fees in the fee schedule set forth above. All investment counsel fees paid to NIM are exclusive of brokerage commissions (see Item 12 – Brokerage Practices). In addition, clients sometimes incur certain charges imposed by third parties such as legal fees, deferred sales charges, wire transfer and electronic fund fees, express mail and shipping fees, class action filing fees and securities valuation fees for estate settlement purposes.

NIM calculates its investment counsel fee based on the market value of assets under management at the end of each calendar quarter. Market value includes assets whose prices are readily available and provided by the qualified custodian. Investment counsel fees are payable after the end of each calendar quarter. NIM charges its investment counsel fee directly to the client's account but will issue an invoice upon client request.

In the event of termination, the investment counsel fee is prorated through the date of termination or the month end prior to the date of termination if the termination date market value is unavailable. The proration is based on the ratio of the number of days which assets were under management to the number of days in the quarter.

NIM charges a separate fee for estate settlement, tax preparation and bill paying. These fees vary as they are based on a variety of factors. For example, estate settlement fees are typically based on the value of the estate and the relationship the client has with NIM. Tax preparation fees are typically based on the type and number of tax forms, types of investments, nature of cash receipts and disbursements, trade activity, filing requirements and regulatory developments. Bill paying fees are typically based on the volume of activity and complexity of work. Finally, NIM occasionally provides general consulting services to non-advisory clients – clients whose assets are not managed by NIM. In these instances, NIM charges a fixed fee, which is negotiated on a case-by-case basis.

NIM has been approved by RBC to participate in its wrap fee program. NIM manages 9 such accounts and charges the stated fee schedule or ranges from 0.75% to 1% of the asset value of each account. Because the wrap fee paid by the client to RBC covers the cost of custody, trades are executed through RBC.

## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

NIM does not charge performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client). In addition, neither NIM or its associates or personnel, manage hedge funds or other accounts with performance-based fees.

## ITEM 7 – TYPES OF CLIENTS

NIM provides services to individuals, families, trustees, executors, personal representatives, family offices, charitable institutions and small businesses. NIM requires that new relationships have a minimum value of \$3,000,000. However, the Directors may grant an accommodation to smaller relationships.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

NIM develops investment strategies aimed at meeting client-specific objectives and constraints. NIM's strategies are developed through its investment committee and implemented through its portfolio managers.

Investment ideas are generated internally. These ideas are the result of internal research and information gleaned from company presentations, industry conferences, street analyst meetings, and independent third-party research. Ideas are presented at investment meetings. Individual portfolio managers make the final investment decision with particular attention to client needs, objectives and risk tolerances.

NIM does not engage in Principal, Agency Cross or Internal Cross transactions. A Principal transaction occurs when the advisor buys securities for its own inventory from a client or sells securities from its own inventory to a client. An Agency Cross transaction occurs when an advisor acts as a broker and executes a trade with an advisory client on one side of the transaction and a non-advisory client on the other. An Internal Cross transaction occurs when an advisor acts as a broker and executes a trade between two advisory clients whereby one advisory client effectively sells a security to another advisory client.

All investments involve some degree of risk. While NIM's investment approach seeks to manage losses, no approach – including NIM's - can eliminate it. NIM manages risk by: 1) diversifying portfolios - both in terms of asset classes and individual securities within each asset class, 2) knowing and understanding the investments made and 3) closely monitoring clients' investments.

NIM in no way guarantees performance or results. Investors should always be aware of the following risks:

- **Market Risk:** The potential for decline in the value of investments over time due to economic changes that affect large portions of the market.
- **Inflation Risk:** The potential decrease in value and/or purchasing power of an investment due to general upward price movement of goods and services
- **Interest Rate Risk:** The potential reduction in value of an asset – particularly a bond – resulting from a rise in interest rates.
- **Currency Risk:** The possibility that a business' operations or an investment's value will be affected by changes in exchange rates.
- **Business Risk:** The potential loss in value of a company due to events and conditions associated with a particular industry or the company itself.
- **Liquidity Risk:** The potential difficulty in selling an asset.

## ITEM 9 – DISCIPLINARY INFORMATION

NIM is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of its business or the integrity of its management. Neither NIM nor its management has any reportable disciplinary events to disclose.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

NIM has no other financial industry activities or affiliations.

## ITEM 11 – CODE OF ETHICS

It is expected that all personnel of NIM conduct business with the highest level of ethical standards. NIM has a duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first, and to refrain from having outside interests that conflict with the interests of its clients. NIM is committed to avoiding any circumstances that might adversely affect, or appear to affect, its duty of complete loyalty to its clients. All personal securities transactions are to be conducted in such a manner as to be consistent with the Code of Ethics, including the specific provisions of NIM's policy on Insider Trading, and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility. All information concerning the identity of NIM's clients (including former clients), and the security holdings and financial circumstances of those clients, is confidential.

Every employee of NIM is subject to NIM's Code of Ethics. As such, certain restrictions apply to the purchase or sale of securities for their own accounts and for the accounts of certain affiliated persons. The aforementioned restrictions limit the employee's personal trading by establishing blackout trading periods and minimum market capitalization requirements of the securities they trade. Additionally, all such personal securities transactions must be pre-cleared by NIM's Chief Compliance Officer. Employees further certify their personal trades within thirty days after the end of the calendar quarter in which such transactions are effected. NIM often recommends and trades client securities that are also owned by employees of NIM.

NIM's Code of Ethics includes limitations on giving and receiving gifts, serving on boards, engaging in electronic communications, willfully making material misstatements, disseminating false rumors and making political contributions for the purpose of obtaining or retaining business. All employees are required to attend Code of Ethics training annually. Training is conducted by the Chief Compliance Officer.

NIM forbids any employee from trading, either personally or on behalf of others, on material nonpublic information or communicating material nonpublic information to others in violation of the law. This conduct is frequently referred to as "insider trading." NIM's policy applies to every employee and extends to activities within and outside their duties at NIM. Every employee must read, sign and retain this policy statement. A complete copy of NIM's Code of Ethics may be obtained by calling NIM at (617) 523-3588.



## ITEM 12 – BROKERAGE PRACTICES

NIM has full discretion in the selection of brokers for accounts held by its primary custodian BNY Mellon, N.A.

In selecting brokers to effect securities transactions pursuant to discretionary brokerage authority, NIM selects brokers who it believes are financially stable, will effectively and efficiently execute, report, clear and settle the order and have agreed to execute securities trades in accordance with NIM's discretionary broker commission schedule. NIM's current discretionary broker commission schedule is \$0.03 per share on all trades. NIM uses its best efforts to obtain information as to the general level of commission rates being charged by the brokerage community from time to time and evaluates the overall reasonableness of NIM's discretionary broker commission schedule by reference to such data.

The receipt of research services may be a factor in selecting a broker, but NIM does not direct client transactions to a broker in exchange for soft dollar benefits received by NIM. Research services include not only a wide variety of reports on such matters as economic and political developments, industries, companies, securities, stock and bond market conditions and projections, daily price quotations of securities and portfolio strategy, but also meetings with management representatives and with other analysts and specialists. These services may not benefit all clients equally.

NIM maintains a Broker Commission Committee (the "BCC"). The committee is comprised of representatives from the compliance department and investment management staff and is responsible for administering NIM's Best Execution and Soft Dollar Policy. The BCC convenes on a quarterly basis to examine trades and determine the quality of execution. NIM employs quantitative trading data from various sources such as volume weighted average price to assist in this review process. The BCC also reviews actual order flow allocations. If significant deviations from targeted allocations occur, the BCC investigates such deviations and may consider revising the allocation.

Annually, the BCC reviews: (1) the list of all broker-dealers to which NIM plans to give commission business in that calendar year and (2) the targeted commission per broker (in percentage or dollar terms) and the purpose for such order flow allocation. In addition, the BCC examines the business relationships and potential conflicts of interest with all broker-dealers over the past year. The BCC reviews all soft dollar products and services to identify if any such services are non-research or mixed use. As stated above, NIM does not engage in directed brokerage in return for soft dollar products or services. The BCC completes an Annual Broker Survey and collectively rates its list of approved broker-dealers.

With respect to trade processing, NIM sometimes aggregates trades. Participating clients share the costs of an aggregated order on a *pro rata* basis. In addition, participating clients receive the average share price for all transactions of a given order if the order is filled through a series of transactions over the course of time. When trades are aggregated, the individual accounts participating in the purchase or sale and the number of shares each account is purchasing or selling is determined

in advance after an individual analysis of that client's portfolio and overall situation - not through a post-trade allocation process. If an order cannot be completely filled in one day, the partial fill will be allocated in the same proportion as the original pre-trade allocation for the entire share order – not through a post-trade allocation process.

NIM may not be able to aggregate trades in a given security since client accounts are reviewed on an individual basis - with specific consideration given to individual investment goals, risk tolerance, tax cost and current realized capital gain situation, current cash position and other factors. In these instances, the trade price for a given security will differ among clients trading in the same security, on the same day or over a period encompassing several days.

NIM allows clients to establish directed brokerage arrangements or select NIM's other qualified custodians - Pershing Advisor Solutions, LLC and Fidelity Clearing and Custody Solutions - both of whom have an investment advisor service relationship with NIM. In these instances, NIM trades with the directed broker or the qualified custodian. NIM informs its clients that its ability to apply its discretionary brokerage commission rates or obtain best execution may be impaired or eliminated; the cost and quality of such executions may be less favorable than those executed by NIM for its clients without directed brokerage and that the client will not receive the benefit of aggregated orders.

### ITEM 13 – REVIEW OF ACCOUNTS

Client accounts are typically reviewed quarterly but may be reviewed at different intervals. Accounts may be reviewed more frequently depending on economic and market conditions, circumstances pertaining to specific stocks, changes in a client's needs or objectives or life changing events.

Client accounts are managed by a team consisting of two officers with one officer designated as the primary portfolio manager. The team is responsible for reviewing the account, and the number of accounts managed by each team varies widely, as do the accounts reviewed by each primary portfolio manager.

Clients receive statements from their qualified custodian, at least quarterly (see Section 15 – Custody). Upon request, performance statements are provided to clients.

### ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Other than compensation described in Item 5 – Fees and Compensation, NIM does not receive an economic benefit from anyone other than its clients. NIM does not compensate anyone for client referrals other than its employees.

## ITEM 15 – CUSTODY

NIM has investment advisor service relationships with BNY Mellon, N.A., Pershing Advisor Solutions, LLC and Fidelity Clearing and Custody Solutions – collectively “the Custodians.” NIM does allow clients to select qualified custodians with whom NIM does not have an investment advisor service relationship.

NIM is deemed to have custody of client assets held by the Custodians due to its ability to deduct fees directly from client accounts. Clients may provide NIM with signed instructions to move funds to third parties on a regular basis. Clients may also provide NIM with standing letters of authorization (or similar asset transfer authorization) to move variable amounts to third parties on an irregular basis. In both instances, NIM is deemed to have custody of client assets and sends these instructions to the Custodian under the following conditions:

1. The client provides a written authorization to the custodian that includes all appropriate information as to how the transfer should be directed;
2. The client authorizes NIM, either in writing or on the custodian’s form, to direct transfers to the third party either on a specified schedule or from time to time;
3. The custodian performs appropriate verification of the instruction along with a transfer of funds notice to the client promptly after each transfer;
4. The client has the ability to terminate or change the instruction to the custodian;
5. NIM has no authority or ability to designate or change the identity, the address or any other information about the third party;
6. NIM maintains records showing that the third party is not a related party of the firm or located at the same address as the firm; and
7. The custodian sends the client a written initial notice confirming the instruction and an annual written confirmation thereafter.

NIM is deemed to have custody of client assets when one or more employees serves as a trustee or has power of attorney over the assets in an account. NIM is also deemed to have custody of client assets when it pays bills, makes gifts or renders tax payments and NIM receives the remittance in order to attach a statement, letter or voucher. For these reasons, NIM is subject to a surprise examination and arranges with an independent auditor to assess its assertion that it is compliant with the custody rules of the Investment Advisers Act.

NIM pays the custody fees assessed by the Custodians with whom NIM has an investment advisor service relationship. All clients receive account statements, at least quarterly, from their qualified custodian. These statements include a market appraisal of the account detailing each security held as well as a chronological listing of all transactions for the period. In instances where NIM also sends its own statement to the client, NIM’s statement includes a legend urging the client to compare the information provided on its statement with the information provided by their custodian.

## ITEM 16 – INVESTMENT DISCRETION

NIM usually receives discretionary investment authority from its clients, which occurs at the outset of the relationship through the *Investment Counsel Agreement*. In a discretionary arrangement, NIM has the authority as to all investment decisions and is authorized to place trades on behalf of the client. In a non-discretionary arrangement, NIM continues to provide investment counsel and advice, but all trades must be approved by the client. Non-discretionary arrangements must be approved by the Directors.

Approximately 98% of accounts and assets under management are discretionary and 2% of accounts and assets under management are non-discretionary.

## ITEM 17 – VOTING CLIENT SECURITIES

NIM has full discretion as to proxy voting on assets held by custodians with whom NIM has an investment advisor service relationship - unless otherwise instructed by the client. This authority is delineated in the *Investment Counsel Agreement*. Written proxy voting guidelines have been established by NIM's Board of Directors. The purpose of these guidelines is to: (1) promote the accountability of a company's management and board of directors to its shareholders, (2) align the interests of management with those of shareholders; and (3) increase disclosure of a company's business and operations. The proxy voting guidelines generally address proposals submitted to shareholders of six types:

1. Proposals seeking approval of equity-based compensation, including stock option plans,
2. Proposals relating to changes in corporate control,
3. Proposals that affect shareholder rights, including voting rights,
4. Proposals for the election of directors,
5. Proposals relating to social and corporate responsibility issues, and
6. Proposals for the approval of independent auditors.

A copy of the complete Proxy Voting Guidelines and the company's voting record may be obtained by calling NIM at (617) 523-3588. The complete Proxy Voting Guidelines may also be downloaded from NIM's website at [www.northeastinvest.com](http://www.northeastinvest.com).

From time to time, securities held in clients' account are the subject of class action lawsuits. NIM has no obligation to determine if securities held by a client are subject to a pending or resolved class action lawsuit. NIM has the authority, but not the obligation, to participate in class action lawsuits and to submit proofs of claim thereof with respect to securities that were purchased, sold or held while under NIM's investment management. NIM employs a third-party service provider to perform this service. Any fees charged by the third-party provider are deducted from the clients' proceeds obtained in connection with such litigation. NIM does not

charge for this service. This is explained in the *Investment Counsel Agreement*. NIM does not participate in class action lawsuits for closed accounts.

For non-custodial accounts, proxy voting as well as decisions regarding participation in class action lawsuits and the submission of proofs of claim thereof are the responsibility of the client. This is explained in the *Investment Counsel Agreement*.

## ITEM 18 – FINANCIAL INFORMATION

In certain circumstances, registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition. This occurs when the advisor requires or solicits prepayment of more than \$500 in fees per client six months or more in advance - which NIM does not. NIM does not foresee any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Furthermore, NIM has never been subject of a bankruptcy petition.