



# LEAVELL INVESTMENT MANAGEMENT, INC.

## FORM ADV PART 3: FORM CRS

### CLIENT RELATIONSHIP SUMMARY | MARCH 28, 2022

Leavell Investment Management, Inc. is registered with the Securities and Exchange Commission as an investment adviser, and, as such, we provide advisory services rather than brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences. Additionally, 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 investment advisers, broker-dealers, and investing.

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

We provide continuous investment advisory services to retail investors that include portfolio management, selection of other advisers, financial planning services, and bill paying services. We tailor our portfolio management services to your needs and manage your account on a discretionary basis, unless otherwise requested. Discretionary authority means we get to choose the securities to be bought and sold and when they are to be bought and sold, without consulting with you first. We maintain this discretion until you revoke it. When selecting securities and determining amounts, we take into account any investment policies, limitations or restrictions you provide to us in writing at the start of our relationship. As part of our standard advisory services, your Portfolio Manager reviews your account at least quarterly, plus after any significant contribution or withdrawal.

The types of investments that we consider for portfolios include individual stocks and bonds, mutual funds, exchange-traded funds, master limited partnerships, options, exchange-traded notes, real estate investment trusts (REITs), covered call options, private placements, and/or long/short funds. Additionally, we manage two no-load mutual funds, The Government Street Funds, which are considered our proprietary products. In the advisory agreement, you tell us whether or not we can use these proprietary funds in your portfolio, and you can change your mind anytime.

There is no minimum asset size requirement for opening or maintaining an account for us to manage. However, there is a minimum annual fee per relationship of \$5,000 (although it can be waived on a case-by-case basis and substituted with an annual maintenance fee), which may dissuade potential clients from investing smaller amounts with us.

For additional information on our services, see Items 4, 7, 8, 13, and 16 in our Form ADV Part 2A, which can be found at <http://leavellinvestments.com/disclosures>.

#### What fees will I pay?

**Asset-based Fees:** We usually charge an annual fee of up to 1.25% of your assets under management for investment advisory services, which is charged quarterly in advance. Our fees vary and are negotiable. When calculating our fee, the total account value excludes any balance in the Government Street Funds, but includes cash and other securities (unless agreed otherwise). The more assets you have in your advisory account, the more you will pay us, which incents us to increase the assets in your advisory account to increase our fees. Our firm's fees, generally, will be deducted from your advisory account, which will reduce your account value. If you cancel your agreement less than 13 months after opening, we charge a cancellation fee, but if you cancel more than 13 months after opening, the fee paid for that quarter will be prorated after 30 days from effective date of cancellation and refunded if greater than \$100. We have discretion whether or not to refund any prorated fee less than \$100.

#### Key Questions to Ask Us:

*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?*

#### Key Questions to Ask Us:

*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?*

**Fixed Fees:** Some accounts are charged a fixed, minimum maintenance fee, rather than an asset-based fee, and financial planning clients pay a fixed fee, payable in advance or as agreed to in the Agreement you sign with us.

**Other Advisory Fees:** Clients may also pay advisory fees charged by a third-party manager for all or a portion of client assets, which are separate and apart from fees charged by us.

**Additional fees and costs:** You will pay additional fees to third parties in connection with your managed account. These can include (as applicable): custodian fees, transaction charges, mutual fund 12b-1 fees and/or other internal management fees, distribution fees, deferred sales charges, IRA fees, margin interest, wire transfer and electronic fund fees, and other account administrative fees.

*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 additional information about fees, see Items 5, 7, 10 and 14 in our Form ADV Part 2A, which can be found at <http://leavellinvestments.com/disclosures>.

### 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?

#### **Key Questions to Ask Us:**

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

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.

- Leavell is paid to manage two mutual funds, The Government Street Funds, and the fee we receive is based on the amount of assets in these funds. Although we do not charge an advisory-level fee on your assets invested in the funds, the management fee we receive from these two funds could be higher than the fee you would pay us if you were invested in other funds.
- Certain custodians make free services available to us, including consulting, access to research and conferences. These services may give us an incentive to recommend you open or maintain your accounts with these custodians.

For additional information on conflicts of interest, see Items 5, 10, 11, 12, and 14 in our Form ADV Part 2A, which can be found at <http://leavellinvestments.com/disclosures>.

### How do your financial professionals make money?

Our financial professionals' salaries are based on their contributions to the revenue and profitability of the firm. They are not compensated based on the investment products we recommend.

For additional information on how our professionals make money, see Item 5 in our Form ADV Part 2A, which can be found at <http://leavellinvestments.com/disclosures>.

#### **Key Questions to Ask Us:**

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

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

No. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple tool to research us and our financial professionals.

#### **Key Questions to Ask Us:**

*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

For a copy of this relationship summary or for any other additional information, you can call us at 251-433-3709 (Mobile) or 205-879-1654 (Birmingham), or visit us online at [leavellinvestments.com](http://leavellinvestments.com).