



RELATIONSHIP SUMMARY

WAYCROSS INVESTMENT MANAGEMENT COMPANY

November 2020

Waycross Investment Management Company is an investment adviser registered with the Securities and Exchange Commission. Investment advisory services and fees differ from brokerage services and fees, and it is important for you to understand the differences. [Investor.gov/CRS](https://investor.gov/CRS) is a website providing free and simple tools to research firms and financial professionals, and which provides educational materials about investment advisers, broker-dealers, and investing. We encourage you to ask us questions and have provided suggested conversation starters in call-out boxes throughout this Relationship Summary.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We offer investment advisory services to retail investors. We first meet with you to gain an understanding of your current financial situation, your short- and long-term goals, and your risk tolerance. We use this information to recommend an investment portfolio specific to your investment objectives, goals, and needs.

Our Investment Committee sets the firm's overall investment philosophy and underlying mix of asset classes. The individual advisory representative selects investments to align with each client's Investment Policy Statement. Individual advisory representatives monitor client portfolios through an ongoing process with more formal account reviews conducted on at least an annual basis. Reviews are also triggered by material market, economic or political events, or by changes in your financial situation (such as retirement, a change in employment, physical move, or inheritance).

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?

We manage portfolios on a discretionary basis. When you grant us discretionary authority, this means we don't need to call you before buying or selling securities in your account. We obtain discretionary authorization through our signed advisory agreement with you. We also offer non-discretionary portfolio reviews and analysis for retail clients. We offer advice on different types of securities. Our minimum account size is generally \$250,000, which is negotiable.

For more detailed information about our services, please request a copy of our Form ADV, Part 2A brochure. Our brochure can also be found here: <https://adviserinfo.sec.gov/firm/brochure/105034>

WHAT FEES WILL I PAY?

We provide portfolio management and financial planning for a single asset-based fee. Our fee is based on your total assets under management with us. Our fee schedule is tiered, meaning we charge a lower rate on subsequently higher asset values.

Total Value of Client Accounts	Annual Rate
Up to \$1 million	1%
\$1,000,001 to \$3,000,000	.75%
\$3,000,001 to \$5,000,000	.70%
Above \$5 million	.60%

Our fees are negotiable. We bill our fees quarterly in advance, which can be paid by check or deducted automatically from your account. When we charge asset-based fees, the more assets we manage, the more you'll pay in management fees. While our interests align with those of our clients in so far as we do better when they do better, there are still inherent conflicts because having our revenue depend on assets under management means we have a financial incentive to encourage you to increase the amount of assets we manage for you.

We offer portfolios reviews and analysis for a maximum hourly rate of \$250. This service is available to clients who do not contract with us for discretionary portfolio management. We invoice clients when we complete the review and payment is to be made by check. We offer non-discretionary 401(k) plan asset reviews and recommendations to retail clients for a maximum annual asset-based fee of 1%, subject to a minimum annual fee of \$2,500. We bill this fee quarterly in advance.

In addition to our advisory fees, you will pay fees charged by third parties for other services provided to you, including fees charged by your custodian and broker-dealer. Examples of costs you might pay include transaction fees on bond trades, foreign tax withholding, regulatory fees, and wire transfers. Exchange traded funds (ETFs) and mutual funds also charge internal management fees, which reduce the return of investments over time. We do not receive any portion of third-party fees or charges; we are compensated only through our own advisory 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. Our [Form ADV, Part 2A \(Item 5 and Item 12\)](#) contains more detailed information about fees and costs.

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?

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.

Questions to Ask Us:

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

Our primary conflict of interest is our receipt of asset-based fees. For example, if you asked us for a recommendation about paying down outstanding debt or making charitable contributions, versus keeping those funds in your accounts with us, we will always make the recommendation that we believe is in your best interest. At the same time, we have a conflict of interest in making the recommendation because we earn more advisory fees when you keep more assets in your account.

The only direct revenue we receive is from the advisory fees you pay to us. We receive non-monetary benefits through our relationship with your broker-dealer/custodian, such as access to their institutional platform, research, technology services, and seminars. These benefits give us an incentive to recommend one particular broker-dealer/custodian over another.

Our [Form ADV, Part 2A](#) contains detailed information about our conflicts of interest.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our financial professionals receive variable compensation related to the number of clients served and total advisory fees generated. This creates a financial incentive to solicit and retain clients.

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

No. Visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Questions to Ask Us:

- Who is my primary contact person?
- Is he or she also a representative of a broker-dealer?
- Who can I talk to if I have concerns about the service I am receiving?

For more detailed information about our investment advisory services, or to request another copy of this Relationship Summary, please contact us at (360) 671-0148 and speak to your advisory professional or our Chief Compliance Officer. You may also visit the SEC's public disclosure website at www.adviserinfo.sec.gov.



FORM ADV PART 2A
INVESTMENT ADVISOR BROCHURE

ITEM 1: COVER PAGE

Name of Registered Investment Advisor	Waycross Investment Management Company
Physical Address	119 N. Commercial Street, Suite 191 Bellingham, WA 98225
Mailing Address	PO Box 1618, Bellingham, WA 98227
Phone Number	360.671.0148 -or- 800.292.8794
Website Address	<u>www.waycross.com</u>
E-mail Address	waycross@waycross.com
CRD Number	105034
Date of Last Revision	March 7, 2023

This Form ADV Part 2A (Investment Advisor Brochure) gives information about the Waycross Investment Management Company and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact our office using one of the methods listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration is mandatory for all persons meeting the definition of Investment Advisor and does not imply a certain level of skill or training.

Additional information about our firm can be found on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

Since our last annual update in February 2022, we have made no material changes to our brochure.

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ITEM 4: ADVISORY BUSINESS

▪ ADVISORY FIRM

Waycross Investment Management Company (“Waycross,” “we,” “our”) has been providing investment advisory services since 1980. Waycross is owned by Luther H. (Hart) Hodges, President, and David G. Schneider, Vice President.

Hart Hodges joined Waycross in November of 2011, and David Schneider joined Waycross in September of 2014. They work together managing accounts, conducting economic research, statistical analysis, and managing investment activities.

▪ ADVISORY SERVICES

Waycross provides discretionary account management based on each clients’ financial circumstances, investment objectives, need for cash flow, tolerance of volatility, and size of account(s). Portfolios may hold individual equities, bonds, mutual funds, ETFs, and cash. We create an Investment Policy Statement for each client to identify both the target asset allocations and the specific asset classes we will purchase for the client’s portfolio.

Waycross provides general financial planning and retirement planning services to all portfolio management clients at no additional cost. Upon request, we provide standalone portfolio review and analysis services on an hourly fee basis d to clients for whom we does not provide ongoing portfolio management services. Waycross will review a client’s portfolio relative to their stated goals and risk tolerance, then provide a written analysis.

Clients may impose reasonable restrictions on the management of their portfolio. For example, a client can instruct us to refrain from investing in particular securities, types of securities, or to invest in limited amounts of securities. We remind our clients each quarter to contact us if there have been any changes in their financial situation or investment objectives, or if they wish to impose or modify account restrictions. It is the client's responsibility to notify Waycross at any time there are changes. Waycross will contact, or attempt to contact, the client annually to review all aspects of the clients’ portfolio, their objectives, and their financial situation. We encourage our clients to call or email at any time to discuss these matters.

Waycross provides non-discretionary investment advice services to 401(k) plans. This includes: advising the client about asset classes and investment alternatives available in accordance with the Plan’s investment policies and objectives, assisting the client in the selection of the investment options to be offered to participants in the plan, assist in monitoring investment options with regard to performance, consistency, and conformance to policy guidelines and preparing periodic reports for the client.

As an investment adviser, Waycross is a fiduciary to all of our clients, and we always place our clients’ interests before the interests of the firm and/or its Principals, Advisors, and employees. When we recommend that you rollover retirement assets or transfer existing retirement assets, such as a 401(k) or an IRA, to our management, we have a conflict of interest. This is because we will generally earn additional revenue when we manage more assets. In making the recommendation, however, we do so only after determining that the recommendation is in

your best interest. Further, in making any recommendation to transfer or rollover retirement assets, we do so as a “fiduciary,” as that term is defined in ERISA or the Internal Revenue Code, or both. We also acknowledge we are a fiduciary under ERISA or the Internal Revenue Code with respect to our ongoing investment advisory recommendations and discretionary asset management services, as described in the advisory agreement we execute with you. To the extent we provide non-fiduciary services to you, those will be described in the advisory agreement.

As of December 31, 2022, Waycross had \$152,525,135 in assets under management, all managed on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

Waycross provides discretionary management services for a fee based on a percentage of the total assets under management for a client. Waycross does not receive any income from third parties related to purchasing securities in client accounts. The only source of revenue other than direct client fees (as described below) are portfolio consulting fees for non-discretionary clients, and advisory fees for non-discretionary investment advice services to 401(k) plans.

Discretionary Management Fees

The fee structure for our discretionary management services is as follows:

Total Value of Client Accounts	Annual Rate
\$1 million or less	1% of assets
\$1 million to \$3 million	1% of first million + 0.75% of value over \$1 million
\$3 million to \$5 million	1% of first million + 0.75% of value from \$1 million to \$3 million + 0.70% of value between \$3 million and \$5million
Above \$5 million	1% of first million + 0.75% of value from \$1 million to \$3 million + 0.70% of value between \$3 million and \$5million + 0.60% of value above \$5 million

Management fees are billed and payable each calendar quarter, in advance, at one quarter the annual rate. The first payment is due and payable upon execution of the Investment Advisory Agreement, and when the assets are available to be managed. The account will initially be valued as of the date that the account is funded (following the signing of the IAA). Fees will be prorated in the event this date is other than the last day of a calendar quarter. Subsequent payments will be assessed on the first day of each calendar quarter based on the value of the portfolio as of the last day of the previous calendar quarter. Fees are never accessed or collected for services to be performed more than three months in advance. These fees are for advisory services only and do not include any transaction

fees or commissions, which are charged separately by the broker/dealer custodial firm. See the section heading Brokerage Practices for more information.

Fees may be paid directly by the client, or the client may authorize the custodian holding client funds and securities to deduct Waycross' advisory fees directly from the client account in accordance with the client's signed authorization on the custodial account paperwork. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by Waycross. The custodian will not determine whether the fee is properly calculated, so clients are encouraged to carefully review the billing statements they receive from Waycross. Ultimately, it is the responsibility of Waycross to ensure that fees are accurately calculated and applied.

Fees are negotiable at our sole discretion. All clients do not pay the same fee.

In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients pay additional fees on the mutual fund investment because the mutual funds also pay advisory and/or management fees to an investment advisor. These fees are captured in the price of the fund.

The client may terminate the Agreement without penalty (full refund) within five business days of signature. After the first five business days either party may terminate the Agreement in writing for any reason at any time. The termination will become effective when the notice of termination is provided to the other party's address of record or by email. If termination occurs prior to the end of a calendar quarter, a pro-rata refund of unearned fees will be made to the client.

Waycross does not charge fees based on the performance of the assets managed.

Non-Discretionary Consulting

The hourly fee for portfolio reviews and analysis performed for clients who do not contract for discretionary management will be billed at a rate of up to \$250.00 per hour. Fees will be invoiced when the review is presented to the client and payment is due on receipt.

Non-Discretionary 401(k) Investment Advisory Services

The annual fee rate for non-discretionary 401(k) investment advisory services will be determined based on the services requested but will not exceed 1.0% of plan assets. Plan assets will be valued on December 31st of each year, and the annual billing rate will be applied against those assets. Plans will be billed quarterly. The minimum annual fee, regardless of the market value of plan assets, is \$2,500. If plan assets are not sufficient to equal the minimum fee, plans may pay a higher fee than what is reflected on their fee schedule. Similar services may be offered by another adviser at a lower fee.

Fees are billed quarterly in advance at one quarter of the annual fee. The first payment is due and payable upon execution of the Investment Advisory Agreement. In the event that the Investment Advisory Agreement is executed mid-year, the Client and Waycross will mutually agree on the fee for the balance of the year in accordance with the above noted fee structure.

The client may terminate the Agreement without penalty and receive a full refund within five business days of signature. After the first five business days, either party may terminate the Agreement in writing for any reason at any time. The termination will become effective when the notice of termination is provided to the other party's address of record or by email. If termination occurs prior to the end of a calendar quarter, a pro-rata refund of unearned fees will be made to the client.

ITEM 6: PERFORMANCE BASED FEES & SIDE BY SIDE MANAGEMENT

Waycross does not charge accounts based on performance

ITEM 7: TYPES OF CLIENTS

Waycross provides advisory services to individuals for taxable accounts, IRA's and 401K's, pension and profit-sharing plans and other ERISA accounts, trusts, estates, and charitable organizations.

Generally, the minimum account size ("account" is defined as the total value of assets managed for a client) is \$250,000. Waycross may accept accounts valued at less than \$250,000 if it appears the client will be making significant net contributions over time.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Waycross recommends target allocations to asset classes (including stocks, stock mutual funds, bonds, commodity mutual funds, diversified real estate investment trust mutual funds, master limited partnership mutual funds, and cash) based on the individual client's financial circumstances, investment objectives, need for cash flow, tolerance of volatility, and size of account. The allocation targets are then managed within specified ranges. However, there is no guarantee that this strategy of diversification will result in attainment of client objectives. Investing in securities of all types involve risk of loss. Clients must be aware of this risk and be prepared for the eventuality of loss.

Stocks, stock mutual funds, commodity mutual funds, and real estate investment trust funds are recommended because of our belief that these securities offer potential for relatively high returns over the long term. When individual stocks are held in an account our policy is to assure a wide diversification achieved through the number of securities held and limitations to the maximum exposure to economic sectors.

Waycross utilizes fundamental analysis to select and manage individual stocks. We rely on internal and external research including information provided by ValueLine, Zacks, Ford Equity Research, YCharts, and Schwab. We typically use this information to identify securities traded on major US exchanges with good earnings history and prospective growth along with valuations that are attractive relative to earnings, trends in the sector, and conditions in the broader market. We generally will not invest in an individual company's equity if market capitalization is less than \$1 billion. In the management of clients' taxable accounts, Waycross is cognizant of potential tax implications of transactions.

Waycross strategies typically hold stock mutual funds and/or exchange-traded funds (ETFs). We may place only mutual funds and ETFs in accounts that are not large enough to hold a diversified portfolio of individual stocks. We purchase mutual funds and ETFs in larger accounts holding individual stocks to provide greater diversification. Waycross will only purchase no-load mutual funds in client accounts. Our strategy is to use a selection of mutual funds and/or ETFs that provide exposure to different aspects of capitalization, management approach, and global region. We focus our analysis of these funds on risk-adjusted return relative to similar funds, consistency of return and management, and the fees charged by the mutual fund company.

Waycross client accounts may also hold a commodity mutual fund or ETF in order to attain more direct exposure to commodities. Commodities may provide a hedge against inflation and in an environment of rapid growth in developing economies may provide the opportunity for relatively high returns. The fund held must always hold a diversified basket of commodities and be no-load.

Waycross client accounts may also hold mutual funds (or ETFs) specializing in Master Limited Partnerships and Real Estate Investment Trusts to attain greater diversification and improved cash flow.

Waycross will use bonds and/or bond mutual funds when managing a balanced account for a client. The purpose of these securities is to moderate the inherent volatility of stocks, stock mutual funds, and commodity mutual funds. In addition, the bonds/bond mutual funds generally provide a higher current yield. Waycross will only purchase high quality bonds or bond mutual funds and limits the maximum maturity.

While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. For those investments sold by prospectus, clients should read the prospectus in full.

Stocks and stock mutual funds tend to be relatively volatile, and may experience significant loss of value. Waycross attempts to moderate this risk by enforcing diversification policies and by including other asset classes in a client's portfolio. However, this strategy may not moderate risk when the asset classes used all lose value simultaneously.

Commodities tend to have a higher level of short-term volatility than stocks; hence our policy to hold only diversified commodity mutual funds and the limited exposure to this asset class. Diversified Real Estate Investment Trusts (REIT) funds are interest rate sensitive, but not necessarily in the same way as stocks, and can help with diversification as a result. Master Limited Partnerships can be more volatile than the broad market of US stocks with significant correlation to the energy sector.

The category of bonds and bond mutual funds that Waycross will purchase for clients tend to be less volatile than the other securities. However, rising interest rates may result in falling bond prices. In addition, unlike an individual bond issue, bond mutual funds do not have a maturity date for redemption at par and clients will always redeem at that day's market price (net asset value).

ITEM 9: DISCIPLINARY INFORMATION

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. Waycross does not have any disclosure items for this Item of the brochure.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Principals and Advisors of Waycross do not currently 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

Waycross maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Waycross shall provide a copy of the code of ethics to any client or prospective client who requests it.

▪ PERSONAL TRADING

At times Waycross and/or its employees may take positions in the same securities as clients, and we will try to avoid conflicts with clients. The firm and its Investment Advisor Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

ITEM 12: BROKERAGE PRACTICES

▪ SOFT DOLLAR PRACTICES AND BROKERAGE RECOMMENDATIONS

Waycross does not receive compensation from any brokerage firm in the form of research or products ("soft dollars"). However, Waycross' lead custodian, Charles Schwab, does provide direct data connection with client accounts allowing Waycross real time information. Schwab provides software to expedite trading. In addition, Schwab provides access to industry information and education. These services are not contingent on commissions generated. Waycross is not affiliated with Charles Schwab & Co., Inc.

Waycross understands its duty for best execution and considers multiple factors in making custodial/brokerage recommendations to clients:

- Combination of execution services and asset custody services

- Capacity to execute, clear, and settle purchase and sale trades
- Capability to facilitate wire transfers, security transfers, and check requests
- Breadth of available securities (stocks, bonds, mutual funds, etc.)
- Investment research tools to help improve our investment decisions
- Quality of services provided
- Competitiveness of pricing for services provided (commissions, and fees)
- Reputation, financial strength, and stability
- Availability of other services that benefit Waycross

Waycross recommends clients custody their assets at Charles Schwab and direct trades to be executed at Schwab. Waycross also recommends clients provide the authority for Waycross to “trade away” (use another brokerage firm) in cases where Waycross believes another firm will execute the trade in a manner more favorable to the client. In circumstances where a security is relatively illiquid Waycross may wish to buy or sell the security through a brokerage firm with greater ability to trade illiquid securities even if the client has their assets held in custody at Charles Schwab and Co. While Waycross may not always obtain the lowest commission rate, we believe the rate is reasonable in relation to the value of the execution, client services and information services provided.

- **DIRECTED BROKERAGE**

Client may direct brokerage to a specified broker/dealer other than the firm recommended by Waycross. However, Waycross may elect not to accept a client based on what it believes to be the potential impact of directing trades. If a client does direct trading to a broker/dealer other than Charles Schwab, it is up to the client to negotiate the commission rate. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by Waycross. In client directed brokerage arrangements, the client may not be able to participate in aggregated (“blocked”) trades, which may help reduce the cost of execution.

- **TRADE AGGREGATION**

While individual client advice is provided for each account, client trades may be executed as a block trade. The Advisor encourages its existing and new clients to use the Advisor's "lead custodian". Only accounts in the custody of the lead custodian would have the opportunity to participate in aggregated securities transactions. All trades using the lead custodian will be aggregated and done in the name of the Advisor. The executing broker will be informed that the trades are for the account of the Advisor's clients and not for the Advisor itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and the Advisor will not aggregate a client's order if in a particular instance the Advisor believes that aggregation would cause the client's cost of execution to be increased. The Custodian will be notified of the amount of each trade for each account. The Advisor and/or its Investment Advisor Representatives may participate in block trades with clients and may also participate on a pro rata basis for partial fills, but only if clients receive fair and equitable treatment.

ITEM 13: REVIEW OF ACCOUNTS AND SECURITIES HELD

Securities held in client accounts are reviewed on a regular basis by Hart Hodges and David Schneider. The prices of individual stocks, stock mutual funds, and commodity mutual funds are reviewed daily. The fundamental attributes of individual stocks, as well as their relative price performance, are reviewed weekly.

The diversification by economic sector of individual stock portfolios and the weighting of individual stocks in portfolios is reviewed monthly.

Stock, bond, and commodity mutual funds are reviewed monthly for consistency of management approach, performance relative to approach, diversification, and fees. Credit quality of individual bonds is reviewed monthly.

Asset allocation relative to clients' investment policy statement is reviewed monthly.

Waycross sends reports quarterly to all clients. These reports include a cover letter, an overview of the financial markets during the previous quarter, a detailed performance review for the past quarter and trailing twelve months, a management fee invoice, a consolidated statement of securities held listed by asset class, a purchase and sale report for the quarter, and a realized gain and loss report for the quarter.

Waycross attempts to meet with clients at least once a year to review their objectives, performance relative to objectives, and any recommended changes in strategies. Clients are encouraged to contact Waycross at any time with questions or concerns.

ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION

▪ REFERRAL FEES PAID

Waycross does not compensate any third party for client referrals, nor does it solicit or receive payment for referrals to any third party.

ITEM 15: CUSTODY

All client assets are held by a qualified custodian. Clients will receive account statements at least quarterly from the qualified custodian of their accounts, generally Charles Schwab. Clients are urged to compare custodial account statements against statements prepared by Waycross for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Waycross is deemed to have custody of client funds through signed third-party funds transfer profiles on file at the client's custodian. Waycross meets the seven conditions required by our primary regulator, either through our own reviews and recordkeeping or through our custodian. All assets we report in Item 9.A. of our Form ADV Part 1A are related to this custody.

Waycross is also deemed to have custody when we have automatic fee deduction from clients' investment accounts. We only have this authorization under the terms of the Fee Payment Authorization clause in the Agreement with the client. We urge clients to review their custodian statements to confirm the invoice and the fee amount withdraw match.

ITEM 16: INVESTMENT DISCRETION

Waycross maintains full discretion to purchase and sell securities for many client accounts. This means you grant us limited power of attorney to select, purchase and sell securities without obtaining your specific consent. This limited power of attorney is granted to us in the written advisory agreement we have with you. There are no restrictions on the securities we may buy or sell for you unless you provide those to us in writing.

ITEM 17: VOTING CLIENT SECURITIES

Waycross has the authority to vote proxies, unless the client otherwise specifically directs otherwise. We utilize the services of a third-party service provider, a proxy advisory firm, to vote client proxies. The service provider we have selected operates pursuant to their own code of ethics which requires they serve the best interest of its clients and not subordinate client interest to its own. They have taken reasonable steps to prevent potential conflicts of interests from becoming actual conflicts of interest. They aim to provide research, proxy voting policies, and vote recommendations that are based on fair, thorough, independent, and objective analysis. Our policy is to vote proxies in the best interests of our clients. We have generally adopted the voting guidelines of our service provider but may choose to vote differently under certain circumstances. We will not override our service provider's vote if we have a conflict of interest with a client's vote.

We have adopted written policies and procedures regarding the voting of proxies. These policies and procedures are designed to ensure that we fulfill our fiduciary obligation to you in connection with proxy voting and that they continue to be voted in clients' best interests. This includes ongoing review and assessment of our third-party proxy voting service provider for conflicts of interest, their research and analysis, and that voting continues to be in accordance with their guidelines and in the best interests of shareholders. We will provide complete proxy voting guidelines to clients upon request.

Clients may contact us using the contact information on the cover page of this Brochure to request a complete copy of our proxy voting policies and voting guidelines, or details on how their proxies were vote.

ITEM 18: FINANCIAL INFORMATION

We are not required to provide financial information because we do not accept prepaid fees of \$1200 or more and six months or more in advance. We do not have a financial condition likely to impair our ability to meet contractual commitments. We have never had a bankruptcy.



FORM ADV PART 2B

BROCHURE SUPPLEMENT FOR LUTHER H. HODGES

COVER PAGE

Name of Supervised Person/Investment Advisor Representative.	Luther H. Hodges
Physical Address	119 N. Commercial Street, Suite 191 Bellingham, WA 98225
Mailing Address	PO Box 1618, Bellingham, WA 98227
Phone Number	360.671.0148 -or- 800.292.8794
Website Address	www.waycross.com
E-mail Address	harthodges@waycross.com
CRD Number	6032162
Date of Last Revision	March 7, 2023

This brochure supplement provides information about Luther H. Hodges, President, that augments the Waycross Investment Management Company brochure. You should have received a copy of that brochure. Please contact Luther H. Hodges, President and Chief Compliance Officer, if you did not receive a copy of Waycross' brochure, or if you have any questions about the contents of this supplement.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

EDUCATION BACKGROUND

Name	Luther H. Hodges
Year of Birth	1961
Education	Ph.D. – Economics – University of Washington, 1994
	Master’s in Environmental Management – Duke University - 1987
	BA – Williams College - 1985

BUSINESS EXPERIENCE

Business	Waycross Investment Management Company Bellingham, WA
Position(s)	Investment Advisor Representative, 2011 to Present President, 2017 to Present
Business	Western Washington University Bellingham, WA
Position(s)	Associate Professor, Economics and Director of the Center for Economic and Business Research, 2009 to Present Assistant Professor, Economics and Director of the Center for Economic and Business Research, 2003 to 2009 Visiting Assistant Professor, Economics, 2000 to 2003
Business	Northern Economics, Inc. Anchorage Alaska
Position	Senior Economist (Consultant), 1998 to 2000
Business	City of Portland, Oregon
Position	Financial Analyst, 1996-1998

DISCIPLINARY INFORMATION

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client’s evaluation of the advisory business or of the integrity of the Investment Advisor Representative.

Luther H. Hodges does not have any disclosure items for this portion of the brochure. Luther H. Hodges has not been the subject of a bankruptcy petition.

OTHER BUSINESS ACTIVITIES

Luther H. Hodges is currently an Associate Professor of Economics at Western Washington University where he teaches courses in economics. He also serves as director of the University’s Center for Economic and Business Research.

ADDITIONAL COMPENSATION

Neither Luther H. Hodges nor Waycross receives any compensation from any source as a result of Luther Hodges or Waycross directing trades in client accounts.

Luther H. Hodges receives compensation from his employment at Western Washington University.

SUPERVISION

All investment advice provided by all Investment Advisor Representatives (including Luther H. Hodges) is formulated in conjunction with Waycross' Investment Committee. Luther H. Hodges is a member of the Investment Committee.

As Chief Compliance Officer, Luther H. Hodges is responsible for monitoring portfolios for investment objectives and other supervisory reviews.



FORM ADV PART 2B

BROCHURE SUPPLEMENT FOR DAVID G. SCHNEIDER

COVER PAGE

Name of Supervised Person/Investment Advisor Representative.	David G. Schneider
Physical Address	119 N. Commercial Street, Suite 191 Bellingham, WA 98225
Mailing Address	PO Box 1618, Bellingham, WA 98227
Phone Number	360.671.0148 -or- 800.292.8794
Website Address	www.waycross.com
E-mail Address	david@waycross.com
CRD Number	6308645
Date of Last Revision	March 7, 2023

This brochure supplement provides information about David G. Schneider that augments the Waycross Investment Management Company brochure. You should have received a copy of that brochure. Please contact Luther H. Hodges, President and Chief Compliance Officer, if you did not receive a copy of Waycross' brochure, or if you have any questions about the contents of this supplement.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

EDUCATION BACKGROUND

Name	David G. Schneider
Year of Birth	1969
Education	Master's in Economics – McMaster University – 1995
	BA – University of British Columbia - 1994

BUSINESS EXPERIENCE

Business	Waycross Investment Management Company Bellingham, WA
Position(s)	Investment Advisor Representative, 2014-Present
Business	DGS Consulting
Position(s)	Proprietor/President, 1999-Present

DISCIPLINARY INFORMATION

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the Investment Advisor Representative.

David G. Schneider does not have any disclosure items for this portion of the brochure. David G. Schneider has not been the subject of a bankruptcy petition.

OTHER BUSINESS ACTIVITIES

David G. Schneider is currently employed part-time at DGS Consulting. DGS Consulting, a sole proprietorship owned by David Schneider, produces expert advice and reports in areas of economics and finance, including impacts of economic development and health and health care policy. Approximate commitment may be one or two days a month. There is no cross-marketing to the clients of these two businesses, although there could be a client of DGS Consulting who is also a client of Waycross. Clients of one business are under no obligation to use the services of the other business.

ADDITIONAL COMPENSATION

David G. Schneider receives compensation from his employment with DGS Consulting, described above.

SUPERVISION

All investment advice provided by all Investment Advisor Representatives (including David G. Schneider) is formulated in conjunction with Waycross' Investment Committee. David G. Schneider is a member of the Investment Committee.