

ERVIN INVESTMENT MANAGEMENT, LLC

Client Relationship Summary

February 20, 2024

Introduction

Ervin Investment Management, LLC is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand how they differ. Free and simple tools are available to research firms and financial professionals at investor.gov/crs, which also provides educational materials about broker-dealers, investment advisers, and investing. This document is intended to provide a clear summary of our services and fees.

What investment services and advice can you provide me?

We offer investment advisory services to retail investors. We manage investments and provide financial advice for individuals, families, trusts, small pension funds, and charitable foundations. We consult on topics like education funding, charitable giving, estate planning, retirement planning, income taxes, wealth transfer, and financial decision making.

We monitor accounts as part of our standard services and review accounts daily or weekly on an informal basis and more formally on a quarterly basis. We rebalance accounts at least quarterly, but often trade more often in response to changing market conditions and your changing needs.

When you work with us, you generally give us discretionary authority through our signed advisory agreement with you to permit us to make transactions on your behalf. This authority remains in place until you or we terminate the relationship. We don't take possession of client assets; the custodian that holds securities on your behalf will usually be a brokerage firm. We do not offer proprietary or limited products, nor do we have minimum account sizes or investment amounts. You can find more detailed information about our services in Item 4 of our [advisory brochure](#).

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?

Fees follow a simple schedule: an annual fee 0.4% of the first \$4,000,000; 0.2% of the next \$6,000,000; and 0.1% of remaining assets. Management fees are billed quarterly on the value of assets subject to fees at the beginning of each quarter, and generally apply to all assets in all accounts. We occasionally negotiate fees for assets managed by clients, cash held in accounts, and for other unique reasons. This fee structure gives us an incentive to increase the value of your account, which has the potential for a conflict of interest in our investment advice. This conflict could cause us to advise you to invest funds with us that are better left elsewhere. We are aware of this potential conflict of interest and will always make recommendations we believe are in clients' best interests. For example, we routinely let clients know when we think it makes sense to take advantage of better rates on certificates of deposit elsewhere and when we think it makes sense to use assets to pay down debt rather than to invest. We infrequently offer consulting services to clients for whom we don't manage investments ordinarily, typically at the rate of \$250/hr.

We receive no compensation other than these fees. The brokerage that has custody of client assets charges commissions for some trades and occasionally charges modest fees for other sorts of transactions. When we determine that positions in an ETF (exchange traded fund) or mutual fund are in your best interest, we may establish a position in a fund subject to its own management 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 the fees and costs you are paying. You can find more detailed information about our fees in Item 5 of our brochure.

Conversation Starter: 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 must 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 is an example to help you understand what this means.

The fundamental conflict of interest is for us to increase the value of accounts under our management, which has the potential to incentivize us to advise clients to retain their assets with us and not to manage their own investments or transfer them elsewhere. For additional information about our conflicts of interest, please see our advisory brochure, which is available [here](#).

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

How do your financial professionals make money?

All of our revenue comes from client fees charged for assets under management or hourly services; we receive no sales commissions or other income. At this time, EIM has two manager/owners, John and Daniel Ervin, who are compensated through equal shares of the firm's profits. John Reis is paid a fixed fee for financial consultation. This compensation structure incentivizes us to maximize assets under management with the attending conflicts of interest noted above.

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

No, our firm and financial professionals do not have any legal or disciplinary history. Visit investor.gov/crs for a free and simple search tool to research us and our financial professionals.

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

Additional information

You can find additional information about our services and operations on the SEC's website at adviserinfo.sec.gov. If you would like additional, up-to-date information, including a copy of our relationship summary, please call us at 206-495-9957 or email us at john@ervins.net.

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?