

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

PRINCETON INVESTMENT MANAGEMENT COMPANY

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This brochure provides information about the qualifications and business practices of Princeton Investment Management. If you have questions about the contents of this brochure, please contact us at 609-758-6502 or cmwy10a@msn.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or any state securities authority. Being registered investment advisors does not imply a certain level of skill or training. There have been no material changes since our last annual update.

Item 2 Material Changes

This item does not apply.

Table of Contents		
Item Number	Item	Page
4	Advisory Business	4
5	Fees and Compensation	5
6	Performance based fees	6
7	Types of clients	7
8	Methods of analysis, investment Strategies and risk of loss	8
9	Disciplinary information	9
10	Other financial industry activities and affiliations	10
11	Code of ethics, participation or interest in client transactions and personal trading	11
12	Brokerage practices	12
13	Review of accounts	13
14	Client referrals and other compensation	14
15	Custody	15
16	Investment discretion	16
17	Voting Client Securities	17
18	Financial information	18
19	Requirements for State registered Advisors	19
20	Continuation page	20

Item 4 – Advisory Business

Princeton Investment Management Company was founded in May of 1981 by William Primm. My wife, Muriel Primm, joined the firm in June of 1988. We operate as a two person firm. I own 100% of the stock and serve as the firm's sole portfolio manager. I have managed portfolios since 1971 after receiving an MBA and BS in Finance from Pennsylvania State University. Muriel is also a graduate of Penn State and worked in the trust and investment departments of Girard Bank, New Jersey National Bank and Howard Savings Bank before joining Princeton Investment Management.

We provide traditional investment management services to individuals, trusts, estates, charitable organizations and retirement accounts. Most of our accounts are balanced with stocks and bonds but we have served as sole equity managers. All portfolios are managed on an individual basis, the exception being multiple portfolios for a single owner or related owners such as husbands and wives who wish the assets to be viewed as a single portfolio. The investment approach is purely fundamental with no technical input. We are value managers looking closely at the fundamentals of the companies we invest in paying particular attention to balance sheets, leverage, and financial ratios such as price earnings ratios. We are long term investors with many positions being held for extended periods. For our taxable clients we focus on after tax returns and have low portfolio turnovers.

Each client has the service tailored to their individual needs. We are not market timers and work with client to set mutually acceptable ranges for asset allocation believing that risk can be managed by controlling exposure to the more volatile equity sector. These bands are narrow generally falling in the range of 10 percentage points. An example would be for a balanced account that sets a maximum equity exposure of 60%, typical for most of our clients, the lowest equity exposure would be 50%. These bands can be changed by the client and the clients can, upon mutual agreement, impose restrictions on either the sale of particular holdings or the ownership of particular stocks, industries, or security types. The clients can also direct us to sell or buy particular securities which we have not recommended.

We manage accounts on both a discretionary and non-discretionary basis. While trades are seldom pooled due to our individual client focus, when a decision is made to sell an entire position that sale will take place in the discretionary portfolios prior to the non-discretionary ones. The non-discretionary clients will be contacted in a random manner with the sale occurring only after client approval. As of December 31, 2018 we managed \$37,134,880 of discretionary assets and \$64,471,510 on a non-discretionary basis.

Item 5 – Fees and Compensation

Our sole business is providing investment management and our fees are based on the market value of the assets under management. We charge 1% on the first million, $\frac{3}{4}\%$ on the second million, .6% on the third million with accounts over three million subject to negotiation. Fees are payable in advance and we prefer to deduct the fee from the clients' accounts but will allow any client to pay by check after reviewing their bill. Fees can also be negotiated based on specific circumstances. An example would be exempting a large, low tax cost security where we have restricted authority.

Beside our fee a client can pay other fees to the custodian including brokerage fees, fees on foreign transactions, fees on returned checks, and, when mutual funds are used, a management fee to the mutual fund as well as a transaction fee to the custodian for purchase or sale of the fund. This list might not be exhaustive but any and all fees are disclosed on each client's monthly custodial statement, the exception being mutual fund management fees paid to the fund company. We do not use load funds. Item 12 contains more information on our brokerage practices.

For the clients that pay our fee in advance our contract and our policy provides for the client to receive a rebate of the fee for the unused contractual period should they terminate the agreement during the quarter. We ask for a 2 week written notice but generally accept a verbal notice if it is definitive. We rebate the fee to the date of termination on a pro rata basis. Pro-rated seems self-explanatory but an example is if a termination occurs on the forty fifth day of the quarter the client will be sent one half of the quarterly fee on a timely basis which would typically be within a week.

Item 6 – Performance Based Fees

This section does not apply as we have no performance based fees.

Item 7 Types of Clients

We provide investment advice to individuals, trust accounts, charitable foundations, and retirement plans. We do not have minimum requirements for opening or maintaining an account. For many years we have not been soliciting or accepting new clients unless they are related in some way to a current client where we may make an exception to that rule.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

We are traditional, value oriented, long term asset managers. We rely wholly on fundamental analyses of the securities we purchase. We do not attempt to time the market nor do we use any form of technical analysis which we define as searching for patterns in price movements of securities. We rely heavily on research reports provided by security analysts that work for other parties or are independent. Much of this research is supplied by our primary custodian, Charles Schwab, while some is purchased by us or obtained from public sources.

We expect to hold securities for a long time which could be years or decades. We are very sensitive to taxes and try to minimize those for our taxable clients. This investment approach keeps our trading costs very low. We call ourselves value managers, a term that can have many definitions, but for us means that we look carefully at various financial ratios and statistics, such as price/earnings ratios, that we believe gives us some indication that a security may be fairly valued or undervalued. We believe that paying reasonable prices for good companies is a key to good long term performance.

We work with all our clients to try to help them understand risk and how their portfolios can be impacted by risk. We are professionals with many years' experience but we cannot predict the future. We emphasize diversification as a way to control risk. There is no such thing as a risk free asset and even not investing carries the sure risk of loss of purchasing power as our government continuously debases the currency. We do believe different categories of assets contain different levels and types of risks. We believe that bonds in general have lower risks than stocks and generally produce lower returns. The issue of volatility, which is the day to day price fluctuation of any security, is important as it disturbs most clients and managers. Controlling volatility helps clients and managers to avoid making big mistakes in difficult markets. Bonds, over the short, term reduce volatility and carry a guarantee of repayment of principle and interest. Equities carry no such guarantee of payment of principal or dividends. Of course bond guarantees are only as good as the guarantor so interest and principal can still be lost from bonds. Even governments default and inflation risk exists for all investments. We remind all clients that history has shown that in any given year a well diversified equity portfolio can decline 50% or more in value and we can't prevent that from happening so the amount allocated to higher risk assets needs to be carefully weighed. Our approach emphasizes trying to not sell at lows so exploring a client's feelings toward big losses is important and helpful to them and us in setting portfolio asset allocation guidelines. We try to limit risk but we can never eliminate it.

Item 9 – Disciplinary information

We are happy to say that neither Muriel nor I have ever had a legal or disciplinary issue to disclose.

Item 10 – Other financial industry activities and affiliations

We have no other activities or affiliations.

Item 11 – Code of Ethics, participation or interest in client transactions and personal trading

We did adopt a code of ethics when the SEC adopted rule 204a-1 which requires all managers to have one but have always operated as fiduciaries. Our code covers self dealing, front running on investments and just about any conceivable conflict of interest. We would be happy to supply this to any client upon request.

We invest personally in most of the same equities and many of the mutual funds that we purchase or recommend for our clients, a practice in the industry referred to as “eating our own cooking”. While in some firms this does present a potential conflict from front running, buying personally then running up the price through client purchases, or selling first before depressing the price by client sales, our small size and individualized approach means almost every transaction is small so as to have little or no impact on market prices. Most of our investments are highly liquid and we buy no private securities. Other than as a small public owner of a traded bond or stock we have no monetary interest in the investments recommended to clients. We do not buy initial public offerings for our clients or for our personal assets. I would like to point out what should be obvious; when our clients assets go up our fees do as well as our personal portfolio. When values go down we share in the pain. We believe that we have no conflicts and that it is a positive to have our interests aligned with our clients. Our Code of Ethics reinforces this.

In the infrequent event when there are pooled purchases or sales and our personal assets are also involved our code requires us to never put our personal interests before our clients. We will be pooled with everyone sharing the same price and commission.

It is important to point out that with or without a Code of Ethics there is a potential risk dealing with any firm, but particularly a 2 person husband and wife firm, where there is no third set of eyes or committees watching over us. As well as being the portfolio manager I am the compliance officer so I am policing myself. Larger firms have many people policing their employees but history shows that does not remove all risk of unethical behavior. Our clients receive monthly independent statements from their custodians and we continually urge them to carefully review these and compare them with the reports that we prepare and question any and all discrepancies. The client is always the first and last defense against advisor fraud.

Item 12 – Brokerage Practices

For many years we have been recommending one broker-dealer to serve as custodian for our clients, Charles Schwab. When we first decide to use Schwab the use of “discount” brokers was not commonplace and there were questions about the financial strength and staying power of discount brokers. The primary issue for us was to find the best capitalized broker that would provide financial strength so that our client assets would be safe the field was small and Schwab stood out as the cream of the crop. While there are now many firms that would be equal to or close to Schwab we went with the industry leader and believe they are still the leader. While some firms offer lower commissions none offer the complete package that Schwab offers.

We do receive soft dollar benefits from Schwab which presents a potential conflict of interest. These are services that we might otherwise have to pay cash for and which is where the conflict lies. The primary services we receive are investment research products for stocks and bonds. This research is used to the benefit of all of our clients. We receive little or no research from the few full service firms that we have limited relationships with. Beside stock and bond fundamental research we also receive macroeconomic domestic and international research. We also receive compliance information from Schwab helping us to stay compliant in this era of ever changing regulations. Schwab has an online trading platform for stocks and bonds which gives us excellent executions of trades and interfaces seamlessly with our in house portfolio management program. This enables us to more efficiently serve our clients investment advisory needs. While Schwab commissions are not the lowest, with our investment approach and philosophy, the commissions generated are almost immaterial to our clients’ bottom line. While it is clearly in our interest in using Schwab for our clients and that may impact negatively on the client receiving best execution that cost to the client is miniscule and not hidden from the client.

We do not participate in the Schwab client referral program nor do we receive any client referrals from Schwab or any other broker-dealer. We do not direct any brokerage away from Schwab for other soft dollar or other service or benefit. All trades are placed through the clients’ selected broker-dealer. We have no soft dollar arrangements with anyone beside Schwab and that arrangement does not require any minimum level of trading activity.

We do permit clients to direct brokerage but only by selecting their own custodian. Our clients that choose this are aware that their decision will cost them more in commissions and will probably limit the investment universe available to them. Schwab permits the purchase of no load mutual funds for either no commission or a minimal transaction fee and we have used extensively Vanguard no load, low management fee fixed income funds for client domiciled at Schwab. This opportunity is not available to those who have chosen full service brokers. Clients choosing a directed broker/custodian are aware they may not be receiving best execution or aggregation of trades. Those clients are also responsible for the commission levels on those accounts domiciled outside of Schwab.

Item 13 – Review of Accounts

All clients receive a written review of their portfolios at the beginning of every quarter. This includes a portfolio appraisal showing market values, costs, dividends and interest projections, diversification by asset class and within the equity class by industry group. Where agreed to the client receives a total portfolio appraisal which combines two or more relevant portfolios so that the total asset position is clear. Purchases and sales for the quarter are reported as well as gain and loss information. The client also is informed of the portfolio's return for the period and supplied with information on the returns from the broad markets.

During quarters portfolios are reviewed for various reasons. Overall market developments, stock or bond specific issues, cash reserve issues or client inquiries will trigger reviews. We try to look at all portfolios at least monthly and most bi-weekly. These reviews do not trigger any written or electronic communication with our clients unless the review results in a purchase, sale, or the need for a verbal recommendation for non –discretionary accounts. Year end reports summarize the whole year results and activity and we provide a capital gain and loss report by tax lot for taxable accounts.

Item 14 – Client referrals and other compensation

As mentioned in other sections we provide no benefits, economic or otherwise, to anyone for referrals.

Item 15 - Custody

We do not have custody of investment advisory client funds.

Item 16 – Investment discretion

We accept investment discretion and prefer it. Those with no discretion will get sale and purchase recommendations after discretionary clients are handled. Clients may place restrictions on discretionary accounts but customarily don't. We need a client to sign a discretionary management agreement, rather than a non-discretionary one, in order to assume discretionary power. All clients sign limited power of attorney trading authorization forms with their selected custodian regardless of their agreement with us. These limited powers permit us only to trade but not withdraw money, transfer money make disbursements or otherwise access assets. For clients that allow us to directly bill their accounts each custodian requires an appropriate form to be executed by the client which permits the transfer only of the fee when accompanied by an invoice. We want to remind our clients that their custodian will not verify the accuracy of the invoice amount and they should do that themselves with the invoice copy that we provide.

Item 17 – Voting Client Securities

We do not vote client proxy's and this is covered in our contract. We are happy to discuss the proxy with all clients and encourage this discussion when mergers, acquisitions or other serious issues are up for consideration.

Item 18 – Financial Information

This does not apply to us.

Item 19 – Requirements for State Registered Advisors

This does not apply to us.

Item 20 – Continuation page

This does not apply to us.