

INTRODUCTION

Charlesworth & Rugg, Inc. (“C&R”) is registered with the Securities and Exchange Commission as an investment advisor. C&R is a fee-only, fiduciary investment adviser and as such does not collect any commissions on services provided to any of its clients. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research both firms and financial professionals at investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE TO ME?

Since 1976, C&R has provided investment advisory services to investors. Our primary advisory services are comprehensive wealth management and financial planning. We view our role as that of a wealth strategist, where we seek to understand your current financial situation, existing and future resources, priorities, financial and life goals, and assess overall risk tolerance. Based on what we learn, we will recommend a portfolio of investments that is regularly monitored and periodically rebalanced when appropriate to meet your changing needs, stated goals, and objectives. This process allows us to create tailored investment portfolios and wealth management solutions for you. Our portfolios consist primarily of mutual funds, ETFs, interval funds, and other “alternative investments” (such as private funds) when appropriate.

We’ll offer you advice on a regular basis and have meetings at least semi-annually to discuss your portfolio. Most of our accounts are managed on a discretionary basis which allows us to buy and sell investments in your account without confirming your approval first. You would sign our investment advisory agreement giving us this limited authority to only make trades in your account. We also manage a limited number of non-discretionary accounts where the client is responsible for the ultimate decision to purchase or sell investments. We will have this discretionary or non-discretionary authority until the advisory agreement is terminated by you or our firm.

Our services are generally designed for clients with assets over \$1,000,000. However, we will work with clients with account minimums of \$200,000. We may make exceptions to the minimums for any services, at our discretion, or if the newly established accounts have the potential to exceed these amounts.

C&R also offers corporate consulting services called Corporate Services. This service provides advice and recommendations to business owners and plan sponsors with respect to retirement plans, deferred compensation plans, stock option plans, executive financial planning, or other corporate benefits. This service does not provide personal investment

advice to individual plan participants within the plans offered by the plan sponsor.

For more detailed information about our services, please refer to our [Form ADV, Part 2A brochure](#).

Q Ask your wealth advisor: 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 be charged an ongoing fee on a quarterly basis that is payable in advance based upon the market value of the investment capital under our supervision, including cash or its equivalent, as calculated by the custodian of the account and reviewed by C&R at the beginning of each quarterly period. Fees for financial planning and consulting services are stated separately below.

Our fees typically range from .75% to 1.25% depending on the service model selected and total assets under management. For accounts in excess of \$2,000,000, the fee schedule is 1.00% for the first \$2,000,000, .75% for the next \$3,000,000, and .50% for the next \$5,000,000. We have four different service models that are called Investor Services, Private Wealth Management Services, Family Office Services, and Real Estate Advisory Services. Different clients may utilize different combinations of services. Therefore, our fees and services may vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account.

There is a minimum annual fee of \$2,500 for new clients in Investor Services and Real Estate Advisory Services, \$7,500 for new clients in Private Wealth Management, and \$50,000 for Family Office Services. These minimums apply for all individual services except for clients with an Income objective. There is a minimum annual fee of \$3,750 for clients with an Income objective. These fees and minimums may be reduced or waived at our discretion.

Corporate Services: Fees for clients with retirement plans within Corporate Services are paid quarterly based on the market value of Plan assets as determined by the Plan’s custodian. The base fee amount per year is \$10,000 per plan. An additional .20% annual fee is paid for ERISA 3(38) Investment Management Services. C&R may charge an additional fee for investment advisory services which are quoted based upon the level of service required.

Our advisory fees do not include other fees or costs you will pay directly to the custodian, mutual fund, exchange-traded fund (ETF), or the management fees or expenses charged on investments in private funds. These may include transaction fees, fund expense fees, commissions, or account maintenance fees and are in addition to the fees paid to us. We do not waive our fees proportionally to offset these costs unless we are required by law to do so.

In addition to providing investment advisory clients with access to financial planning, C&R also offers project-based, fee-only financial planning within the Financial Planning Services line of business at an estimated base rate of \$200 per hour. The rate is quoted in advance, based on the scope of work agreed upon and not charged until the financial plan is delivered. Clients utilizing the other services listed above may receive financial planning and consulting for no additional fee.

Our incentive is to grow the value of your account over time, which will increase our fees as your account grows. 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. Additional information can be found in Item 5 of our Form ADV, Part 2A brochure.

Q Ask your wealth advisor: 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 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. Here are some examples to help you understand what this means:

As an investment advisor that charges a fee based on assets under our management, there can be a conflict of interest because the more assets there are in your advisory account, the more you will pay in fees, and our firm may, therefore, have an incentive to encourage you to increase the assets in your account.

C&R is a fee-only advisory firm and does not receive 12b-1, revenue sharing, commissions, administrative or other fees from mutual funds or ETFs, or from any of our service providers. C&R may receive referrals from third parties for which we pay no referral fees. Our compensation solely comes from the advisory fees we earn from our clients. For more detailed information about potential conflicts of interest and how we address them, please see our Form ADV Part 2A, Items 5 and 11.

Q Ask your wealth advisor: How might your conflicts of interest affect me, and how will you address them?

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our team is compensated based on the amount of client assets under management, or a flat fee, for the client relationships that they are involved in. Some members of the team receive fixed salaries for firmwide and/or administrative functions. In general, this means that our fees increase as the assets under management of our clients increase and the incentive structure is based upon work experience, credentials, clients served, new business, and client retention.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No, our firm and financial professionals do not have any legal or disciplinary history to disclose. Please visit investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Q Ask your wealth advisor: As a financial professional, do you have any disciplinary history? For what type of conduct?

WHERE CAN I OBTAIN ADDITIONAL INFORMATION ABOUT YOUR FIRM AND SERVICES?

You can find additional information about our firm's investment advisory services on our website (www.crugg.com) or on the SEC's website at www.adviserinfo.sec.gov by searching CRD#284712. To request additional information or a copy of this relationship summary (Form CRS), or to speak with a member of our investment advisory team, please contact us at (818) 340-0157.

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