

Marshfield Associates, Inc.
Form CRS
June 30, 2020

Introduction

Marshfield Associates, Inc. (“Marshfield”, we, our, us”), is an SEC-registered investment adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

We offer ongoing investment advisory services to you through separately managed accounts. We also serve as an investment adviser to a mutual fund that follows the same investment process outlined in this document. We strive to build wealth while minimizing risk by investing in companies in attractively structured industries that have enduring competitive advantages that are difficult to duplicate and have a strong and appropriate corporate culture. We insist on a margin of safety between price paid and an internally generated, conservative estimate of what our research indicates a company is worth. We monitor your account on an ongoing basis and communicate with you. This monitoring is part of our investment advisory services. We perform reviews of accounts on a periodic basis or at the request of a client.

We generally offer discretionary accounts and under some circumscribed circumstances, non-discretionary portions of accounts. Discretionary accounts allow us to buy and sell investments on your behalf on an ongoing basis and without asking your permission. You will provide us discretionary authority via the Investment Management Agreement and the contract between you and the custodian. For non-discretionary portions of accounts, you decide what investments to buy and sell.

We look to invest in high quality, "built-to-last" companies that are well-managed and in good industries, which are mostly resilient in bad times and profitable in good times. Our objective is to build wealth while minimizing risk of sizeable loss of principal through a concentrated portfolio of stocks. There is a risk in owning a concentrated portfolio of relatively few stocks, as the impact of mistakes may be larger than it would be in a diversified portfolio. Our account minimum is \$1,000,000, which we can waive at our discretion, based on circumstances such as multiple accounts or friends and family accounts. We also serve as an investment adviser to a mutual fund that follows the same investment process outlined in this document and our Form ADV 2A brochure. More information about the mutual fund can be found in the fund’s prospectus. For additional information regarding our services, including minimums, you can refer to Items 4, 7, and 8 of our Form ADV 2A brochure on <http://www.marshfieldinc.com/wp-content/uploads/2020/05/Marshfield-Associates-ADV-Part-II.pdf>.

Other 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?*

What fees will I pay?

We generally charge an ongoing asset-based fee on a quarterly basis, paid in advance. In some cases, we may charge a performance fee along with a flat management fee which is charged quarterly in arrears. The more assets there are in your advisory account, the more you will pay in fees. Therefore, we have an incentive to encourage you to increase the assets in your account. For performance fee accounts, the performance fee could create an incentive to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. In addition to our fees, you may incur certain charges imposed by custodians, brokers, and other third party providers, such as custody fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts, securities transactions or money market mutual funds. You may

engage with program sponsors to receive certain investment advisory services that we provide. These accounts are managed under an agreement between us and the program sponsor and not between Marshfield and you. You will pay a fee directly to the program sponsor and Marshfield will be paid by the program sponsor. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For additional information, you can refer to Items 4 and 5 of our Form ADV 2A brochure on <http://www.marshfieldinc.com/wp-content/uploads/2020/05/Marshfield-Associates-ADV-Part-II.pdf>.

Other 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. Here is an example to help you understand what this means:

We serve as an investment adviser to a mutual fund that follows the same investment process outlined in this document and our Form ADV 2A brochure. This can create side-by-side management conflicts of interest between the mutual fund and other accounts we manage. An example of a way we mitigate these conflicts is if the mutual fund trades in the same securities as client accounts, the trade will often be done on an aggregated basis consistent with our obligation of seeking best execution.

For additional information, you can refer to Items 5 and 10 of our Form ADV 2A brochure on <http://www.marshfieldinc.com/wp-content/uploads/2020/05/Marshfield-Associates-ADV-Part-II.pdf>.

Other questions to ask us:

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

How do your financial professionals make money?

Our financial professionals are generally compensated with a base salary plus bonus with the Principals receiving a quarterly supplement.

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

No. You can visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

For additional information on our investment advisory services, visit our website at <https://www.marshfieldinc.com/>. You can find our relationship summary on our website or you can request a copy by calling 202.828.6200.

Other questions to ask us:

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