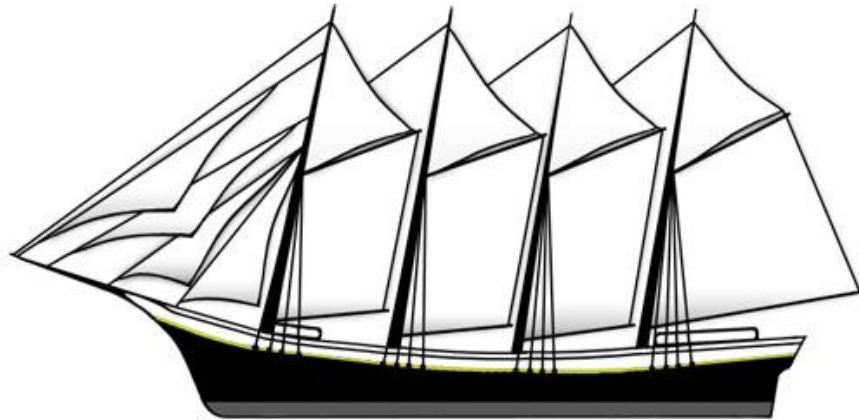


# DWIGHT INVESTMENT COUNSEL

*Discern what is. Decide what can be.*

*Do what is right.*



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# **Dwight Investment Counsel** is an Independent Investment Advisor

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- ❖ We do not sell stocks, mutual funds or other investment or insurance products.
- ❖ We offer objective investment advice based on the needs and concerns of clients.
- ❖ We receive a fee based on the value of a client's assets. Not commissions.
- ❖ Over 25 years of investment experience in managing assets for individuals, families, trusts and estates and for retirement plans, non-profits, municipalities and foundations.

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## Vision statement:

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- ❖ To honor client information with utmost confidentiality and security.
- ❖ To honor the needs and concerns of my clients.
- ❖ To invest for the long term in high-quality companies purchased at discount prices.
- ❖ To consistently apply investment philosophy, discipline, and strategy, while providing good, consistent investment returns without assuming unnecessary levels of risk.
- ❖ To be a resource for clients to call and be available at any time to discuss their investments and changing investment needs.



# Advantages of using Dwight Investment Counsel:

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- ❖ No sales talk, just strait forward advice and communication.
- ❖ Flexibility to use both individual securities and/or no-load mutual funds.
- ❖ The use of well-known brokerage firms for custody and brokerage, primarily Charles Schwab, Inc., which offers the clients safety, low trading costs, and high technology access, independent research and arms length custody of assets.



# Steps In the Investment Process for the Client

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- ❖ Understanding the needs and concerns of the Client
- ❖ Defining Investment Objectives
- ❖ Assessing Risk tolerance
- ❖ Analyzing Tax exposure

# Dwight Investment Counsel Investment Process

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- ❖ Fundamentals drive the investment process at Dwight Investment Counsel.
- ❖ Seek companies with a 'moat' or advantage which protects the business.
- ❖ Seek companies whose management's are shareholder friendly.
- ❖ Seek managers who report their business in a clear, consistent, and honest manner.
- ❖ Using available past and current information to construct a model of discounted future cash flows to arrive at an estimate of current intrinsic value.
- ❖ Seek to purchase consistently growing companies at a 30% to 50% discount to the estimated intrinsic value.
- ❖ Check analysis frequently to reevaluate the company's fundamentals, managers, and businesses.

# Sources of Research, Commentary, and Investment Ideas

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- ❖ Primary corporate documents, annual reports, 10-Q and 10-K reports.
- ❖ Discussions with key management individuals.
- ❖ Investment research from Argus Research, Morgan Stanley, Goldman Sachs and other Investment research from Independent research firms and brokerage houses
- ❖ Value Line Investment Survey
- ❖ Standard & Poors Investment Research
- ❖ Publicly available media and Internet Investment sources.
- ❖ Industry periodicals.
- ❖ Institutional and private investment individuals and sources.
- ❖ Dwight Investment Counsel has access to independent research provided by Charles Schwab. Currently, those firm's reports include Standard & Poors, Credit Suisse, Reuters, Argus Research, Vickers Insider Trading Reports, Ned Davis Research, and Charles Schwab

# Fundamental analysis:

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## **Candidates for investment include companies that have the following:**

- ❖ Steadily growing businesses at a discount to intrinsic value
- ❖ Positive economic and fundamental environment
- ❖ Honest, Strong and Adaptable Managements
- ❖ Financial Strength and Flexibility
- ❖ New and Innovative Products and Services
- ❖ Positive and Additive Policies toward shareholders, employees, customers, and the environment.

# Fundamental analysis: *continued*

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## **Further research is done on companies with Investment Catalysts:**

- ❖ Increasing size of market opportunity.
- ❖ New management.
- ❖ New products or services.
- ❖ Lower regulatory hurdles.
- ❖ Well thought out, communicated, and executed business plans.
- ❖ One of the most important functions of an investment management consultant is to act as the institutional memory of the endowment.



## Investment Management Fee Schedule:

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One-fourth of the following annual rates are billed quarterly in advance on the total market value of the portfolio.:

- ❖ 1.00% on the first \$500,000
- ❖ 0.75% on the next \$500,000
- ❖ 0.65% on the next \$1,000,000
- ❖ 0.50% on amounts greater than \$2 million

### Confidentiality Policy

- ❖ All information gathered on personal financial matters is kept strictly confidential. No information is shared with any outside individuals or firms without the written consent and instructions of the client.

## Referrals, brokerage compensation, types of clients, ownership

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- ❖ Dwight Investment does not engage in performance based fee arrangements
- ❖ Dwight Investment does not have any arrangements to pay for client referrals or pay compensation on performance.
- ❖ Dwight Investment Counsel receives no compensation from trade commissions at Charles Schwab, Inc. or other firms.
- ❖ Dwight Investment Counsel serves primarily individuals and families and some municipal and charitable accounts.
- ❖ Dwight Investment Counsel does not engage in “Side-By-Side Management” where simultaneous hedge fund and mutual fund management is done.
- ❖ Lawrence E. Dwight, Jr. is the sole owner of Dwight Investment Counsel.

# Custody, and Brokerage, Proxies

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- ❖ The majority of Dwight Investment Counsel clients hold or custody their stock, mutual fund and bond assets at Charles Schwab, Inc.
- ❖ This firm provides unique and valuable services to my clients while keeping costs to clients and Dwight Investment Counsel at a minimum.
- ❖ Additional contacts at other investment firms are of value in competitive bidding and research capabilities. Occasionally, trades are placed with firms other than Charles Schwab, Inc. where the research service or competitive bid or offer is superior to that offered through Charles Schwab.
- ❖ Dwight Investment does not vote proxies except where explicitly directed by the client.

# Code of Ethics

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□ Rule 204A-1 under the Investment Advisers Act of 1940 requires all investment advisors registered with the [Securities and Exchange Commission](#) (SEC) to adopt codes of ethics that set forth standards of conduct and require compliance with federal securities laws. Dwight Investment Counsel is a state licensed investment advisor in Maine.

□ This code of ethics is intended to reflect fiduciary principals that govern the conduct of Dwight Investment Counsel, its owners, and its employees (Associates). It consists of policies regarding several key areas: standards of conduct and compliance with laws, rules and regulations, protection of material non-public information, and personal securities trading.

□ **Standard of Conduct and Compliance with Laws, Rules, and Regulations**

□ Dwight Investment Counsel expects its owners and employees to comply with all laws, rules, and regulations applicable to its operations and business. All Associates are responsible for reviewing this Code and the company policies that are part of this Code, and for acting in compliance with these policies. All Associates should understand that their behavior and activity reflects upon Dwight Investment Counsel and all Associates are responsible for protecting the firm's reputation.

□ **Protection of Material Non Public or Confidential Information**

□ All Associates should exercise care in maintaining the confidentiality of any confidential information regarding Dwight Investment or its clients, except when disclosure is authorized or mandated by law. Confidential information includes non-public information of Dwight Investment that may be helpful to competitors, or otherwise harmful to Dwight Investment, or its clients. Confidential information also refers to the portfolio holdings Dwight Investment and its clients.

□ Dwight investment and its associates has no affiliations with other financial industry participants, nor does it engage in activities other than fee-based investment advisory and planning.

□ No Disciplinary actions have been taken during the history of our firm.

□ No material changes occurred during the past two years

# Code of Ethics

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## □ **Personal Trading Procedures**

□ All Associates must be familiar with and abide by all Dwight Investment trading policies and procedures. Rule 204A-1 of the Investment Advisors Act requires that all Associates of an investment advisor registered with the SEC to report, and the investment advisor to review, their personal securities transactions and holdings periodically.

□ Associates have investment accounts that will be managed in the same manner as other clients with similar investment objectives. Associates will neither buy nor sell securities in these accounts as part of a trading program until clients with similar objectives have made the relevant purchase or sale. In other words, Associates will not “front run” trading ahead of clients.

□ **Conflicting Trades** – No Associate shall purchase or sell a security in which a client has made the opposite transaction within the prior 5 trading days.

□ **Disclosure** – No Associate shall recommend or disclose a prospective securities transaction to anyone, including clients. Disclosure to clients may only be made subsequent to the transaction unless such discussion is warranted to clear up any issues relating to restrictions set forth in the Investment Management Agreement.

□ **Principal Transactions** - Neither Dwight Investment nor any Associate may effect a transaction as principal with a client.

## □ **Education and Reporting Violations**

□ All owners and Associates will be provided a copy of the Code of Ethics. All Associates are required to promptly report any actual or suspected violations of the Code to the Chief Compliance Officer.

## □ **Recordkeeping**

□ The Investment Advisers Act requires advisors to keep copies of all relevant material. Dwight Investment will maintain the following records as they pertain to the Code of Ethics:

1. A copy of this and any other Code adopted during the past 5 years.
2. A record of any violation of the Code and of any action taken as a result of such violation.