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**March 28, 2011**

**FORM ADV PART 2A  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Johnson Investment Counsel, Inc. If you have any questions about the contents of this brochure, please contact us at (513) 661-3100. 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 Johnson Investment Counsel, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) . The searchable IARD/CRD number for Johnson Investment Counsel, Inc. is 117054.**

**Johnson Investment Counsel, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Summary of Material Changes

Form ADV Part 2A, Item 2

This brochure is a new document prepared according to the SEC's updated requirements and rules. As such, this document is materially different in structure and requires certain information that our previous brochure did not address.

In the future, this section will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes. We will also reference the date of our last annual brochure update.

In the past, we have offered to deliver this information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new brochure upon request without charge.

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## **Advisory Business**

Form ADV Part 2A, Item 4

### **Description of Services and Fees**

Johnson Investment Counsel, Inc. is a registered investment adviser with offices in Cincinnati, Columbus and Dayton, Ohio. We are organized as a corporation under the laws of the State of Ohio. Johnson Investment Counsel has been providing investment advisory services since 1965. We have been providing these services since 2001 under our current corporate structure. Current ownership consists of 26 employees with no shareholder owning more than approximately 20% of the company. We offer the following investment advisory services, which are personalized to each individual client:

- **Portfolio Management for Individuals or Institutions**
- **Financial Planning Services**
- **Selection of Other Advisers**
- **Pension Consulting Services**
- **Mutual Fund Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words “we”, “our” and “us” refer to Johnson Investment Counsel, Inc. and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

### ***Portfolio Management for Individuals or Institutions***

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients’ needs and investment objectives. If you retain our firm for portfolio management services, we will work with you throughout our advisory relationship to determine your investment objectives, risk tolerance, and other relevant information (the “suitability information”.) We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investment objectives. We may also invest your assets using a predefined strategy. Once we construct an investment portfolio for you, we will monitor your portfolio’s performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and/or in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Accordingly, we are also authorized to issue instructions to the custodian for operational matters of the account and to select brokers or dealers to execute securities transactions without your approval. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a limited power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions that would violate your guidelines or restrictions.

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

<b>Assets Under Management</b>	<b>Annual Fee</b>
First \$1,000,000	1.00%
Next \$2,000,000	0.80%
Next \$2,000,000	0.60%
All Funds Thereafter	0.40%

This fee schedule became effective January 1, 2008. Some clients with established relationships prior to that date may be subject to a different fee schedule. We generally impose a minimum of \$250,000 to open and maintain an advisory account. However, this account minimum may be waived at our sole discretion. All accounts are subject to a minimum fee of \$2,500 per year.

Our annual portfolio management fee is billed and payable semi-annually in arrears based upon the market value of the assets on June 30th and December 31st. Fees will be assessed pro rata in the event the investment management agreement is executed at any time other than the first day of a billing period. Partial fees will be calculated from the date the portfolio management agreement is executed to the end of the semi-annual period. Fees are also adjusted for contributions and withdrawals that occur within a billing period.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values will increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

In limited circumstances, we may assess a fixed fee for asset management services. Under such arrangements, the fee is negotiated on a case-by-case basis, predicated on the size of the account and complexity of the requested services. All fees will be clearly set forth at the beginning of the relationship and any change in fees will be clearly communicated.

There are no investment advisory fees charged on any of the Johnson Mutual Funds that are held in a client's portfolio. These Mutual Funds charge expenses themselves, as stated below. However, other non-Johnson Mutual Fund holdings in portfolios may be charged advisory fees by the applicant in addition to the expenses charged by the mutual funds themselves.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account with the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also have the ability to review a duplicate copy of the information reflected on your custodial account statement, to help assure all transactions are proper.

You may terminate the portfolio management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days for which you are a client.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

#### ***Financial Planning Services***

We offer broad-based and consultative financial planning services. Financial planning will typically involve

providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to analyze your current financial position and to define and quantify your long-term goals and objectives. Once we understand your long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. We will review and analyze the information you provide to our firm and the data derived from our financial planning analysis. Upon completion of the review and analysis, we will communicate our conclusions to you, which are designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and past trends and performance of the market and economy may be used. Past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. If you do choose to implement the plan using our services, we may, at our sole discretion, offset a portion of, or waive the cost of, the financial planning services.

**Fees are due upon completion of services rendered.** You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement.

#### ***Selection of Other Advisers***

As part of our investment advisory services, we may recommend that you use the services of a third party investment adviser ("TPA") to manage your entire, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPA or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPA's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the TPA(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The TPA(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire TPA(s) and/or reallocate your assets to other TPA(s) where we deem such action appropriate.

The advisory fee you pay to the TPA is established and payable in accordance with the brochure provided by each TPA to whom you are referred. We do not share in the advisory fee you pay directly to the TPA. A separate fee is payable to us for advisory services as outlined earlier in this brochure.

You will be required to sign an agreement directly with the recommended TPA(s). You may terminate your advisory relationship with the TPA according to the terms of your agreement with the TPA. You should review each TPA's brochure for specific information on how you may terminate your advisory relationship with the TPA and how you may receive a refund, if applicable. You should contact the TPA directly for questions regarding your advisory agreement with the TPA.

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

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to

act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

Johnson Investment Counsel, Inc. will be compensated at a rate negotiated between the firm and the client on a case-by-case basis. The fees and terms will be clearly set forth in an executed agreement for services. The amount of the fees charged to the client will be based on the scope and complexity of the qualified plan and the requested services. An estimate of the total cost will be determined at the start of the advisory relationship. The final fee shall be directly dependent upon the facts and circumstances of the client's financial situation and the complexity of the pension consulting services provided.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, which may be at the plan-level or participant-level, are based upon requirements from the plan fiduciaries. These services shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents. Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

Either party to the pension consulting agreement may terminate the agreement upon written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given. Refunds are not applicable since fees are payable in arrears.

### ***Mutual Fund Services***

We provide investment advisory services to Johnson Mutual Funds Trust. We are paid fees at an annual rate of 1% of the average daily net assets of the Growth Fund, the Disciplined Mid-Cap Fund, the Realty Fund, the Disciplined Small-Cap Fund, the Disciplined Large-Cap Fund, the Dynamic Growth Fund, the Equity Income Fund, and the International Fund, .85% of the average daily net assets of the Fixed Income Fund, .65% of the average daily net assets of the Municipal Income Fund, .35% of the Enhanced Return Fund, and .30% of the Johnson Institutional Bond Funds, a portion of which has consistently been waived.

### ***Wrap Fee Program(s)***

We serve as a portfolio manager to various brokers who offer wrap fee programs ("Programs"), which are a type of investment program that provides clients with access to several money manager or mutual fund allocation models for a single fee. The broker charges a single fee which includes money management fees, certain transaction costs, custodial and other administrative costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in the wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with investment strategies and the brokerage commissions charged by the aforementioned broker-dealers, and the advisory fees charged by investment advisers.

### ***Types of Investments***

We offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, US Government securities, options contracts on securities and commodities, futures contracts on securities and commodities, and interest in real estate and other partnerships. We also offer guidance on private fund investment opportunities.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the

inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

**Client Assets**

As of 12/31/2010, client assets totaled \$5,835,940,000.

***Fees and Compensation***

Form ADV Part 2A, Item 5

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees and fee deduction arrangements according to each service we offer.

**Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.

You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. For many accounts, Johnson Trust Company, a wholly owned affiliate of Johnson Investment Counsel, shares custodial responsibilities with US Bank. The custody agreement between Johnson Trust Company and US Bank allows for a sharing of the \$14 transaction fee imposed upon purchases, sales, principal pay downs, physical trades and mutual fund transactions.

To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage placements, please refer to the "Brokerage Placements" section of this brochure.

***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.



## ***Types of Clients***

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

## ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you.

- Fundamental Analysis – involves analyzing a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Quantitative Analysis – investments are selected for the portfolio using a multifactor quantitative approach to screen for appropriate investment opportunities. These quantitative factors may simply serve as inputs to the overall process or a more disciplined quantitative approach may be followed.
- Asset Allocation Strategy – attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various asset classes.
- Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis – a type of technical analysis that involves evaluating recurring price patterns and trends.
- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- Short Term Trading - We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.
- Option Writing – a securities transaction that involves either buying or selling an option contract. An option contract is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

At Johnson Investment Counsel, we formulate investment strategy and portfolio management in a team setting, building on the deep experience of our people and our academic heritage. This environment promotes a consistent and disciplined portfolio construction process within each of our strategies, never wholly dependent on any single participant. Our investment process is sophisticated yet logical and understandable, blending

together the art and science of portfolio management.

Equity strategies are bottom-up oriented driven by a proven multifactor quantitative approach to company analysis. Fixed income blends together a macro and micro strategy, focusing on quality yield and emphasizing intermediate maturities. Clients and their consultants rely on this unwavering approach to provide complete exposure to an asset class or as a complement to other managers. To us, client relationships are partnerships and we work diligently to provide the dependable service and customized asset management required to meet the long-term needs of each client.

Some of the risks inherent in our Methods of Analysis and Investment strategies are as follows:

**Fundamental Analysis** - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Quantitative Analysis** – The risk of quantitative analysis is that the factors used do not provide accurate guidance with respect to current and future valuation. The disciplined approach to quantitative analysis also could lead to an extended period of underperformance as strict adherence to the multifactor model is required.

**Asset Allocation** – Asset allocation involves selecting and weighting sectors based upon expected future returns in that sector. The risk inherent in this approach is that if the sector weightings vary greatly from the respective benchmark performance may also vary greatly from benchmark returns.

**Technical Analysis** - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Cyclical Analysis** - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Options** – While option strategies might be used to increase current income or provide downside protection, they might also expire worthless or limit upside gain. The use of contracts in options trading must also be understood by investors.

#### *Tax Considerations*

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments unless otherwise instructed. For accounts held in custody by Johnson Trust Company and US Bank the specific lot accounting method will be utilized. The method utilized by other custodians will be dependent on their ability to handle methods other than the default FIFO method. Please contact your portfolio manager or the number on the front of this brochure if you would like further information on the lot selection method being utilized by your specific custodian. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes a specific accounting method is most advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be

made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we provide advice on all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

## ***Disciplinary Information***

Form ADV Part 2A, Item 9

Johnson Investment Counsel, Inc. has been registered and providing investment advisory services since 1965. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

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

Form ADV Part 2A, Item 10

### **Arrangements with Affiliated Entities**

We are affiliated with Johnson Trust Company, a wholly owned subsidiary of Johnson Investment Counsel, Inc. through common control and ownership. We may recommend that you use the services of Johnson Trust Company if appropriate and suitable for your needs. Our advisory services are separate and distinct from the compensation paid to Johnson Trust Company for their services.

Johnson Investment Counsel, Inc. advises some clients and prospective clients to invest in Johnson Mutual Funds Trust ("JMF"). JMF is a family of no-load mutual funds. JMF is a registered investment company, which has contracted with Johnson Investment Counsel to be the investment advisor. Johnson Investment Counsel is sponsor and advisor to Johnson Mutual Funds Trust. JMF has contracted with Johnson Financial, Inc. ("JFI"), which is a wholly owned subsidiary of Johnson Investment Counsel, to do all fund accounting and transfer agency servicing for the mutual funds.

These referral arrangements we have with our affiliated entities present a conflict of interest because we may have a financial incentive to recommend our affiliates' services. While we believe that compensation charged by our affiliates is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

## ***Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

Form ADV Part 2A, Item 11

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that Associated Persons shall not have priority over your account in the purchase or sale of securities.

Associated persons may buy or sell, for their personal account(s), investment products identical to those recommended to clients. A Code of Ethics policy has been established which requires Associated Persons to obtain clearance from the Equity Trader before any personal trades are placed unless the trade falls under the "Exempted Transactions" portion of the Code of Ethics. Before granting this clearance, the Equity Trader will ascertain that no orders are being executed in that security for a client at that time. Associated Person accounts are occasionally included in blocked orders with client accounts. If Associated Person and client orders are mixed in a block trade, Associated Person accounts will not be allocated more favorable prices. It is also possible that an Associated Person may trade in the same security on the same day as a client account but not be part of the same block order. Such trades are subject to the policies and reviews detailed in the Code of Ethics. The Code of Ethics is designed, in part, to ensure that Associated Person trades will not adversely impact the trade or trades recommended for clients. A copy of the Code of Ethics will be provided to any client or prospective client upon request.

## ***Brokerage Placements***

Form ADV Part 2A, Item 12

We maintain relationships with several broker-dealers. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a custodian with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's

reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

#### **Research and Other Soft Dollar Benefits**

In selecting a broker-dealer to execute trades in your account, we will consider the value of research and additional brokerage products and services a broker-dealer has provided or will provide to our clients and our firm. Receipt of these additional brokerage products and services are considered to have been paid for with "soft dollars." Because such services could be considered to provide a benefit to our firm, we may have a conflict of interest in directing your brokerage business. We could receive benefits by selecting a particular broker-dealer to execute your transactions, and the transaction compensation charged by that broker-dealer might not be the lowest compensation we might otherwise be able to negotiate.

Products and services that we may receive from broker-dealers may consist of research data and analyses, financial publications, recommendations, or other information about particular companies and industries (through research reports and otherwise), and other products or services (e.g., software and data bases) that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Consistent with applicable rules, brokerage products and services consist primarily of computer services and software that permit our firm to effect securities transactions and perform functions incidental to transaction execution. We use such products and services in our general investment decision making, not just for those accounts for which commissions may be considered to have been used to pay for the products or services.

The test for determining whether a service, product or benefit obtained from or at the expense of a broker constitutes "research" under this definition is whether the service, product or benefit assists our firm in investment decision-making for discretionary client accounts. Services, products or benefits that do not assist in investment decision-making for discretionary client accounts do not qualify as "research." Also, services, products or benefits that are used in part for investment decision-making for discretionary client accounts and in part for other purposes (such as accounting, corporate administration, recordkeeping, performance attribution analysis, client reporting, or investment decision-making for the firm's own investment accounts) constitute "research" only to the extent that they are used in investment decision-making for discretionary client accounts.

Before placing orders with a particular broker-dealer, we determine that the commissions to be paid are reasonable in relation to the value of all the brokerage and research products and services provided by that broker-dealer. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts charged by another broker-dealer that did not provide research services or products.

We do not exclude a broker-dealer from receiving business simply because the broker-dealer does not provide our firm with soft dollar research products and services. However, we may not be willing to pay the same commission to such broker-dealer as we would have paid had the broker-dealer provided such products and services.

The products and services we receive from broker-dealers will generally be used in servicing all of our clients' accounts. Our use of these products and services will not be limited to the accounts that paid commissions to the broker-dealer for such products and services. In addition, we may not allocate soft dollar benefits to your accounts proportionately to the soft dollar credits the accounts generate. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware that the receipt of economic benefits by our firm is considered to create a conflict of interest.

We have instituted certain procedures governing soft dollar relationships including preparation of a brokerage allocation budget, mandated reporting of soft dollar irregularities, annual evaluation of soft dollar relationships, and an annual review of this brochure to ensure adequate disclosures of conflicts of interest regarding our soft dollar relationships.

**Brokerage for Client Referrals**

We may receive client referrals from registered representatives of various unaffiliated broker-dealers. We will typically execute all of the client's trades through the registered representatives who referred the client to our firm. A potential conflict of interest exists because we have an incentive to execute client transactions through these registered representatives based upon the expectation of continued referrals. This arrangement could cause clients to pay higher commission rates than those available through other broker-dealers that we generally recommend that are not based on a referral. However, clients are not obligated to use the services of the referring registered representative and should discuss available alternatives with our firm. Also, our procedures governing directing brokerage in exchange for client referrals mandates that we consider disproportionate commissions generated as a result of such arrangements and exclude consideration of fees generated by referred clients in our periodic evaluation of best execution.

**Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

**Block Trades**

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Upon completion of the block trade, each client receives the same execution price and a pro rata allocation determines which accounts are allocated shares by comparing their equity fill ratios should the number of shares executed be less than anticipated due to supply. The equity fill ratio is the actual equity position of the account divided by the stated equity allocation goal. Purchases are allocated to the lowest equity fill ratios or least invested accounts. Sales are allocated to the highest equity fill ratios or the most invested accounts. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

***Review of Accounts***

Form ADV Part 2A, Item 13

All portfolios are reviewed at least weekly for the purchase and sale of individual securities. Also, portfolios are reviewed when changes in investment strategy or guidelines are made. A formalized review process is also established to review portfolios throughout the year. Financial market and economic conditions, security valuations, changes in investment strategy, client considerations, among other variables, would trigger a portfolio review. Personnel currently performing reviews are:

Jack J. Adam, Portfolio Manager  
Michael D. Barnes, Trust Company President and Chief Trust Officer  
James L. Berendt, Portfolio Manager  
Scott J. Bischoff, Director of Operations and Chief Compliance Officer  
Andrew C. Bolyard, Associate Portfolio Manager  
Fred A. Brink, Portfolio Manager  
Mary P. Burns, Trust Counsel  
Dale H. Coates, Vice President, Institutional Portfolio Manager

Jeffrey P. Cornell, Portfolio Manager  
 Steven A. Eklund, Portfolio Manager  
 Jason M. Farler, Portfolio Manager  
 Marc E. Figgins, Mutual Funds Manager  
 Timothy C. Gehner, Director of Financial Advisory Services  
 James C. Hunter, Portfolio Manager  
 Jason O. Jackman, Director of Fixed Income and Institutional Management  
 Timothy E. Johnson, President  
 Michael S. Jordan, Portfolio Manager  
 William E. Jung, Equity Analyst  
 Brian T. Kute, Manager of Research  
 Michael C. Leisring, Fixed Income Analyst  
 Jarett T. Levitsky, Portfolio Manager  
 Andy Lohof, Equity Analyst  
 Jonathan D. McCann, Director of Wealth Advisory Services  
 James B. McGrath, Portfolio Manager  
 Dean A. Moulas, Portfolio Manager  
 Scott F. Muhlhauser, Portfolio Manager  
 Bret H. Parrish, Managing Director of Private Client Group  
 David R. Roettker, Portfolio Manager  
 Vince L. Russell, Portfolio Manager  
 Stephen L. Simendinger, Portfolio Manager  
 Michelle K. Stroh, Portfolio Manager  
 Sharon G. Tallman, Portfolio Manager  
 Aaron C. Taylor, Equity Analyst  
 Kurt P. Terrien, Director of Institutional Sales and Marketing  
 Jeroen J. van Leersum, Equity Analyst  
 M. Jay Wertz, Director of Wealth Advisory Services  
 Joe Wilkie, Equity Analyst  
 James R. Witte, Portfolio Manager  
 George Wong, Associate Portfolio Manager  
 Sherry L. Wright, Trust Company Vice President and Trust Officer

Each individual listed as a reviewer is substantially involved in the portfolio management function. All portfolios are assigned one primary portfolio manager, a secondary manager, and appropriate support personnel. A "primary" portfolio manager has an average of 100 client relationships assigned.

We provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain an Asset Summary, Portfolio Valuation, and a Transaction Summary. In addition, annually, clients may elect to receive a Capital Transactions Summary as well as an Income and Expense report, which includes custody and advisory expenses. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

### ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

We directly compensate non-employee individuals and/or entities (solicitors) for client referrals. If you were referred to our firm by a solicitor, you should have received a copy of this brochure along with the solicitor's disclosure statement at the time of the referral. If you become a client, the solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm per our agreement with the solicitor or until such time as our agreement with the solicitor expires. You will not pay additional fees because of this referral.

arrangement. Referral fees paid to a solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the solicitor's compensation is less favorable.

Johnson Investment Counsel, Inc. will not pay a cash fee, directly or indirectly, to any person in return for client referrals unless the solicitor and/or Johnson Investment Counsel comply with the requirements of Rule 206(4)-3. The requirements of this rule are as follows:

**Solicitor Not Disqualified**

Ensures that any person acting as a solicitor on its behalf is not subject to a statutory disqualification under Section 203(e) or Section 203(f) of the Advisers Act:

**Written Agreement**

Makes cash solicitation payments only pursuant to a written agreement to which Johnson Investment Counsel, Inc. is a party, and in the case of third-party solicitors, the agreement contains specified provisions relating to:

- solicitor's activities and compensation;
- an acknowledgement by the solicitor to comply with the Adviser's Act and the Adviser's instructions;
- requiring the solicitor to provide the client with a copy of Johnson Investment Counsel's brochure (Part 2A and its supplements of Form ADV) and a separate disclosure statement;

**Client Disclosure.**

Ensures that each solicitor discloses to clients and prospective clients, at the time of any solicitation activities, the solicitor's relationship with Johnson Investment Counsel, Inc., which in the case of third-party solicitors requires the furnishing by the solicitor of a separate written disclosure document;

**Supervision of Solicitors.**

Satisfies its oversight obligations with respect to solicitors, including that it:

- makes a bona fide effort to determine that each third-party solicitor has complied with the solicitor's written agreement with Johnson Investment Counsel;
- obtain from clients referred by third-party solicitors an acknowledgement that the client has received the required disclosure documents.

Solicitation agreements are in place between Johnson Investment Counsel and the following solicitors:

- Center Bank  
744 State Route 28  
Milford, OH 45150
- Thomas A. Young  
Young and Associates, Inc.  
3805 Edwards Road, Suite 200  
Cincinnati, OH 45209
- Robert K. Lewin  
P.O. Box 43034  
Cincinnati, OH 45243



- Eugene J. Casella  
2393 Shelterwood  
Dayton, OH 45409

### ***Custody***

Form ADV Part 2A, Item 15

Johnson Investment Counsel does not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank or broker-dealer. Johnson Trust Company may serve as the qualified custodian but in that situation your funds and/or securities will be held by US Bank as an independent custodian. You will receive account statements directly from the custodian(s) holding your funds and securities at least quarterly. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement. This agreement grants our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

#### **Proxy Voting**

We will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we

will not base votes on social considerations.

In the event you wish to direct our firm on voting a particular proxy, please contact your Portfolio Manager or the number on the front of this brochure.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

### ***Financial Information***

Form ADV Part 2A, Item 18

We do have custody of client funds through an affiliated entity as well as trustee arrangements with some of our clients. Please see Item 15 - Custody above. We are not required to provide financial information to our clients because we do not have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients. Additionally, we submit to a surprise annual audit by a qualified accounting firm. The audit report is filed annually through an ADV-E amendment.

### ***Additional Information***

#### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions

regarding this policy.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

**Class Action Lawsuits**

If Johnson Trust Company serves as your qualified custodian, we will determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation. We will participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you. If another entity serves as your qualified custodian, we may assist you in this process but the ultimate responsibility rests with you or the custodian.