

Stonebridge Capital Management– Form CRS (9/30/2021)

Item 1 – Introduction

Stonebridge Capital Management (“we” or “us”) is registered with the Securities Exchange Commission (“SEC”) as an investment adviser. Our services and compensation structure differ from a registered broker-dealer, and it is important for you to understand the differences between those structures. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS. The site also provides educational materials about broker-dealers, investment advisers and investing. The italicized sentences appearing in text boxes below are intended to be “conversation starters” for you to have with us, as required by the instructions to Form CRS.

Item 2 – Relationships and Services

What investment services and advice can you provide me?

As fiduciaries, we offer to provide investment advisory, financial planning, and related consulting services to individuals and their trusts and estates (“clients,” “you,” or “retail investors”). For our investment advisory services, we manage portfolios based on each client’s unique investment objectives, risk tolerance, investment time horizon, withdrawal requirements, and other special circumstances. We monitor portfolios periodically and make changes to them as we deem necessary. We manage portfolios on a discretionary basis, which means we have the authority to buy and sell investments in your accounts without speaking to you before doing so. However, you can place reasonable restrictions on the securities that we buy by notifying us ahead of time, in writing. We do not have to limit the type of securities we trade for retail investors to proprietary products or a limited group or type of investment, but we generally construct and manage portfolios consisting of mutual funds, exchange-traded funds (“ETFs”), cash, and cash equivalents. We may also allocate our clients’ investment assets to independent managers, subadvisors, or our internally managed asset allocation programs as described in Item 8 of our [Form ADV Part 2A](#). We generally impose a \$500,000 minimum account value for our investment advisory services, which we can agree to modify in certain circumstances. We also offer financial planning and consulting services on a stand-alone, separate fee basis. When we provide those services, we rely upon the information clients provide and do not verify or monitor it, except in concert with our clients as part of the financial plan renewal and review process. Our financial planning and consulting services are completed upon the communication of our recommendations or delivery of a written financial plan to the retail investor. For more detailed information about our Advisory Business and the Types of Clients we generally service, please see Items 4 and 7, respectively in our [Form ADV Part 2A](#).

Conversation Starters:

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

Item 3 – Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

For investment advisory services, our fee is generally based on upon a percentage of the market value of each account placed under our management according to the following tiered annual fee schedule: 1.50% of the first \$500,000 of portfolio value; 1.25% of the next \$500,000 of portfolio value; 1.00% of the next \$2M of portfolio value; and 0.75% of all remaining amounts exceeding \$3M. As further disclosed on our [Form ADV Part 2A](#), a client’s cash positions (money market, etc.) shall generally be included as part of assets under management for purposes of determining Stonebridge’s advisory fee. We deduct our fees from one or more of your investment accounts, or bill you for our services quarterly, in arrears. Because this fee is based on the amount of your assets under our management, the more assets you designate for our management, the more you will pay for our services. Therefore, we may have an incentive to encourage you to increase the amount of assets that you designate for our management. However, under the fee schedule, as the value of assets under our management increases, the applicable fee percentage decreases incrementally at each tier. We charge an hourly rate to develop investment policy statements, ranging between \$60 and \$275 per hour depending upon which individual provides the service. For stand-alone financial planning and consulting services, our initial fee for drafting and presenting the financial plan is 1% of Adjusted Gross Income (AGI) + .1% of Net Worth. We also charge a financial plan renewal and review fee, which is approximately one-half the first-year’s fee, subject to certain exceptions.

Your account will be held with a qualified custodian. Custodians and their affiliated or unaffiliated broker dealers generally charge transaction fees for executing certain types of securities transactions and for costs to maintain your investment account according to their fee schedules. Those fees and expenses include but are not limited to, transaction charges, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. If your assets are invested in mutual funds, ETFs, or other registered and unregistered investment companies, you will bear your pro rata

share of the investment management fees and other fees of the funds, which are in addition to the fees you pay us. These fees and expenses are described in each fund's prospectus or other offering documents. 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 more detailed information about our fees and costs related to our management of your account, please see Items 5 and 7 in our [Form ADV Part 2A](#).

Conversation Starters:

Help me understand how these fees and costs might affect my investments. If I give you \$500,000 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. Here are some examples to help you understand what this means:

* Certain of our financial professionals may offer commission-based securities or insurance products. This presents conflicts of interest, because they can recommend that you purchase securities or insurance commission-based products based upon the compensation they will receive, rather than your individual need. You are not under any obligation to purchase those products.

* We may recommend a particular custodian from whom we receive support services. This presents a conflict of interest, because our receipt of their support make us more inclined to continue using and recommending them.

* We may recommend rollovers out of employer-sponsored retirement plans and into Individual Retirement Accounts that we manage for an asset-based fee. If we do not currently manage your account held with your employer's plan, this will increase our compensation.

Conversation Starters:

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

For more detailed information about our conflicts of interest, please review Item 4, 5, 8, 10, 11, and 12 of our [Form ADV Part 2A](#).

How do your financial professionals make money?

Our financial professionals are generally compensated on a salary basis and are eligible to receive discretionary bonuses that can be but are not necessarily based on the acquisition of new clients and their growth of assets. In addition, some of our financial professionals are equity owners of the firm, who stand to receive a share of the firm's profits. These payment structures present conflicts of interest, as they could incentivize our financial professionals to recommend that you place additional assets under our management. We mitigate that conflict by adhering to our fiduciary duty when making investment recommendations, so that we only make recommendations in conformity with each client's investment objectives and savings strategy. You should discuss your financial professional's compensation directly with your financial professional.

Item 4 – Disciplinary History

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

Yes. We encourage you to visit www.Investor.gov/CRS to research our firm and our financial professionals.

Conversation Starters:

As a financial professional, do you have any disciplinary history? If so, for what type of conduct?

Item 5 – Additional Information

Additional information about our firm is available on the SEC's website at www.adviserinfo.sec.gov. You may contact our Chief Compliance Officer at 973-244-9696 to request a current copy of our [Form ADV Part 2A](#) or our relationship summary.

Conversation Starters:

Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?