



24 CITY CENTER

PORTLAND, MAINE 04101-4069

TEL: 207-774-0022 FAX: 207-774-0023

AND

ONE HARBOUR PLACE, SUITE 390

PORTSMOUTH, NEW HAMPSHIRE 03801-3841

TEL: 603-373-8911 FAX: 603-373-8919

[www.rmdavis.com](http://www.rmdavis.com)

**This brochure provides information about the qualifications and business practices of R. M. Davis, Inc. If you have any questions about the contents of this brochure, please contact Scot Draeger at 207-774-0022 and/or [sdraeger@rmdavis.com](mailto:sdraeger@rmdavis.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about R. M. Davis, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

R. M. Davis, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Brochure  
SEC Rule 204-3

March 25, 2020

## Material Changes

The material changes that have been made to this brochure since the date of the last annual update (March 22, 2019) are as follows:

- 1) The Company would like to highlight some ownership and leadership transitions that occurred at the end of 2019. Robert M. Davis ("Mal"), who founded the Company in 1978, and served as its CEO for 42 years retired. Prior to his retirement, Mr. Davis owned a large minority position of the Company's outstanding securities (in excess of the 25% threshold that may create a "control person" presumption). Eight individuals who are also full-time employees/officers of the Company (Brian Noyes, Geoff Alexander, Wendy Laidlaw, Mark Fernandez, Scot Draeger, Dean Walker, John Doughty, and Matt McFarland) currently own all of the Company's outstanding securities. The Company's Board of Directors currently includes each of these owners/officers. In connection with the retirement of Mr. Davis, pre-existing owners purchased all of his shares in the Company in a transaction that closed on December 31, 2019 (the "Transaction"). The Company will remain private and owned entirely by full-time employees of the Company. Currently, Mr. Alexander and Mr. Noyes each own more than 25% of the Company's outstanding securities. Each of the other shareholders own less than 25% of the company's outstanding securities. Effective January 1, 2020: (1) Mr. Alexander replaced Mr. Davis as CEO of the Company; (2) Mr. Draeger became the President of the Company; and (3) Mr. Noyes began serving as Chairman of the Company's Board of Directors. Ms. Laidlaw will continue to serve as CFO and COO for the Company. Mr. Walker will continue to serve as VP of Trading and Data Management. Mr. Fernandez will continue to serve as VP and Portfolio Manager. Mr. Doughty will continue to serve as CIO for the Company. Mr. McFarland will continue to serve as VP and Portfolio Manager. The Company does not anticipate any material changes in the way the Company does business or in the way in which it is managed.

Currently, our brochure may be requested by contacting Scot E. Draeger, President, General Counsel, and Chief Compliance Officer, at 207-774-0022 or [sdraeger@rmdavis.com](mailto:sdraeger@rmdavis.com).

Additional information about R. M. Davis, Inc. is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with R. M. Davis, Inc. who are registered, or are required to be registered, as investment adviser representatives of R. M. Davis, Inc.

## Table of Contents

Cover Page.....	i
Material Changes.....	ii
Table of Contents.....	iii
Advisory Business.....	1
Fees and Compensation .....	2
Performance-Based Fees and Side-By-Side Management .....	6
Types of Clients .....	6
Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Disciplinary Information.....	8
Other Financial Industry Activities and Affiliations .....	8
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	9
Brokerage Practices.....	10
Review of Accounts.....	15
Client Referrals and Other Compensation.....	15
Custody.....	16
Investment Discretion.....	17
Voting Client Securities .....	17
Financial Information.....	17

## Advisory Business

R. M. Davis, Inc. (the *Company*) provides investment management and other wealth management services to its clients. The Company has been in business since 1978. Currently, eight of its officers are shareholders. As of December 31, 2019, the Company managed \$4,856,533,142 of client assets (\$4,841,133,150 on a discretionary basis and \$15,399,992 on a non-discretionary basis). It engages in no business or profession other than investment and wealth management.

The Company offers the following services to its clients:

- investment management services
- portfolio consulting services
- wealth management and financial planning services
- trustee services
- personal affairs management services

The last three of these services are only available to investment management clients of the Company.

The Company's investment management services are either *Full Service* or *Special Service*. *Full Service* accounts are either *Standard Management Service* or *Fixed Income Service* accounts.

The Company's *Standard Management Service* generally diversifies assets in a client's account among individual common stocks and bonds, mutual and exchange traded funds, and/or cash. The *Fixed Income Service* typically invests a client's account assets primarily in individual bonds and cash. In both circumstances, investment management fees are charged on cash positions, as the firm considers cash an asset class that is used actively, as needed.

*Special Service* management services are typically for: (1) accounts related to a client's *Full Service* account that are less than the Company's minimum account size (see below, *Types of Clients*), and (2) other special circumstances (such as a *Full Service* account declining in value below such minimum account size). *Special Service* accounts may also be independent (and not related to) a *Full Service* account in circumstances where the Company has agreed to take on a small account that is likely to grow through assets added in the future. *Special Service* accounts are typically invested in diversified mutual or exchange traded funds and cash, selected by the Company and/or the client, but flexibility is reserved to also invest in or retain equities (low cost basis or otherwise), bonds and other assets. Investment management fees are charged on cash positions, as the firm considers cash an asset class that is used actively, as needed. For practical reasons, there can be circumstances where a *Special Services* account began with a balance below the firm's stated minimum account balance for *Full Service* accounts, but has grown in value to exceed the minimum account balance. There is a reasonable degree of flexibility/latitude

above such minimum amount during which the firm may either continue to treat the account as a *Special Services Account* or may convert the account to a *Full Service Account*.

The Company also occasionally provides portfolio services to clients on a *one time* or *consulting* basis. The Company and the client agree on the details of the engagement orally or in a brief letter of understanding.

The Company directs its investment management services to the individual needs and objectives of each of its clients, after consultation with the client regarding that client's goals and objectives, time horizon, and risk tolerance.

Clients may impose restrictions on investing in certain securities or types of securities (see below, *Investment Discretion*). For example, occasionally, a *Full Service* client will request that we invest an account exclusively in equity securities of companies within a specific market capitalization range, or within certain market sectors. We maintain flexibility to tailor account management consistent with client interest and direction, while maintaining overall *Investment Discretion*.

The Company offers *Full Service Clients* wealth management and financial planning services and advice over a wide variety of subjects, including estate and gift planning, education funding, financial forecasting, insurance issues, retirement and Medicare related planning, and tax-related matters. The Company does not serve as attorney, accountant, or insurance professional for any client but makes occasional observations, suggestions, and/or provides general insights regarding matters appropriate for clients to discuss with their unaffiliated attorneys, accountants, or insurance agents. The Company's personal affairs management service assists clients in organizing and dealing with their personal household financial affairs, such as balancing checkbooks, reconciling bank statements, paying bills (or preparing checks to pay bills), organizing tax return materials to be provided to their accountants, and/or assistance resolving administrative issues with governmental and corporate entities.

Company officers also serve, in appropriate circumstances, as trustee (or co-trustee) of a client's trusts, including but not limited to revocable living trusts, testamentary trusts, charitable remainder trusts and irrevocable life insurance trusts.

## **Fees and Compensation**

### **A. Investment Management Services.**

For virtually all investment management services (see above, *Advisory Business*), the Company's fees are based on a percentage of a client's assets under management (including funds in money market securities and cash), at annual rates as follows:

#### **1. *Full Service* accounts:**

##### **a. *Standard Management Service*:**

- 1.8% of the first \$200,000 of assets under management;
- 0.8% of the next \$800,000 of assets under management;

- 0.50% of the next \$4 million of assets under management; and
- 0.25% of assets under management in excess of \$5 million.

b. *Fixed Income Service:*

- 0.4% of the first \$500,000 of assets under management; and
- 0.2% of assets under management in excess of \$500,000.

If the Company manages two or more *Standard Management Service* accounts for members of the same family or organization as a single composited account, it may treat those accounts as one account for fee billing purposes. If the Company cannot manage all such related accounts as a single composited account, each such related account (or subgroup of composited accounts) will typically (but not always) be charged a first tier fee (see above) of 1.5% (rather than 1.8%). Depending on the specific circumstances of each client family, the Company reserves flexibility to treat a group of family accounts either as one account or as multiple accounts for fee billing purposes. The circumstances under which assets may be aggregated for fee purposes within a family grouping can be highly dependent upon the circumstances of a given group of family members and the relationships between and among those family members. Therefore, aggregation concepts can vary from family to family.

For family relationships with accounts in excess of \$5 million, the Company reserves flexibility to negotiate deviations from the standard fee schedule. Such deviations can vary from client to client.

2. *Special Service* accounts:

- The fee is at an annual rate of 0.5% of assets under management.
- The annual fee is \$100 for certain special situation accounts.

Charitable organizations or certain approved non-profit organizations, at the discretion of the Company, are sometimes offered a 20% discount of the Standard Management and Fixed Income Service fees. No fee is charged to qualifying Special Service charitable organization clients.

The Company has the right to change the above fee schedules upon at least 10 days prior written notice to clients.

Unless the Company and the client agree otherwise to reflect special billing situations, the Company calculates and bills its investment management fees for *Full Service* accounts semi-annually, in advance (for a six month period), based on March 31 and September 30 account values, at one-half the annual rate; invoices are issued early in April and October, respectively. The Company will direct the invoice to the custodian of the client's account, to be paid from the account, unless the client has elected to be billed directly, for payment outside the account. All fees are due within 15 days from the date of the invoice.

In the initial billing period after commencement of investment management services, the Company pro-rates the fee from the beginning of the calendar month closest to the service commencement

date through the end of such semi-annual billing period. Asset additions or withdrawals in excess of \$50,000 made during a semi-annual billing period will incur a fee or a rebate consistent with the above formulas, which will be charged or credited at the next semi-annual billing occasion.

If either the Company or the client terminates a *Full Service* account, any management fee collected for a billing period is pro-rated from the beginning of the calendar month closest to the date of termination to the end of such billing period, and rebated to the client.

Unless the Company and the client agree otherwise to reflect special billing situations, the Company calculates and bills its investment management fees for *Special Service* accounts annually in July, for the full calendar year, based on June 30 account values. The Company will direct the invoice to the custodian of the client's account, to be paid from the account, unless the client has elected to be billed directly, for payment outside the account. All fees are due within 15 days from the date of the invoice.

If a *Special Service* account is opened on July 1 or earlier in the year, the Company pro-rates the fee for that calendar year, from the beginning of the calendar month closest to the service commencement date through the end of such calendar year; if the account is opened after July 1, no fee is charged for that initial calendar year.

If either the Company or a client terminates a *Special Service* account, any management fee collected for the calendar year is pro-rated from the beginning of the calendar month closest to the date of termination to the end of the calendar year, and rebated to the client.

The Company may negotiate deviations from its regular investment management fee schedules (above) to reflect unusual portfolio conditions or to take into consideration specific client circumstances. Examples may include the conversion of a *Full Service* account to a *Special Service* account or a *Special Service* account to a *Full Service* account where investment management services are continuous. In either case, a client would be charged part of a calendar year at one rate and the other part of the year at the other rate based on the month of the change in status, even if the change occurred after July 1 in a calendar year. Depending on the specific circumstances of each client family, the Company reserves flexibility to treat a group of family accounts either as multiple independent accounts, or as one account, for fee billing purposes. In addition, for accounts or family relationships in excess of \$5 million, the Company reserves flexibility to negotiate material deviations from the standard fee schedule. Such deviations can vary from client to client.

In investment management accounts, clients will pay fees and expenses to other service providers, such as custodians, and commissions and other transaction costs to broker-dealers for executing trades in client accounts (see below, *Brokerage Practices*). For clients' investments in money market funds, other mutual funds, or exchange traded funds (ETFs), such funds charge their own costs and expenses (including separate investment management fees, acquired fund fees, and a share of operating expenses of the fund), in addition to the investment management fees charged by the Company.

Neither the Company nor any of its employees accept compensation for the sale of securities or other investment products, including asset based sales charges, 12b-1 fees, or service fees or commissions of any kind from the sale of mutual funds or ETFs.

**B. Portfolio Consulting Services.**

The Company's fees for portfolio consulting services are negotiated and are dependent on the nature and magnitude of the consultations, but are not normally less than \$150.00 per hour.

**C. Trustee Services.**

If a Company officer serves as a trustee of a client's irrevocable trust, the Company charges a trustee's fee, in addition to the investment management fee. The annual fee is either: (1) at the rate of 0.2% of the value of the managed trust assets (in the case of a *Full Service* or a *Special Service* trust); or (2) a flat \$250 (in the case of an irrevocable life insurance trust or similar trust). Calculation, billing and rebates of *Full Service* amount and *Special Service* amount trust fees are similar to those for *Full Service* accounts (above); calculation, billing and rebates of the \$250 flat fee are similar to those for *Special Service* accounts (above). Trustees' fees are generally non-negotiable; however, there are certain unique and atypical situations where an alternate fee arrangement has been negotiated. The Company does not charge a trustee's fee for revocable trusts.

**D. Personal Affairs Management Services.**

For its personal affairs management service (see above, *Advisory Business*) to clients residing within 90 miles of the Company's Portland, Maine office, the Company charges an annual fee of \$5,000. For clients residing more than 90 miles from the Company's office, or for other non-standard circumstances relating to the client or the services provided to the client, the annual fee is subject to negotiation and may be up to \$12,000 annually. All PAM Services fees are billed semi-annually at one half the annual rate, at the same time as the investment management fee for the client's *Full Service* account. If the service is terminated by the Company or the client, any semi-annual fee collected is pro-rated from the beginning of the calendar month closest to the date of termination to the end of the billing period, and rebated to the client.

**E. Financial Planning and Advice Services.**

The Company does not charge clients a separate fee for any financial planning or financial advice services, except as follows: for its comprehensive personal financial planning service, the Company charges a one-time, non-negotiable flat fee of \$3,000, one-third of which is invoiced at the outset of the planning process, and the remainder upon completion of the planning process. Financial Planning is offered only to *Full Service Clients* and is not offered as a stand-alone service.

**F. Services To Certain Former Officers and Spouses**

The Company may provide, at no charge, non-comprehensive financial planning services to former officers and their spouses. Such former officers and their spouses may also receive a fee discount for investment management and other fee-based services.



## **Performance-Based Fees and Side-By-Side Management**

Neither the Company nor any of its employees accepts performance-based fees (that is, fees based on a share of capital gains on or capital appreciation of the assets of a client's account).

## **Types of Clients**

The Company generally provides investment advice to the following types of clients:

- individuals
- pension and profit sharing plans
- trusts, estates and charitable organizations
- corporations and other business entities
- municipalities and other governmental entities

The Company's minimum account size for a *Full Service* account is \$300,000; however, the Company will waive this requirement, where appropriate, such as situations where the account is likely to reach \$300,000 or more within a reasonable period of time due to anticipated account additions.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

For Full Service accounts, the Company primarily invests in individual equities (including American Depository Receipts for non-United States companies), individual fixed income securities (bonds and certificates of deposit) and international equity mutual and/or exchange traded funds, primarily traded on United States stock exchanges or available through U.S.-based transfer agents.

At the outset of a client relationship, the Company discusses and establishes an asset allocation objective with the client. The Company then manages the client's account(s) to that objective and any other specific investment objectives established together with the client. Periodically, all such objectives are discussed with the client and adjusted, as needed. Over the course of time, asset allocations and objectives often ebb-and-flow as client circumstances evolve. Our firm does not operate under the philosophy that an age-based "script" exists to guide asset allocation. Many clients already in retirement have objectives (or a mix of relevant circumstances) that lead to an asset allocation heavily weighted toward equities, while some younger clients have asset allocations that favor fixed income (due to the mix of circumstances relevant to those clients). In addition, as a temporary defensive measure, such as in the event of unusual market conditions (for example, extraordinarily high or low interest rate environments), the Company retains discretionary flexibility to vary from specifically stated allocations between equity securities, fixed income securities, and cash. This may be done when the Company believes it is in the best interest of the client(s) and consistent with the Company's duty of care. That said, defensive measures, if and when used, will be made in small measure and with long-term goals in mind (typically looking years and/or decades ahead). The Company maintains a long-term investment

philosophy irrespective of market volatilities. The Company's philosophy is one that generally discourages market timing, as the Company believes that market timing is not a responsible investment strategy, particularly in volatile market periods, and poses material long-term risks that are inconsistent with our duty of care. Our philosophy includes the building of portfolios that may weather a storm when one's primary concern is planning for many years (or decades) down the road. For individual equities in a *Full Service* account, the Company generally uses a *blended style* approach, investing in companies of various market capitalizations, but typically with an emphasis on large capitalization companies. The Company employs a screening process that helps it identify companies deemed to possess potential superior long term growth characteristics and strong financial ratios. Special attention is devoted to fundamental metrics as well as consistency of financial performance. In addition, the process seeks to identify companies undergoing changes in growth and profitability.

Equity holdings are typically diversified across several broad sectors of the economy with no single company position having a disproportionate percentage of the total. The Company's equity analysis and decision-making process uses databases and institutional research subscription services, U.S. Government and Federal Reserve studies, company financial reports, and other sources. The process incorporates traditional fundamental analysis and qualitative judgments regarding business strategy, competitive position, regulation and management capability. Generally, the Company does not utilize social or political networking sites, expert networks, or channel checks in its research process. Once identified, each company is subjected to a system of valuation and technical analyses that are used to define buying or selling opportunities.

Generally, the Company does not employ a strategy that weights environmental, socially responsible, or other altruistic considerations (so called "ESG" or "SRI" considerations) in the selection of securities. On occasion, based upon client-imposed restrictions on investing in certain securities or types/categories of securities, or based on other client-specific circumstances, an account will be less-diversified or non-diversified based on security type, market capitalization, sector, industry, geography and/or other factors. The Company maintains flexibility to tailor account management consistent with client interest and direction, while maintaining overall *Investment Discretion*.

For individual fixed income securities in a *Full Service* account, the Company typically uses a *laddered* maturity structure, generally up to 15 years, using U.S. Treasury, Federal agency, and/or corporate and/or municipal instruments, along with short-term certificates of deposit, which are rated as *investment grade* at time of purchase by leading bond rating agencies. While this is typically the case, this is not always the case. The Company may, from time-to-time, invest in fixed-income securities that are below *investment grade* and/or with maturities beyond 15 years. The maturity structure and credit ratings for a fixed income portfolio can vary, depending on market conditions, available supply, and client directives. The Company typically expects to hold individual fixed income securities in a client's account to maturity date (or earlier call), unless client needs or Company concerns about a fixed income issuer cause the Company to sell a holding.

In *Special Service* accounts, the Company primarily invests in a diversified portfolio of domestic and international mutual and exchange traded funds, as well as cash; however, individual securities may also be held in these accounts.

The Company's officers/portfolio managers do not manage to a single "model." Portfolio managers make independent consideration of internal research department advice and weightings; however, portfolio managers are each individually and specifically responsible for implementing the Company's investment process in the management of client portfolios. Due to the type of securities the Company generally employs to effectuate its investment strategy (highly liquid and accessible securities), it would be very unusual for there to be any trade allocation considerations or concerns. However, because each portfolio manager retains significant latitude and autonomy on how much weight to give each internal research recommendation (including weighting and allocation recommendations), there can be significant dispersion in the performance of client accounts from one portfolio manager to the next.

Investing in securities (such as the securities referred to above) involves risk of loss that clients should be prepared to bear, such as:

- investment risk: the risk that any individual security may materially decline in value because of events relating to the issuer of that security;
- liquidity risk: the risk that any individual security may not be marketable at a favorable price at a particular point in time;
- industry and market risk: the risk that any individual security, the securities of an entire industry, or all securities may materially decline in value because of factors impacting an entire industry or relating to the entire market, global health emergency, political environment, economy, or economic sector and not just relating to that particular issuer;
- default risk: the risk that a fixed income instrument issuer may not make required interest or principal payments, or the risk that an equity security issuer may become insolvent;
- interest rate risk: the risk that increases in overall market interest rates may decrease the value of a fixed income instrument; and
- currency risk: the risk that securities of an issuer with international operations may decline in value because of changes in prices of one currency against another.
- cyber risk: the risk that securities exchanges could experience extreme disruption and volatility as a result of some form of cyberattack or technology failure, or due to a mass panic related to some macro-event or societal issue.

### **Disciplinary Information**

The Company is required to disclose all material facts regarding any legal or disciplinary events that are material to a client's evaluation of the Company's advisory business or the integrity of its management. The Company has no such legal or disciplinary events to disclose.

### **Other Financial Industry Activities and Affiliations**

Neither the Company nor any of its management personnel:

- are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer;
- are registered, or have an application pending to register, as a futures commissions merchant, commodity pool operator, commodity trading advisor, or an associated person of any such entity; or
- have any relationship or arrangement material to the Company's business or its clients with any of the following:
  - broker-dealer, municipal securities dealer, or governmental securities dealer or broker (other than as disclosed in the "Brokerage Practices" section below);
  - investment company or other pooled investment vehicle;
  - other investment advisor or financial planner;
  - futures commissions merchant, commodity pool operator, or commodity trading advisor;
  - banking or thrift institution;
  - accountant or accounting firm;
  - lawyer or law firm;
  - insurance company or agency;
  - pension consultant;
  - real estate broker or dealer; or
  - sponsor or syndicator of limited partnerships.

The Company does not receive any compensation, direct or indirect, from, or have a business relationship with, any other investment advisor the Company may recommend or select for clients.

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Company has adopted a Code of Ethics (the *Code*) that governs all its employees. It includes requirements that all employees:

- comply with all laws, regulations and fiduciary responsibilities to clients
- provide written reports to the Company's Chief Compliance Officer and/or Senior Compliance Administrator, as to:
  - (1) annually, their personal securities accounts and holdings (including those they have or acquire direct or indirect beneficial ownership of);

- (2) quarterly, their transactions in securities (including those they have or acquire direct or indirect beneficial ownership of) and all gifts (over \$50 for officers and \$100 for staff employees) to or from clients, prospective clients and/or others doing (or seeking to do) business with the Company; and
  - (3) ongoing and quarterly, certain political contributions, as required by SEC regulations.
- receive pre-approval from the Company's Management Committee for:
  - (1) any investment in an initial public offering or limited offering by any securities issuer; and
  - (2) service as a director or officer of any public company or mutual fund.
- refrain from engaging in *insider trading* (that is, trading based on material non-public information) for themselves or others, or engaging in direct securities transactions with clients.
- report any violations of the Code to senior Company management.

Violations of the Code may result in appropriate disciplinary action, up to and including termination of employment.

The Company will provide a complete copy of the Code to any client or prospective client upon request.

Neither the Company nor any employee recommends to clients, or buys or sells for client accounts, securities in which the Company or any employee has a material financial interest.

The Company (through its profit-sharing plan) and its employees are permitted to buy and sell the same securities (and at or about the same time) that the Company and its employees recommend to clients, or buy and sell for client accounts. This practice could present a potential conflict of interest with client interests. However, the Code prohibits any employee securities transaction that would be inconsistent with the Company's obligation to its clients under the Code and under applicable federal securities laws and regulations. The Company's Chief Compliance Officer and/or its Senior Compliance Administrator reviews quarterly reports of Company and employee securities transactions to determine that no violations of law, fiduciary duties to clients or the Code have occurred.

### **Brokerage Practices**

The Company will recommend or select a custodian for a client's account, unless the client directs, in the investment management agreement with the Company, that a specific custodian be used. Likewise, the Company will use its discretion in placing client account securities transactions with brokers, unless the client specifies otherwise in the investment management agreement.

Customarily, the Company will select a brokerage firm as custodian, unless specific needs (such as trust principal and income accounting) favor using a bank custodian. If a brokerage firm is the custodian, the Company customarily places client account transactions through that firm, because it is normally most efficient and cost effective to do so, based on the Company's trading practices for client accounts. If a bank is the custodian, the Company normally places client account transactions with a select number of brokerage firms who can provide high quality trade executions.

In determining the reasonableness of broker-dealer compensation, Company considers, among other things, such factors as quality of execution capability, financial strength and responsibility, reliability, superior client servicing, responsiveness to the Company and clients, the commission rate or spread involved, accurate reporting, and the value and range of research products and services provided or paid for by a broker-dealer. Such research products may include, for example, research reports on companies, industries and securities, economic and financial data, financial publications, and services. The Company maintains a list of preferred custodians (bank and brokerage) for such purposes, based on Company's experience.

Certain preferred custodial brokerage firms (such as Charles Schwab & Co., Inc. (Schwab) and Fidelity Brokerage Services LLC (Fidelity)) provide to the Company third party research services and products (including but not limited to economic data, credit ratings and information, stock valuation, equity and credit research, mutual fund information, and corporate governance information) from such service providers as Bloomberg, Gimme Credit Research, BCA Research, William Blair & Company LLC, Yardeni Research, Inc., S&P and Moody's ratings services, and Factset Research.

Where banks (and certain brokerage firms) are custodians for clients' accounts, the brokerage firms selected by the Company for placing client account transactions may provide to the Company proprietary research products and services (such as economic data, equity and credit research and mutual fund information) from such brokerage firms as, Strategas, J.P. Morgan, Stifel Nicolaus, and Goldman Sachs.

In all these situations, the Company receives a benefit because it does not have to produce or pay for such research products and services, although Company clients receive a benefit from them. Thus, the Company has an incentive to select such brokerage firms based on its interest in receiving such research products and services, rather than in its clients' interest in receiving most favorable execution cost for client account transactions. The commission rates negotiated by the Company with such brokerage firms may be higher than those charged by other brokerage firms for similar transactions. In addition, the commission rates negotiated by the Company with such brokerage firms may be higher than commission rates generally available from those specific brokerage firms and/or may be higher than commission rates charged by those specific brokerage firms to other clients of those specific brokerage firms.

The Company uses such research products and services for the general benefit of all client accounts; the Company does not use such research products and services only for the specific benefit of those client accounts that generated the commissions to the brokerage firms that provided or paid for such research products and services.

The Company does not seek to allocate such research products and services to client accounts proportionately to the credits such account commissions generate.

In the case of brokerage firms providing proprietary research products and services, the Company has no specific requirement as to the amount of commissions which must be paid to such firms in return for such products and services. Each such brokerage firm provides to the Company the level of research products and services it deems appropriate, based on the amount of commissions generated by the Company. The Company regularly monitors the level of commissions paid to each such brokerage firm to influence continued receipt of the desired research products and services from such firm.

In the case of brokerage firms providing for third party research products and services, the Company and such firms negotiate annually the dollar amount (and/or formula) that each such firm will use to pay for such research products and services, which takes into account the level of commissions paid (and anticipated to be paid) to such firm. Although there is no formal requirement that the Company meet any specific commitment, from time to time, with respect to Schwab and Fidelity, the Company may run a short-term deficit in the level of commissions relative to the estimated value of the research products and services received. This creates a conflict of interest by creating an incentive for the Company to execute trades through the broker-dealer where such deficit exists. Such deficits occur only on a short-term basis and only in amounts that are immaterial to the Company's balance sheet and financial condition.

The Company realizes that lower commission costs are often available from both the preferred custodial brokerage firms as well as other brokerage firms or trading venues (such as ECN's) which specialize in execution services, but believes the total services received from the brokerage firms the Company uses for the benefit of its clients justify the commissions which are paid.

Certain custodians, such as Schwab and Fidelity, may make available to the Company (and the Company often uses) other products and services that benefit the Company and may only indirectly benefit clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide pricing information and other market data, facilitate payment of the Company's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. The Company may use many of these services for the benefit of all or a substantial number of clients' accounts, including accounts not maintained at such custodians. Such custodians also make available to the Company (either directly or through independent third parties) other services intended to help the Company manage and further develop its business enterprise, such as consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Such custodians can discount or waive fees they would otherwise charge for some of these services or reimburse the Company for certain Company expenses relating to such services (such as travel expenses to, or conference fees for, custodian-sponsored conferences, trainings and seminars, and custodian office visits). Thus, the Company has an incentive to recommend that clients maintain their account assets at such custodians, based in part on the benefit to the Company and not solely on the nature, cost or quality of custody and brokerage services by such custodians.

The term “soft dollars” is not defined under the federal securities laws. It generally refers to practices in which broker-dealers provide products and services (such as investment research) to advisers or other persons in exchange for the adviser executing client brokerage transactions through the broker-dealer. The term is also used to refer to the calculation of the dollar amount of credits, based on the volume of brokerage commissions on transactions executed through a broker, that an adviser can use to purchase brokerage and research services.

Section 28(e) of the Securities Exchange Act of 1934 provides that a person who exercises investment discretion with respect to an account shall not be deemed to have acted unlawfully or to have breached a fiduciary duty solely by reason of having caused the account to pay more than the lowest available commission if such person determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided. The research product or service obtained with soft dollars must provide lawful and appropriate assistance to the adviser in the performance of its investment decision-making responsibilities.

Since there is a conflict of interest when an adviser receives research products or services as a result of allocating brokerage on behalf of clients, advisers are required to disclose soft dollar arrangements to clients. When the Company uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Company receives a benefit because it does not have to produce or pay for the research, products or services. In such instances, the Company may have an incentive to select or recommend a broker dealer based on its interest in receiving research or other products or services, rather than on the clients’ interest in receiving most favorable execution cost.

The Company’s use of soft dollars is limited to research products or services that directly assist the Company in its investment decision-making responsibilities. This includes proprietary research created by a broker-dealer and research created or developed by a third party and paid for by the broker-dealer.

Broker-dealers who supply the Company with research products or services typically charge higher commissions than those obtainable from other broker-dealers who do not do so. In addition, broker-dealers who supply the Company with research products or services typically charge higher commissions than those same broker-dealers charge to accounts not utilizing soft dollars.

The Company has internal control procedures to monitor and review its soft dollar practices and to evaluate the reasonableness of brokerage commissions in relation to the value of the brokerage and research services provided with respect to accounts as to which the Company exercises investment discretion.

Research furnished by broker-dealers may be used in servicing the accounts of any or all of the Company’s clients, including accounts other than those that pay commissions to the broker-dealers that supplied Company with research services.



The Company uses brokerage firms' standardized commission rate schedule for client account transactions at brokerage firms selected by the Company. This is currently zero for individual equities and ETFs with Charles Schwab and Fidelity for clients that meet custodial contingencies required by a given custodian. Because the Company does not customarily combine one client's trades with those of other clients, its ability to negotiate lower commission rates (based on a larger average transaction size) with brokerage firms is lessened.

A client may direct (with the Company's consent) in the investment management agreement that the client's account be custodied at, and/or all account transactions be placed with, a specific brokerage firm (including a brokerage firm that has referred the client to the Company). In such cases, a client should be aware that:

- the Company will have no duty to negotiate custody and/or brokerage commission rates on the client's behalf with the designated brokerage firm; the client is solely responsible for negotiating such rates;
- lower brokerage commission rates may be available to the client, either through the Company's then current standardized commission rate schedule, or through alternative commission rates at the client's designated brokerage firm or elsewhere;
- the Company may be unable to achieve most favorable execution quality for client account transactions (so-called *best execution*) through use of such designated brokerage firm;
- the client can at any time choose a different brokerage firm, including those *preferred* by the Company; and
- if the designated brokerage firm has referred the client to the Company, a conflict of interest may exist for the Company in achieving best execution for the client's account trades and its interest in receiving future client referrals from that brokerage firm.

The Company does not regularly aggregate the purchase or sale of equity securities for client accounts; customarily, equity trades are executed on an individual client/individual security basis. However, when one or more portfolio managers buys or sells an entire position in an equity security for a group of clients, the trades may be aggregated through each custodian. The Company generally does aggregate pending client trades, through each custodian, for fixed income instruments having similar characteristics, except where the executing broker must enter each client trade individually. Generally (but not always), when trades are aggregated, all clients at the same custodian participating in the aggregated order will receive an average share or bond price with all other transaction costs (other than prime broker fees for certain bond trades) shared on a pro-rata basis. The Company's prevailing practice of not aggregating clients' trades may result in higher overall trading costs to clients than if the Company's prevailing practice were to aggregate such trades.

During the normal process of placing trades for clients' accounts, occasionally an error occurs, such as using an incorrect ticker symbol for a purchase or sale of stock, or buying or selling an incorrect share amount. When the Company discovers that such an error has been made, it promptly corrects the error through the custodian of the account, and implements procedures to ensure that the client is not adversely affected by the error.

Some custodians provide a so-called omnibus *error account* for the Company's group of clients. Within that account, any erroneous trades that were made are reversed and corrected, so that the client ultimately is put in the same position as he or she would have been had the trade been done correctly in the first instance. With other custodians, and also for ERISA accounts of clients (regardless of custodian), if correction of the error negatively impacts a client's account, the Company directly reimburses that account or the client for the amount of the error.

### **Review of Accounts**

The Company's officer/portfolio managers conduct client account reviews in light of the client's stated objectives and the Company's overall investment outlook and strategy. Management of the client investment portfolios is an ongoing process. While there are no specific requirements for frequency of client account reviews, customarily *Full Service* and *Special Service* accounts are reviewed at least annually. Account reviews are also occasioned by a variety of circumstances, such as follow-up to a client meeting, changes in client needs, revisions to the Company's investment strategy or its assessment of particular securities, market trends and changes in the Company's economic outlook.

If the Company has prepared a comprehensive personal financial plan (see above, *Fees and Compensation*) for a client, the Company offers to review the plan annually with the client, but ultimately, that process is client-driven.

The Company provides clients with *Full Service* accounts a written quarterly account statement, which presents details of their investment portfolios, including a listing of all securities and cash balances, market values, tax costs, and estimated income return. In addition, the Company provides such clients with a written quarterly outlook and strategy report and also may provide, from time to time, periodic letters explaining transactions in the clients' accounts.

The Company provides clients with *Special Service* accounts a written quarterly statement of their accounts (unless clients elect not to receive them, or to receive only certain of them).

### **Client Referrals and Other Compensation**

No non-client provides any economic benefit to the Company for providing investment advice or other advisory services to the Company's clients, and neither the Company (nor any affiliate) directly or indirectly compensates non-employees of the Company for client referrals.

## **Custody**

All clients receive quarterly, or more frequent, statements from the broker-dealer, bank or other qualified custodian that holds and maintains clients' investment assets. The Company urges all its clients to review carefully such custodian statements and compare them with the account statements that the Company provides to its clients. The Company's statements may vary from the custodian's statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

There are circumstances where one of the officers of the Company serves as trustee for a client trust account with the traditional authorities that come with such a role. In those circumstances, the Company has custody of such trust assets. In addition, in circumstances where clients utilize the Company's personal affairs management services (which often include bill paying services), the Company has custody of client assets. Because of the implications of custody in such circumstances, and consistent with the Investment Advisers Act and the rules thereunder, the Company retains an independent accounting firm to perform an annual surprise examination of the Company's internal custody controls.

There are instances where a client has executed a standing letter of authorization (SLOA), directing the Company to make payments from the client's account to third parties (for example, to pay certain monthly or annual bills of the client with funds from the client's investment account). While the client always specifies the payee, it is sometimes the case that the specific amount and/or specific timing of the payment is purposefully (and at the client's direction) left open-ended (for instance, to allow the Company the administrative flexibility to pay a routine bill in an amount that may vary from payment period to payment period).

Consistent with the industry-wide guidance of the SEC Staff in the Division of Investment Management (hereinafter the "Staff"), issued in February 2017, the Company technically has "custody" (as that term is defined under the Investment Advisers Act) of assets that are subject to SLOAs with "open-ended" terms. The Company's response to Item 9 of Form ADV Part I includes these assets. Consistent with the no-action letter issued by the Staff to the Investment Advisers Association on February 21, 2017 (hereinafter the "IAA Letter") and related FAQs issued by the Staff; however, the Company is not subject to a surprise examination of the assets subject only to the SLOAs because the Company meets the requirements of the Letter: (1) the client provides a written, signed instruction to the qualified custodian (typically the broker-dealer) that includes the third-party's name and address or account number at the custodian; (2) the client authorizes the Company in writing to direct transfers to the third party; (3) the client's qualified custodian verifies the client's authorization and provides a transfer of funds notice to the client promptly after each transfer; (4) the client can terminate or change the instructions; (5) the Company has no authority or ability to designate or change the identity of the third party; (6) the adviser maintains records showing that the third party is not a related party of the Company or located at the same address as the Company; and (7) the client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **Investment Discretion**

The Company manages most of its clients' portfolios on a fully discretionary basis, with full authority to determine and direct execution of client account transactions within the client's specified investment objectives and plan without consultation with the client on specific transactions. Clients grant this authority to the Company in the investment management agreement between the client and the Company and in the documents entered into by the client and the custodian of the client's accounts. Unless agreed to in the contract signed by the Company, no client "authorization" is needed for any investment decision made by the Company on behalf of a client, whether such decision be to buy, sell, or hold securities and/or cash. However, there are a small number of circumstances where clients do place limits on this discretionary authority (with respect to investing in certain securities or types of securities), on a case-by-case basis, by written agreement with or instructions to the Company.

A small number of clients retain the Company on a non-discretionary basis, requiring that client account transactions be discussed with, and approved by, the client in advance.

## **Voting Client Securities**

If agreed to by the Company and the client in the investment management agreement, the Company will assume responsibility for proxy voting of securities in the client's custodial account (including securities not managed by the Company). In nearly all cases where the Company votes proxies for clients, including any situation where the Company has an actual and material conflict of interest, the Company will vote in accordance with the recommendations of Institutional Shareholder Services, Inc., an independent investment research company ("ISS"). A client may instruct the Company as to how to vote a proxy (or class of proxy votes); if so, the Company will vote in accordance with the client's instructions. Clients may obtain a copy of the Company's proxy voting policies and procedures, or information as to how the Company voted the client's proxies, upon written request to the Company and/or [sdraeger@rmdavis.com](mailto:sdraeger@rmdavis.com).

If the client has not granted the Company the authority to vote proxies, the client will receive proxies or other solicitations directly from the client's account custodian; in such event, the client is totally responsible for voting the proxies.

## **Financial Information**

The Company has no financial condition that is reasonably likely to impair the Company's ability to meet its contractual commitment to clients. The Company has never been the subject of a bankruptcy proceeding at any time.



24 CITY CENTER

PORTLAND, MAINE 04101-4069

TEL: 207-774-0022 FAX: 207-774-0023

AND

ONE HARBOUR PLACE, SUITE 390

PORTSMOUTH, NEW HAMPSHIRE 03801-3841

TEL: 603-373-8911 FAX: 603-373-8919

[www.rmdavis.com](http://www.rmdavis.com)

## Brochure Supplement

For

Brian H. Noyes, Mark A. Fernandez, Wendy A. Laidlaw,  
Geoffrey K. Alexander, Scot E. Draeger, Hugh C. Judge,  
Karen L. Milliken, Dana R. Mitiguy, John D. Doughty,  
Peter F. Richardson, Vincent F. Damasco, Kevin M. Hunt,  
Matthew A. McFarland, Michael P. Wood, George C. Carr,  
Reid V. Smith, Robert M. Davis, Jill Hibyan

**This brochure supplement provides information about the individuals listed above that supplements the R. M. Davis, Inc. brochure. You should have received a copy of that brochure. Please contact Scot E. Draeger, General Counsel and Chief Compliance Officer, if you did not receive R. M. Davis, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about the individuals listed above is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

March 25, 2020

## **Brian H. Noyes**

### **Educational Background and Business Experience**

Name: Brian H. Noyes

Year of Birth: 1958

Formal Education after High School:

B.S., University of New Hampshire (1980)

Business Background:

R. M. Davis, Inc. (1989 - present): Vice President/Portfolio Manager.

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Noyes.

### **Other Business Activities**

Mr. Noyes is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Noyes is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. Noyes provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Mark A. Fernandez**

### **Educational Background and Business Experience**

Name: Mark A. Fernandez

Year of Birth: 1952

Formal Education after High School:

B.S., Syracuse University (1974)

M.B.A., Northeastern University (1979)

Business Background:

R. M. Davis, Inc. (1994 - present) – Current Position(s): Vice President/Portfolio Manager.

Prior Position(s): Director of Research.

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Fernandez.

### **Other Business Activities**

Mr. Fernandez is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Fernandez is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. Fernandez provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Wendy A. Laidlaw**

### **Educational Background and Business Experience**

Name: Wendy A. Laidlaw

Year of Birth: 1961

Formal Education after High School:

B.S., George Mason University (1987)

M.B.A., Meredith College (1990)

Business Background:

R. M. Davis, Inc. (1995 - present) - Current Position(s): Vice President/Chief Operating Officer/Chief Financial Officer/Portfolio Manager. Prior Position(s): Chief Compliance Officer.

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Ms. Laidlaw.

### **Other Business Activities**

Ms. Laidlaw is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Ms. Laidlaw is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Ms. Laidlaw provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.



## **Geoffrey K. Alexander**

### **Educational Background and Business Experience**

Name: Geoffrey K. Alexander

Year of Birth: 1963

Formal Education after High School:

B.A., Colby College (1986)

M.B.A., Boston University (1991)

Business Background:

R. M. Davis, Inc. (1997 - present): Current Position(s): CEO/Portfolio Manager. Prior Position(s): President/Vice President/Portfolio Manager.

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Alexander.

### **Other Business Activities**

Mr. Alexander is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Alexander is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. Alexander provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Scot E. Draeger**

### **Educational Background and Business Experience**

Name: Scot E. Draeger

Year of Birth: 1974

Formal Education after High School:

B.S., University of Cincinnati (1996)

J.D., University of Maine School of Law (1999)

Business Background:

R. M. Davis, Inc. (2017 - present): Current Position(s): President/ General Counsel/Chief Compliance Officer/Director of Wealth Management. Prior Position(s): Vice President.

Bernstein Shur (2008 - 2017): Board of Directors; Shareholder/Partner; Chairman, Financial Service, Asset Management, and Securities Practice Groups

Citigroup Corporate and Investment Bank (2005 - 2008): Office of the General Counsel, Director and Senior Vice President; General Counsel – Citi Fund Services

U.S. Securities and Exchange Commission (2000 - 2005): Senior Legal Counsel, Office of the General Counsel; Senior Legal Counsel to SEC Commissioner Roel C. Campos

George Mason University School of Law (2004-2005): Adjunct Professor of Securities Law and Regulation

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Draeger.

### **Other Business Activities**

Mr. Draeger is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Draeger is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

Mr. Draeger provides wealth management advice, but not investment advice. The advice that Mr. Draeger provides to clients is subject to periodic review by the Company's compliance personnel as well as the Company's Chief Operating Officer, Wendy Laidlaw, 207-774-0022.

## **Hugh C. Judge**

### **Educational Background and Business Experience**

Name: Hugh C. Judge

Year of Birth: 1959

Formal Education after High School:

B.A., Wesleyan University (1981)

Business Background:

R. M. Davis, Inc. (1997 - present): Vice President/Portfolio Manager

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Judge.

### **Other Business Activities**

Mr. Judge is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Judge is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. Judge provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Karen L. Milliken**

### **Educational Background and Business Experience**

Name: Karen L. Milliken

Year of Birth: 1958

Formal Education after High School:

B.A., Holy Cross College (1980)

M.B.A., University of Southern Maine (1988)

Business Background:

R. M. Davis, Inc. (1997 - present): Vice President/Research Analyst/Portfolio Manager

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Ms. Milliken.

### **Other Business Activities**

Ms. Milliken is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Ms. Milliken is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Ms. Milliken provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Dana R. Mitiguy**

### **Educational Background and Business Experience**

Name: Dana R. Mitiguy

Year of Birth: 1961

Formal Education after High School:

B.A., Middlebury College (1983)

Business Background:

R. M. Davis, Inc. (2000 - present): Vice President/Portfolio Manager

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Mitiguy.

### **Other Business Activities**

Mr. Mitiguy is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Mitiguy is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. Mitiguy provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

**John D. Doughty**

**Educational Background and Business Experience**

Name: John D. Doughty

Year of Birth: 1965

Formal Education after High School:

B.A., Bowdoin College (1988)

M.B.A., University of Chicago (1993)

Business Background:

R. M. Davis, Inc. (2002 - present) - Current Position(s): Vice President/Chief Investment Officer/Portfolio Manager. Prior Position(s): Research Analyst/Associate Director of Research/Portfolio Manager/Director of Research.

**Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Doughty.

**Other Business Activities**

Mr. Doughty is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

**Additional Compensation**

Mr. Doughty is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

**Supervision**

The advice that Mr. Doughty provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

**Peter F. Richardson**

**Educational Background and Business Experience**

Name: Peter F. Richardson

Year of Birth: 1957

Formal Education after High School:

B.A., Bowdoin College (1979)

Business Background:

R. M. Davis, Inc. (2006 - present): Vice President/Portfolio Manager

**Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Richardson.

**Other Business Activities**

Mr. Richardson is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

**Additional Compensation**

Mr. Richardson is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

**Supervision**

The advice that Mr. Richardson provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Vincent F. Damasco**

### **Educational Background and Business Experience**

Name: Vincent F. Damasco

Year of Birth: 1975

Formal Education after High School:

B.S., Drexel University (1999)

Business Background:

R. M. Davis, Inc. (2011 - present): Vice President/Securities Analyst/Portfolio Manager

The Colony Group (2007 - 2011): Equity Research Analyst/Portfolio Manager

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Damasco.

### **Other Business Activities**

Mr. Damasco is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Damasco is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. Damasco provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.



## **Kevin M. Hunt**

### **Educational Background and Business Experience**

Name: Kevin M. Hunt

Year of Birth: 1967

Formal Education after High School:

A.B., Duke University (1989)

M.B.A., University of Texas (Austin) (1996)

Business Background:

R. M. Davis, Inc. (2012 - present): Vice President/Securities Analyst/Portfolio Manager

Auriga Securities USA (2011 - 2012): Managing Director/Technology Hardware Analyst

Hapoalim Securities (2009 - 2011): Senior Vice President/Senior Technology Analyst

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Hunt.

### **Other Business Activities**

Mr. Hunt is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Hunt is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. Hunt provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Matthew A. McFarland**

### **Educational Background and Business Experience**

Name: Matthew A. McFarland

Year of Birth: 1975

Formal Education after High School:

B.A., Saint Anselm College (1997)

Business Background:

R. M. Davis, Inc. (2013 - present): Vice President/Portfolio Manager

People's United Bank – Wealth Management Division (2005-2013): Vice President/Wealth Management Advisor

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. McFarland.

### **Other Business Activities**

Mr. McFarland is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. McFarland is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. McFarland provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Michael P. Wood**

### **Educational Background and Business Experience**

Name: Michael P. Wood

Year of Birth: 1964

Formal Education after High School:

B.A., Boston College (1986)

M.B.A., New Hampshire College (1994)

Business Background:

R. M. Davis, Inc. (2013 - present): Vice President/Portfolio Manager

CMH Wealth Management, LLC (2012-2013): Managing Director/Portfolio Manager

Ram Trust Services (1995-2012): Managing Director

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Wood.

### **Other Business Activities**

Mr. Wood is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Wood is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. Wood provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

**George C. Carr**

**Educational Background and Business Experience**

Name: George C. Carr

Year of Birth: 1984

Formal Education after High School:

B.A., Bates College (2007)

M.B.A., Boston University (2014)

Business Background:

R. M. Davis, Inc. (2015 - present): Vice President/Portfolio Manager

Federal Street Advisors (2010-2015): Senior Client Advisor/Client Advisor

**Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Carr.

**Other Business Activities**

Mr. Carr is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

**Additional Compensation**

Mr. Carr is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

**Supervision**

The advice that Mr. Carr provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Reid V. Smith**

### **Educational Background and Business Experience**

Name: Reid V. Smith

Year of Birth: 1967

Formal Education after High School:

B.A., Middlebury College (1990)

Business Background:

R. M. Davis, Inc. (2016 - present): Vice President/Portfolio Manager

David Wendell Associates, Inc. (2007-2016): Vice President/Portfolio Manager

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Smith.

### **Other Business Activities**

Mr. Smith is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Smith is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. Smith provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Robert M. Davis**

### **Educational Background and Business Experience**

Name: Robert M. Davis

Year of Birth: 1967

Formal Education after High School:

B.S., Elmira College (1989)

Business Background:

R. M. Davis, Inc. (2017 - present): Vice President/Portfolio Manager

HM Payson (2013 - 2017): Relationship/Portfolio Manager & Financial Planner

KeyBank (1998 – 2013): Senior Vice President, Private Bank

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Mr. Davis.

### **Other Business Activities**

Mr. Davis is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Mr. Davis is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Mr. Davis provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.

## **Jill Hibyan**

### **Educational Background and Business Experience**

Name: Jill Hibyan

Year of Birth: 1972

Formal Education after High School:

B.A. Connecticut College (1994)

M.A. University of Massachusetts (2004))

Business Background:

R. M. Davis, Inc. (2018 - present) – Current Position(s): Vice President/Portfolio Manager.  
Prior Position(s): VP and Portfolio Manager at U.S. Trust – Bank of America Private Wealth Management (2004-2018);

### **Disciplinary Information**

There are no disciplinary or legal events that are material to a client's or prospective client's evaluation of Ms. Hibyan.

### **Other Business Activities**

Ms. Hibyan is neither actively engaged in any other investment-related business or occupation nor actively engaged in any other business or occupation for compensation that provides a substantial source of income or involves a substantial amount of time.

### **Additional Compensation**

Ms. Hibyan is entitled to receive compensation from R. M. Davis, Inc. in addition to salary for generating new accounts.

### **Supervision**

The advice that Ms. Hibyan provides to clients is subject to periodic review by the Company's compliance personnel under the supervision of Scot E. Draeger, Chief Compliance Officer, 207-774-0022.