

Salem Capital Management
Customer Relationship Summary
June 30, 2020

Item 1. Introduction

Salem Capital Management is registered with the Securities and Exchange Commission as an investment advisor. Investment advisory services and brokerage services and fees differ, and it is important for the retail investor to understand the differences. This document gives you a summary of the types of services that we provide and how you pay.

Please ask us for more information. Free and simple tools are available to research firms and financial professionals at www.Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisors, and investing.

Item 2. Relationships and Services

What investment services and advice can you provide me?

Services: Salem Capital Management provides investment advisory services to retail investors. We offer investment advice to clients based on their individual needs and objectives. Our firm does not engage in any business activities other than fee-based investment advisory.

Monitoring: Each client account is reviewed on a continuous basis, rather than a set schedule. Developments affecting individual holdings, overall portfolio structure, or a client's financial position may trigger a change in account holdings. These services are offered as part of your standard services.

Investment Authority: We buy and sell investments in your account in accordance with your investment goals without asking you in advance. This is called "discretionary authority." You may terminate this authority at any time by notifying us in writing.

Investment Offerings: Our investment advice is not limited to a particular type of security. We provide advice with respect to equities, fixed income, and cash investments.

Other requirements: Our minimum annual fee is \$5,000.

Ask us for our Form ADV Part 2A Brochure for complete details about our services and fees.

Conversation Starter – Ask your financial professional:

*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?*

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

What fees will I pay?

Principal Fees and Costs: Client fees are established in a written fee contract. Our standard fee schedule is provided below.

<u>Annual Rate, Based on Total Assets in Client's Account</u>	
0.7% on the first	\$1,000,000
0.6% on the next	\$1,500,000
0.5% over	\$2,500,000

Fees are on-going, and are charged on a quarterly basis, at the end of each quarter. We may negotiate lower fee arrangements at our sole discretion. The more assets there are in your account, the more you will pay in fees, and the firm may therefore have an incentive to encourage you to increase assets in your account.

Other Fees and Costs: You are responsible for any charges imposed by custodians, brokers, and other third parties such as custodial fees, brokerage commissions, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These charges, fees and commissions are distinct from, and in addition to Salem Capital Management's fee. Some investments (such as mutual funds) impose additional fees that will reduce the value of your investment over time.

Additional Information: 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.

Refer to our Form ADV Part 2A Brochure for more detailed information about our fees.

Conversation Starter – Ask your financial professional:

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 advisor? How else does your firm make money and what conflicts of interest do you have?

What are your legal obligations to me when acting as my investment adviser and what conflicts of interest exist?

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.

Potential Conflict: The more assets there are in your advisory account, the more you will pay in fees, and the firm may therefore have an incentive to encourage you to increase the assets in your account.

Conversation Starter – Ask your financial professional:

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 compensated through a combination of salary and bonus. Bonuses are discretionary, and reflect the overall success of the firm and the individual. Our financial professionals receive no product sales commissions or other forms of payment.

Item 4. Disciplinary History

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

No, we have no legal or disciplinary history to report. Free and simple search tools are available to retail investors who visit www.Investor.gov/CRS to research our firm and financial professionals.

Conversation Starter – Ask your financial professional:

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

Item 5. Additional Information

*For additional information about our services, or for a copy of this disclosure, please contact:
Kimberly Ratcliffe, President Phone: 781-932-9005*

Conversation Starter – Ask your financial professional:

Who is my primary contact person? Is he or she a representative of an investment advisory or a broker-dealer?

Who can I talk to if I have concerns about how this person is treating me?