

Stembrook Asset Management, LLC
November 27, 2024

FORM CRS

Stembrook Asset Management, LLC is registered with the Securities and Exchange Commission as an investment adviser and, as such, we provide advisory services rather than brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences. Additionally, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. This document is a summary of the services and fees we offer to "retail" investors, which are natural persons who seek or receive services primarily for personal, family, or household purposes.

What investment services and advice can you provide me?

We offer the following investment advisory services to retail investors: Financial Planning Services; Portfolio Management Services; Selection of Other Advisers; Asset Allocation Services; and Family Office and Wealth Planning Services. Detailed information regarding our services, fees and other disclosures can be found in our Form ADV Part 2A Brochure Items 4, 7, and 8. The Brochure is posted at this link: <https://adviserinfo.sec.gov/firm/summary/144116>.

Account Monitoring: If you open an investment account with our firm, as part of our standard service we will monitor your investments on a continuous basis and will conduct account reviews at least annually. We will provide you with periodic performance reports.

Investment Authority: We manage investment accounts on a discretionary basis whereby we will decide which investments to buy or sell for your account. We have discretion to select, retain or replace third-party managers to manage your accounts. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

Investment Offerings: We provide advice on various types of investments including, but not limited to, equity securities, municipal securities, investment company securities, options contracts on securities and commodities, and interest in partnerships investing in real estate, oil and gas interests, and others. Our services are not limited to a specific type of investment or product.

Account Minimums and Requirements: In general, we do not require a minimum dollar amount to open and maintain an advisory account.

Key Questions to Ask Your Financial Professional

- **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?

The following summarizes the principal fees and costs associated with engaging our firm for investment advisory services. For detailed information, refer to our Form ADV Part 2A Brochure by clicking this link: <https://adviserinfo.sec.gov/firm/summary/144116>.

- **Asset Based Fees** - Our asset-based fees for portfolio management are based on a percentage of your assets we manage. Our annual portfolio management fee is billed and payable quarterly in arrears. This presents a conflict of interest as we are financially incentivized to encourage you to place more assets in your advisory account as you will pay more in advisory fees.
- **Financial Planning and Consulting Service Fees** - We offer comprehensive financial planning services on a fixed-fee basis that is negotiable depending upon the complexity and scope of the plan, services, your financial situation, and your objectives. A deposit of 50% of the total estimated fee will be due in advance, and the remainder will be due upon completion of the services rendered.
- **Selection of Other Advisers** - Advisory fees charged by Third Party Investment Advisers ("TPA") are separate and apart from our advisory fees. Advisory fees that you pay to the TPA are established and payable in accordance with the brochure provided by each TPA to whom you are referred.

- **Other Fees & Costs:** In addition to our advisory fee, you will also be responsible for third-party manager and/or platform fees, custody fees, account administrative and maintenance fees, fees and expenses related to mutual funds and exchange-traded funds, applicable securities transaction fees, and other product-level fees associated with your investments.

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.

Key Questions to Ask Your Financial Professional

- **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 have to 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 are some examples to help you understand what this means.

- Because our revenue is derived from asset-based fees, we have an incentive to grow your account as much as possible. This could cause us to take overly aggressive positions in conflict with your interests in an attempt to grow your account, or could incentivize us to inflate the valuations of illiquid investments held in your account.

Refer to our Form ADV Part 2A and Form ADV Part 2 Appendix 1 Brochures by clicking this link: <https://adviserinfo.sec.gov/firm/summary/144116> to help you understand what conflicts exist.

Key Questions to Ask Your Financial Professional

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

How do your financial professionals make money?

Our financial professionals are compensated based on a percentage of the revenue earned from assets under management. This means financial professionals have an incentive to increase the asset size in the relationship or solicit new business, which can limit the financial professionals' availability from time to time.

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

No, our firm and our financial professionals currently do not have any legal or disciplinary history to disclose. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple research tool.

Key Questions to Ask Your Financial Professional

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

You can find additional information about your investment advisory services and request a copy of this relationship summary by calling us at 201-484-0063, or by clicking on this link: <https://adviserinfo.sec.gov/firm/summary/144116>.

Key Questions to Ask Your Financial Professional

- **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?**