



## **Form ADV, Part 3: Form CRS**

### **Introduction**

North Woods Asset Management, LLC ("North Woods") is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### **What investment services and advice can you provide me?**

North Woods provides personalized investment management and retirement plan consulting services. The firm provides financial advice to individuals, trusts, and retirement plans. North Woods requires each client to place at least \$100,000 with the firm, but maintains the discretion to waive this minimum.

### **Asset Management**

North Woods believes that the best portfolio management requires smart asset allocation, strong fund/manager selection, and strategic "factor" weightings. However, while each of these components are important to a portfolio, they are not equal. In order to incorporate all three components properly, North Woods utilizes a "Three Filter" approach to portfolio construction, in which macro-level decisions are made before micro. Specifically, based on a client's risk and return profile, we first determine the proper asset allocation, which has the greatest impact on long term returns and short-term volatility. We then perform fund manager research and due diligence on fund strategies, track records, and fees, to build a stable of top funds in each asset class. We then choose a lineup of funds from those stables that when combined, create the portfolio-wide "factor" exposure that is desired.

When we perform asset management services, we will do so on a discretionary basis, meaning that we are not required to get permission from the client prior to executing a change to client accounts. This means that our agreement with you will include a Limited Power of Attorney granting us the ability to make these changes.

### **Retirement Plan Consulting**

North Woods provides investment advisory services to qualified and non-qualified plans. While ultimately linked to investments and investment advice, consulting to pension plans can involve a great deal more than selecting investments. North Woods acts as a connector and communicator for the plan by bringing in vendors, who provide North Woods with a list of potential investments. North Woods will then take the investment options provided by the vendor, and select the plan's offerings. Throughout this process, North Woods can be as integrated as the plan sponsor wishes, from acting on an as-needed basis only to acting as the plan sponsor's shepherd through the entire process of setting up and maintaining a plan.

For more detailed information, please refer to our Disclosure Brochure, the ADV Part 2A, under Item 4 Advisory Business and Item 7 Types of Clients.

 *"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?**

Generally, fees vary from 0.10% to 1.00% per annum of the market value of a client's assets managed by North Woods. The fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, the managers selected for the account, and other factors. For retirement plan consulting services, fees vary from 0.10% to 0.75% per annum of the market value of a client's assets managed by North Woods. For clients whose assets are managed by the firm, investment advisory fees will be debited directly from each client's account. The advisory fee is paid quarterly, in arrears, and the value used for the fee calculation is the daily average balance of the portfolio for the previous quarter. The daily average balance is the sum of each day's balance divided by the number of days during that quarter.

There are several other fees that can be associated with holding and investing in securities. Clients are responsible for fees including transaction fees for the purchase or sale of a mutual fund and commissions for the purchase or sale of a stock or bond. Mutual fund expenses are not included in management fees because they are deducted from the value of the shares by the mutual fund manager.

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. For more specific information regarding our fees, please refer to our disclosure brochure, the ADV Part 2A under Item 5 Fees and Compensation.

 ***“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?”***

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

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

Mr. William Wadsworth, a principal of North Woods, is also an employee of SDN Insurance Agency, LLC, an insurance agency licensed in the State of New York. Therefore, certain professionals of North Woods are separately licensed as insurance agents. As such, these professionals may conduct insurance product transactions for North Woods clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in their capacity as employees of North Woods. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These professionals therefore have incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage North Woods or utilize these professionals to implement any insurance recommendations. North Woods attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with North Woods, or to determine not to purchase the insurance product at all. North Woods also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of North Woods, which requires that employees put the interests of clients ahead of their own. Mr. Wadsworth, in his capacity as an employee of SDN, may refer SDN clients to North Woods for investment advisory services. North Woods may pay him a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from North Woods' fees, and shall not result in any additional charge to the client.

For more specific information regarding our fees, please refer to our disclosure brochure, the ADV Part 2A under Item 5 Fees and Compensation.

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

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**How do your financial professionals make money?**

Financial professionals of North Woods are paid a portion of the asset management/planning fees collected from clients. Financial professionals are not rewarded sales bonuses.

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

No. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS).

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

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**Additional Information**

Additional information about our investment advisory services can be found at [www.north-woods.com](http://www.north-woods.com). A copy of our *relationship summary* can also be requested by calling 716.220.8497.

 ***“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?”***