



Foundation Resource Management, Inc. (FRM) is an investment adviser registered with the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. This document provides a summary of the type of service that we offer and how we are paid. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing. Listed in this document are “Conversation Starters” that may help facilitate the conversation between you and your financial professional.

What investment services and advice can you provide me?

We offer discretionary investment advisory services to individuals, trusts, non-profit organizations, and institutional investors. Discretionary authority means that you give us permission to determine how to invest your capital without having to obtain permission every time we wish to execute a trade. We do not restrict our advice to limited types of products or investments.

Our portfolio managers monitor accounts on an ongoing basis and more formally on a quarterly basis. We require an annual meeting with you (either in person or via other electronic means) to discuss items pertinent to your investment goals.

Our firm requires an account minimum of \$2 million of assets under initial management for each new client relationship. As we do not act as the custodian of your assets, we require that you establish your account(s) at a qualified financial institution (broker or bank trust company) for safekeeping of your investments. You can find more information about our services in our Form ADV Part 2A Brochure (Items 4 and 7 of Part 2A or Items 4.A and 5 of Part 2A Appendix 1).

Conversation Starters:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications?
- What do these qualifications mean?

What fees will I pay?

You will pay investment management fees on a quarterly basis based on the fair market value of your account. These fees are assessed in arrears. The chart to the right illustrates our fee schedule.

	Fee as % of Assets Managed	
	<u>First \$5 million</u>	<u>Second \$5 million</u>
Equities	1.00%	0.85%
Fixed Income	0.35%	0.30%
Negotiable over \$10 million		

Other fees that you may pay include brokerage commissions, transaction fees, custodial fees, and wire transfer fees.

These fees are exclusive of and in addition to our fees. We will not receive any portion of these fees. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Conversation Starters:

- Help me understand how these fees and costs might affect my investments.
- If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

**What are your legal obligations to me when acting as my investment adviser?
How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we must act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice that we provide you. Here are some examples to help you understand what this means. An inherent conflict of interest present in charging asset-based fees is that the more assets there are in your account, the more you will pay in fees, and we may therefore have an incentive to encourage you to increase the assets in your account. In addition, the fact that FRM earns a higher fee for management of equity versus fixed income investments presents a conflict of interest since it will present an economic incentive to allocate more assets to those types of securities from which it will earn a higher advisory fee. FRM is not affiliated with any broker-dealer or any other financial institution, and therefore does not have a conflict of interest inherent in those types of arrangements.

The only revenues we earn are our investment management fees.

Conversation Starter:

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

How do your financial professionals make money?

Our financial professionals earn an annual salary and a year-end bonus based on factors such as their performance through the year and the performance of the firm. Some employees can earn additional bonus compensation if they successfully refer a client to us. This bonus is equal to the first full year's fees.

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

No. Visit Investor.gov/CRS for a free and simple search tool to research our firm and FRM's financial professionals.

Conversation Starter:

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

Additional Information

Conversation Starters:

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

You may find additional information about our firm's investment advisory services on the SEC's website at www.advisorinfo.sec.gov by searching CRD #116359. To request more information or an additional Form CRS, please contact our Chief Compliance Officer, Abby McKelvy, at (501) 534-2675 or amckelvy@frmlr.com .

