

Form ADV Part 3 – Client Relationship Summary

Date: 03/27/2024

Item 1: Introduction

HEIRLOOM INVESTMENT MANAGEMENT LLC is an investment adviser registered with the Securities and Exchange Commission offering advisory accounts and services. Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. This document gives you a summary of the types of services and fees we offer. Please visit www.investor.gov/CRS for free, simple tools to research firms and for educational materials about broker-dealers, investment advisers, and investing.

Item 2: Relationships and Services

Questions to ask us: 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 investment services and advice can you provide me?

Heirloom Investment Management LLC (“HIM”) offers both discretionary investment services (where our firm makes the decision regarding the purchase or sale of investments) as well as non-discretionary advisory services (where you make the ultimate decision). We specialize in niche alternative investments for accredited investors and qualified purchasers.

Our primary service is developing and managing discretionary investment vehicles or funds that either provide access to a diversified investment portfolio, or to a single niche alternative investment or investment strategy or theme. For these vehicles or funds, we undertake the investment selection, management and oversight responsibilities.

Our non-discretionary advisory services can include advising on governance structures, undertaking a portfolio review, conducting due diligence on a specific investment opportunity, undertaking investment reporting, sitting on Investment Committees, etc. The services are determined based your specific needs and existing resources and you will typically have a large degree of customization of services.

We do *not* limit the types of investments that we recommend. Investors must be accredited investors and qualified purchasers to participate in our services. Our minimum account size for discretionary investment vehicles or funds is typically \$500,000 though this varies depending on the specific investment. Our minimum investment into an investment vehicle or fund is \$100,000. Our minimum account size for discretionary or non-discretionary advisory services will vary depending on each case. For more information, please see our Form ADV Part 2A (“[Brochure](#)”), specifically Items 4, 7 and 16.

Item 3: Fees, Costs, Conflicts, and Standard of Conduct

Questions to ask us: 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? How might your conflicts of interest affect me, and how will you address them?

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What fees will I pay?

For discretionary advisory services which includes vehicles or funds, you will generally pay a management fee, with such fee typically being 0.5-1.5% of assets under management and typically paid quarterly in advance. In addition, you will typically pay a Performance Fee as well, with such fee typically being 5-15% of your profit for the year, in some cases contingent upon exceeding a pre-determined level of return. Though these will vary depending on the investment product or service. The exact fees are customized depending on the size and complexity of the investment vehicle or fund or your specific investment portfolio.

For non-discretionary advisory services, you will typically pay an hourly fee, based on the type of work conducted and the seniority of our employee involved, with such fee typically billed monthly in arrears.

Typically, management and advisory fees are paid quarterly in advance. Performance Fees, if applicable, are charged at the end of the calendar year, in arrears. You pay our fees even if you do not have any transactions and the advisory fee paid to us generally does not vary based on the type of investments selected.

Unless specifically agreed with you in writing, if we earn a fee related to an investment made by you, such fee, net of any costs, will be rebated to you via a Management Fee Rebate or similar.

Our fees vary depending on the services you receive. Additionally, the amount of assets in your account may affect our advisory fee; the more assets you have in your advisory account, the more you may pay us and thus we have an incentive to increase those assets in order to increase our fee. Moreover, for performance-based fee arrangements, we make more money the better your investment returns are, so we have an incentive to invest in riskier investments due to the higher risk/higher reward attributes. Our fixed fee arrangements are based on the amount of work we expect to perform for you, so material changes in that amount of work will affect the advisory fee we quote you. The relevant parameters will be outlined in the agreement.

Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. The same goes for any additional fees you pay to a custodian. Additionally, you will pay transaction fees, if applicable, when we buy or sell an investment for 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 make sure you understand what fees and costs you are paying. Please also see Items 4, 5, 6, 7 & 8 of our [Brochure](#) for additional details.

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 (see heading immediately below).

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- Proprietary Products: Investments that are issued, sponsored, or managed by us or our affiliates.
- Third-Party Payments or Revenue Sharing: Compensation we may receive from third parties when we make certain investments.
- The management of performance-based fee accounts side-by-side with other accounts creates a potential conflict of interest because we are incented to favor accounts for which we receive a performance- based fee over accounts on standard fee schedules.

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

In certain instances, we may undertake investments in certain affiliated private funds where we may serve as an investment adviser or be paid a management fee. In these instances, we are guided by our written Code of Ethics which outlines that to the extent practicable, we will avoid or disclose any conflicts of interest that are material to clients. In addition, the Code outlines that we should act with integrity and in an ethical manner and put the interests of the investors above our own personal interests.

We generally do not receive compensation directly or indirectly by recommending or selecting investment products or investment advisers for our clients. If we earn a third-party payment or revenue share related to an investment made by us on your behalf, we will, unless specified in writing, rebate to you this payment or revenue share, net of costs, via a Management Fee Rebate or similar.

To manage the conflict of performance-based fee accounts with our other accounts, we follow well-defined investment procedures that are intended to ensure that accounts with performance-based fees are not favored in trading over other client accounts. We inform all of our clients that we perform investment advisory and investment management services for various clients and give advice and take action with respect to one client that may differ from advice given or the timing or nature of action taken with respect to another client. Though we aim, to all extent practicable, that investment opportunities are to be allocated among clients over a period of time on a fair and equitable basis.

Please also see Items 4, 5, 6, 7 & 8 and 14 of our [Brochure](#) for additional details.

How do your financial professionals make money?

Primarily, we and our financial professionals receive cash compensation from the advisory services we provide to you because of the advisory fees we receive from you. This compensation may vary based on different factors, such as those listed above in this Item. Please also see Item 5 and 6 of our [Brochure](#) for additional details.

Questions to ask us: As a financial professional, do you have any disciplinary history? For what type of conduct?

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

We do not have legal and disciplinary events. Visit <https://www.investor.gov/> for a free, simple search

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tool to research us and our financial professionals.

Item 5: Additional Information

Questions to ask us: 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?

For additional information on our advisory services, see our [Brochure](https://adviserinfo.sec.gov/firm/summary/281357) available at <https://adviserinfo.sec.gov/firm/summary/281357> and any individual brochure supplement your representative provides. If you have any questions, need additional up-to-date, or want another copy of this Client Relationship Summary, then please contact Beth Hirshfeld at 561-404-4847.

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Exhibit A – Material Changes to Client Relationship Summary

This is an update to the Client Relationship Summary filed in 2020. It is updated to reflect the updated in ADV 2A with respect to HEIRLOOM INVESTMENT MANAGEMENT LLC's services.