

# NORTHEAST INVESTMENT MANAGEMENT, INC.

## Form ADV Part 3

### Client Relationship Summary - May 22, 2025

#### Introduction

Northeast Investment Management, Inc. is an investment adviser registered with the Securities and Exchange Commission (SEC). Brokerage and investment advisory fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at <https://www.Investor.gov/CRS>, which also provides educational material about broker-dealers, investment advisers and investing.

#### Relationships and Services

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

Northeast offers investment advisory services to retail investors including individuals, families, trustees, executors, personal representatives, family offices, charitable organizations and small businesses. Our portfolio managers may also serve as personal trustees. We gather information regarding your goals, investment objective and risk tolerance, and tailor our portfolios to your individual needs. We construct our portfolios with publicly traded stocks, bonds, exchange-traded funds and mutual funds. You may impose restrictions on our investing.

As part of our standard services, we monitor your account on a regular basis. In terms of investment authority, we offer discretionary services, where we have the authority to purchase or sell securities in your account and – if approved by the firm's Directors - non-discretionary services, where you approve our trades before we place them. For more information, see our Form ADV Part 2A ("Brochure"), Item 16. Our engagement continues until either of us terminates the arrangement in writing. We do not make limited investment offerings or offer advice with respect to proprietary products, nor do we adhere to a strictly limited menu of products or types of investments. We require that new relationships have a minimum value of \$3,000,000 but minimums may be waived by the Directors. For more information, please see our Form ADV Part 2A ("Brochure"), Items 4 & 7.

We also offer other services such as estate settlement, income and gift tax preparation and bill paying as well as general financial consulting services for clients who do not need us to manage their assets.

##### **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 these qualifications mean?

#### Fees, Costs, Conflicts and Standards of Conflict

##### **What fees will I pay?**

We charge an ongoing asset-management fee based on the market value of assets in your account at the end of each calendar quarter. Our standard fee schedule has 4-tiers starting at 1.25% on the first \$1,000,000, 1.00% on the next \$1,000,000, 0.75% on the next \$1,000,000 and 0.50% on everything above \$3,000,000. The more assets in your advisory account the more you will pay in fees even though the rate falls. Some clients pay a flat percentage. We may therefore have an incentive to encourage you to increase the assets in your account. In addition, we charge a separate fee for additional services you request such as estate settlement, tax preparation and bill paying. You may also incur fees imposed by third parties such as brokerage commissions, transaction fees and custody fees (when you select a custodian with whom we do not have an investment advisor service relationship). You may incur other third-party fees such as legal fees, deferred sales charges, wire transfer and electronic fund fees, express mail and shipping charges, class action filing fees and securities valuation fees for estate settlement purposes. 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, see our Form ADV Part 2A ("Brochure"), Items 5, 12 & 17.

#### Questions to Ask Us

- 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 advisor? 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 interests 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.

We charge our fee based on the assets in your account. We therefore have an incentive to recommend adding assets to your account, which increases the fee you pay. We have a financial incentive to recommend that you rollover your retirement plan assets into an IRA we manage. As a practical matter, we recommend our clients hold their assets with our principal custodian BNY Mellon where we can provide a full range of services including the utilization of multiple brokers. Clients may choose Fidelity Custody and Clearing Solutions or Charles Schwab and Co., Inc. as their custodian, where we provide fewer services and must trade through Fidelity and Schwab, respectively. We pay BNY Mellon's and Fidelity's custody fee on your behalf. Fidelity's custody fee is higher; Schwab charges no custody fee. We therefore may have an incentive to recommend that you hold your assets with BNY Mellon or Schwab. For more information, see our Form ADV Part 2A ("Brochure"), Items 5 & 15.

#### Questions to Ask Us

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

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

We pay our financial professionals an annual salary. Some of our financial professionals are owners of our firm and benefit from the overall profits of the firm. They therefore may have an incentive to increase the assets in your account, which may increase the firm's profitability. Some of our financial professionals are compensated based on the fees they manage and therefore may have an incentive to increase the assets in your account. Employees are compensated when they serve as Executors or Personal Representatives on an estate and therefore may have an incentive to serve as your Executor or Personal Representative. All employees are compensated for successfully bringing new clients to the firm and therefore may have an incentive to encourage you to choose our firm as your investment adviser.

#### Disciplinary History

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

No, for our firm. Yes, for our financial professionals. You can visit [Investor.gov/CRS](https://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 investment advisory services by visiting us at [www.northeastinvest.com/privacy-policy-forms/](http://www.northeastinvest.com/privacy-policy-forms/) or at <https://adviserinfo.sec.gov/firm/summary/105051>. You can also request up-to-date information and a copy of our client relationship summary by calling our office at (617) 523-3588.

#### 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?

## Exhibit A – Material Changes to Client Relationship Summary – May 22, 2025.

In accordance with § 240.17a-14 and § 275.204-5(b)(4), Northeast is required to amend, file and distribute form CRS whenever any information because materially inaccurate or whenever an update is required to be made. This Exhibit summarizes material changes to the firm's Form CRS, last filed on February 14, 2025.

The response to the question, 'How else does your firm make money and what conflicts of interest do you have?' was updated to reflect Northeast having established an investment advisor service relationship with Schwab. This relationship does not replace Northeast's relationship with BNY Mellon as the firm's primary custodian, but rather adds an additional choice to the list of qualified custodians from which clients may choose to hold their assets.

The response to the question, 'How do your financial professionals make money?' was updated to reflect Northeast having implemented a policy of compensating employees for serving as Executors or Personal Representatives on estates.

The response to the question "Do you or your financial professionals have legal or disciplinary history?" was updated from 'No' to 'No, for our firm. Yes, for our financial professionals' to reflect matters which require disclosure but are neither investment related nor related to Northeast.