

ADV PART 3 • CUSTOMER RELATIONSHIP SUMMARY • FORM CRS**MAY 7, 2024****ITEM 1. INTRODUCTION**

Headwater Investment Consulting, Inc. ("Headwater") is registered with the Securities and Exchange Commission (SEC) as an independent investment advisor.

Brokerage and investment advisory services and fees differ among investment advisory firms, so it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals, including Headwater. Visit www.adviserinfo.sec.gov to search details about firms or www.investor.gov/CRS for educational materials about broker dealers, investment advisors, and investing.

The following SEC Form CRS for Headwater Investment Consulting is provided free of charge, upon request or directly on our website at www.headwater-ic.com/disclosures under the heading of SEC Form CRS.

ITEM 2. RELATIONSHIPS AND SERVICES***What investment services and advice can you provide me?***

We provide investment advisory services to retail investors, including individuals, families, and non-profit organizations, on their individual retirement accounts, taxable accounts, and employee retirement accounts.

As a standard service, we continuously monitor the investments in all of your accounts under our management and provide advice related to ongoing financial and investment needs. These accounts receive personalized reporting during the quarter.

We have discretionary authority over client accounts under our management and determine the securities bought and sold based on your Investment Policy Statement. We can also provide advice on assets held in other investment accounts not under our management, including your employer-sponsored retirement plans. For these nondiscretionary services, you make the ultimate decision regarding the purchase and/or sale of investments directly with the custodian of the account.

As an independent investment advisory firm, we have access to a full range of investment products that trade on major exchanges.

For more detailed information on our services, please see Items 4 and 7 of our Form ADV Part 2A "Firm Brochure" at www.headwater-ic.com/disclosures.

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?***

Our fees are based on a percentage of your account balances, billed at the end of each quarter. Our standard fee is 0.75% annually on all assets under management, although this fee is negotiable. Fees for a partial quarter when opening a new account or closing an account may be prorated based on the number of days the account was open during the quarter. Fees are withdrawn directly from the accounts placed under our management.

Clients pay the trade fees and other brokerage costs directly to the custodian. Mutual fund and ETF level fees are paid separately by the client.

We do not participate in or sponsor any wrap fee programs. We do not receive or accept any commission or other compensation for the sale of securities or investment products.

Where asset-based fees apply to your account, you should consider that the more assets you have in your account, the more you will pay us, thus creating an incentive for us to encourage you to increase or maintain the level of assets in your account.

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 understand what fees and cost you are paying.

For more detailed information on our advisory fees, please see Item 5 of our Firm Brochure.

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 advisor? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment advisor, 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:

- Rolling over an employee-sponsored retirement plan to an individual retirement account managed by our firm will result in our receipt of additional advisory fees.
- The value of your asset-based advisory fee account goes up, and while the annual percentage we charge may stay the same, the total

compensation you pay us goes up proportionately.

For more detailed information on conflicts of interest, please see Items 5 and 10 of our Firm Brochure.

Ask your financial professional:

- *How might your conflicts of interest affect me, and how will you address them?*
- *What is a Fiduciary, and how does that affect the decision you make about my investments?*

How do your financial professionals make money?

Our staff and financial professionals are 100% salary based and are not paid based on the amount of client assets they service or time spent per client. Our staff and financial professionals do not receive any commissions or other compensation from the sale of any investment products.

ITEM 4. DISCIPLINARY HISTORY

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

No. We encourage your to visit www.investor.gov/CRS for a free and simple search tool to research our financial professionals.

Ask your financial professional:

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

Item 5. ADDITIONAL INFORMATION

For additional information about our services, please contact our office or visit our website. If you would like additional, up-to-date information or a copy of this disclosure, please call 503-565-2100, stop by our office, or visit www.headwater-ic.com/disclosures.

Ask your financial professional:

- *Who is my primary contact person?*
- *Is he or she a representative of an investment advisor or a broker dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*