



CARL P. SHERR & CO., LLC
— FINANCIAL ADVISORS —

Part 2A of Form ADV: Firm Brochure

Item 1 – Cover Page

Carl P. Sherr & Co., LLC

446 Main Street

Worcester, MA 01608

Telephone: 508-791-7126

Email: esherr@carlpsherr.com

Web Address: www.carlpsherr.com

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Form ADV, Part 2; our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940 is a very important document between Clients (“you”, “your”) and Carl P. Sherr & Co., LLC. (“CPS & Co”, “us”, “we”, “our”). ‘CPS & Co’s IARD firm number is 3394.

This Brochure provides information about the qualifications and business practices of Carl P. Sherr & Co., LLC. If you have any questions about the contents of this Brochure, please contact us at (508) 791-7126 or esherr@carlpsherr.com. The information in this

brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

We are a registered investment adviser. Our registration as an investment adviser does not imply any level of skill or training. Additional information about Carl P. Sherr & Co., LLC is also available on the SEC's website at www.adviserinfo.sec.gov (click on the link, select "Investment Adviser Search" and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

Item 2 – Material Changes

The SEC adopted “Amendments to Form ADV” in July 2010. Our disclosure document was prepared according to the SEC’s new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content and includes some new information that we were not previously required to disclose.

The only material change to report since the last annual filing of this Brochure, dated March 2020 is Item 15 where some of our clients have standing letter of authorizations with their custodian.

This Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures that includes an offer to send you a copy [either by electronic means (email) or in hard copy form] within 120 days of the close of our business’ fiscal year. Furthermore, we will provide you with other interim disclosures about material changes, as necessary.

The revised Brochure will be available, since our last delivery or posting of this Brochure on the SEC’s public disclosure website (IAPD) to view at www.adviserinfo.sec.gov or you may contact us at the telephone number or via email shown on the cover page of this Brochure.

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Item 4 – Advisory Business

Carl P. Sherr & Co., LLC ('CPS & Co' or 'we') is a SEC-registered investment adviser with its principal place of business located in Massachusetts. Carl P. Sherr & Co., LLC began conducting business in 1964. We offer investment management and financial planning services to our clients. As of December 31, 2019, the firm had \$ 250,022,795 in assets under management which were managed on a discretionary basis and \$19,073,919 managed on a non-discretionary basis.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Carl Paul Sherr,
- Gary Hyman Sherr, and
- Edward Laurence Sherr.

Carl P. Sherr & Co., LLC offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income) as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

A client's assets typically will be invested in a customized portfolio inclusive of some of the above investments developed by CPS & Co utilizing information made available from Fidelity Institutional Wealth Services, or one or more mutual fund portfolios offered through a wrap-fee program by Morningstar Investment Services.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

FINANCIAL PLANNING

We offer comprehensive financial planning for individuals, families, and small businesses. We are dedicated to providing independent, objective, professional advice customized to meet our clients specified needs.

Our comprehensive financial plans target the following areas:

- Retirement Planning
- Education Funding
- Investment Analysis & Design
- Estate Planning
- Insurance Needs Analysis
- Cash flow, budgeting and tax analysis

Financial Planning Stages

- Stage I Building a Financial Foundation
- Stage II New Professional – Career Building

- Stage III Established Professional – Career Growth Stage
- Stage IV Pre-Retirement – Planning/transitioning to Retirement
- Stage V Financial Independence – Successful Retirement

Financial planning is a comprehensive evaluation of a client's current and future financial state. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client.

The Process

- Our financial planning process starts with an initial exploration meeting, offered free of charge to discuss how our services can match our client's needs.
- The next step is for the client to complete a detailed, get acquainted questionnaire and to gather requested information.
- After verifying the information, we start a series of planning meetings. We have planning meetings until we have addressed all of the goals to our client's satisfaction including results if no changes were made and recommendations and possible changes to current course of action.
- Also, as needed, we coordinate the implementation of the plan with the client's accountant, attorney, or other professionals.
- Upon completion, we mutually set a schedule for check-in meetings to measure progress.

Client agrees to complete the Get Acquainted Questionnaire and provide the requested information if needed including tax return, paycheck stubs, investment statements, retirement plan statements, insurance statements or policies, employer benefit information, loan documents and social security annual statements and/or establish connections using eMoney, CPS & Co's financial planning software, outlined on the cover page of the questionnaire. Client and CPS & Co will meet to review and prioritize financial goals. The written financial plan(s) presented by CPS & Co will illustrate the current financial position, including net worth and current cash flow, and explore options to meet stated financial goals. As the engagement progresses, client and CPS & Co will agree on roles and responsibilities for each party to implement and monitor each goal within the financial plan. All information and documentation provided by the client will be considered true. Client understands that the plan is based on the information provided and agrees to tell CPS & Co of any material changes to the information.

CPS & Co aims to separate the financial planning process from the decision to purchase a financial product or service. You are not committed or required at any time

to purchase a financial product or service from CPS & Co. CPS & Co does not currently sell any financial products and offers financial planning and investment management services as outlined in this Agreement. It is important to note that there is an inherent conflict of interest in having CPS & Co help you implement our financial plan through our investment management services, as we will receive additional compensation. Please note that similar investment management services may (or may not) be available from other investment advisers for similar or lower fees.

Investment advice may be offered on the following:

- Exchange-listed securities
- Mutual fund shares
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- United States governmental securities
- Fixed or Variable annuities
- Employer Stock options

WRAP FEE PROGRAM

CPS & Co provides investment management services to clients participating in a wrap fee investment program sponsored by Morningstar Investment Services, an unaffiliated registered investment adviser. In this program, the client pays an all-inclusive “wrap fee” for a package of services, including advisory services, investment management, custodial services and transaction costs. CPS & Co will receive a portion of the fees paid by the client to Morningstar Investment Services as compensation. The account must be maintained at Morningstar Investment Services for the client to participate in the wrap fee program.

Clients may participate in two series of portfolios developed by Morningstar Investment Services, Asset Allocation portfolios and Focused Strategy portfolios. In developing these portfolios, Morningstar Investment Services’ analysts undertake due diligence, including face-to-face meetings with the fund managers, and style and holdings-based analysis of each fund. Particular attention is paid to factors such as expenses, management experience, ownership levels of the fund and willingness to protect their investment discipline. Only no load and load-waived funds are included in the program. Portfolio accounts will be rebalanced by Morningstar Investment Services as needed.

Item 5 – Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 0.50% to 1.50%.

Our fees are billed monthly, in arrears, at the beginning of each month based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous billing period. Fees will be debited or billed directly from the account in accordance with the client authorization in the Investment Advisory Agreement.

A minimum of \$500,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Carl P. Sherr & Co., LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

The fee structure for the wrap fee program is based on assets under management. Fees are generally paid quarterly in arrears and debited directly from the account in accordance with the client authorization in the Wrap Program Agreement. The minimum account size is \$250,000 and the following fees are charged:

- 1.50% for the first \$250,000 in assets under management
- 1.25% for the next \$250,000 in assets under management
- 1.00% for amounts above \$500,000 in assets under management.

Limited Negotiability of Advisory Fees: Although Carl P. Sherr & Co., LLC has established the aforementioned fee schedule(s); we retain the discretion to negotiate alternative fees on a client-by-client basis. Therefore, clients with similar assets under management and investment objectives may pay higher or lower fees than other clients. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

FINANCIAL PLANNING FEES

Flat Fee engagement

CPS & Co will be compensated for financial planning services using our flat fee financial planning pricing structure. The flat fee in year one is outlined below and is determined by your current financial stage. This stage is mutually agreed upon and indicated below. The pricing structure was derived after reviewing the complexity of the financial goals and the number of hours it takes to prepare and deliver financial planning advice for each stage. Fees are assessed quarterly in arrears.

	<u>Year 1</u>	<u>Year 2+</u>
Stage I	\$600/year (\$150/quarter)	\$600/year (\$150/quarter)
Stage II & V	\$2,500/year (\$625/quarter)	\$1,250 (\$312.50/quarter)
Stage III & IV	\$4,000/year (\$1,000/quarter)	\$2,000 (\$500/quarter)

In year two and beyond, with the exception of Stage I, the flat fee is 50% of the first-year fee assuming we are engaging in planning on an annual basis. If client does not engage in financial planning services on an annual basis, the fee will revert to the year one fee at that time of reengagement.

Stage I is currently reserved for referrals from existing clients and is limited to 3 years of engagement before progressing into Stage II.

Although CPS & Co has established the aforementioned fee schedule(s), CPS & Co retains the discretion to negotiate alternative fees on a client-by-client basis. Prior planning relationships before the adoption of our flat fee financial planning structure may be charged on an hourly basis (see details below). Discounts, not generally available to all clients, may be offered to family members and friends of associated persons of our firm.

Hourly engagement

CPS & Co will be compensated for financial planning services charged on an hourly basis of \$250 per hour. The fee is based on the time required to prepare, present and review the plan with client. Billable time is tracked on a log and can be presented to a client as requested. Client will be billed after completion of the financial planning services but not to exceed 12 months from the financial planning initial engagement. If client is not satisfied with the quality of work, client will not receive a bill for the financial planning services. The hourly engagement is available only to existing planning relationships with an initial engagement prior to October 1, 2019.

Financial Planning Fee Offset: Carl P. Sherr & Co., LLC reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

CPS & Co does not charge clients separately for financial planning (after year 1) when annual investment advisory revenue is greater than \$5,000. CPS & Co will not do an annual FPA agreement in those circumstances.

Limited Negotiability of Financial Planning Fees: Although Carl P. Sherr & Co., LLC has established the aforementioned fee schedule(s); we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related household accounts; among other factors. The specific annual fee schedule is identified in the contract between the planner and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice.

Mutual Fund Fees: All fees paid to Carl P. Sherr & Co., LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Only no load or load-waived funds are included in the program. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual

fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, such as brokerage commissions and transaction fees. It also includes, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in advance of services rendered.

Item 6 – Performance-Based Fees and Side-By-Side Management

Carl P. Sherr & Co., LLC does not charge advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our compensation structure is disclosed in detail in Item 5 above.

Item 7 – Types of Clients

Carl P. Sherr & Co., LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Charitable organizations
- Small business
- Trusts
- Estates

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Customized Portfolios: In developing a mutual fund portfolio for a client, CPS & Co will perform comprehensive due diligence, and style- and holdings-based analysis of each fund, using the resources of Fidelity Institutional Wealth Services. Particular

attention is paid to factors such as expenses, management experience, ownership levels of the fund and willingness to protect their investment discipline.

If open end mutual funds are selected, only no load and load-waived funds are included in the program. Portfolio accounts will be rebalanced as needed. Depending on a client's needs and objectives, other investments may be included in a portfolio, such as individual stocks, bonds and exchange traded funds.

Wrap Fee Program: CPS & Co provides investment management services to clients participating in a wrap fee investment program sponsored by Morningstar Investment Services, an unaffiliated registered investment adviser. Clients may participate in two series of portfolios developed by Morningstar Investment Services, Asset Allocation portfolios and Focused Strategy portfolios. Asset Allocation portfolios are spread across a risk/reward spectrum with accounts tailored for taxable and tax-deferred accounts. Mutual funds are selected for the program based on a combination of qualitative and quantitative factors.

Focused Strategy portfolios concentrate on investments in particular areas of the markets or that deploy a specialized strategy. They can be used to gain more exposure to a specific market segment, or to help diversify a portfolio that is too concentrated. The Focused Strategies include both style-specific portfolios and strategy-specific portfolios, all of which can be used for taxable and tax-deferred accounts.

In evaluating wrap fee arrangements, clients should consider a variety of factors, such as the applicable fee, the size of the account, expected trading activity, specific goals and needs, and the value of the services provided. In some cases, the services required by a client could be obtained at a lower total cost if purchased separately. Given this, wrap fee programs may not be suitable for all clients.

INVESTMENT STRATEGIES

We use the following strategy in managing client accounts, provided that such strategy is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases: We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Risk of Loss: Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 – Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

FIRM Registrations:

As previously discussed in the other sections of this Brochure, CPS & Co provides investment management services to clients participating in a wrap fee investment program sponsored by Morningstar Investment Services, an unaffiliated registered investment adviser. CPS & Co will receive a portion of the fees paid by the client to Morningstar Investment Services.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Carl P. Sherr & Co., LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Carl P. Sherr & Co., LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to esherr@carlpsherr.com, or by calling us at 508-791-7126.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Item 12 – Brokerage Practices

Carl P. Sherr & Co., LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Carl P. Sherr & Co., LLC requires that clients provide us with written authority (hard copy or electronic) to open an account at Fidelity Institutional Wealth Services and any transaction costs will be charged to the client.

Clients must include any limitations on this discretionary authority in the Investment Advisory Agreement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Aggregation of Orders: From time to time, it may be appropriate for more than one client account to trade in the same securities at the same time. Consistent with its fiduciary duties, CPS & Co policy generally is to allocate investment opportunities to its clients on an equitable and fair basis, based on a variety of criteria, including the size of the account, and consistency with a client's investment guidelines and strategies. Because of the diversity of objectives, risk tolerances, portfolio guidelines and limitations, there may often be differences among client accounts in the particular securities and other instruments held.

To the extent applicable, as a general policy, client securities orders placed with the same broker for the same security on the same day may be aggregated and allocations among such clients are effected on a pro rata basis, based on the relative value of the accounts, or otherwise on an allocation amount or methodology determined at or prior to the time of the order. If the same prices or execution cannot be obtained, the orders are combined on an average price basis (such that each client receives the same price based on the prices obtained).

Wrap Fee Programs: With respect to wrap fee programs, the program sponsor, not CPS & Co, is responsible for executing trades so that the client is not charged commissions on the trades. Sponsors providing execution services under a wrap fee are responsible for providing best price and execution for client trades.

Item 13 – Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: All accounts are reviewed by one or more of our firm's principals - Edward or Gary Sherr prior to the account being established with our firm's custodians: Fidelity Investments or Morningstar Investment Services Inc. The approving principal will review at least quarterly and ensure conformity to the client's investment objectives, age, net worth, income, personal stated risk tolerance and prior investment experience, and if necessary, require a strategy change based upon a change in the client's objectives, financial risk tolerance and the prevailing market conditions.

While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

Gary H. Sherr, Sr. - Vice President

Edward L. Sherr, Sr. - Vice President

Jennifer Simes, CFP® - Lead Planner

REPORTS: Clients will receive a monthly or quarterly statement from the custodian, detailing all transactions made on behalf of the account, contributions and withdrawals made by the client, all fees and expenses charged to the account at both the beginning and end of the statement period. All clients have internet accessibility, password protected; via the custodian, so that clients can monitor their account as they deem necessary.

In addition to the monthly statements and confirmations of transactions that clients receive from the custodian, we will provide monthly and/or quarterly reports summarizing account performance, balances and holdings per client's request.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise agreed upon.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise agreed upon.

Item 14 – Client Referrals and Other Compensation

It is Carl P. Sherr & Co., LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Carl P. Sherr & Co., LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 – Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts for Investment Supervisory Services.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things.

With regards to the wrap fee program, the client pays an all-inclusive "wrap fee" for a package of services, including advisory services, investment management, custodial services and transaction costs. Morningstar Investment Services calculates the quarterly fee and CPS & Co will receive a portion of the fees paid by the client to Morningstar Investment Services as compensation. The account must be maintained at Morningstar Investment Services for the client to participate in the wrap fee program. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts. However, we are deemed to have custody of clients' funds or securities when clients have standing letters of authorizations ("SLOAs") with their custodian to move money from a client's account to a third-party, and under that SLOA it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

Item 16 – Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell.

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting the Chief Compliance Officer by telephone at 508-791-7126 or 800-257-4377 or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact our Chief Compliance Officer at 508-791-7126 or 800-257-4377 or in writing.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting the Chief Compliance Officer at 508-791-7126 or 800-257-4377.

Item 18 – Financial Information

Under no circumstances do we require or solicit payment of fees in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Carl P. Sherr & Co., LLC has no additional financial circumstances to report.

Carl P. Sherr & Co., LLC has not been the subject of a bankruptcy petition at any time during the past ten years.