

H. M. Payson & Co.
One Portland Square, Portland, Maine 04101

Part 3 of Form ADV - Form CRS
March 27, 2024

H.M. Payson & Co (“HMP,” the “Firm,” “us,” “our,” or “we”) is registered as an investment adviser with the Securities and Exchange Commission (“SEC”). Brokerage and investment advisory fees differ and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at www.investor.gov/crs, which also provides educational materials about broker-dealers, investment advisers and investing.

What investment services and advice can you provide me?

HMP provides comprehensive wealth management services to retail investors and trust clients. We provide active management of equity and fixed income portfolios by constructing diversified portfolios with individual common stocks, mutual and exchange traded funds, individual bonds and other fixed income securities, and money market funds. Portfolios are rebalanced regularly to reflect HMP’s current investment outlook and highest conviction ideas. We also provide trust, tax, financial and estate planning services. The Firm also acts as an adviser to the Payson Total Return Fund, an open-end mutual fund.

Our clients work closely with a single, dedicated portfolio manager. Portfolio managers develop an investment policy that recognizes a client’s unique circumstances, investment management objectives, and personal preferences. We currently manage the majority of our clients’ assets on a discretionary basis; however, clients may impose reasonable restrictions on the management of their account.

In October 2019, we created Payson Choice, a client-account service offering that caters to clients with less than \$1,000,000 in assets. Payson Choice has a dedicated service team with access to a unique suite of technology services that are designed to provide high quality, individualized investment advice to investors that do not already possess a large sum of investable assets. For many accounts with market values generally less than \$400,000, the Firm provides active management through a selection of mutual funds and exchange traded funds, with allocations designed to address one of several investment objectives.

Portfolio Managers regularly review accounts for compliance with the client’s policy statement, the Firm’s economic outlook, investment strategy, and any changes that may result from client meetings. In addition to these standard reviews, a member of the Firm’s Portfolio Management Group will also review each account annually for compliance with the Firm’s investment policy, compliance with client investment objectives and constraints, and adherence to prudent portfolio management practices

The standard annual minimum fee for each advisory client household is \$10,000.

Conversation Starters: You may want to ask financial professionals the following questions to start a conversation about the relationships and services you will receive:

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

What fees will I pay?

HMP manages client portfolios for a fee based upon the market value of the client’s assets. Fees are computed as a percentage of the market value of the assets under management and include cash, cash equivalents, money market funds or other mutual funds and are assessed monthly in arrears. Fees generally ranges from 0.25% to 1.0% of assets under management. In certain situations, we pay a portion of our fee to a third party as compensation for referring clients to us, but we do not increase your advisory fees as a result of this arrangement.

For clients who are seeking a full wealth management review, the fee is \$5,000 for the initial review and plan, and \$1,000 for annual updates. These fees may be waived for certain clients at the discretion of the Firm.

Clients will also be solely responsible for paying bank fees, custodial fees, brokerage commissions, mutual fund expenses, and other transactional costs related to the management of their account. Mutual and exchange traded funds incur costs and expenses and are managed by independent advisers that charge management fees to these funds that are distinct and separate from the fees charged by HMP. 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 Starter: You may want to ask financial professionals the following question to start a conversation about the impact of fees and costs on your investments:

- ***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?

HMP is a registered investment adviser and we are, therefore, held to a fiduciary standard of putting your interests above our own. This means that 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 that means.

HMP makes money by charging an investment advisory fee that is based on assets under management. Investors have the value of their investment reduced by the amount of these fees. This presents a conflict because the more assets there are in a retail investor's advisory account, the more a retail investor will pay in fees. We therefore have an incentive to encourage a retail investor to increase the assets in his or her account.

In addition, we also manage the Payson Total Return Fund. HMP makes money by charging an investment advisory fee to the Payson Total Return Fund. This presents a conflict because the more assets there are in the Payson Total Return Fund, the more fees we will receive. We therefore have an incentive to encourage retail investors to invest in the Fund.

Conversation Starter: You may want to ask financial professionals the following question to start a conversation about conflicts of interest:

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

How do your financial professionals make money?

HMP's financial professionals are salaried employees who are eligible for discretionary bonuses. They do not receive commission for sales of any products. Our financial professional's compensation is subjectively based upon a multitude of attributes that help evaluate the value that individual brings to the overall Firm. We do not make money or pay our employees based on buying or selling specific products for you as a client. However, as noted above, in certain instances we may compensate a third party for referring you to us. We will provide you with a separate disclosure if we pay such compensation for your account.

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

No.

Conversation Starter: You may want to ask financial professionals the following questions to start a conversation about the financial professional's disciplinary history:

- ***As a professional do you have any disciplinary history? For what kind of conduct?***

Additional Information

For additional information, please visit our website <http://www.hmpayson.com/>. Investors can call HMP at (207) 772-3761 for general inquires or to receive a copy of Form CRS.

Conversation Starters: You may want to ask financial professionals the following questions to start a conversation about your point of contact and who to talk to if they have a complaint:

- *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?*