

Firm Brochure (Part 2A of Form ADV)
March 30, 2012

FIDUCIARY COUNSELLING INC.

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This brochure provides information about the qualifications and business practices of Fiduciary Counselling Inc. If you have any questions about the contents of this brochure, please contact us at 651-228-0935. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration of an adviser with the SEC does not imply a certain level of skill or training.

Additional information about Fiduciary Counselling Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This brochure has been amended since the last update of FCI's brochure dated May 10, 2011 to:

- reflect the fact that FCI is no longer a registered transfer agent and, accordingly, no longer provides shareholder servicing or transfer agent services to Clearwater Investment Trust ("CIT"); and
- provide various updates to the description of FCI's services and fees to conform to the subadvisory agreement with CIT, FCI's updated fee schedule and Client Services Agreement and FCI's policies and procedures.

Item 3 - Table of Contents

	Page
Item 1 - Cover Page	1
Item 2 - Material Changes.....	2
Item 3 - Table of Contents	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation.....	5
Item 6 - Performance-Based Fees and Side-By-Side Management.....	8
Item 7 - Types of Clients	8
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 - Disciplinary Information	11
Item 10 - Other Financial Industry Activities and Affiliations.....	11
Item 11 - Code of Ethics, Participation or Interests in Client Transactions and Personal Trading	12
Item 12 - Brokerage Practices.....	13
Item 13 - Review of Accounts	14
Item 14 - Client Referrals and Other Compensation	14
Item 15 - Custody.....	15
Item 16 - Investment Discretion	15
Item 17 - Voting Client Securities	15
Item 18 - Financial Information.....	15
Item 19 - Additional Information.....	15
Privacy Notice.....	16

Item 4 - Advisory Business

Fiduciary Counselling Inc. (“FCI”), founded in 1941, provides discretionary and non-discretionary investment services consistent with the individual needs and objectives of each client account. Our principal business is the rendering of accounting, trust and tax services, financial and investment services and estate planning in consultation with the client’s legal counsel. Services are provided pursuant to each client’s respective Client Services Agreement.

After consultation with the client, FCI will establish guidelines and policies, which may include a written investment policy statement (“IPS”). We provide clients investment services consistent with a formulated plan of investment (the “Plan”) through the use of model portfolios to be implemented by FCI for the client’s account. These model portfolios are based on each client’s desired exposure to certain stocks in the paper industry traditionally owned by FCI clients. From this base, we use concepts of modern portfolio theory to build the model portfolio using registered and unregistered investment companies and other securities, including private investments where appropriate for certain clients.

FCI’s investment services include allocation services, investment and rebalancing recommendations and recommendations concerning the timing of purchases and sales. FCI generally provides investment services on a non-discretionary basis. FCI may exercise discretion (generally to rebalance account assets or for cash management) if specifically authorized by the client. See Item 16.

Clients can impose restrictions on owning certain securities or types of securities in the Client Services Agreement.

We may, upon client request, render advisory services to clients relative to the ongoing monitoring and review of the performance of third party separate account managers (“Managers”). Factors which we consider when reviewing a Manager include the client’s stated investment objectives and the Manager’s management style, performance, reputation, financial strength, reporting, pricing and research. The terms and conditions under which the client engages a Manager are set forth in separate written agreements between the client and the Manager.

We also provide clerical, record-keeping and other administrative services as directed by individual clients which include, but may not be limited to, facilitating the gifting and re-registration of securities, insurance policy administration, bill-paying services and the preparation of state and federal tax returns and other reports. In addition, FCI provides support in the processing of corporate actions (mergers, buyouts, bankruptcy claims), stock gifts and proxy materials. FCI’s services also include estate planning and trust and charitable administration. FCI may provide joint tax return preparation and certain estate planning services for spouses of clients that elect not to receive the full suite of services offered by FCI. Clients may also request special projects and other specialized services (“Extraordinary Services”) as described in Item 5, below. FCI may assist clients in obtaining mortgages and other loans and opening and administering bank accounts.

Fiduciary Counselling Inc.
Form ADV, Part 2A

Pursuant to a Servicing Agreement between FCI and Clearwater Management Company, Inc. (“CMC”), FCI has been engaged by CMC to provide compliance and administrative services for certain CMC clients, the Clearwater Investment Trust (“the Trust”), a registered investment company, as well as certain private investment funds (the “Private Funds”). CMC is a registered investment adviser that provides advice to the Trust and its mutual fund portfolios and the Private Funds. FCI is entitled to a subadvisory fee payable by CMC as described below. FCI may recommend that clients invest in the Trust and the Private Funds.

Pursuant to a subadvisory agreement between FCI, CMC and the Trust, FCI provides certain investment services to CMC and the Trust, including investment strategy advice and manager recommendations. FCI receives compensation from CMC for providing such services according to the Extraordinary Services and hourly fee schedule listed below.

FCI’s principal owners are M. Julie McKinley, Eric Lind and Rebecca Martin, each of whom is an executive officer of FCI.

As of December 31, 2011, FCI managed approximately \$1.7 billion in assets on a discretionary basis and \$2 billion in assets on a non-discretionary basis.

Item 5 - Fees and Compensation

Generally, FCI charges an inclusive fee for investment advisory, accounting, tax, estate planning, financial planning, and trust and charitable administration services. The fee is charged as a percentage of the assets held in the client’s account in accordance with the following annual schedule:

MARKET VALUE	RATE	BASIS POINTS (100 bps = 1.00%)
\$ 0 to 500,000	0.625%	62.5
\$ 500,001 to 1,000,000	0.625%	62.5
\$ 1,000,001 to 2,000,000	0.600%	60.0
\$ 2,000,001 to 5,000,000	0.550%	55.0
\$ 5,000,001 to 10,000,000	0.390%	39.0
\$ 10,000,001 to 20,000,000	0.300%	30.0
\$ 20,000,001 to 25,000,000	0.280%	28.0
\$ 25,000,001 to 50,000,000	0.250%	25.0
\$ 50,000,001 to 75,000,000	0.220%	22.0
\$ 75,000,001 to 100,000,000	0.170%	17.0
\$ 100,000,001 to 200,000,000	0.170%	17.0
\$ 200,000,001 to 300,000,000	0.080%	8.0
\$ 300,000,001 +	0.060%	6.0

Fees are generally billed in arrears on a quarterly basis and at a rate of one-fourth of the annual fee, unless otherwise negotiated. The fee for any period that is less than a full quarter is

pro-rated. FCI's fees are generally non-negotiable; however, FCI reserves the right to reduce or waive minimum account size or fees at its sole discretion. Fees will be separately billed to the client unless the client authorizes direct payment from account assets.

Market value is computed on the average of 16 trailing quarters on cash, short-term investments, annuity contracts, accounts receivable from securities sales, bonds, mutual funds, family businesses, stocks, private equity, investment real estate and other investments. Market values for common stocks and other publicly-traded securities are generally determined by their last reported sale price on the principal market in which they are traded. Investment real estate is valued at the tax assessor's market value. Mutual funds are valued at their stated net asset value. Other readily marketable securities are valued by using a pricing service or other external sources. Family businesses are valued at equity/net cost. Private equity investments are generally valued at their stated value based on the most recent financial statements or other value as provided by the general partner or sponsor of the investment. Other securities or investments for which market quotations are not readily available will be valued by FCI in a manner determined in good faith to reflect fair market value. In determining fair value for a given security or asset, FCI will generally consider the following factors: external pricing events, equity/net cost and cost.

Minimum Fee

FCI's minimum fee per account is \$3,000 except for individuals under age 21. Individuals ages 21 to 28 qualify to pay fees based on the lesser of actual time billed at the appropriate rates or minimum fee. FCI's minimum fee for custodial accounts, minority trusts, irrevocable trusts, qualified personal residence trusts in grantor period and spouse (non-joint) accounts is \$250.

Extraordinary Services and Hourly Fees

FCI charges hourly fees to CMC for the administrative and compliance services described above on an hourly basis. Certain FCI accounts are charged on an hourly basis for services performed, rather than on a market value basis. FCI also charges hourly fees to other clients for the services listed below as Extraordinary Services. FCI will also receive compensation for such out-of-pocket expenses as are reasonably incurred by FCI in performing such services. For client accounts, these hourly fees are in addition to the asset-based fees listed above.

Extraordinary Services

- Accounting for outside investment manager activity;
- Detail accounting of foundation gifting;
- Special investment analysis requested by client;
- Multiple broker accounting;
- Payment of and accounting for household bills - 4th and succeeding generations;
- Payroll and pension services;
- Prenuptial and divorce assistance;
- Preparation of amended returns because information was not provided;
- Special projects; and
- Additional work on behalf of clients who require more organizational assistance.

Hourly fees are based on the following fee schedule:

EMPLOYEE GROUP	HOURLY RATE
Executive	\$375
Leadership	300
Senior Professional	250
Financial Consultants and Professional Staff	200
Senior Staff	150
Support Staff	125

FCI will be reimbursed for costs incurred on behalf of clients, such as wire transfer fees, overdraft charges, bank fees and travel-related expenses. In addition, FCI may impose special charges in certain cases, such as late fees or amended return fees.

As described above, FCI also provides compliance and administrative services to CMC for the Trust and the Private Funds pursuant to a Servicing Agreement. FCI's staff members record their time in terms of hours and categorize it according to these services. Fees owed to FCI by CMC are calculated based on the number of hours and established hourly rates for each staff person as described above.

FCI may also recommend that qualified clients invest in a limited partnership ("Third-Party Fund") managed by CMC and advised by an unaffiliated federally registered investment adviser for which CMC collects a fee from the Third-Party Fund. In turn, CMC pays FCI a fee for certain compliance and administrative support services provided by FCI to CMC related to the Third-Party Fund pursuant to the Servicing Agreement as described above.

Subadvisory Fee

FCI provides investment-related services to CMC and the Trust pursuant to a Subadvisory Agreement. For its services, FCI is entitled to a subadvisory fee payable by CMC of 0.20% of each Fund's net assets, paid on a quarterly basis. The subadvisory fee is subject to reduction pursuant to the terms of a fee waiver agreement.

Other Fees

Clients may also incur brokerage commissions and custody fees, as described in Item 12. With respect to investments in registered and non-registered investment companies, in addition to the fees charged by FCI, the client will incur charges imposed at the investment company level (i.e. management fees and other fund expenses).

The investment management fees charged by Managers, together with the fees charged by the corresponding custodian and/or other service providers engaged by the client for the client's assets are exclusive of, and in addition to, FCI's fees set forth above.

Other Services

FCI has entered into sublease agreements with certain clients as an accommodation, whereby these clients are provided an office suite and charged annual rent which includes related office expenses, such as copying, telephone, postage, office supplies, and receptionist cost. The fees for these services are computed and billed quarterly in advance on the first day of the quarter.

Item 6 - Performance-Based Fees and Side-By-Side Management

FCI does not charge any performance-based fees, which are fees based on a share of capital gains or capital appreciation of client assets.

Item 7 - Types of Clients

FCI generally performs services exclusively for descendants and family members of a single family.

Certain unregistered investment companies may require certain conditions be met prior to investing as outlined within the applicable offering memorandum and related documents.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

FCI provides investment advice to a broad array of clients with varying degrees of commonality, differences and expectations. We are committed to provide the best investment advice appropriate for a client's individual situation. By knowing our clients well, we can design and align their portfolios to match their short-term and long-term objectives.

The initial step is the development of an Investment Policy Statement for a client. Every client has unique investment needs, yet many can be grouped into common models with specific risk and reward characteristics. In practice, the majority of our client base invests based on these common models. Certain clients have very specific needs that require FCI's advanced knowledge and expertise, utilizing customized models in implementation.

FCI's models are an output of the asset allocation work and capital market assumptions put together by FCI's investment team. FCI's asset allocation model is built from assumptions about the expected risk, return and correlation between various asset classes. The goal is to create recommended asset mixes that provide the highest possible returns for given levels of risk given a client's investment objectives and time horizon. FCI's recommendations are based on objective research and analysis with a focus on long-term investing. Primary investment vehicles are investment funds including the Trust, Private Funds, the Third-Party Fund and other public and private funds. The model portfolios also include an allocation based on each client's desired exposure to certain stocks in the paper industry traditionally owned by FCI's clients.

FCI considers Manager selection and the due diligence process employed as critical to the recommended portfolios and the ability to meet their long-term objectives. Recognizing that past performance has proven to be an unreliable predictor of future performance, much of FCI's work is based on getting to know prospective Managers very well. This process demands a detailed and careful qualitative evaluation of a Manager's firm and process. An important part of the

research is the on-site due diligence process. This provides an important source of information beyond the quantitative evaluation of the firm's performance numbers. In these meetings we look and listen for the subtle nuances each firm has: what makes them different and what makes them special.

We supplement our internal skills through outside relationships with various consultants and industry experts developed over many years. Other sources of information include company-prepared information such as financial statements and offering memoranda, as well as any publicly available SEC filings.

A key component to reaching a client's long-term financial goals is the portfolio implementation process. Besides the processing of security transactions, stock transfers and account re-registrations, FCI implements diversification and rebalancing programs, tax-loss harvesting and other strategies to account for and adjust to a client's individual needs for contributions or withdrawals. All of these strategies are used while considering the client's model portfolio target.

Risk of Loss

Risk of loss is inherent in any investment of securities. Your account may be subject to the following risks:

- **Model Portfolio Risk.** Asset allocation through an FCI model portfolio does not guarantee that your account will increase in value nor will it protect against a decline in value if market prices fall. At times, our judgments as to the asset classes in which client accounts should invest may prove to be wrong, as some asset classes may perform worse than others or the equity markets generally from time to time or for extended periods of time. Periodic rebalancing of the model portfolios can cause their holdings to incur transactional expenses. These expenses can adversely affect the performance of your account and of the model portfolios. In addition, if your account is required to buy or sell securities due to rebalancing, it may hold a large cash position. A large cash position could detract from achieving your investment objective.
- **Paper Industry Risk.** The paper, packaging, forest products and related industries are highly cyclical. Fluctuations in the prices of and the demand for products could result in smaller profit margins and lower sales volumes. In addition, increases in the cost of and availability of raw materials, including pulp, the cost of energy, transportation and other necessary services, supplier constraints, an inability to maintain favorable supplier arrangements and relations or an inability to avoid disruptions in production output caused by events such as natural disasters, power outages, labor strikes or governmental regulatory requirements, and the like could have an adverse effect on the financial results of paper companies.
- **Mutual Funds Risk.** Mutual funds are subject to investment advisory, transactional, operating and other expenses. Each mutual fund is subject to specific risks, depending on its investments. The value of mutual funds' investments and the net asset value of the funds' shares will fluctuate in response to changes in market and economic conditions, as

well as the financial condition and prospects of companies in which the funds invest. The performance of each fund will depend on whether the fund's investment adviser is successful in pursuing the fund's investment strategy.

- **Fixed Income Risk.** A bond's market value is affected significantly by changes in interest rates – generally, when interest rates rise, the bond's market value declines and when interest rates decline, its market value rises. Generally, a bond with a longer maturity will entail greater interest rate risk but have a higher yield. Conversely, a bond with a shorter maturity will entail less interest rate risk but have a lower yield. A bond's value may also be affected by changes in its credit quality rating or the issuer's financial condition.
- **Equity Securities Risk.** Common stocks and other equity securities generally increase or decrease in value based on the earnings of a company and on general industry and market conditions. The value of a company's share price may decline as a result of poor decisions made by management, lower demand for the company's services or products or if the company's revenues fall short of expectations. There are also risks associated with the stock market overall. The stock market may experience periods of turbulence and instability.
- **ETFs Risk.** You may lose money investing in an ETF if the value of securities owned by the ETF declines. You could pay more to purchase ETF shares, or receive less in a sale of shares, than the actual net asset value of the shares. In addition, when you invest in an ETF, you will bear additional expenses based on your pro rata share of the ETF's operating expenses. The risk of owning an ETF generally reflects the risks of the underlying securities that the ETF is designed to track and the investment strategies employed by such ETF. The ETF may not track the underlying index.
- **Private Funds Risk.** Private investment partnerships and other private investment vehicles ("Private Investment Funds") are not registered under the Investment Company Act of 1940, which regulates mutual funds. Investors in Private Investment Funds, therefore, are not accorded the protective measures provided by such legislation. Accordingly, activities of Private Investment Funds are subject to less state and federal regulation and supervision than a registered investment company (a mutual fund).
- **Private Equity Risk.** Private equity investments, including funds-of-funds, are not registered under the Securities Act of 1933, do not trade on public securities markets and are generally less liquid than registered, publicly traded securities. Investments in private equity funds will be subject to the risks inherent in investing in private companies, including that portfolio companies may be dependent on a small number of products or services and may be more adversely affected by poor economic or market conditions. Some portfolio companies may be concentrated in a sector or industry group, and, therefore, may be susceptible to adverse conditions and economic or regulatory events affecting the sector or industry group.

- **Private Placements Risk.** Investments in securities issued in private placements and other restricted securities generally are difficult to sell at prices comparable to the market prices of similar securities that are publicly traded. It may be difficult to dispose of restricted securities in the ordinary course of business and in some cases investors are contractually prohibited from disposing of such investments for a specified period of time.
- **Valuation Risk.** Securities and other investments for which market valuations are not readily available may be valued by FCI at fair value. Although FCI will use its best judgment, fair value pricing involves subjective judgments and there is no single standard for determining a security's fair value. As a result, the fair value of any investment may not accurately reflect the prices at which the security could actually be sold. This risk may be greater with respect to illiquid investments. In addition, market prices provided by public markets, pricing services or other sources may from time to time be inaccurate. Because FCI's fees are based on market valuations, there is a risk that an incorrect valuation could result in advisory fees that are higher or lower than otherwise would be payable by the client.
- **Online Trading Risk.** FCI will rely on the online trading capabilities of the custodian and other broker-dealers to effect trades. Our ability to execute trades is highly reliant on technology, including communications. Should the broker experience technology problems, including slowdowns or shutdowns, FCI's ability to trade would be effected. If this occurred during the trading day, your account could incur substantial losses.

FCI does not guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices or investment products. You may experience a loss of value in your investments. Past performance does not guarantee future results, and there is no guarantee that a client's investment objectives will be achieved.

Item 9 - Disciplinary Information

There have been no legal or disciplinary events involving FCI or any of our employees involving investments or otherwise material to a client's evaluation of our advisory business or the integrity of our management.

Item 10 - Other Financial Industry Activities and Affiliations

As noted above, FCI provides services to CMC clients pursuant to various servicing agreements. FCI and CMC have a long-standing business relationship and the same chief compliance officer, provide services to common clients and share office space. In addition, certain of FCI's clients are directors of CMC. CMC is not considered a "related person" of FCI because it is not an "advisory affiliate" or under "common control" with the FCI.

FCI is a registered investment adviser providing accounting and administrative services on behalf of CMC to the Trust and Private Funds. FCI also provides administrative and other

services on behalf of CMC to the Third-Party Fund. FCI provides investment services to the Trust and CMC and the Trust pursuant to a subadvisory agreement.

FCI uses the services of Fidelity Family Office Services and its broker-dealer, Fidelity Brokerage Service, LLC ("Fidelity"), for custody, execution and administrative services. CMC has agreed to pay the trade ticket charges otherwise payable by FCI clients to Fidelity with respect to FCI client trades in the Trust's mutual fund shares.

Members of the CMC Board of Directors and the Trust's Board of Trustees are also clients of FCI and shareholders of the Trust's mutual fund portfolios. FCI recommends mutual funds and private funds managed by CMC to FCI clients, which may present a conflict of interest for FCI when constructing model portfolios and recommending related investments to clients due to FCI's receipt of fees under the servicing agreements described above. In addition, FCI's multiple roles and relationships with CMC and its clients may present a conflict of interest to FCI when managing FCI's financial and other interests. However, FCI has structures and policies in place to address these potential conflicts, including review of investments by FCI's Investment Committee and oversight by FCI's compliance personnel.

FCI has facilitated transactions at the request of and for the benefit of its clients in private offerings of companies where the principals of the companies are also clients of FCI and who have familial relationships with certain CMC Board members. Due to these relationships, the appearance of a conflict of interest may be present. However, in all cases the clients, not FCI, initiated such transactions. Similar transactions may take place in the future.

Jennifer Lammers serves as Chief Compliance Officer ("CCO") and Chief Financial Officer to FCI. Ms. Lammers also serves as CCO to CMC and the Trust. Due to Ms. Lammers' multiple roles, she may at times face inherent conflicts of interests in serving the interests of FCI's clients as well as the financial and other interests of FCI, CMC and the Trust.

FCI maintains policies, procedures and controls which it believes are reasonably designed to ensure that the conflicts described above are satisfactorily addressed, such as oversight by FCI's Board of Directors and Investment Department, provisions of the Code of Ethics and the operation of FCI's compliance program.

Item 11 - Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

FCI may invest in money market funds, fixed income mutual funds and private partnerships for its corporate account. FCI's pension plans may own securities that are purchased and sold by clients. These investments are monitored by FCI's Investment Committee and are subject to review by the Board of Directors.

FCI recommends that clients invest in the Trust, the Private Funds and the Third Party Fund, in which both FCI and CMC have a financial interest due to the receipt of fees under various service agreements. In addition, advisory affiliates of FCI, including FCI's pension plans, may own interests in the Private Funds and/or investments in the underlying funds held by the Private Funds.

Supervised persons of FCI (including all access persons as defined within the Code) are required to adhere to standards of conduct FCI expects of its supervised persons, as outlined within the Code. The Code addresses core principles that FCI has adopted to promote ethical conduct, which FCI believes is premised on the fundamental concepts of openness, integrity, honesty and trust.

The Code prohibits supervised persons from engaging in a transaction when FCI, on behalf of its clients, owns or is considering purchasing that same security. Proprietary and personal trades are generally prohibited until client transactions have been completed. The Code also prohibits access persons from investing in initial public offerings or engaging in short-term trading, and requires the pre-clearance of all non-exempt trades. Personal securities transactions are reviewed by FCI's compliance department to ensure that the standards of the Code are adhered to.

A copy of the Code is available upon request by clients of FCI.

Item 12 - Brokerage Practices

Unless a client has directed FCI to conduct the client's securities transactions through a different broker-dealer, FCI primarily utilizes the client's custodian, Fidelity Brokerage Services, LLC ("Fidelity"), to execute trades on behalf of client accounts. Clients may trade away from Fidelity; however, Fidelity may charge clients additional fees and/or commissions for doing so.

In selecting or suggesting a broker or dealer, FCI may consider, among other things, the broker or dealer's execution capabilities, research services provided, knowledge of and dominance in specific markets, commission structure, ability to locate liquidity, acceptable recordkeeping and settlement functions, reputation and integrity and responsiveness to the requirements of FCI in servicing client accounts.

It is FCI's policy to seek the best execution with respect to each FCI-directed transaction. FCI defines best execution as placing trades in such a manner that the client's total proceeds or cost for each transaction is the most favorable under the circumstances in which the trades are placed. The determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution for the client. FCI believes that with respect to most transactions, the primary custodian/broker-dealer (generally Fidelity) will provide best execution. FCI's Investment Committee reviews commission reports for reasonableness.

Clients should be aware that broker custody of client securities might limit or eliminate FCI's ability to obtain best price and execution in transactions in over-the-counter ("OTC") securities. This could potentially occur when OTC trades are executed on an agency basis, i.e. where Fidelity does not make a market in the security being traded. In filling such an order Fidelity may transact with a market-making broker on the other side of the trade that may mark up (in the case of a purchase) or mark down (in the case of a sale) the price of the security. This would be an additional cost incurred by the client beyond any commission that Fidelity may charge.

Directed Brokerage

As noted above, FCI generally uses Fidelity, the custodian/broker-dealer, to execute securities transactions for clients. In the event clients direct FCI to effect transactions through other

brokers or dealers, FCI may be unable to achieve most favorable execution of client transactions. Directed brokerage clients may receive commission rates that are different from what might be attained through other brokers and directed brokerage may result in a less advantageous price and/or greater trading costs.

Soft Dollars

FCI does not engage in pre-arranged soft dollar arrangements, where an investment adviser specifically directs portfolio brokerage commissions to a broker-dealer in return for services and research that the adviser uses in making investment decisions for clients. FCI, however, may consider the benefit of research services provided by broker-dealers in allocating brokerage to a specific broker. All such arrangements are informational in nature, and are not the product of any formal arrangement with the broker-dealer to direct portfolio brokerage commissions in exchange for such research.

Trade Error Correction

Our policy is for clients to be made whole following the identification and correction of a trade error. FCI will bear the economic loss and clients will generally retain any economic gain resulting from the trade correction (unless, for example, it would result in undesired tax consequences or it is not permissible for the client to retain the gain).

Trade Allocation

Our policy is to allocate investment opportunities and aggregate trades among client accounts in a fair and equitable manner, taking into account each client's best interest and ensuring that no client or group of clients are favored or discriminated against over time.

Item 13 - Review of Accounts

Portfolios are routinely reviewed by the client's financial consultant and by one of more members of the our Investment Department. Portfolios are generally governed by an investment policy statement that describes objectives and portfolio operations. Portfolios are periodically reviewed against these policies, generally at least annually. The process involves reviewing the account holdings compared to policy targets and determining whether there is cash available for investment.

The Investment Review Committee meets regularly to discuss the recommended investment vehicles and to review any client investments that have been made outside of the standard recommendations. Accounts are not specifically assigned to individual Committee members.

Clients receive regular reports (generally quarterly) providing information as to portfolio holdings, transactions and investment performance.

Item 14 - Client Referrals and Other Compensation

FCI does not compensate any person for client referrals and FCI does not receive commissions or any other economic benefit from a non-client in connection with providing advice to clients.

Item 15 - Custody

FCI does not act as custodian for any clients. All accounts are held by an outside custodian. Clients may choose any qualified custodian to hold custody of part or all of the client's securities and other assets. As part of the non-investment advisory services described in Item 4, we may provide bill-paying services which results in FCI having "custody" of the clients' assets pursuant to Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended. All clients receive quarterly account statements directly from their custodian. You should compare the information in FCI's client statements with information in statements provided by the custodian.

Item 16 - Investment Discretion

FCI generally provides its services on a non-discretionary basis and acts only in an advisory capacity with limited trading authority as provided by the Client Services Agreement. The client maintains discretionary authority unless investment discretion is specifically granted, in writing, to FCI.

Generally, security transactions are either initiated or approved by the client prior to execution. However, in cases where FCI has been granted discretion by the client, particularly for routine rebalancing or cash management needs, FCI may execute transactions without prior client approval.

Item 17 - Voting Client Securities

Without a specific written grant of authority, the client retains the right to vote all proxies related to securities held in the client's account. On occasion, FCI assists its clients with administration of proxy voting although, as a general matter, FCI does not exercise voting authority with respect to securities held by clients. Clients may receive their proxies from the custodian, transfer agent or FCI. At the request of a client, FCI may provide information or analysis related to a particular proxy solicitation.

Item 18 - Financial Information

FCI does not have any financial condition that would impair our ability to meet contractual commitments to clients. A balance sheet is not required to be provided because we do not require prepayment of more than \$1,200 in fees per client, six months or more in advance.

Item 19 - Additional Information

Class Action Participation

FCI attempts to determine the dollar recovery value based on a de minimis determination prior to involving its clients in class action participation. When FCI determines it may be in the best interest for clients to consider participating in a class action lawsuit, we complete the class action participation paperwork on behalf of clients, forward the paperwork to clients for review, and request that clients execute and submit the material should the client find it appropriate.

Privacy Notice

Fiduciary Counselling Inc. (“FCI”) is committed to protecting the privacy and security of the nonpublic personal information that you provide to us. FCI has adopted policies and procedures we believe are reasonably designed to protect the nonpublic personal information of our clients. You trust us with your personal and financial information and we will honor that trust by handling your information carefully and using it only in your best interests. Because your personal and financial data is your private information, we hold ourselves to the highest standards in its safekeeping and use.

This notice will help you understand the types of information we collect and maintain, how that information is used and the safeguards in place to protect it.

Information We Collect and Maintain

We collect personal information from you when you engage FCI to provide certain services. The types of information that we collect may vary based on the services that we provide to you. Examples of information we may collect include:

- Name and address
- Social Security number
- Value of assets and liabilities
- Debt and credit history
- Transactions between you and third parties
- Consumer report information
- Health information for insurance needs

What We Do With Your Personal Information

The personal information that we gather is generally required by law to conduct business on your behalf and in some cases may be required by nonaffiliated third parties in order for us to provide the products and services that you have directed. For example, in order to authorize transactions with a brokerage firm in an account on your behalf, we are permitted to provide a limited amount of information about you to that firm. Names and addresses of account owners for accounts held by your custodian are required in order for the custodian to deliver quarterly account statements as required by law.

We do not disclose any nonpublic personal information about current or former clients to any third parties, except as required to conduct transactions and provide the services that you have authorized or requested and as permitted by law.

How We Safeguard Your Personal Information

FCI maintains strict physical, electronic and procedural safeguards to protect your personal information. This includes procedures regarding physical security and records retention, as well as information that may be maintained in technology applications used within the company.

We restrict access to information about you to those FCI employees who need to know the information in order to provide investment services to you. We have also implemented measures

to protect your information from unauthorized access to or use of the information in connection with its disposal.

When information is required or directed to be shared with nonaffiliated third parties as necessary to conduct authorized activities on your behalf, FCI requires such third parties to adhere to strict privacy standards as well.

We Will Keep You Informed

As required by federal law, we will notify you of our privacy policy annually. We reserve the right to modify this policy at any time, but be assured that if we do change our policy, we will tell you promptly.

If you have any questions or concerns regarding this policy, please contact us.

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