

December 16, 2022

# Customer Relationship Summary

Helping you make an informed decision

Form CRS

## Introduction

*Folger Nolan Fleming Douglas Capital Management, Inc. ("CMI") is registered with the Securities and Exchange Commission ("SEC") as a Registered Investment Adviser.*

*Brokerage and investment advisory services and fees differ and it is important for retail investors to understand the differences.*

Free and simple tools are available for you to use at [Investor.gov/CRS](https://www.investor.gov/crs), a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing.

*This relationship summary provides information that helps you make an informed decision about whether or not to invest with us and will answer the following questions:*

- *What investment services and advice can you provide me?*
- *What fees will I pay?*
- *What are your legal obligations to me when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?*
- *How do your financial professionals make money?*
- *Do you or your financial professionals have legal or disciplinary history?*
- *Where can I find additional information?*

## Terms to know

- A **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An **investment adviser** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.

## Relationships and Services

What investment services and advice can you provide me?

*CMI offers investment advisory services to individual and institutional investors. Client accounts are invested in equities, fixed income securities, and other securities. CMI accepts accounts for individuals, trusts, IRAs, foundations, non-profits and other entities. Additional detailed information about our advisory services may be obtained from one of our portfolio managers or at <https://www.adviserinfo.sec.gov/firm/summary/140444>.*

### CMI Investment Advisory Services

*CMI provides discretionary investment management services to clients and has full power and authority to buy and sell stocks, bonds, and other securities, including exchange traded funds ("ETFs"), for their accounts. Each account is customized according to the investment objectives and risk tolerances of the client and is managed individually. CMI generally manages client accounts using a buy and hold strategy on the principle that investments on behalf of clients will be held for the longer term. CMI maintains a list of equity securities that may be purchased for client accounts, almost all of which have large market capitalizations and are widely traded in public securities markets. Principally through ETFs, CMI also has the capability to invest in the midcap, smallcap, and international sectors. Clients may request that restrictions be imposed on investment in certain securities or types of securities or on the amount of certain securities or types of securities in their portfolios. In general, each account is reviewed quarterly for compliance with investment objectives by the primary portfolio manager responsible for the account. At least annually each account is reviewed for compliance with investment objectives by a portfolio manager other than the primary portfolio manager. In addition to these reviews, upon account opening and periodically thereafter, accounts also may be reviewed in other circumstances, such as upon large additions or withdrawals of funds, significant market events, or at client request. CMI generally requires a \$500,000 minimum in assets for new accounts. CMI also may provide sub-advisory services to clients of Folger Nolan Fleming Douglas, Incorporated ("FNFD"), its dually-registered investment advisor/broker-dealer affiliate. Additional detailed information about our advisory services is available in the CMI Form ADV Part 2A brochure.*

Questions you might wish to ask when considering our services:

- 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 Conduct

What fees will I pay?

*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.*

### Investment Advisory Services

*For its services, CMI charges an advisory fee which is a percentage of assets under management ("AUM"), beginning at a standard annual rate of one percent and decreasing as the AUM in a client's account reaches certain levels. Fees may be negotiable and may be higher or lower than CMI's standard fee schedule. Fees are charged quarterly in advance and are based on the value of the assets under management on the last business day of the previous quarter. The more assets there are in an investment advisory account, the more a retail investor will pay in fees, and CMI therefore has an incentive to encourage investors to increase the assets in their accounts. Additional detailed information about these fees is available in the CMI Form ADV Part 2A brochure.*

### Brokerage Services Fees

In addition to CMI advisory fees, clients will incur brokerage commission costs. CMI recommends, and Clients may direct, that our broker-dealer affiliate, FNFD, act as broker for their transactions. In such cases, FNFD earns brokerage commissions for security trades effected in CMI client accounts. For additional information about FNFD, the FNFD Form CRS is available at [www.fnfd.com/transition/fnfd-form-crs](http://www.fnfd.com/transition/fnfd-form-crs). Clients have the option, however, to direct that CMI use other brokers or agents that are not affiliated with CMI for their brokerage transactions. Those entities may charge less or more than FNFD to effect client transactions.

### Other Fees and Costs

*For any client that holds mutual funds or ETFs, the mutual fund or ETF will charge its own investment management fee and other servicing fees as disclosed in the prospectus for the mutual fund or ETF. In addition, the broker-dealer executing and acting as custodian of your assets may charge other fees such as IRA custodial fees, account maintenance fees, or fees for wiring funds to or from your account.*

## What are your legal obligations to me when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?

### Standard of Conduct

*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 services and investment advice we provide you. Here are some examples to help you understand what this means.*

### Examples of Ways We Make Money and Conflicts of Interest

*CMI is a wholly-owned, indirect subsidiary of FNFD, a dually registered broker-dealer and investment adviser, and CMI recommends that clients use FNFD for brokerage. At the direction of its clients, CMI places trades for the majority of clients through FNFD. FNFD earns brokerage commissions for trades effected in client accounts, and as a result, we have a conflict when you direct the placement of your trades through FNFD. In addition, we can earn fees from FNFD when we provide sub-advisory services to wrap fee clients of FNFD. Because CMI and FNFD are affiliates, a conflict of interest is present when FNFD recommends CMI as a sub-advisor to its wrap fee clients.*

### How do your financial professionals make money?

*CMI portfolio managers are compensated on a salaried basis with additional incentive compensation based on new assets originated and the overall profitability of CMI. This additional compensation creates a conflict of interest with you because our portfolio managers have an incentive to encourage you to increase the assets in your account or open additional accounts.*

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

*Yes. Information on this history can be obtained by visiting [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.*

### Where can I find additional information?

You can always ask your CMI portfolio manager for more information or request a copy of this relationship summary or our Form ADV Part 2A brochure from our Chief Compliance Officer at 202-626-5300.

Questions you might wish to ask when considering our services:

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

Questions you might wish to ask when considering our services:

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

Questions you might wish to ask when considering our services

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser? Whom can I talk to if I have concerns about how this person is treating me?