

**Item 1 – Introduction**

Rudney Associates, Inc. (“Rudney”, “we” or “us”) is registered with the Securities and Exchange Commission (“SEC”) as a Registered Investment Adviser (“RIA”). As an RIA, our services and compensation structure differ from that of a registered broker-dealer, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs). The site 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?***

We provide investment advisory services, generally comprised exclusively of discretionary and non-discretionary investment management, to individuals, high net worth individuals, trusts, and estates (our “retail investors”).

When a retail investor engages us to provide investment management services we shall monitor, on a continuous basis, the investments in the accounts over which we have investment authority as part of our investment management service. Furthermore, when engaged on a discretionary basis, we shall have the authority, without prior consultation with you (unless you impose restrictions on our discretionary authority), to buy, sell, trade and allocate the investments within your account(s) consistent with your investment objectives. When engaged on a non-discretionary basis, the retail investor makes the ultimate decision regarding the purchase or sale of investments. In either case, our investment authority over your account(s) shall continue until our engagement is terminated.

We do not hold ourselves out as providing financial planning and consulting services. We may, in limited circumstances and upon specific client request, provide consultation services on investment and non-investment matters (such as estate planning, tax planning, insurance, etc.) that are generally ancillary to the investment management process.

Our investment advisory services primarily relate to open-end mutual funds and exchange-traded funds, as well as individual equity and fixed income products. Other asset types may be considered for investment on a limited basis, depending on a client’s individual circumstances. We do not limit the scope of our investment advisory services to proprietary products or a limited group or type of investment.

We do not generally require a minimum annual fee or minimum asset level for investment advisory services.

**Additional Information:** For more detailed information about our *Advisory Business* and the *Types of Clients* we service, please see Items 4 and 7, respectively in our ADV Part 2A. We also encourage you 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?*

**Item 3 – Fees, Costs, Conflicts, and Standard of Conduct*****What fees will I pay?***

We provide our investment advisory services on a fee basis. When engaged to provide investment management services, we shall charge a fee calculated as a percentage of your assets under our management (our “AUM Fee”). Our annual AUM Fee is negotiable but shall generally be assessed in accordance with the following schedule:

| <u>Market Value of Portfolio</u> | <u>% of Assets</u> |
|----------------------------------|--------------------|
| \$0 to \$250,000                 | 2.20%              |
| \$250,000 to \$750,000           | 1.75%              |
| \$750,000 to \$1,250,000         | 1.25%              |
| \$1,250,000 to \$2,000,000       | 1.00%              |
| \$2,000,000 and above            | Negotiated         |

We typically deduct our AUM Fee from one or more of your investment accounts, in advance, on a quarterly basis. Because our AUM Fee is calculated as a percentage of your assets under management, the more assets you have in your advisory account, the more you will pay us for our investment management services. Therefore, we have an incentive to encourage

you to increase the assets maintained in accounts we manage.

**Other Fees and Costs:** Your investment assets will be held with a qualified custodian. Many custodians generally charge brokerage commissions and/or transaction fees for effecting certain securities transactions (for example, transaction and redemption fees may be charged for certain mutual fund and other transactions). In addition, relative to certain mutual fund and exchange traded fund purchases, certain charges will be imposed at the fund level (e.g. management fees and other fund expenses).

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.

To better understand your fees and costs, we encourage you 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?*

**Additional Information:** For more detailed information about our fees and costs related to our management of your account, please see Item 5 in our ADV Part 2A.

***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:

- \* We may recommend a particular custodian from whom we receive support services and/or products, certain of which assist us to better monitor and service your account.
- \* We may recommend rollovers out of employer-sponsored retirement plans and into Individual Retirement Accounts that we manage for an asset-based fee, which could have the effect of increasing our compensation.
- \* We may recommend commission-based insurance products. This incentivizes us to recommend products on the basis of compensation to be received, rather than basing such recommendation on a particular client's needs.

To further discuss conflicts of interest, we encourage you to ask your financial professional: *How might your conflicts of interest affect me, and how will you address them?*

**Additional Information:** For more detailed information about our conflicts of interest, please review our ADV Part 2A.

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

Our financial professionals are compensated on a salary basis. Financial professionals who maintain ownership interests in the firm are also compensated through ownership distributions. You should discuss your financial professional's compensation directly with your financial professional.

#### **Item 4 – Disciplinary History**

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

No, as to the Firm and yes to one of its financial advisers. We encourage you to visit [Investor.gov/CRS](https://investor.gov/CRS) to research our firm and our financial professionals. Furthermore, we encourage you to ask your financial professional: *As a financial professional, do you have any disciplinary history? If so, for what type of conduct?*

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

Additional information about our firm is available on the SEC's website at [adviserinfo.sec.gov](https://adviserinfo.sec.gov). You may contact our Chief Compliance Officer at any time to request a current copy of our ADV Part 2A or this client relationship summary. Our Chief Compliance Officer may be reached by phone: (925) 838-0696.

We encourage you to ask our Chief Compliance Officer or your financial professional: *Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*