

# Eddy Company, LLC

27 County Way  
Beverly, MA 01915  
[www.eddycompany.com](http://www.eddycompany.com)

## Form ADV Part 2 Brochure

November 30, 2024

### Item 1: Cover Page

**This brochure (“Brochure”) provides information about the qualifications and business practices of Eddy Company, LLC. (“Eddy Company”), a registered investment adviser with the state of Massachusetts. Additional information about our firm and owner is available on the SEC’s website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Registration does not imply a certain level of skill or training but only indicates that Eddy Company has registered its business with state authorities. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. If you have any questions about the contents of this Brochure, please contact us at (978) 922-0435 or [info@eddycompany.com](mailto:info@eddycompany.com).**

## **Item 2: Material Changes**

Eddy Company, LLC changed its principal place of business to 27 County Way, Beverly, MA 01915 on December 1, 2024.

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## **Item 4: Advisory Business**

### **General Description of The Firm**

Eddy Company, LLC is an advisory firm (“the Firm”) that manages investment accounts of clients (“Clients”). The business was incepted in 2014. Eddy Company, LLC is privately held with 100% ownership by the “principal owner,” Brian T. Eddy. Additional information about Eddy Company’s ownership structure is provided in Schedule A of Part 1A of Eddy Company’s Form ADV.

### **Summary of Eddy Company’s Advisory Services**

Eddy Company provides two services to our clients: portfolio management and tax preparation. Each is described below:

#### **Portfolio Management Services**

Eddy Company provides non-discretionary portfolio management services, designed to meet each client’s stated investment objectives. These objectives are determined by data gathering, risk assessment questionnaires and interviews during the initial planning process.

Eddy Company gathers the following types of information when structuring a client portfolio:

- Your personal information, including income, net worth, tax status, employment status, family obligations, investment experience and invested assets.
- Your investment goals, financial objectives, risk tolerance, college funding needs, retirement planning needs, philanthropic activities, etc.
- Any investment restrictions or limitations that you may desire to place on the services that Eddy Company provides to you.

In most cases, an Investment Policy Statement is established that summarizes your specific financial circumstances, including goals and objectives, risk tolerance, and time horizon for investing. This information is used in the design, implementation and management of a diversified and risk appropriate investment portfolio. Thereafter, Eddy Company actively manages your portfolio on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and/or changes in your financial circumstances.

#### **Tax Preparation Services**

Eddy Company, LLC also prepares and files personal and business tax returns for a fee based on complexity and time involved. Tax preparation and filing services is a completely distinct service offered by the firm. The firm utilizes organizers and other methodology to gather tax data necessary to prepare, review and file returns in a timely manner. More information regarding tax preparation and filing can be obtained by visiting [www.eddycompany.com](http://www.eddycompany.com).

## **Item 5: Fees and Compensation**

For investment advisory services rendered, Eddy Company receives advisory fees based upon a percentage of assets under management. Advisory fees are negotiable on a case by-case basis, and are specified in Advisory Services Agreement that we have with clients.

Eddy Company's standard fee schedule is as follows:

Combined Account Value	Annual Fee
Up to \$250,000	1.75%
Over \$250,000 and under \$500,000	1.50%
Over \$500,000 and under \$1,000,000	1.25%
Over \$1,000,000 and under \$3,000,000	1.00%
Over \$3,000,000	0.75%

By signing Eddy Company's Advisory Services Agreement, you provide written authorization to have the Qualified Custodian deduct its advisory fee directly from the account(s) that the firm manages. You may also elect to pay advisory fees by check. Advisory fees are due and payable on a quarterly basis in arrears.

Every calendar quarter, Eddy Company will mail you an invoice that includes the following information:

- Assets Under Management- month-end account value(s) for the three months in the quarter, and an average of these values.
- Method of Fee Calculation- the management fee is calculated by multiplying one quarter of your annual fee by the averaged month-end account value.
- Payment method- whether the fee will be directly deducted from the account(s) or paid by check per client instructions.

We encourage you to review your quarterly invoice closely, including the month-end account values and fee calculation. The Qualified Custodian will deduct a management fee but does not check account values or calculations.

Direct account deductions will be processed on or about the day indicated on the invoice.

## **Item 5: Fees and Compensation (Continued)**

Advisory fees for accounts opened or closed during the calendar quarter will be prorated based on the number of days in the quarter that services were provided.

### ***Tax Preparation Service and Associated Fees***

As discussed above, Eddy Company, LLC also provides tax preparation as a business service to clients. Please inquire about this service as it is a separate service than investment management. The fees for tax preparation are, on average, between \$300-\$600 per return, depending on complexity and return type. More information about this service, and associated fees can be obtained by visiting [www.eddycompany.com](http://www.eddycompany.com).

### ***Security Valuations***

All of the securities we manage on your behalf are liquid and have pricing available by the securities exchanges.

### ***Termination***

Our Advisory Services Agreement or Financial Planning Agreement may be terminated by either party with written notice delivered to the other. All transactions placed at your Custodian up to our receipt of the termination notice will be completed by your broker custodian; no other transactions will be placed by Eddy Company after receipt of the termination notice.

## **Item 5: Fees and Compensation (Continued)**

### ***Fee Refunds***

Since portfolio management fees are charged in arrears, a pro-rated refund of unearned prepaid advisory fees is not applicable. Upon termination of an Investment Advisory Agreement, a prorated refund of unearned prepaid fees will be calculated and refunded to the client within thirty days.

### ***General Information about Eddy Company's Advisory Services and Fees***

The official record-keeper of your account data and information is your Qualified Custodian.

Eddy Company's Portfolio Management or Consulting Services do not include additional fees or expenses you pay as the owner of your assets. Eddy Company does not participate in these fees or expenses (directly or indirectly). These include (but are not limited to): brokerage commissions, transaction fees, expenses charged by exchange traded funds, custodial fees, transfer taxes, and wire transfer and electronic fund processing fees.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our advisory fee compensation is charged only as disclosed above.

## **Item 7: Types of Clients**

Eddy Company provides services to individuals, corporations, pension and profit-sharing plans, trusts, charitable organizations, and foundations.



## **Item 8: Method of Analysis, Investment Strategies, and Risk of Loss**

Eddy Company generally structures client portfolios using ETF's, individual stocks and fixed income investments (bonds, CD's and money market). The firm's investment strategy is to provide diversification amongst asset class, investment style, and market capitalization.

### ***Macro Market Analysis***

Eddy Company conducts an ongoing review of macro conditions, including (but not limited to) the following areas:

- Economic- interest rates, employment, taxation changes, economic growth.
- Political- how government policy impacts the economy and markets.
- Legal- the legal environment in which the markets operate.

### ***Exchange Traded Fund (ETF) Analysis***

Eddy Company conducts both qualitative and quantitative analysis of ETF's for inclusion in portfolios. The following factors are analyzed in order to properly screen ETF's:

- Expense Ratio- cost efficiency is a critical component of choosing an ETF that meets the intended objective.
- Index Methodology- determining whether an ETF is market capitalization weighted or equal-weighted.
- Depth of Holdings- the depth of exposure offered can have a significant impact of the ETF's risk/return profile.
- Tracking Error- tracking error is a good measure of the efficiency of the ETF manager. The smaller the difference between an ETF and its underlying index, the better.
- Tax Efficiency- ideally, ETF's will make zero short term capital gains distributions.

### ***Long Term Investment Strategy***

Depending on the needs of the client and consistent with the client's investment objectives and risk tolerance (among other considerations), Eddy Company typically purchases securities with the intention of holding them in the client's account for five years or longer. This strategy is a cornerstone of Eddy Company's approach: keeping a long-term perspective with good diversification.

### **Item 9: Disciplinary Information**

As of the date of this Brochure, we do not have any disciplinary items to disclose for Eddy Company, LLC or our management person.

### **Item 10: Other Financial Industry Activities and Affiliations**

As of the date of this Brochure, our management person does not have any other financial industry activities or affiliations.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

#### *Code of Ethics*

The Code generally reminds the firm that there is a personal responsibility associated to individuals as we identify and mitigate (manage) the potential conflicts of interest when we allow the firm to purchase or sell the same securities we recommend to customers (ETF's, fixed income securities, etc.). As a result, we focus on a number of issues, including but not limited to the following within our Code:

- Our high standard of professional and business conduct.
- Our fiduciary obligations to place the interests of our clients first.
- Confidentiality of client non-public and personal information.
- Prohibitions on insider trading.
- Prohibition of rumor mongering.
- Restrictions on the acceptance of significant gifts and the reports of certain gifts and business entertainment items.
- Personal trading reporting requirements- due to the nature of our business, and because we are a small firm, we do not require the pre-clearance of personal trades or holding periods, for "reportable transactions" as defined by the Code. We monitor personal trading for each employee's beneficial accounts and the reportable transactions under the Code.
- Initial (upon hire) and annual disclosure of all brokerage accounts, all securities holdings in those accounts, members of an employee's household, and all other beneficial ownership accounts and all non-custodied securities.
- Reports of all transactions (required to report) under the Code on at least a quarterly basis.
- Recertification of the Code (and compliance with the Code) on at least an annual basis and whenever the code is materially updated.
- Employee accounts may not trade the same security as those held by client accounts.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading (Continued)**

To obtain a copy of Eddy Company's Code of Ethics, please contact Brian Eddy at (978) 922-0435 or [brian@eddycompany.com](mailto:brian@eddycompany.com).

### ***Recommending Security Transactions***

For our non-discretionary portfolio management clients, we have a limited power of attorney on your account which allows us to place the transactions at your designated securities broker, dealer or custodian (custodians can also include exchange traded funds complexes). Upon review of your account, a notification of proposed trades will be sent to you via regular mail (or email, fax) with proposed securities transacted and amounts. We will only place the transactions for your accounts when we receive (verbal or written) permission to do so. Then, the firm will place the transaction at your broker or custodian at the buy or sell price as quoted on that day.

### ***Recommendation of a Broker/Custodian***

We recommend Charles Schwab & Company for brokerage and custodial services. We recommend Charles Schwab because we have independently evaluated Charles Schwab and the brokerage/custodial services that are available to our clients. We have, as a result, determined that the following items are of value to both Eddy Company and our clients when compared to other brokers or custodians:

- Mix of brokerage execution services
- The types of securities that can be purchases or sold
- The fact that Charles Schwab does not charge for custody of assets held at Charles Schwab

However, in making such a recommendation, you must independently evaluate Charles Schwab to ensure that the recommendation and the services provided by Charles Schwab are reasonable in light of the services provided by Charles Schwab to you as your broker and custodian.

### ***Commissions***

Eddy Company does not have the discretionary authority to negotiate commissions with the Qualified Custodian. Commissions you pay to the Qualified Custodian are disclosed on the confirmation of each security transaction we place on your behalf (if any) at the Qualified Custodian. These confirmations are sent directly to you by the Qualified Custodian.

## **Item 12: Brokerage Practices**

### ***Types of Brokerage Activity***

Trade Away- We have the discretionary authority to pick brokers other than the Qualified Custodian to execute your portfolio trades when we believe that is in your best interest. In your best interest means that if we believe in doing so assists us in achieving best execution for your transactions (note that best execution is not a defined term, it is a concept that considers a number of factors such as price, commission, size of the trade, broker expertise/reputation, etc.). We place transactions at other brokers only when appropriate; these are called “Trade Away Transactions”.

One benefit of using other brokers is different inventories of securities (bonds) from underwriters or market makers, thus affording Eddy Company the opportunity to negotiate price and find securities that may not be available from the Qualified Custodian.

Trade Away transactions are typically executed on a principal basis. This means, for example, that when we are purchasing a bond for your account, the price received for the purchase or sale includes the commission (called a mark-up or mark-down) earned by the broker executing the trade. When commissions are included in the price these are called principal transactions. Eddy Company utilizes Trade Away for some fixed income securities. There is no benefit to Trade Away from the Qualified Custodian for fund transactions.

Block Trading- We may, but are not obligated to aggregate the transactions of more than one client together with other clients in the same security. Due to the customized nature of our portfolio management services, we do not often block security transactions for more than one client together. We may execute block trades at other brokers or dealers on a Trade Away basis; however, it is not anticipated that this will occur frequently. Block trading may occur on a min-block basis across multiple accounts in the same security for your accounts held at the Qualified Custodian.

Block trading the same security for multiple accounts is one method we can use to meet our fiduciary obligation of best execution. When blocking transactions for multiple clients the size of the transaction is larger than placing all the transactions individually, which allows Eddy Company to negotiate the price of the security within the spreads available at that time (a spread is the quoted low and high side of the security; low price is what the broker is willing to pay for the security, the quoted high price is what we would typically be expected to pay for the security). We do not have the authority to negotiate commissions on a security transaction.

## **Item 12: Brokerage Practices (Continued)**

### ***Prohibited Brokerage Practices (Continued)***

Soft Dollars- Eddy Company does not participate in Soft Dollars transactions or services, where client commissions are utilized to generate commission credits available to Eddy Company to pay for research and execution services.

Brokerage for Client Referrals- Eddy Company does not direct or recommend brokers (or use brokers) in exchange for client referrals. We evaluate and use brokers as described above.

### ***Trade Errors***

Eddy Company has fiduciary responsibilities related to the correction of trade errors. If Eddy Company creates the error, our policy is to make the client whole, meaning that you will not suffer an economic loss due to the error. We have policies and procedures related to the identification, documentation and correction of errors. If a third party caused or created the error, the third party is responsible for the correction of the error and making your account(s) whole.

We endeavor to catch all errors before settlement; typically, errors are corrected by a simple cancel of the error trade and re-entry of the trade as it should have been placed. Examples of trade errors include (but are not limited to) the following:

- Are not legally authorized for an account
- Are prohibited by investment policy or style
- Are prohibited by the Advisory Services Agreement
- Include an incorrect security or transaction (buy vs. sell or vice versa)
- Block trades that are incorrectly allocated

If a trade error results in a gain in the impacted client account, the gain remains in the client account.

### **Item 13: Review of Accounts**

Accounts are reviewed at least semi-annually by an Eddy Company advisor, to ensure the investment allocations are consistent with your documented goals and objectives. Additional reviews may be conducted if your goal and/or objectives change (we recommend that clients contact us as soon as possible whenever significant personal events take place). Portfolio reviews are scheduled on at least an annual basis, but may happen as frequently as quarterly depending on client preferences. Reviews may be conducted in person or via telephone.

Clients with assets held in custody at the Qualified Custodian receive a monthly custodial report directly from the Qualified Custodian. These reports include a summary of current holdings and asset values as well as a complete transaction history (deposits, withdrawals, income, management fee deductions, etc.).

Eddy Company provides yearly performance reports for all accounts under our management. Our annual report includes:

- Current and historical portfolio values
- Rates of return
- Consolidated asset allocation summary
- Detailed holdings as of the report date by asset class

The official record keeper of your account(s) is your Qualified Custodian. In this official capacity, the Qualified Custodian reports certain types of distribution and gain/loss information to the Internal Revenue Service. If you have any questions on capital gains or losses or cost basis information on your security transactions, please contact us.

### **Item 14: Client Referrals and Other Compensation**

Eddy Company does not pay any person directly or indirectly for the introduction or acquisition of clients.

### **Item 15: Custody**

Eddy Company does not have custody of client's funds or securities. All assets for your accounts are held by a qualified and independent custodian (bank, broker, trust company or insurance company).

### **Item 16: Investment Discretion**

Please see item 11 above, where we discuss investment discretionary authority and your ability to place limits on that authority.

### **Item 17: Voting Client Securities**

Eddy Company does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

### **Item 18: Financial Information**

Eddy Company has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

### **Item 19: Requirements for State-Registered Advisers**

#### ***Principal Executive Officers and Management Persons***

Brian T. Eddy, CFA, CFP® is the founder, CEO, and only employee of the firm. He also serves as compliance officer of the firm. His educational and business background can be seen in Part 2B Brochure Supplement of this form ADV below.

#### ***Business Involvement Other Than Investment Advice***

The firm engages in tax preparation and filing of tax returns up to 20% of the fiscal year (approximately 350 hours). Tax preparation is the only business the firm engages in other than giving investment advice.

#### ***Compensation for Advisory Services with Performance-Based Fees***

The firm is not compensated for advisory with performance-based fees.

## **Item 19: Requirements for State-Registered Advisers (Continued)**

### ***Awards or Otherwise Being Found Liable in Arbitration Claims Alleging Damages or Other Awards or Otherwise Being Found Liable in Civil, Self-Regulatory Organization, or Administrative Proceeding***

Eddy Company, LLC has never been awarded or been found liable in an arbitration claim alleging damages in excess of \$2,500 nor a civil, self-regulatory organization, or administrative proceeding involving an investment or investment-related business or activity, fraud, false statement(s), or omission; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair or unethical practices.

### ***Relationships or Arrangements with Any Issuer of Securities***

No managing person of Eddy Company, LLC has any relationship or arrangement with an issuer of public securities.



# **Form ADV Part 2B Brochure Supplement**

## **Item 1: Cover Page**

This brochure supplement provides information about the following individuals:

Brian T. Eddy, CFA, CFP®, AEP®, Chief Executive Officer

Offices for this individual are located at the firm's Beverly, Massachusetts location below:

Eddy Company, LLC  
27 County Way  
Beverly, MA 01915  
(978) 922-0435  
[www.eddycompany.com](http://www.eddycompany.com)

You should have received a copy of Eddy Company's Part A brochure, as we include this supplement with all copies. Please contact Brian Eddy at (978) 922-0435 or [brian@eddycompany.com](mailto:brian@eddycompany.com) if you did not receive Eddy Company's brochure or if you have any questions.

Additional information about these individuals is available on the SEC's website:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Educational Background and Business Experience**

**Brian T. Eddy, CFA, CFP®, Chief Executive Officer**

Born 1977

### ***Educational Background and Business Experience***

Brian Eddy has provided fee-only advisory solutions for clients since 2001. His firm, Eddy Company, LLC, was established in 2014. He earned a BS degree from Gordon College in 1999. He spent several years in the investment management industry. From 2001 until 2006, Brian worked on a private asset management team for US Trust Company in Boston, MA. He earned his MBA from Boston University in 2007. Brian then managed private clients' portfolios for Cape Ann Savings Bank in Gloucester, MA from 2008 until 2014. Brian holds a Chartered Financial Analyst (CFA) designation and is a Certified Financial Planner (CFP®).

Security Examinations: FINRA (previously NASD) Series 65 (2014).

## **Item 3: Disciplinary Information**

We do not have any legal, financial or other disciplinary item to report for Brian Eddy.

## **Item 4: Other Business Activities**

Brian Eddy does not have any other financial services business affiliations other than Eddy Company, LLC.

## **Item 5: Additional Compensation**

Neither Eddy Company, LLC nor Brian Eddy receives additional compensation from third parties in connection with providing investment advice to clients.

## **Item 6: Supervision**

As Chief Executive Officer, Brian Eddy has the ultimate responsibility for the supervision of firm activities as well as investment advice offered to clients. If you would like to contact Brian about his supervisory role, he can be reached at (978) 922-0435 or [brian@eddycompany.com](mailto:brian@eddycompany.com). Brian is responsible for the implementation and administration of Eddy Company's Compliance Program under regulatory requirements.