



Form CRS – Customer Relationship Summary

Introduction:

Fernwood Investment Management, LLC (“Fernwood”), is a SEC registered investment adviser providing Investment management services and personalized investment advice. Fernwood is a Delaware Limited Liability Company and has been in business since 2003.

Please be aware that brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Education material about broker-dealers, advisors, and investing may be found at www.Investor.gov/CRS.

Relationship and Services

What investment services and advice can you provide me?

- Fernwood Investment Management, LLC (“Fernwood”), provides investment management services and personalized investment advice. Fernwood will create a custom investment portfolio for each client that is suited to meet unique needs and takes into consideration a client’s time horizon, income needs, risk tolerances, outside holdings and tax status. If desired, clients have the right to impose restrictions on their investments. Fernwood manages a variety of investment strategies including traditional asset classes such as stocks and bonds, directly and through mutual fund and exchange traded fund (“ETF”) investments, and non-traditional investments such as private equity funds, venture capital, real estate, and hedge funds that result in a well-rounded portfolio based on a client’s tolerance for risk. Fernwood’s investment policy is to adhere to a long-term, fundamentally driven discipline to achieve above-market rates of return with below market risk.
- Fernwood’s Investment Advisor Representative’s will perform periodic reviews of client’s accounts. Such reviews will focus on the status of investments, diversification, tax considerations, changes in individual investment objectives, market opportunities and other relevant factors. Special reviews may be conducted whenever deemed appropriate in light of specific events relating to certain securities, general market events or client requests.
- Fernwood receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amounts of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the investment objectives for the particular client account. When selecting securities and determining amounts, Fernwood observes the investment policies, limitations and restrictions of the clients for which it advises.
- For additional information, please refer to our [ADV, Part 2A Brochure](#), especially [Item 4 \(Advisory Business\)](#), [Item 7 \(Types of Clients\)](#), [Item 13 \(Review of Accounts\)](#), and [Item 16 \(Investment Discretion\)](#).

Conversation starters:

Ask Us:

- ***Why should I choose investment advisory services?***
- ***How will you choose investments for me?***
- ***What is your experience, and what do your qualifications mean?***

Fees, Costs, and Standard of Conduct

What fees and costs will I pay?

- Fernwood fees are paid quarterly, in advance. Advisory fees are asset-based and such fees shall be assessed at an annual rate based on a 1.25% tiered fee schedule, unless a lower rate is negotiated. **The more assets in your advisory account, the more you will pay in fees; thus, the firm may have an incentive to encourage you to increase the assets in your account.** Each client also bears their own investment, transaction and custodial expenses, such as brokerage commissions, custodial fees, bank service fees, margin

	<p>interest, platform fees and short position dividends. Clients also bear fees payable to mutual fund and ETF advisers and other expenses, as disclosed in each fund's respective prospectus. For additional details about fees and expenses, please refer to Item 5(Fees and Compensation) of our ADV Part 2A brochure.</p>
Conversation starter	<p><i>Ask Us:</i> "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?"</p>
What are your legal obligations to me? How else does your firm make money and what conflicts of interest do you have?	<ul style="list-style-type: none"> When we act as your investment advisor, we have a duty 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. As an example, 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. In constructing diversified, well-rounded portfolios, we often utilize alternative investments, such as private equity, venture capital, real estate and hedge funds to complement our client's other holdings. In some cases, Fernwood collects performance-based fees from the issuer or general partner on these investments. In those cases, Fernwood waives the asset based advisory fee, but there is a chance for Fernwood to earn more from the performance-based fees, in the case of strong performance, than would otherwise be collected from asset-based fees and thus is a potential conflict of interest to be disclosed, discussed and managed appropriately. For more information about conflicts, and how we address them, please refer to our ADV Part 2A Brochure.
Conversation starter	<p><i>Ask Us:</i> "How might conflicts of interest affect me and how will you address them?"</p>
How do your financial professionals make money?	<ul style="list-style-type: none"> Most of our financial professionals are paid a salary, plus discretionary bonuses based on the firm's profitability and the individual's overall employee performance rating. Our financial professionals have incentives to maximize the revenue they generate for us by introducing new clients to the firm.
Disciplinary History	
Do you or your investment advisor representatives have any legal or disciplinary history?	<ul style="list-style-type: none"> Fernwood has no legal or disciplinary events to report. You can visit the below sites for a free and simple search tool to research our firm and our representatives. Also visit our website at www.fernwoodinvestment.com, Investor.gov, https://adviserinfo.sec.gov/firm/summary/126144
Conversation Starter	<p><i>Ask Us:</i> "As a financial professional do you have any disciplinary history?"</p>
Additional Information:	<p>Additional information about our investment advisory services and an up-to-date copy of the relationship summary is available by contacting us at (617)376-4750 or e-mail info@fernwoodinvestment.com.</p>
Conversation Starter	<p><i>Ask Us:</i> "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 the person is treating me?"</p>