

**FORM ADV PART 2A
BROCHURE**

New England Research & Management, Inc.

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This brochure provides information about the qualifications and business practices of New England Research & Management, Inc. If you have any questions about the contents of this brochure, please contact Marguerite M. Collins, President and CEO, at (312) 212-1704, (617) 482-9470, or info@nerminc.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.

New England Research & Management, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about New England Research & Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for New England Research & Management, Inc. is 110739.

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SUMMARY OF MATERIAL CHANGES

This section provides a summary of the material changes that are made to the Form subsequent to its last annual update. On an annual basis, you will receive either a copy of New England Research & Management, Inc.'s updated Form or a summary of material changes together with an offer to deliver a full copy of the update Form without charge. In addition to the annual update, we may provide you with a new Form to inform you of certain material changes or new information as required by the SEC.

Material Changes Since the Last Update

There have been no material changes since the last update.

Availability of Full Form ADV Part II

A full copy of our Form ADV Part II may be requested, without charge, by contacting Marguerite M. Collins, President and CEO, at (312) 212-1704, (617) 482-9470, or info@nerminc.com.

Additional Information

Additional information about New England Research & Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for New England Research & Management, Inc. is 110739.

Advisory Business

Form ADV Part 2A, Item 4

Firm Description

New England Research & Management, Inc. offers personalized investment management on a discretionary basis, meaning the firm is responsible for making all investment decisions on behalf of its clients.

The firm was founded in 1978.

Ownership and Principals

The sole owner and shareholder of New England Research & Management, Inc. is CEO and President Marguerite M. Collins.

Types of Advisory Services Offered

New England Research & Management, Inc. offers investment management services to high net worth individuals and families, revocable and irrevocable trusts, retirement and pension accounts, custodian accounts, foundations, and estates on a discretionary basis.

New England Research & Management, Inc. customizes its advisory services to the individual needs, goals, and situation of each client. Our investment management tools are not limited to any specific products or services, and will generally include using a combination of the tools listed below:

- exchange-listed securities
- securities traded over-the-counter
- exchange traded funds (including open and closed end funds)
- municipal securities
- mutual fund shares
- U.S. government securities
- corporate debt securities
- certificates of deposit
- foreign issuers
- warrants

Each account is managed individually given individual goals, needs, and history. Accounts may be reviewed in a group with other similar accounts, but we do not trade as a comingled fund and no two accounts will ever be identical.

Clients may from time to time offer suggestions or preferences, but final discretion is and authority is with the firm. Of course, when legally required to abstain from certain securities due to legal or job-related restrictions, the firm will always comply.

All investments involve varying degrees of risk and investments will only be considered when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

New England Research & Management, Inc. does not participate in wrap fee programs.

As of 6/30/15, assets under management are \$171,109,384. All assets are discretionary.

Fees and Compensation

Form ADV Part 2A, Item 5

New England Research & Management, Inc. is compensated with a quarterly fee, payable in advance, which is calculated based on a percentage of the market value of the assets under management on the last business day of the previous quarter. The fee schedule is clearly laid out in the investment management agreement, which is signed between all clients and Marguerite Collins. All clients are given a copy of the executed investment management agreement for their records. The quarterly schedule is following:

- .3% of the market value of assets under management which do not exceed \$500,000;
- .25% of the market value of assets under management which exceed \$500,000 but which do not exceed \$1,000,000;
- .2% of the market value of assets under management which exceed \$1,000,000 but which do not exceed \$5,000,000;
- .15% of the market value of assets under management which exceed \$5,000,000 but which do not exceed \$10,000,000;
- .1% of the market value of assets under management which exceed \$10,000,000

Fees are not negotiable.

Fees may be allocated among family accounts, on a reasonable basis, as the clients may prefer. For example, a client may request to have the fee for an IRA account billed directly to the client's taxable account.

Fees are deducted from client accounts quarterly, although upon request, bills may be sent directly to clients for outside payment.

At the present time, client accounts are held at State Street Bank in Boston. State Street does charge a custodian fee, which is \$100/year base fee plus (quarterly):

- .01875% of the market value of assets under management which do not exceed \$2,000,000;
- .0125% of the market value of assets under management which exceed \$2,000,000 but which do not exceed \$4,000,000;
- .0075% of the market value of assets under management which exceed \$4,000,000.

There is a flat commission charge of .04/share for all trades, which is paid for both execution and research under the Soft Dollar agreement. See p. 11 for more information.

When accounts require additional diversification or exposure to particular industries/countries, the firm occasionally may invest client assets in mutual funds. Mutual funds may also be present in accounts when the account was transferred in from a prior custodian and the fund was bought by a prior manager. These mutual funds will charge management fees for their services.

Certain money market funds used in client accounts may take a fee which is directed back to the custodian. The applicant does not receive any portion of these fees.

New England Research & Management's standard fee schedule applies equally to all assets under management, including mutual funds, although the firm does not charge fees on accounts too small to justify the administrative burden of billing.

The fees are billed in advance as described above.

Fees are refundable upon termination of the Investment Management Agreement. A pro-rated portion of the fees, based upon the number of days remaining in the calendar quarter based upon the effective date of termination, will be returned to the client by the firm. The agreement may be termination by either the firm or the client, by written notice delivered to the other at any time. The Investment Management Agreement may be terminated by the client without penalty within five business days after initially entering into the relationship.

None of our supervised persons accept compensation for the sale of securities or other investment products.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

New England Research & Management, Inc. charges fees solely based on total Assets Under Management and does not charge or accept any other type of performance-based fees.

New England Research & Management, Inc. offers to all taxable accounts the additional service of a comprehensive "Income Tax Summary" package. This report is designed to facilitate the preparation of income tax data that arises from investment activities in the accounts managed by the firm. If clients choose to receive the report, they are advised in advance that this additional service will cost a flat fee, which is currently \$300 per report. Certain accommodations can be offered when an individual has multiple accounts. In cases where the client may choose not to receive this package, the tax service fee is not applicable and the Form 1099's will simply be forwarded directly to the client from the custodian.

Types of Clients

Form ADV Part 2A, Item 7

New England Research & Management, Inc. generally offers investment services to high net worth individuals and families, revocable and irrevocable trusts, retirement and pension accounts, custodian accounts, foundations, and estates on a discretionary basis.

The firm seeks new accounts with market values in excess of \$500,000.00, but it will accept accounts with lower market values in certain circumstances, i.e. related accounts, high funding levels, or indicated low levels of administration.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Methods of Analysis

New England Research & Management, Inc. uses a variety of methods of analysis, drawing from both fundamental and technical theories. Sources of information include: financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, filings with the SEC, company press releases, seminars, and company presentations.

Investment Strategy/Risk of Loss

Investing in securities always involves a certain degree of risk of loss that clients should be prepared to bear. Clients face the following investment risks:

-Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

-Market Risk: The price of a security may drop in reaction to both tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular circumstances. Examples would be political, economic, global, and social conditions that would trigger market movements.

-Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar in the future, as purchasing power erodes at the inflation rate

-Currency Risk or Exchange Rate Risk: Overseas investments are subject to fluctuations in the value of the dollar versus the currency of the originating country.

-Business Risk: This risk is associated with a particular industry or with a particular company within an industry. Certain industries are inherently riskier than others- for example an oil-drilling company which depends on finding oil and refining it before making a profit (a lengthy process) would be riskier than an electric company which generates its profits from a steady stream of customers who will buy electricity despite outside circumstances.

A client may experience loss of principal (invested amounts) and any profits that have not yet been realized (securities that were not sold to "lock in" profit). An account may decline in value. Stock and bond markets can fluctuate substantially over any given time. In addition, as recent global and domestic events have indicated, performance of any investment is not guaranteed. As a result, there is risk of loss of the assets that may be out of New England Research & Management, Inc's control. The firm will do the very best they can as a fiduciary in managing client assets; however, there can be no guarantee of any level of performance or that a client will not experience loss in their account(s).

Frequent Trading

When prudent given market volatility, and with the agreement of the client, the firm may engage in short-term trades. This is always done at profit to the client, and keeping in mind the .04 commission on each side of the trade.

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Disciplinary Information

Form ADV Part 2A, Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of the firm's management.

New England Research & Management, Inc. and its employees have had no legal or disciplinary events and therefore have no disclosure applicable to this item.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

New England Research & Management, Inc. does not have any financial industry affiliates.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Form ADV Part 2A, Item 11

To avoid any potential conflicts of interest involving personal trades, the firm has adopted a Code of Ethics to establish policies addressing its fiduciary duties to its clients. The Code of Ethics requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, and any other participants in the global market;
- Place the integrity of the investment profession, the interests of clients, and the interests of the firm above individual and personal interests;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Comply with all applicable provisions of the federal securities laws.

New England Research & Management, Inc. has implemented procedures designed to ensure compliance with the Code of Ethics, including quarterly transaction reports, annual affirmations of compliance, and annual holding reports. All such employee affirmations and reports are reviewed thoroughly by Marguerite M. Collins. A copy of the Code of Ethics will be provided to any client or prospective client upon request.

Neither New England Research & Management, Inc. nor any of our employees recommends to clients, or buys or sells for client accounts, securities in which we have a direct material financial interest. It is firm policy not to effect any principal or agency cross securities transactions for client accounts. The firm will also not cross trades between client accounts.

Personal Trading

New England Research & Management, Inc.'s corporate accounts and/or employee/family accounts may occasionally engage in transactions in securities that are also owned by clients. All trades in the same security in the same day will receive the same average price, to ensure that there is no preferential treatment. This also ensures that clients will always receive better or at least equal prices of securities by comparison of those received by the firm & its employees.

New England Research & Management, Inc and its officers, employees, and relatives of employees may acquire and sell securities that are also purchased and sold for clients. Security transactions executed in the accounts of related persons are done on the same basis as non-related accounts. Neither applicant nor any of its related persons shall intentionally profit through staggered timing of securities, as explained by the average price policy above.

All employee trades are reviewed each quarter by Marguerite Collins. These reviews ensure that the personal trading of employees does not affect the markets at all and that clients of the firm are not affected or disadvantaged in any way.

Brokerage Practices

Form ADV Part 2A, Item 12

A portion of brokerage commissions paid by a client's account (known as "soft dollars") may be allocated by the firm for the purchase of research, research-related products, and other brokerage services. The products and services that we obtain with soft dollars are for research and investment-making decisions only. All other non-research services received are purchased directly by New England Research & Management, Inc. Research obtained with soft dollars is not allocated to any specific account. A brokerage commission paid by a specific client may be used to pay for research that is not directly used in managing that specific client's account.

New England Research & Management, Inc. has established brokerage accounts for its discretionary clients with State Street Global Markets, a FINRA registered broker-dealer and member of SIPC, to effect trades for client accounts. New England Research & Management, Inc. has entered into a soft dollar arrangement set up through State Street Global Markets. This soft dollar arrangement did not change or increase the commissions paid by our clients, which remains at .04/share. The arrangement directs State Street Global Markets to directly pay third parties for the provision of research to New England Research & Management, Inc. We do not currently have any third parties receiving soft dollar funds from State Street.

This arrangement does not introduce many conflicts of interest, because the commission rates did not change, nor did the frequency of trading. We have no incentive to change our pattern or frequency of trading in order to comply with the Soft Dollar Agreement as the commissions generated are more than enough to satisfy our agreement with the research providers. In addition, to prevent conflicts of interest, no formal or contractual commitments to generate a certain level of brokerage commissions are made in any soft dollars arrangement and we continue to seek best execution in our trading decisions.

New England Research & Management, Inc. is responsible for decisions to buy and sell securities for its clients and for the placement of their portfolio business and the negotiation of commissions paid on transactions. This selection is done primarily by the firms' estimation of the quality of execution of orders by various brokers, seeking best execution by taking into account price, promptness of execution reports, and other advantages to the clients. Other factors include: the size and nature of the transaction, the nature of the market for the security, the broker's ability to execute a particular trade, the broker's specific industry and regional expertise, the level of service, the quality of the broker's research, and the capability, experience, and financial condition of the broker.

Most trades are done through State Street, the custodian, due to excellent execution and immediate reporting. It is the firm's policy to use a flat standard commission schedule (currently .04/share) to ensure fairness even when using an outside broker. There may be a variance in the case of unusually small orders which will be executed at a flat fee agreed on by the broker and the firm.

The firm's clients do not direct brokerage.

In general, investment decisions for each client (or group of clients with similar investment objectives) are made independently from those of other client accounts. Because investment decisions frequently affect more than one client account or group of accounts (for example, a particular stock may be a good investment for numerous clients or groups of clients), at times it will be desirable to acquire or dispose of the same securities for more than one client or group of clients at the same time.

When the firm determines that a particular investment opportunity would be desirable for more than one client account, the firm will allocate the security among client accounts in a manner that is deemed fair and equitable under the particular circumstances. The factors that may be considered in making this determination include (but are not limited to): the relative amounts of capital in each account, the intended investment goals and strategy of each account, the results of recent reviews for that account, applicable tax considerations, and the overall portfolio composition of each account.

New England Research & Management, Inc. uses block trading; in other words, purchase or sale orders on behalf of one client are combined with orders on behalf of other client account. The securities will be allocated on an average price basis among all accounts, ensuring no client ever received a preferential price, and all are subject to the standard commission of .04/share, so there is no difference in costs to the client whether trades are aggregated or not.

At times, the firm will use short-term trading to the advantage of the clients in a volatile market, in retirement accounts, or for clients whose profiles match this style. This is always done with high quality stocks that meet our investment criteria.

Review of Accounts

Form ADV Part 2A, Item 13

Marguerite Collins and portfolio associates review all client accounts on a regular basis, the dates of which are documented. The issues covered during account reviews include: recent price changes of securities, relative and absolute size of security positions, realized and unrealized capital gains/losses, asset allocation, and objectives of clients.

Trades may be entered for a single account or for a block of accounts. Marguerite Collins is responsible for the performance of all accounts.

More frequent reviews may be triggered by large economic or price changes in securities. Reviews will also be triggered by a material deposit or withdrawal or by material changes in a client's personal circumstances. Other conditions that may trigger a review are changes in the tax laws or new investment information.

In addition, the particular securities held in an account are reviewed periodically.

All clients receive statements at least quarterly (in the majority of instances, monthly) prepared and sent out directly by State Street Bank (the qualified custodian). All bank statements are also received and reviewed by New England Research & Management, Inc. for accuracy and completeness on a monthly basis. New England Research & Management, Inc. does NOT send out any proprietary statements or reports to the clients.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

New England Research & Management, Inc. does not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit from a non-client in connection with giving advice to clients. The Firm's Code of Ethics generally prohibits employees from accepting gifts, favors, and other inducements from service providers, excepting certain common business courtesies.

New England Research & Management, Inc. has been fortunate to receive many client referrals over the years. The referrals have come from current and past clients, estate planning attorneys, accountants, employees, and other similar sources. The firm does not compensate referring parties for these referrals.

The firm also does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to another firm.

Custody

Form ADV Part 2A, Item 15

While New England Research & Management, Inc. does have custody of client accounts, no assets are in the possession of the firm, but are held directly at State Street Bank, which serves as the qualified custodian. All clients receive statements at least quarterly prepared and sent out directly by the bank (the qualified custodian). All bank statements are also received and reviewed by New England Research & Management, Inc. for accuracy and completeness on a monthly basis. New England Research & Management, Inc. does NOT send out any proprietary statements or reports to the clients.

Investment Discretion

Form ADV Part 2A, Item 16

New England Research & Management, Inc. has full discretion over all client accounts per the executed Investment Management Agreement between each client and Marguerite Collins. The firm does not need to contact the client before buying or selling securities in the client account.

Voting Client Securities

Form ADV Part 2A, Item 17

New England Research & Management, Inc. directly votes on behalf of all client securities. It is firm policy to vote along with management, as the firm only purchases securities of firms in whose management it trusts.

A full copy of the firm's Proxy Voting Policy is available upon request, and records of all votes made are kept and can be provided upon request.

Financial Information

Form ADV Part 2A, Item 18

New England Research & Management, Inc. does not have any financial impairment that precludes the firm from meeting contractual commitments to clients.

The firm is not required to file a balance sheet.

Additional Information