

Alan C. Simpson
Simpson Investment Counsel

Part 2A of Form ADV
Firm Brochure
Updated: January 2012

405 Waltham St. PMB 392
Lexington, MA 02421

physical location:
9 Grapevine Ave, Suite 4, Lexington, MA 02421

This brochure provides information about the qualifications and business practices of Alan C. Simpson. If you have any questions about the contents of this brochure, please contact Alan at 781-863-0250 or at acssic@gmail.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Alan Simpson also is available on the SEC's website at www.adviserinfo.sec.gov.

Table of Contents

Table of Contents	1
Advisory Business	2
Fees and Compensation	2
Performance-Based Fees and Side-By-Side Management	2
Types of Clients	2
Methods of Analysis, Investment Strategies and Risk of Loss	3
Disciplinary Information	3
Other Financial Industry Activities and Affiliations	3
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	3
Brokerage Practices	4
Review of Accounts	4
Client Referrals and Other Compensation	4
Custody	4
Investment Discretion	4
Voting Client Securities	4
Financial Information	5
Requirements for State-Registered Advisers	5

Advisory Business

- A. Simpson Investment Counsel provides investment management services and financial advice. Alan Simpson is the principal owner, having started the business in 1995.
- B. Alan manages investments in accordance with investment guidelines developed with each client and is available for discussion on various financial issues, including estate planning objectives.
- C. All portfolios are managed in concert with client consultation. Clients may request specific investments or impose restrictions. Alan works with the clients to meet those requests.
- D. The company does not participate in any wrap fee programs.
- E. As of December 31, 2011 Alan managed the following amount of assets:
 - discretionary: ----- \$19,750,000
 - non-discretionary: ----- \$47,081,000
 - total assets under management: -- \$66,831,000

Fees and Compensation

- A. Compensation for the investment management service is based on the Market Value of the investment assets, according to the following schedule:

<u>Market Value</u>	<u>Fee</u>
First \$2 million	1.00% of market value
Next \$3 million	0.90% of market value
Next \$5 million	0.75% of market value
Over \$10 million	0.60% of market value

Fees are subject to a minimum family relationship Market Value of \$5 million and are charged quarterly. Relationship discounts are negotiable.

- B. Fees are generally deducted from client assets, but may be billed instead upon request from the client.
- C. Investment management fees are in addition to mutual fund expenses and brokerage costs.
- D. Fees are paid in arrears, not in advance.
- E. Simpson Investment Counsel does not accept compensation for the sale of securities or any investment product.

Performance-Based Fees and Side-By-Side Management

Simpson Investment Counsel does not accept performance-based fees

Types of Clients

Simpson Investment Counsel provides investment advice to individuals, trusts, pension and profit sharing plans. Client relationships are subject to a combined family market value of \$5 million. The minimum may be waived in negotiated circumstances.

Methods of Analysis, Investment Strategies and Risk of Loss

- A. The investment allocation among stocks, bonds and cash is driven by the investment guidelines that are developed with each client. The method of analysis for each of the primary asset classes is a “top down” approach, which considers the macro-economic environment, investment market conditions and the opportunities/risk factors within each asset class. Investment strategies incorporate individual stocks and bonds plus mutual funds that fit the client objectives. Investing in any of these securities involves risk of loss that clients should be prepared to bear.
- B. The returns and risk of investing in individual stocks include variation caused by changes in economic conditions, general stock market volatility, industry and business conditions plus specific factors for each company. The risk from individual company events is reduced by diversifying investments across various economic sectors and through the use of mutual funds. However, the risk caused by changes in economic conditions and expectations plus overall stock market volatility remain.
The returns and risk of investing in bonds are primarily determined by changes in interest rates. Other factors include changes in the perceived risk or opportunity of a particular market sector or individual issuer plus currency changes. Any of these conditions can cause bond prices to increase or decrease.
- C. Simpson Investment Counsel does not recommend primarily any particular type of security. The selection of investments for each client is made within the context of the overall strategy and after a discussion of the potential risks.

Disciplinary Information

Neither Alan Simpson nor Simpson Investment Counsel is subject to any legal or disciplinary events.

Other Financial Industry Activities and Affiliations

Alan Simpson is not registered or affiliated with any of the following: broker-dealer, investment company, other investment adviser or financial planner, futures commission merchant, banking or thrift institution, accountant, lawyer, insurance company, pension consultant, real estate broker or sponsor/syndicator of limited partnerships.

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

- A. Alan Simpson adheres to a strict code of ethics pursuant to SEC rule 204A-1. A copy of his code of ethics will be provided to any client or prospective client upon request.
- B. Alan Simpson does not recommend securities in which he has a material financial interest.
- C. In the event that Alan Simpson is investing in the same securities that have been recommended to clients, those investments will not be made in conflict with client recommendations.
- D. In the event that Alan Simpson is buying or selling securities for client accounts at or about the same time as for his own account, the client transactions are always given priority.

Brokerage Practices

- A. Clients are responsible for entering separate agreements with brokerage and custodial agents. Alan Simpson will recommend agents based on his assessment of client service and cost. Alan has no incentive to recommend agents other than clients' interest in receiving most favorable execution and service. Alan does not receive any soft dollar benefits. As a result of his investment advisor relationship with Fidelity Investments, Alan has access to additional investment research capabilities. Alan does not receive any client referrals from broker-dealers or third parties. Simpson Investment Counsel does not have directed brokerage arrangements.
- B. Simpson Investment Counsel does not aggregate the purchase or sale of securities for various client accounts because of the personalized nature of the investment review and management process.

Review of Accounts

- A. Alan Simpson reviews every client account each quarter.
- B. Accounts may be reviewed more often than quarterly upon client request or if there is a material change in client circumstances that merit a review.
- C. Clients receive written summaries of their investments plus commentary and recommended changes every quarter.

Client Referrals and Other Compensation

- A. Alan Simpson does not have any compensation arrangements with anyone who may provide investment advice or other advisory services for his clients.
- B. Alan Simpson does not compensate anyone for client referrals.

Custody

Simpson Investment Counsel does not have custody of any client assets.

Investment Discretion

For all accounts where Alan Simpson has investment discretion, all transactions are reviewed and approved by the client prior to execution.

Voting Client Securities

- A. In cases where clients have granted Simpson Investment Counsel the authority to vote client securities, Alan reviews the proxy material and will vote in accordance with his assessment of what is best for the client. If clients wish to direct a vote in a particular manner, they can contact Alan to discuss the terms and he will vote as the client directs. Clients can contact Alan at any time to determine how their proxies were voted. Clients may obtain a copy of the company's proxy voting policies and procedures upon request.
- B. In cases where clients have not granted Simpson Investment Counsel the authority to vote client securities, the clients will receive all proxy materials directly from the custodian.

Financial Information

- A. Simpson Investment Counsel does not require or solicit prepayment of any fees. All fees are charged quarterly, in arrears.
- B. For accounts where Alan has discretionary authority, that discretion is for security trading only, not for the transfer of client funds.
- C. Alan Simpson has never been the subject of a bankruptcy petition.

Requirements for State-Registered Advisers

- A. Alan Simpson is the sole principal executive officer of Simpson Investment Counsel. Alan has worked in the investment business since 1975. Prior to establishing his own business in 1995, he was a senior portfolio manager for Boston Safe Deposit and Trust Company, where he provided investment counseling and management for private clients. Before joining The Boston Company, he was the Director of International Investments at Rhode Island Hospital Trust. Previously, Alan was an Assistant Professor of Finance at Clark University's Graduate School of Management, where he specialized in investments and international finance. He began his investment career with State Street Bank and Trust as an equity research analyst and quantitative research assistant.
Alan completed his B.S. in Mathematics/Economics at the University of New Hampshire and his Ph.D. in Economics at Clark University. He is a Chartered Financial Analyst (CFA), has completed the Certified Financial Planner (CFP) program and has passed the Series 3 National Commodity Futures Examination and the Series 65 Uniform Investment Adviser Law Examination. He is registered as an investment adviser with the US Securities and Exchange Commission and the Massachusetts Secretary of State. Alan is a member of the CFA Institute and the Boston Security Analysts Society.
- B. Alan is not engaged in any other business other than providing investment advice through Simpson Investment Counsel.