

## **FORM ADV, PART 2**

**R. B. NEEDHAM ADVISORY CORP.**

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**As of December 12th, 2023**

Form ADV, Part 2, our “Disclosure Brochure” or “Brochure” is a very important document between you, our Clients, and R. B. Needham Advisory Corp. This Brochure is required by the Investment Adviser’s Act of 1940 and applicable state regulations and provides information about our qualifications and business practices.

If you have any questions about the contents of this brochure, please contact us at 978-681-8821 and/or email us at [gkimball@needhamadvisory.com](mailto:gkimball@needhamadvisory.com).

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.

Information about R. B. Needham Advisory Corp. is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD Number. Our firm’s identification number is 105378.

Needham Advisory is a state-registered advisor. NAC’s primary registration authority is the Commonwealth of Massachusetts as we are physically located in Massachusetts. We are also required to register in New Hampshire, Texas, and Florida due to differing rules regarding registration in each state.

Our registration as an Investment Advisor does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us against other advisors in making your decision to hire us or to continue to maintain a mutually beneficial relationship.

## ***Item 2: Material Changes***

The Commonwealth of Massachusetts requires that we advise you of material changes that have occurred at RB Needham Advisory Corp. since we posted our Form ADV Part 2 Brochure for the year ending December 31, 2022, to the SEC's public disclosure website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We consider the following a Material Change that we must disclose in this section and in Item 14, *Client Referrals and Other Compensation*:

RB Needham Advisory engages independent solicitors to provide client referrals. If a client is referred to us by a solicitor, this practice is disclosed to the client in writing by the solicitor and Needham Advisory pays the solicitor out of its own funds—specifically, the Needham Advisory generally pays the solicitor a portion of the advisory fees earned for managing the capital of the client or investor that was referred. The use of solicitors is strictly regulated under applicable federal and state law. Needham Advisory's policy is to fully comply with the requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended, and similar state rules, as applicable.

The Needham Advisory may receive client referrals from Zoe Financial, Inc through its participation in Zoe Advisor Network (ZAN). Zoe Financial, Inc is independent of and unaffiliated with Needham Advisory and there is no employee relationship between them.

We consider the following a Material Change that we must disclose in this section and in Item 19, *Requirements for State-Registered Advisors*:

RB Needham Advisory's request for registration in Florida began in 2020, and was approved on February 19, 2021. We are now registered in Massachusetts, New Hampshire, Texas, and Florida.

We have posted a new Form ADV Part 2, as of December 12, 2023 to the SEC's public disclosure website (IAPD), [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you would like the full brochure, you can download it from this website or contact us at 978-681-8821. You can also contact us by email:

- Bob Needham, [rneedham@needhamadvisory.com](mailto:rneedham@needhamadvisory.com)
- George Kimball, [gkimball@needhamadvisory.com](mailto:gkimball@needhamadvisory.com)
- Paige Coleman, [pcoleman@needhamadvisory.com](mailto:pcoleman@needhamadvisory.com)

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#### ***Item 4: Advisory Business***

Needham Advisory Corp., a registered investment advisor, was formed in 1985 to provide custom investment management and general financial counseling services to individuals, trusts, retirement plans and endowments. As noted, we are a state-registered firm. We are primarily registered in Massachusetts and we are also registered in New Hampshire, Texas, and Florida. Needham Advisory is, and has always been, subject to the fiduciary standard. Our commitment is to act solely in your best interest on a fee-only basis; we do not receive commissions, nor do we sell products.

The underlying philosophy of the company evolved through 25 years of portfolio management, trust, financial and estate planning experience is that clients should be able to expect creativity, professionalism, understandable communication, and comprehensive investment counseling from one source. Our goal is to treat every client as our only client. We consider each client to be unique and structure portfolios accordingly. A successful investment philosophy can be tailored to meet the distinctive requirements of corporate retirement plans, endowments, trusts, and individuals. The consistent factor among all portfolios is our investment philosophy and discipline.

We have built our firm on factors we consider critical to best serve our clients: quality personnel, a clear investment strategy and decision process, consistent long-term performance, client orientation, reliable support systems, and an environment in which decisions can be made in a timely manner. We measure our success not only by how our performance compares with market indices but also, and more importantly, by how we meet our client's objectives. We offer a client responsive approach to managing assets that is not often found in today's volume oriented financial services environment. Needham Advisory has and will continue to control and monitor its growth, as we will not compromise our service or performance.

The owners of R. B. Needham Advisory Corp. are Robert B. Needham and George J. Kimball.

Our calculation of Regulatory AUM on both Form ADV Parts 1 and 2 is:

#### **Discretionary + Non-Discretionary = Regulatory AUM**

As of December 31, 2022 Regulatory AUM is calculated as follows:

$$\$64,700,685 + \$31,421,197 = \$96,121,882$$

As of 12/31/22, Needham Advisory had 231 accounts, of which 110 are discretionary and 121 are non-discretionary. We subtract 3 discretionary accounts, valued at \$3,141,666 and 5 non-discretionary accounts, valued at \$1,320,366 to arrive at Regulatory AUM. We do not provide continuous and regular supervisory or management services to these accounts. The total for Regulatory AUM is 107 discretionary and 116 non-discretionary, for a total of 223 accounts for the purpose of calculating Regulatory AUM.

## **Services**

Needham Advisory Corporation is a full- service investment and financial counseling firm. In that capacity we provide a number of services to our clients. We offer personalized solutions for immediate financial questions or long-term financial planning. Our services are not based on selling financial products, but focused on defining goals, identifying alternative strategies to achieve those goals and using our expertise and experience to provide assistance in implementing the appropriate strategy. Additionally, we are available to be listed as trustees, co-trustees or successor on trust documents.

In practice we tailor our investment portfolios to the needs and objectives of our clients. We structure portfolios to meet the client's needs as determined by their financial plan. Clients are always able to place restrictions on the sale or purchase of particular classes of securities for their portfolios.

### ***Our Investment Management services include:***

- Goal definition, asset allocation security selection and Investment Management •  
Quarterly reporting of results
- Annual review of results and account objectives
- Coordination with Third Party Plan Administrators for corporate employee benefit plans
- Consultation and coordination with Trustees on individual trusts
- Consultation with other professional advisors as requested by the client to insure that all the advisors are working towards the same goal
- Comprehensive Financial Counseling
- Hourly consultation for those who do not need or require continuous management

### ***The independent account custodian will provide:***

- Safekeeping all securities
- Collection of income
- Settlement of all security transactions including receipt and delivery of securities as well

as the collection or payment of funds

- Notification of corporate actions and processing as directed
- Direct computer access to account status by Needham Advisory for review of account balances, pending trades, transaction activity and market valuations

***Our Financial Planning services include:***

- Manage current expenses and project future cash flows
- Understand alternatives when faced with buying a new house or investing in a business
- Determine the means and strategy to accumulate funds for financing a college education and achieving financial independence.
- Determine the lowest level of risk that needs to be taken when designing the investment portfolio to achieve your financial goals
- Evaluate the choices and allocation of investment assets to manage risk and control market variability
- Understand strategies to minimize income tax liability and maximize retirement savings
- Analyze insurance needs in order to contain catastrophic risks
- Evaluate retirement income distribution methods and understand wealth transfer techniques
- Develop an overall estate plan and plan for elder care needs

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

***Fee Schedule - Investment Management***

***Fee Payment Options***

As indicated in our advisory agreement with you, there are two options you may select to pay for our services:

Direct debiting (Preferred) – each month we will notify your custodian of the amount of the fee due. The custodian does not validate or check the calculation of our fee. The custodian will deduct the fee from your billing account. Each month you will receive a statement directly from your custodian showing all transactions. RBNAC will also send you a copy of the billing invoice

sent to the custodian.

Pay-by-check – we will issue you an invoice for our services monthly and you will pay us by check.

We do not select other advisors for our clients and therefore do not include this service in our fee schedule.

We view Cash as an asset class, and as such we include it in our fee calculation.  
Sometimes fees may exceed the yield on cash/money market fund.

Fees are billed monthly, in advance on the market value of the previous end of the month at the following rates:

**For clients of RBNAC prior to October 4, 2018:**

**Account Asset Value Annual Fee**

Assets up to \$2,000,000 1%

Assets over \$2,000,000 1/2 of 1%

Minimum Annual Fee - \$1,500.00

No minimum account size

**For clients of Kimball Capital Management prior to October 4, 2018:**

**Account Asset Value Annual Fee**

Assets up to \$2,000,000 1.25%

Next \$2,000,000 1.00%

Next \$5,000,000 .75%

Next \$15,000,000 .60%

Over \$25,000,000 .45%

(Clients who were with KCM prior to 10/4/2018 continue to receive this fee schedule)

**For clients of RBNAC after October 4, 2018:**

**Account Asset Value Annual Fee**

Assets up to \$2,000,000 1.00%

Next \$3,000,000 .75%

Over \$5,000,000 .50%

The cost of the annual surprise audit for certain accounts as mandated by the Custody Rule will be shared equally by each of these “Custody Accounts”.



Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your account(s). The following list of fees or expenses that can be charged by the broker/custodian directly when a security is bought, sold, or held in your account(s). Other fees not listed here may also be incurred and charged:

- Brokerage commissions and markups
- Transaction fees
- Exchange fees
- Advisory and administrative fees charged by Mutual Funds or Exchange Traded Funds
- Advisory fees charged by sub-advisors (if used for your account)
- Custodial fees
- Deferred sales charges on mutual funds and annuities
- Odd-Lot differentials
- Transfer taxes
- Wire transfer and electronic fund processing fees

We do not receive, directly or indirectly, any of these fees charged to you. They are paid directly to the broker/custodian/mutual fund. In addition, we do not have any “employee” that receives any compensation from purchase or sale of securities for your account.

We are a fee-only investment advisor. We do not have any potential conflicts of interest present that relate to any additional (and undisclosed) compensation from you.

### ***Other Fees and Expenses***

Needham Advisory Corp. does not provide custodial services but will assist our clients in obtaining suitable safekeeping services. There may be an additional charge by the custodian for these services. Accounts custodied through Needham Advisory as part of a consultation arrangement will be billed an annual administrative fee of \$250.00.

For accounts which an officer of Needham Advisory serves as either sole or co-trustee, additional expenses for the annual surprise audit as mandated by the Custody Rule, trust income tax preparation, or other extraordinary services will be charged directly by the CPA, and not by the firm, from the trust account. The firm will ensure that the payment is made through the trust account, and will not exceed 2.5% annually.

### ***Investment Consultation***

Investment consultation services are available at an hourly rate of \$250.00. Consultation does not include continuous supervisory services. The minimum fee per consult is \$250.00. Investment consultation fees are payable upon completion of the consultation.

### ***Financial Consultation***

Financial consultation is available at an hourly rate of \$250.00. For complex financial plans Needham Advisory will provide a best effort estimate of the total fee in advance. Fees for financial consultation are payable 1/3 at contract initiation and the balance upon completion.

### ***Item 6: Performance-Based and Side-By-Side Management***

Needham Advisory does not charge performance fees on a share of the capital appreciation of a client's account (performance-based fees). Our advisory fee compensation is charged only as disclosed above in Item 5.

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

Needham Advisory provides services to a number of different types of clients, including:

- Individuals, including high net worth individuals
- Trusts, estates, and charitable organizations
- Pension and profit sharing plans
- Corporations or other business entities
- Non-profit entities

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

### **Analysis**

Needham Advisory's security analysis methods include:

- Fundamental Analysis which includes the examination of financial ratios • Select Value – proprietary relative value analysis of securities in our stock universe focusing on price/cash flow and return on total capital
- Intrinsic Value – proprietary relative value of market price compared to target price
- Technical Analysis through the examination of charts

In conducting security analysis, we utilize a broad spectrum of information, including:

- financial publications and Internet-based materials
- third-party research materials
- annual reports
- prospectuses
- regulatory filings
- company press releases
- corporate rating services

### **Investment Strategies:**

Strategies involving frequent trading of securities can affect investment performance.

Our core expertise is management and servicing of a wide range of risk-managed equity management (primarily common stocks and mutual funds), fixed income management (including corporate, government, and municipal bonds), and customized balanced portfolios.

In addition to the types of securities described above, we may also invest in such other securities that we may select, unless expressly limited by written direction or client guidelines.

### **Risk of Loss**

All investments in securities include a risk of loss that each client should be prepared to bear. Certain strategies may impose more risk than others. Stock and bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control.

We will do our very best in the management of your assets; however, we cannot guarantee any level of performance. However, depending upon the client needs and investment mandate, we will endeavor to thoroughly explain the risk applicable and address it in the investment management agreement as well.

All of our strategies are subject to risks created by economic changes and surprises, industry developments, technological change, market liquidity conditions, as well as adverse financial developments that can effect individual companies' stock and bond securities. In recent years policies of the Federal Reserve can have had an impact on the risk associated with stocks and bonds. To the extent that these conditions arise and impact the projected earnings of a company they may increase the risk and volatility of the investment's value. We try to anticipate these risks where possible and utilize diversification to help offset the impact of risks that cannot be successfully analyzed.

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

Needham Advisory and its employees have no reportable discipline history.

Please note that a history of an advisor's disciplinary or legal events, that are material to a client's evaluation of an advisor's business and management, can be obtained from the Massachusetts Securities Division. Clients may obtain the disciplinary history of the Registrant or its representatives from the Division and may contact the Division at (617) 727-3548

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

#### ***Consulting Services***

Needham Advisory offers a financial planning and strategy development service for individuals who may or may not use investment management services. These services include an analysis of the client's:

- cash flow
- budget

- asset allocation
- tax
- insurance
- retirement
- new worth
- estate tax situation

Recommendations for changes in each of the above categories will be made upon request. The service will also offer follow-up consultation and an update of the plan upon request.

Needham Advisory is also actively engaged in providing financial and estate planning services on an hourly fee basis. The financial and estate planning consulting services comprise approximately 10% of the business activity of Needham Advisory.

These consulting services are billed at a rate of \$250.00 per hour.

### ***Other Financial Industry Activities and Affiliations***

Needham Advisory Corp is not involved in any other financial industry activities or affiliations.

### ***Item 11: Code of Ethics***

As required by regulation, and because it's good business, we have adopted a Code of Ethics that governs a number of potential conflicts of interest we might have when offering our advisory services to you. This Code of Ethics is designed:

- to ensure we meet our fiduciary obligation to you
- to detect and prevent violations of security laws
- to drive home a "culture of compliance" within our firm.

Our Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter. We supplement the Code with on-going monitoring of employee activity.

Our Code includes the following:

- requirements related to the confidentiality of your information
- prohibitions on insider trading and rumor-mongering
- prohibition of gifts and entertainment that exceed \$100
- reporting of gifts and entertainment within our policy standards
- pre-clearance of employee trading
- quarterly review of all personal securities transactions
- annually we require all employees identify members of their household and report accounts to which they have a “beneficial interest” (meaning that they have ownership or authority over the account.
- we also require our employees to annually acknowledge receipt and understanding of our Code of Ethics.

Our Code of Ethics does not prohibit personal trading by our employees. As you may imagine, as a professional investment advisor, we follow our own advice. As a result, we may purchase or sell the same of similar securities that we do for you, our client.

You may request a complete copy of our Code of Ethics by contacting:

George Kimball, Principal & Chief Compliance Officer  
 Needham Advisory Corp.  
 861 Turnpike Street  
 North Andover, MA  
 978-681-8821  
[gkimball@needhamadvisory.com](mailto:gkimball@needhamadvisory.com)

## ***Item 12: Brokerage Practices***

### ***Directed Brokerage:***

If the client instructs Needham Advisory to use a particular broker for portfolio transactions, the client will not benefit from the advisor’s ongoing efforts to select brokers that provide the best services at the lowest cost commissions. Also the client will not be able to obtain volume discounts or best execution for some trades through block trading.

Clients should also be aware that a potential conflict of interest exists if a broker refers business to Needham Advisory and becomes a beneficiary of trading activity on the account through directed brokerage.

Clients requesting directed brokerage must provide the Registrant with written directions to do so.

**Brokerage Selection:**

Needham Advisory will endeavor to select those brokers or dealers who in our judgment provide the services needed for the management of the client's account at the most reasonable commission rates possible. The reasonableness of the broker's commissions are evaluated on the broker's ability to provide professional services, competitive commission rates or markups/mark-downs and other services that in our judgment will help Needham Advisory in providing investment management services to the client. Research and services will not justify material differences in execution costs.

Charles Schwab & Co., Inc. has been determined to meet our requirements and most discretionary transactions are placed through them. The professional services available to Needham Advisory from Schwab are:

- favorable execution and commission rates
- receipt of duplicate client confirmations
- receipt of electronic duplicate statements
  - access to a trading desk serving Schwab Institutional clients exclusively
  - access to block trading that provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts
- ability to have investment advisory fees deducted directly from the client account
- access to a website exclusive to Schwab Institutional clients. The website provides:
  - the ability to enter money movement transactions electronically
  - the ability to download, post, and reconcile daily transactions
- research capabilities
- compliance publications
- ongoing training and education through live and on-demand webcasts, articles, and bulletins
- access to mutual funds that generally require significantly higher minimum initial investments or are generally available only to institutional investors.

Needham Advisory does not negotiate with brokers for the lowest transaction costs and most favorable execution on each client transaction but does review our ongoing relationship with Schwab to determine if services and charges continue to justify their selection as Needham Advisory's primary broker

***Block Trades:***

RBNAC may aggregate or “bunch” securities of different clients for block trading where doing so will provide lower commission costs and/or better execution for all the clients involved. When clients’ accounts are aggregated each account in the aggregation is charged or credited with the average price to the total blocked transaction.

***Soft Dollars:***

Needham Advisory, as a matter of policy, does not utilize research and other services obtained from broker-dealers or third parties on a soft dollar commission basis.

***Other Brokerage Arrangements:***

We do not engage in the following:

- Rotational Procedures
- Agency Cross Transactions
- Principal Trading

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

All accounts are reviewed through both an individual portfolio basis and an asset review basis. The asset review basis is a continuing review of each security held in portfolios to ascertain that it continues to meet the standards of the portfolios.

If sale of a security is indicated by the asset review, all accounts holding that asset will be reviewed regardless of any other review cycle.

While the continuing daily asset-by-asset review will provide active continual management, each account will also be reviewed monthly. This review includes:

- A review of the total market value of each account
- A review of gains and losses for each portfolio holding
- A review of the continuing suitability of each asset in the portfolio
- A review of income to assure that client objectives will be met

Prior to the monthly review, we review all transactions that have occurred in the portfolio – income, additions or withdrawals, and capital changes. A change in the client’s financial situation or objectives will also trigger a review of the portfolio as indicated above.



Accounts are reviewed by Robert B. Needham, President & CCO.

### ***Account Statements***

The custodian will send a statement to a client usually on a monthly or quarterly basis, depending on the types of transactions in the account. This statement will include a list of portfolio holdings and transactions for the period. Duplicate confirmations of each trade will be sent to the client and to Needham Advisory at the time of the transaction.

Needham Advisory sends a statement quarterly (or more often if requested by the client). Needham's statement includes a list of portfolio holdings, market value of the portfolio, cost basis information, transactions for the period, and other information, such as a performance summary, requested by the client.

Needham Advisory's statement also urges the client to compare our statement to that produced by the custodian; any discrepancies should be immediately reported.

The custodian issues a Composite 1099 which summarizes interest and dividend income and realized capital gains and losses, management fees, paid, and other information needed by the client in preparing his income tax return.

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

Needham Advisory engages independent solicitors to provide client referrals. If a client is referred to us by a solicitor, this practice is disclosed to the client in writing by the solicitor and the Needham Advisory pays the solicitor out of its own funds—specifically, Needham Advisory generally pays the solicitor a portion of the advisory fees earned for managing the capital of the client or investor that was referred. The use of solicitors is strictly regulated under applicable federal and state law. Needham Advisory's policy is to fully comply with the requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended, and similar state rules, as applicable.

The Needham Advisory may receive client referrals from Zoe Financial, Inc through its participation in Zoe Advisor Network (ZAN). Zoe Financial, Inc is independent of and unaffiliated with Needham Advisory and there is no employee relationship between them. Zoe Financial established the Zoe Advisor Network as a means of referring individuals and other investors seeking fiduciary personal investment management services or financial planning services to independent investment advisors. Zoe Financial does not supervise Needham Advisory and has no responsibility for the Advisor's management of client portfolios or the Advisor's other advice or services. Needham Advisory pays Zoe Financial an on-going fee for each successful client referral. This fee is usually a percentage of the advisory fee that the client pays to Needham Advisory ("Solicitation Fee"). Needham Advisory will not

charge clients referred through Zoe Advisor Network any fees or costs higher than its standard fee schedule offered to its clients. For information regarding additional or other fees paid directly or indirectly to Zoe Financial Inc, please refer to the Zoe Financial Disclosure and Acknowledgement Form.

### ***Item 15: Custody***

Needham Advisory complies with the Custody Rule which became effective March 12, 2010. The Custody Rule was imposed by the SEC as a response to the Madoff Affair to better safeguard client assets. The Commonwealth of Massachusetts has also adopted a custody rule that is substantially the same as the federal rule.

Custody is defined as “holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.”

Examples of custody are:

- Possession of client funds, unless an advisor receives them inadvertently • An arrangement that authorizes an advisor to withdraw client funds
- Possession of client login credentials
- Acting in any capacity that gives an advisor legal ownership or access to client funds – trustee/executor/conservator/general partner.

The amended custody rule provides that an advisor with custody of client assets, such as Needham Advisory, is required to undergo an annual surprise exam by an independent public accountant to verify those assets for which the client is deemed to have custody. The audit for 2021 is on-going.

Another provision of the Custody Rule is that the advisor must exercise “due inquiry” to be certain that custodians are sending clients statements. For Schwab accounts, Needham Advisory receives an electronic alert from Schwab attesting that statements have been sent out for all accounts. We also receive duplicate paper statements of “custody accounts.” For non Schwab accounts, Needham Advisory receives a duplicate paper statement monthly.

Another provision of the Custody Rule is: The advisor must maintain client assets with a qualified custodian. We currently use four custodians: Schwab, Eastern Bank (2 clients), RBC Wealth Management (one client), and Fidelity (one client).

Please note that valuations on the custodian’s statement and on the advisor’s may differ slightly depending on the source of the prices. Needham Advisory obtains its prices from pricing services used by Envestnet/Tamarac. For tax and other purposes, the custodian’s statement is

the official record of the client's account.

Needham Advisory primarily collects management fees through the direct debit of fees from the clients' accounts. The client gives us this authority when the account is opened. The Commonwealth of Massachusetts in 950 CMR Chapter 12.205(5) says that a registered investment advisor deemed to have custody or discretionary authority must have a surety bond of not less than \$10,000.

Massachusetts also says that "custody" shall have the meaning defined in the federal regulations. This means that accounts for which an investment advisor is deemed to have custody is subject to an annual surprise audit of these accounts. Massachusetts does consider having the authority to collect management fees through the direct debit of fees from a client's account as having custody. However, an advisor is exempt from the independent verification requirement when this is the ONLY reason an advisor has custody when the advisor has written authorization to deduct fees from the account, and a copy of the billing invoice is sent to the client.

We calculate the fee based on the provisions of the Investment Counsel Contract. The invoice is sent to the custodian for payment from the account. A copy of the invoice is simultaneously sent to the client. Each invoice has a disclaimer reminding clients that the custodian does not verify the accuracy of the fee and that the client should verify the accuracy of the calculation.

When the custodian gets the invoice it enters a management fee expense transaction that is shown on the custodian's statement to the client.

For accounts where the client has not given us the authority to directly debit their account for management fees, we send the bill to them and they pay the fee directly.

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

### ***Discretionary Accounts:***

For Discretionary Accounts, Needham Advisory has the authority to determine without obtaining specific client consent:

- Securities to be bought or sold
- Amount of the securities to be bought or sold
- Broker to be used
- Commission rates to be paid

Clients are allowed to place any limitations they want on our discretionary activity in their accounts. For those who do not want to grant general discretion we offer non-discretionary

management services that require pre-approval by the client.

***Non-Discretionary Accounts:***

For Non-Discretionary Accounts, Needham Advisory does not have the authority described above. Needham Advisory must first have client consent for each item outlined above.

Discretionary or Non-Discretionary authority is granted to us under a Limited Power of Attorney agreement authorized by the client.

***Item 17: Voting Client Securities (i.e., Proxy Voting)***

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Needham Advisory votes proxies for securities consistent with the best economic interest of the clients that have given us this authority.

Our policy includes:

- the responsibility to monitor corporate actions
- receive and vote client proxies
- disclosing any potential conflicts of interest
- making information available to clients who have not given us the authority to vote proxies for their account
- maintaining complete, written records of our proxy voting activities

A copy of our Proxy Policy has been incorporated into our Investment Management Services Agreement. A copy of the Proxy Policy is available upon written request to Robert B. Needham, Chief Compliance Officer.

Clients with special interests are allowed to vote their own proxies.

Where we are authorized to vote the proxy the clients can request the results of our voting on a specific proxy via a written request.

***Item 18: Financial Information***

Needham Advisory does not charge or solicit pre-payment of \$1,200 in fees per client six or more

months in advance, rather we charge fees monthly, in advance as described in Item 5.

Needham Advisory does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments.

Needham Advisory has not been the subject of a bankruptcy petition at any time during the past ten years.

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

As noted in the introductory material on page 2, NAC is registered in Massachusetts, New Hampshire, Texas, and, Florida (approval of Florida registration was granted in February, 2021).

The owners and principal officers of Needham Advisory are Robert B. Needham and George J. Kimball. Their education and business background are spelled out in Part 2B of Form ADV: Brochure Supplement, which is included in this document.

Needham Advisory is not involved in any business other than financial planning and investment counsel and management.

Needham Advisory does not receive any compensation other than that listed in Item 5. Needham Advisory is not involved in any performance-based compensation arrangement as stated in Item 6.

Personnel of Needham Advisory have not been involved in or found liable in any claim or administrative proceeding involving:

- (a) an investment or an investment-related business;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices

Personnel of Needham Advisory do not have any type of relationship or arrangement with any issuer of securities

***Part 2B for Form ADV: Brochure Supplement***

***Item 1: Cover Page of Brochure Supplement***

***R. B. Needham Advisory Corp.  
861 Turnpike Street  
North Andover, MA 01845***

***Mailing Address:  
PO Box 398  
Andover, MA 01810***

***Phone: (978) 681-8821  
FAX: (978) 685-8000***

***Date of Brochure Supplement: As of December 31, 2021***

***General Email: [gkimball@needhamadvisory.com](mailto:gkimball@needhamadvisory.com) Web Site:  
[www.needhamadvisory.com](http://www.needhamadvisory.com)***

***This brochure provides information about the staff of R. B. Needham Advisory Corp. that supplements the R. B. Needham Advisory Corp.'s brochure. You should have received a copy of that brochure. Please contact your contact person at Needham Advisory if you did not receive R. B. Needham Advisory Corp.'s brochure or if you have any questions about the contents of this supplement.***

***Additional information about the staff of R. B. Needham Advisory Corp. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).***

***Supervised Persons:***

***Professional Staff***

Robert B. Needham, President, x-1

George J. Kimball, Principal & CCO, x-2

Joseph Gardino, Director of Research, x-4

***Client Service/Operational Professionals***

Paige Coleman, Operations Manager, x-3

Priscilla Cubelli, Trust Administrator, x-5

## ***Item 2: Education and Business Background***

The professional staff at Needham Advisory is committed to the highest level of quality service for our clients. We bring strong technical expertise and, from years of experience in the Trust and Banking industries, an acute awareness of the varying needs of clients. The investment principals, who have held the senior investment position in a several large organizations, realized they could more successfully meet clients' needs in a more client-focused environment. We offer clients over 40 years of trust and investment experience in developing and implementing a customized investment decision process.

### **Investment decisions for clients are made by:**

#### ***Robert B. Needham CFA***

Robert B. Needham was born in 1940.

Bob is President and Chief Compliance Officer for Needham Advisory Corp. Bob began his investment career in 1968 after five years of financial and business planning experience with a division of Johnson and Johnson. He has served as a portfolio manager with the Trust Division of the Fleet National Bank, Providence, Rhode Island and, for the seven years immediately prior to forming R. B. Needham Advisory Corporation, was the Senior Vice President and Senior Investment Officer in charge of the Trust Department of the Arlington Trust Company of Lawrence, Massachusetts. In these positions he counseled individuals, corporations, and endowments in their investment and financial strategy development.

Bob graduated from Dartmouth College in 1962 where he majored in economics and has an MBA from the Amos Tuck School of Business Administration. He is a Chartered Financial Analyst (CFA) and a member of the Boston Security Analysts Society. He was Past President of the Merrimack Valley Estate Planning Council. Bob was a Trustee and past Treasurer of the Merrimack Valley Community Foundation. He was a Trustee and former Chair of the Merrimack Valley YMCA and served on the board of Franciscan Children's Hospital, where he served as Chair and Vice-Chair during his 25 years of board membership. He served as Director of the United Methodist Foundation of New England where he chaired its investment committee. Bob is also a Director of Appleton Partners, Inc., a Boston based investment counsel firm for which he receives a small annual stipend. Bob's duties for Appleton consist of attending 2 four-hour meetings annually.

Bob, his wife, and grandchildren reside in North Andover, MA.



### ***George J. Kimball, CFA***

George J. Kimball was born in 1959.

George is Principal and Chief Compliance Officer for Needham Advisory Corp. George began his investment career in 1983 at J. Bush and Company, an Investment Advisor in New York, NY. He moved to Boston in 1987 to work in the Treasury division at Bank of Boston. In 1990, he joined Keystone Investment Management, and worked there for 10 years as a portfolio manager. In 2001, he joined US Trust/Bank of America as a Senior Portfolio manager, and in 2006 he moved to JP Morgan Private Bank to help open the Boston office. In 2008, he was hired by Wilmington Trust Company as a Senior Portfolio Manager. He ran the investment group in Boston for 4 years. After several investment advisor positions at First Republic, Capital Security Advisors, and Harbor Point Capital Management, George decided to start his own firm, Kimball Capital Management. In 2018, George merged this firm with R. B. Needham Advisory Corp. Throughout his professional career, George has counseled individuals, families, and endowments in their financial planning and investment strategy development.

George graduated from Hamilton College in 1982, and he received an MBA from the Fuqua School of Business at Duke University in 1987. He is a Chartered Financial Analyst (CFA) and he is the past Chair of the Private Wealth Management Committee of the CFA Society of Boston. He was past Treasurer of the Camargo Foundation, and he is the current Treasurer of the Gore Place Society in Waltham. George is a member of the Boston Estate Planning Council. George and his wife reside in Lexington, MA.

### **Joseph Gardino**

Joe joined Needham Advisory in 2019 as Director of Research. Joe worked as a trust investment officer for 44 years, with the last as a Senior VP at U. S. Trust in Boston. He started at Southeast Bank in Naples, Florida and received a certificate from the University of Florida School of Trust Banking. He moved north to Arlington Trust Company of Lawrence, Mass. In 1984. Joe spent time at both Bank of Boston and State Street Bank before joining U. S. Trust when State Street sold its trust business to them. Part of Joe's responsibilities in these positions included research in the food and banking industries.

Joe brings his research capabilities to Needham Advisory where he is responsible for sourcing and researching companies to be considered for Needham's equity strategies.

Joe is a graduate of Boston College. He was born in 1948 and is currently a resident of Danvers, MA and Naples, FL.

## ***Client Service and Operations Professionals***

### ***Priscilla Cubelli***

Priscilla Cubelli has is part of the administration team at Needham Advisory. Priscilla was born in 1941. Priscilla joined us from Eastern Wealth Management where she served as Vice President for six years after Eastern Bank acquired the First National Bank of Ipswich Trust Department. She served FNBI as Sr. Vice President and head of the Investment Management and Trust Services Department for 10 years. Merrimack Valley residents are likely to remember Priscilla from her days at Arlington Trust Company in Lawrence where she was a senior trust officer and at Shawmut Bank in Andover. Priscilla graduated with honors from the National Graduate Trust School and was awarded the Certified Trust and Financial Advisor (CTFA) designation from the Institute of Certified Bankers. She is well respected for her technical and personal skills in trust and account administration. Priscilla is a resident of Methuen, MA.

### ***Paige Coleman***

Paige Coleman was born in 1964 and is a resident of North Andover. Paige joined Needham Advisory Corporation in January, 2023 and assumed responsibilities for Operations and Accounting, upon the retirement of Nancy Oneil in July 2023. Paige is a graduate of Bowdoin College and worked at State Street Bank and Brown Brothers before becoming the business manager of a large medical practice in Lowell, MA. Paige and her husband reside in North Andover, MA.

### ***Item 3: Disciplinary Information***

None of our personnel has any disciplinary history.

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

Robert B. Needham serves on the Advisory Board and Focus Group for Appleton Partners, Inc. Robert meets with Appleton twice per year, 8 hours annually, and receives compensation in the form of a stipend.

### ***Item 5: Additional Compensation***

None of the staff of Needham Advisory receives any compensation other than his/her regular salary or regular bonus, with the exception of Robert Needham, who receives a Director's Fee from Appleton Partners as described in Form ADV, Part 1. This means that someone who is not a client does not provide economic benefit to our staff.

### ***Item 6: Supervision***

Account holdings and account transactions submitted by supervised persons are reviewed on a regular basis by Robert B. Needham, President, (978) 681-8821 x-1 or George J. Kimball, Principal & CCO, (978) 681-8821 X-2

### ***Item 7: Requirements for State-Registered Advisors***

Personnel of Needham Advisory have not been the subject of an arbitration claim alleging damages in excess of \$2,500 nor have been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s) or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices

Personnel of Needham Advisory also have not been the subject of a bankruptcy petition.