



Buttonwood Partners, Inc.

Firm Brochure

Dated 31 May 2020

Item 1

This brochure provides information about the qualifications and business practices of your Registered Investment Advisor* Bruce E. Krueger located at 701 Deming Way Suite 100 Madison, WI 53717.

If you have any questions about the contents of this Brochure, please contact Bruce Krueger at (608) 827-6400 or via email tami@btnwd.com. You may also locate additional information on the internet www.buttonwoodpartnersinc.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State securities authority.

Additional information about Bruce Krueger is available on the SEC's website at www.adviserinfo.sec.gov.

You can search this site by a unique identifying number, known as a CRD number or by their name. The CRD number for Bruce Krueger is 853517.

*The term registered does not imply a certain level of skill or training

608-827-6400

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701 Deming Way Suite 100 Madison, WI 53717



Item 2

Material Changes Since Our Last Annual Update (August 22, 2019)

No changes have been made.

Future material updates will be noted in this section.

Item 3

THIS BROCHURE PROVIDES CLIENTS WITH INFORMATION ABOUT BUTTONWOOD PARTNERS, INC. AND ITS CONTINUOUS ADVISORY SERVICES WITH TRANSACTION EXECUTIONS THAT SHOULD BE CONSIDERED BEFORE BECOMING A CLIENT OF BUTTONWOOD PARTNERS, INC. THIS INFORMATION HAS NOT BEEN APPROVED OR VERIFIED BY ANY GOVERNMENTAL AUTHORITY.

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Item 4

Advisory Business

Buttonwood Partners, Inc. (“BPI”) is a Wisconsin corporation with its principal business office located in Madison, Wisconsin. Founded in 1990, BPI is both an investment adviser and securities broker-dealer, the principal owner is Bruce E. Krueger. BPI provides advisory services throughout the United States. As of May 31st, 2020, BPI has approximately \$17 million under management.

BPI’s investment managers provide clients with complete portfolio management services. Continuous advisory services which involve the payment of asset-based commissions for securities transactions are described within this brochure.

As indicated above, to implement investment strategies, a client’s account may be concentrated in just a few securities. Although such a strategy has the potential to enhance returns, lack of diversity may also create greater risk of loss.

Managers may give advice and take action in the performance of their duties to a client which differ from advice given, or the timing and nature of actions taken, with respect to other client accounts. BPI will make a reasonable effort to follow all investment management restrictions and instructions expressed to BPI by the client.

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Fees

Fees charged by BPI for Continuous Advisory Services, other than services involving investments made by use of dividend strategies, are negotiated but generally conform with the following fee schedule:

Account Asset Value*	Fixed Income Account	Balanced Account	Equity Account
0-\$1,000,000	1.00%	1.00%	1.00%
Next \$1,000,000	0.85%	1.00%	1.00%
Next \$3,000,000	0.75%	1.00%	1.00%
Next \$5,000,000	0.60%	0.95%	1.00%
Over \$10,000,000	0.45%	0.75%	0.95%

*Including cash and cash equivalents.

Minimum annual fee: \$500; \$125 per quarter.

The fees described above include BPI’s charges for both account management and securities order execution services. The fee does not cover sales loads or commissions on mutual funds, limited partnership

interests or other investment-related products purchased through BPI by application or subscription. The fee also does not cover other service fees charged by a third party such as custodial or brokerage fees should the client direct BPI to use the services of another custodian or broker-dealer.

Fees charged by BPI vary from client to client and are based upon a number of factors, including the type of account, kind of securities in the account, dollar value of securities, projected nature of trading for the account, number of Portfolio Managers necessary to manage the account and nature and scope of additional advisory services required to properly service the account.

All fees due BPI are payable quarterly in advance. The first quarter's fee is due in full on the date a BPI advisory agreement is signed and is based on the account's asset value on that date. Fees are prorated to the end of the first quarter. The initial payment shall be for the balance of the first quarter and the entire next calendar quarter. Thereafter, quarterly fees will be based upon the account's asset value on the last business day of the previous calendar quarter. The client will authorize BPI to debit their account for the amount of BPI's fee, as fees become due, and BPI's clearing firm is to follow all instructions it receives from BPI in connection with making such fee payments to BPI.

If additional cash, securities or other investments exceeding \$20,000 are accepted for management during any quarter, the applicable fee shall be prorated for the number of days remaining in the quarter and will become due on the date the new assets are accepted. The fee schedule provided to a client may be modified or changed by BPI upon written notice to the client.

If, for any reason, a client decides to terminate the agreement with BPI, which a client or BPI can do at any time by written notice to the other, a pro rata refund based solely on the prepaid fee is given to the client.

As described above, BPI's fee includes charges for both advisory and securities transaction execution services. Fees charged in connection with managing accounts may be higher or lower than charges and expenses imposed by other advisory services (including those available through BPI), alternative brokerage account strategies implemented solely on a commission basis, or by mutual funds.

Item 6

Performance-Based Fees

Advisors of Buttonwood Partners, Inc. or supervised persons do not receive performance based fees at this time.

Item 7

Continuous Advisory Services With Transaction Executions

BPI provides continuous investment advisory services to clients wishing to have their assets managed on a discretionary basis. BPI's services are available to individuals, pension and profit sharing trusts, other trusts, charitable organizations, and corporations and other entities. The Service begins by BPI assisting each

new client in determining the client's investment objectives and then manages the client's assets in a manner consistent with these objectives. BPI also assists the client in establishing a securities account ("Account") at BPI and invests and reinvests the Client's funds and securities held in the Account.

Types of Securities

Besides managing various types of securities for a client, such as exchange-listed, over-the-counter, foreign issuer, preferred stocks, annuities, mutual funds, limited partnerships, options, warrants, rights, commercial paper, certificates of deposit, bonds, municipal securities and government bonds, a portion of the securities in a client's account may be held in cash or cash equivalents, including money market and, on occasion, other mutual funds. BPI will often concentrate a client's account in a few securities it believes will perform well. Although such a strategy can result in significant returns, it also creates a portfolio with an inherently higher market risk than one with a more diversified portfolio.

Item 8

Analyses, Strategies and Sources of Information

BPI Portfolio Managers are inclined to use fundamental analysis when evaluating client securities and make purchases and sales based upon the results of their analysis. Managers may also consider technical market factors before deciding the appropriate action to take in a client's account. Managers will also implement various short and long-term investment strategies and may on an isolated basis use options to hedge securities positions, based upon the objectives of the client and the kinds of securities in the portfolio.

BPI may also vary the number of positions held in an account based upon the client's investment objective and/or express instructions to the client's Portfolio Manager.

When they deem it appropriate to do so, BPI's representatives use a variety of sources of information, including newspapers and magazines, outside research, rating services, annual reports, prospectuses and company press releases.

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Other Information

During January 2006, the Firm resolved a recordkeeping and reporting matter, without admitting or denying this matter, with the NASD by paying a fine of \$10,000 and creating new procedures. The matter related to the Firm reporting various municipal and corporate transactions late or with inaccurate execution time, not reporting two municipal transactions and not having accurate order times or time stamps on certain trades in municipal securities. These matters were caused in part because the Firm did not have certain procedures in writing relating to MSRB rule G-14. Procedures have been put in place to prevent a recurrence of these administrative oversights.

In August 2018, the Firm entered into a Letter of Acceptance, Waiver and Consent with FINRA, pursuant to which it agreed to pay a fine of \$50,000 and has implemented new procedures. Without admitting or denying any allegations, the Firm consented to a finding from March of 2015 that it had violated FINRA Rules 3110 and 2010 by failing to establish and enforce adequate procedures related to the review and approval of customer requests to transmit funds to third parties. This alleged failure was a result of a customer being a victim of identity theft and a third party fraudulently requesting to transfer money out of the customer's account using the customer's e-mail address and personal information. The Firm fully reimbursed the customer promptly for all losses, and immediately implemented procedures in March of 2015 to avoid such issues in the future.

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Related Business Activities and Business Affiliations

In addition to being an investment adviser, BPI is registered as a broker-dealer and, as such, effects securities transactions for clients who may or may not be investment advisory clients. Approximately 50% of Mr. Krueger's time is spent performing broker-dealer activities.

BPI also has a transaction clearing agreement with National Financial Services, LLC, by which National Financial processes and clears securities transactions placed by BPI's portfolio manager.

Transaction Execution Services

Transaction orders placed in conjunction with Continuous Advisory Services are entered by BPI Portfolio Managers who are also securities registered representatives of BPI. Transactions effected by BPI will normally be processed by BPI's clearing firm, National Financial, and BPI will generally not seek out firms to execute transactions. BPI has selected National Financial after considering the quality, quantity, nature and scope of National Financial's services including execution capabilities, responsiveness, timeliness, financial responsibility, price attainment, clearance procedures, custodial and reporting services and other valuable services. It has been BPI's experience that National Financial is competitive in obtaining best execution and prices when processing transaction orders, but there can be no assurance that National Financial (or any other clearing firm) can process orders in a manner which results in best execution in every instance. When processing customer orders for managed accounts, BPI may batch client orders with those of other clients for execution purposes when there is an advantage to doing so.

National Financial charges BPI a fee for each transaction processed by it. Each Portfolio Manager receives the fee BPI charges the client for advice, less costs for transaction execution and certain other overhead expenses. Thus, since advisory clients are charged one fee by BPI for both advisory and transaction services, BPI's net service revenues and its Portfolio Manager's incomes are inversely related to the number of transactions entered for a client's Account. In general, it is expected that the number of transactions may be greater for larger portfolios.

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Interest in Client Transactions

As described above, the portfolio manager of BPI is also a securities registered representative of BPI and receives a portion of the asset-based fee charged by BPI.

As a securities broker-dealer, BPI will offer to sell securities to its clients.

BPI and its employees may buy and sell securities that they recommend to advisory clients for purchase and sale. To the extent possible, BPI and its employees will process securities transactions for client accounts ahead of similar transactions contemplated for their own accounts.

BPI has established a Code of Ethics applicable to all persons at the firm who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires such "access persons" to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for client accounts. The Code also establishes certain bookkeeping requirements relating to the new federal reporting rules. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code is available upon request.

Conditions for Managing Accounts

BPI usually requires a minimum annual fee of \$500 before accepting accounts for its various services; however the minimum may be waived at BPI's discretion. Please refer to the sections describing Continuous Advisory Services for a description of the minimum account sizes and fees.

Considerations

Various securities representatives of Buttonwood may provide advice to their customers for commissions only which involve strategies similar to those offered by BPI for an asset-based fee. Also, depending on the volume of transactions during a billing period, the asset-based fee may result in higher or lower payments to BPI than the costs a client would have incurred if per transaction commissions were charged on a trade-by-trade basis.

The amount of net compensation received by the BPI representative executing transactions under an asset-based fee arrangement may be more or less than other available commission methods. Representatives have an incentive to recommend asset-based commission services if the representative anticipates there will be few transactions in the account and per transaction commissions if a large number of transactions are anticipated. Because BPI's Portfolio Manager is also a securities representative, they are in a position to control the number and type of transactions placed.

In addition to the fees to BPI described above, a client may pay other fees depending on the nature of the assets in the client portfolio and the nature of securities transactions being effected. For example, if a client's portfolio under management includes a mutual fund, the mutual fund will pay as an expense of the mutual fund an investment advisory fee to its investment manager from assets of the mutual fund. Thus, clients pay two levels of advisory fees. Market makers of securities purchased or sold by BPI on a client's behalf will receive a mark-up or mark-down when executing transactions for a client account. Also, minimal fees are charged by exchanges on a per transaction basis.

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Use of Discretion and Selection of BPI as Broker

Before receiving any advisory services from BPI and BPI's advisory representatives, clients typically designate BPI to execute the securities investment transactions recommended. Thus, BPI usually will not exercise discretion to evaluate the execution services and commissions of other broker-dealers unless unusual conditions exist and the client's permission is obtained to do so. BPI does exercise full discretion when selecting securities and the amount of securities to buy or sell.

Selection of BPI for executing orders will not allow BPI to receive research from other broker-dealers in return for directed business, to batch transaction orders with those of other clients using other brokers, or otherwise obtain best price or execution of a client's transactions through use of other broker-dealers. BPI may transmit customer orders for execution to various exchanges or market centers based on a number of factors. These include: size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, and availability of efficient automated transaction processing, and reduced execution costs through price concessions from the market centers. Certain market centers may execute orders at prices superior to the publicly quoted market in accordance with their rules or practices. While a customer may specify that an order be directed to a particular market center for execution, the order-routing policies, taking into consideration all of the factors listed above, are designed to result in favorable transaction processing for customers.

As indicated above, BPI may aggregate trades for numerous clients when it believes it is in the client's best interest to do so. When the aggregated order is filled, each client in the aggregated order receives an average price. However, aggregated orders that are partially filled are not allocated to clients on a pro-rata basis. Instead, in those instances where BPI cannot fill an aggregated order fully, the partially acquired shares are allocated to each individual client listed on BPI's allocation sheet for the full amount of each client's order until no shares remain. Shares subsequently obtained to complete an aggregated order are then allocated to clients in alternating ascending/descending order until all client orders are filled. Thus, for those clients whose shares are subsequently obtained, the share price they receive may be higher or lower than the transaction share price acquired by those clients participating in the initial aggregated order. For subsequent orders outside the initial aggregated order, if the market price of the security should fall, clients would receive a better price; however, if the market price should rise, the costs would be higher than those initially incurred in the first aggregated order.

BPI may receive compensation for directing customer orders for equity securities to particular broker/dealers or market centers for execution. Such compensation, if any, usually takes the form of monetary “order flow” payments. Thus, a conflict of interest exists when such orders are processed through such broker/dealers with advance knowledge that order flow payments may be received.

Item 13

Account Reviews and Reports

Accounts are reviewed as deemed necessary by the client’s Portfolio Manager. Mr. Krueger provides the BPI services described in this brochure, thus he reviews all accounts.

Account reports for accounts are provided at least annually.

Reports are not reviewed by any third party but are reviewed for accuracy by a BPI Manager, Mr. Krueger, using BPI’s records and transaction reports as a basis for review. BPI’s staff examines each client report for accuracy by comparing it to the statements provided by National Financial. Performance information prepared by BPI is calculated on a time-weighted basis.

There are no restrictions on the ability of clients to contact and consult with their Portfolio Manager any time they wish regarding the content of any BPI report or any other aspect of their account

Item 14

Other Compensation

BPI frequently invests client funds in money market and, on occasion, other mutual funds. Many of these mutual funds pay continuing “12b-1” fees to broker-dealers, including BPI, based upon the total amount of client funds invested in them.

Item 15

Custody

When BPI processes securities transactions that are the subject of its Manager’s investment recommendations, BPI’s securities transaction clearing firm, National Financial Services LLC (“National Financial”), furnishes the client with a confirmation of each transaction ordered for the client’s account by BPI. National Financial also provide monthly security account statements for each client. Unless directed otherwise by a client, National Financial will maintain custody of the assets held in the account.

Item 16

Investment Discretion

BPI provides continuous investment advisory services to clients wishing to have their assets managed on a discretionary basis. A signed contract between BPI and the client includes a trading authorization page allowing for discretion on behalf of the Broker.

Item 17

Voting of Proxies

BPI does not vote proxies as part of the services described in this brochure. However, BPI will assist clients by answering questions they may have about the proxies they receive and about proxy voting procedures.

Item 18

Financial Information

Buttonwood Partners, Inc. does not solicit prepayment of fees six months or more in advance.

Item 19

Standards of Education and Experience

A BPI Portfolio Manager or consultant must be experienced as a securities broker and be licensed through FINRA as a Registered Investment Advisor before being allowed to provide advice to clients.

Education and Business Background of BPI's Professional Staff

Bruce E. Krueger. Mr. Krueger was born on October 14, 1951. He graduated from The Johns Hopkins University in 1973 with a Bachelor of Arts degree in Social & Behavioral Science and, in 1976, received a Doctor of Law degree from the University of Wisconsin--Madison.

From November 1980 to April 1988, Mr. Krueger was a Registered Representative with E.F. Hutton, Inc. in Madison, Wisconsin, and from September 1984 to April 1988 he was a Portfolio Manager for E.F. Hutton. He held the same positions with Shearson Lehman Hutton from April 1988 to July 1990. As a registered representative and portfolio manager, Mr. Krueger provided supervisory investment advisory services for individual and pension/profit sharing clients and executed securities transaction orders as the needs of clients required. From July 1990 to October 1990, Mr. Krueger was a Registered Representative of Mid-America Management Corporation at its Madison, Wisconsin branch office.

In addition to his clients at BPI, Mr. Krueger provides BPI's Continuous Advisory Services and Advisory Services for Customers of Other Broker-Dealers. He became a Vice President and Director of BPI during September 1994. He is also BPI's Treasurer.

Tami K. Strang, Chief Compliance Officer. Ms. Strang holds an accounting/business degree and has been in the industry since 1988.





Buttonwood Partners, Inc.
701 Deming Way Suite 100
Madison, WI 53717

Firm Brochure Supplement

Dated 31 May 2020

This brochure supplement provides information about Registered Investment Advisor Bruce E. Krueger that supplements the Buttonwood Partners, Inc. (BPI) brochure. You should have received a copy of that brochure.

Please contact Tami Strang, BPI's Compliance Officer if you did not receive BPI's brochure or if you have any questions about the contents of this supplement. Tami@btnwd.com

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Supervision

Ms. Strang and other individuals as she may designate, regularly review the accounts for which Mr. Krueger provides investment advisory services to monitor recommendations and compliance with regulatory and internal procedures. Ms. Strang, CCO can be reached at (608)827-6400 during business hours.