

July 1, 2020

R. M. Davis, Inc. is registered with the U.S. Securities and Exchange Commission as an Investment Adviser. Form ADV for R.M. Davis, Inc. is available at <https://adviserinfo.sec.gov/firm/summary/105448>.

There are other types of financial services professionals who offer advisory services and fees that differ from our services and fees and it is important for you to understand the differences. The SEC provides free and simple tools to research firms and financial professionals at <https://www.investor.gov/CRS>.

What investment services and advice can you provide me?

R. M. Davis (the *Company*) provides investment management and other wealth management services to families, retail investors, and a small number of institutions. R.M. Davis is a fiduciary to clients. Services available to clients of the Company include investment and wealth management, financial planning, trustee services, trust administration, and personal affairs management. Accounts are managed according to objectives established with the client. The Company typically retains discretionary flexibility to make decisions both: (1) in light of those objectives; and (2) regarding individual securities selections and allocations between equity securities, fixed income securities, and cash consistent with the Company's duty of care. Our primary investments are in individual securities; however, we do use mutual and exchange traded funds for certain purposes, including but not limited to, achieving diversity in small accounts and accessing foreign equity exposure. Client portfolios are reviewed on at least a quarterly basis with rebalancing undertaken as needed. The Company's minimum account size is \$300,000. More detailed information about our Company's services is in our Form ADV (available at <https://adviserinfo.sec.gov/firm/summary/105448>) and also located at <http://www.rmdavis.com/>.

Questions the SEC suggests investors may ask their advisor regarding services and qualifications include:

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?

The Company's standard management fees are based on a tiered percentage of a client's assets under management. The fee calculation and billing for standard accounts are done semi-annually, in advance (for a six month period), based on March 31 and September 30 account values, at one-half the annual rate. Special service accounts are charged a flat percentage rate on the assets under management and billed annually in July, for the full calendar year, based on June 30 account values. For use of the Company's portfolio consulting, trustee, trust administration, or personal affairs management services, additional fees are charged. As assets grow the fee percentage goes down, but the overall fee may be higher.

For investment management accounts, clients will pay fees and expenses to other service providers unaffiliated with R.M. Davis, such as custodian fees, account maintenance fees, commissions and/or other transaction costs to broker-dealers for executing trades in client accounts. For clients' investments in money market funds, mutual funds, or exchange traded funds (ETFs), such funds charge their own fees 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.

The firm's fee schedule for investment management services is as follows:

Full Service Accounts - 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. ***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. *Special Service Accounts*: The fee is at an annual rate of 0.5% of assets under management. More detailed information about our Company's fees is available in our Form ADV Part 2, available at: <https://adviserinfo.sec.gov/firm/summary/105448>).

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.

Questions the SEC suggests investors may ask their advisor about fees include:

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.

R.M. Davis serves in a fiduciary role for clients. With respect to brokerage practices, the majority of our client accounts are custodied at either Schwab or Fidelity and trades are most often executed through those firms. Based on the large amount of assets for R.M. Davis custodied and traded through Schwab and Fidelity, those firms provide the Company with certain research and trading tools utilized by our firm. This is referred to as a "soft dollar" arrangement. The fact that Schwab and Fidelity provide our firm with research and trading tools based upon the large number of assets custodied and traded through these companies, creates a conflict of interest for us when recommending that assets be custodied and traded with/through Schwab and Fidelity. More detailed information about our Company conflicts of interest are in our ADV and also located at <https://adviserinfo.sec.gov/firm/summary/105448>).

Questions the SEC suggests investors may ask their advisor about their duties and conflicts include:

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

How do your financial professionals make money?

Portfolio managers are compensated based on their "body of work," which includes consideration of the level of assets they manage for clients, investment performance of client accounts, client servicing parameters, business development, firm citizenship, and community service.

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

No.

The SEC provides free and simple tools to research firms and financial professionals at <https://www.investor.gov/CRS>.

Questions the SEC suggests investors may ask their advisor about their contact person include:

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?

Additional information about our Company and services can be found at <http://www.rmdavis.com>/or by calling 800-445-6303 to request up-to-date information and/or a copy of CRS.