

# Dover Investment Advisory Corporation

## Customer Relationship Summary

August 23, 2023

### **Item 1 – Introduction**

Dover Investment Advisory Corporation (DIAC) was founded in January 2003 by Stuart K. Nagode, CFA. Mr. Nagode is responsible for all activities at DIAC and is currently its only employee. Mr. Nagode owns 100% of DIAC. The firm is registered with the Securities and Exchange Commission as an investment advisor. DIAC is NOT a broker/dealer. Fees for investment advisory services differ from adviser to adviser and it is important that retail investors understand the differences. To help understand these differences, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers and investing.

### **Item 2 - Relationships and Services**

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

DIAC provides a fully discretionary investment advisory service. Full discretion authority means that DIAC will make changes to client portfolios based on its own judgment, without first consulting the client. DIAC’s minimum account size is \$500,000. Additional information on DIAC’s services is contained in DIAC’s ADV Brochure, which is available upon request.

#### ***Monitoring:***

All accounts are reviewed at least quarterly by Stuart Nagode, the founder, owner, and president of DIAC. Quarterly reviews are focused on ensuring the funds selected for client portfolios continue to perform in the manner expected when they were initially selected for inclusion in client portfolios. If a material change in the management team or the management company of one of the funds occurs, it would trigger an immediate review of the fund to determine if it remains appropriate for use in client portfolios. Other review triggers could be material market, economic or political events, or by changes in the client's individual circumstances.

#### ***“Given my financial situation, should I choose an investment advisory service?”***

#### ***Why or Why not.”***

That decision depends on your level of knowledge, experience and overall comfort with financial markets and products, as well as the amount of money that needs to be invested. While financial markets can be quite complex, if you are willing to commit the time and energy to undertake the investment research and portfolio management roles, you can do that. However, if the sums of money at stake are significant to you and/or your commitment to truly understanding capital markets and monitoring the portfolio consistently is in question, you may be very well served by a registered investment advisor.

#### ***“How will you choose investments to recommend to me?”***

DIAC believes that two of the most important characteristics of a portfolio are 1) broad diversification and 2) low cost. DIAC selects and monitors the funds in client portfolios with this belief in mind.

#### ***“What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”***

Stuart Nagode achieved the Chartered Financial Analyst designation from the CFA Institute in 2000. This designation is widely regarded as the highest level of recognition when it comes to investment management. In addition, Mr. Nagode received his MBA degree, with High Distinction, from Babson College in 1989. The areas of concentration while at Babson were Finance and Investments. Prior to that, Mr. Nagode received a Bachelor of Science degree in Agricultural Economics from Oklahoma State University in 1985. Prior to founding DIAC in 2003, Mr. Nagode was employed by United Asset Management Corporation in a variety of capacities from July 1988 through the end of 2001. UAM was a collection of over 60 boutique institutional investment management firms who collectively managed over \$225 billion in client assets.

The combination of Mr. Nagode’s investment management work experience, his education, and the recognition of his deep understanding of investing by the CFA Institute means that he is well suited to manage client assets.

### **Item 3 - Fees, Costs, Conflicts, and Standard of Conduct**

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

DIAC invoices clients in advance, each calendar quarter. The quarterly fee is calculated by applying the fee schedule listed below to the assets under management at the beginning of the calendar quarter and taking 25% of that result. 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.

#### **DIAC Annual Fee Schedule**

- 0.50% on the first \$3 million in assets under management
- 0.375% on the assets under management over \$3 million, but less than \$5 million
- 0.25% on all assets under management over \$5 million
- fees are not negotiable

In addition to the fee paid directly to DIAC, clients will also pay the fee of the underlying funds used to construct the portfolio. DIAC receives no portion of the fees charged by these underlying funds.

#### ***"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?"***

DIAC's minimum account size is \$500,000. If we assume that the \$10,000 is being added to a \$500,000 portfolio, the incremental fee for that \$10,000 would be \$100 per year or \$25 per quarter. This is the combined fee of DIAC (50 basis points or 0.5%) and the fees of the funds used to construct the portfolio, which is another 50 basis points. To answer directly, \$9,975 would be invested for you and \$25 in fees would be paid in the first quarter. This asset-based quarterly fee is ongoing for as long as you retain DIAC as your investment advisor.

#### ***"What are your legal obligations to me when acting as my investment advisor?"***

When we act as your investment advisor, 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 to you. Here are some examples to help you understand what this means. It is in DIAC's interest to grow its assets under management by adding new clients, getting contributions from existing clients, and positive investment returns. DIAC adding new clients may not be in your interest as every new client requires time and attention by DIAC, diverting attention from your portfolio. Also, the more assets a retail investor has with DIAC, the more a retail investor will pay in fees. It is in DIAC's interest to seek additional contributions from existing clients.

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

DIAC routinely reviews its client load to ensure sufficient resources are available to manage client portfolios.

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

The only financial professional at DIAC is Stuart Nagode and he is paid a monthly salary that is not based on any specific metric that could create a conflict of interest. In addition, Mr. Nagode is paid a bonus periodically based on the profitability of DIAC.

### **Item 4 – Disciplinary History**

#### ***"As a financial professional, do you have any disciplinary history? For what type of conduct?"***

DIAC and Stuart Nagode have no disciplinary history. But if you would like to double check that, you can go to [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research DIAC and Stuart Nagode.

### **Item 5 – Additional Information**

#### ***"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?"***

Your contact person is Stuart K. Nagode, the founder and only employee of DIAC. DIAC is an SEC registered investment advisor, not a broker-dealer.

For additional information about DIAC or other registered investment advisors, please see the following:

- [Investor.gov/CRS](http://Investor.gov/CRS)
- [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)
- FINRA @ (301) 590-6500 (Financial Industry Regulatory Authority)
- Dover Investment Advisory @ (508) 954-9745 or [www.doverinvestmentadvisory.com](http://www.doverinvestmentadvisory.com)