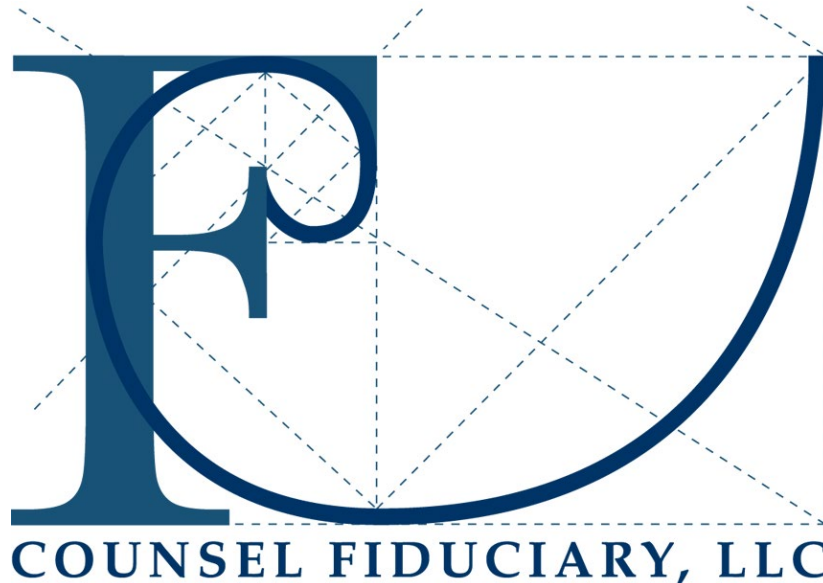


# Disclosure Brochure

**January 31, 2024**



## **Counsel Fiduciary, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Counsel Fiduciary, LLC (hereinafter "Counsel Fiduciary" or the "firm"). If you have any questions about the contents of this brochure, please contact us at (646) 308-1400. 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 Counsel Fiduciary, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Counsel Fiduciary, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

This Item discusses only the material changes that have occurred since Counsel Fiduciary's other-than-annual update dated June 20, 2023. The firm has no disclosures pursuant to this Item.

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## **Item 4. Advisory Business**

Counsel Fiduciary has been in business as a registered investment adviser since June 5, 2006. The firm provides clients with a variety of wealth management solutions, which includes financial planning, consulting and investment management services. The principal owner of Counsel Fiduciary is Leith S. Harmon. As of December 31, 2023, the firm had \$108,500,000 in assets managed on a discretionary basis and \$900,000 in non-discretionary assets under management.

Prior to engaging Counsel Fiduciary to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Counsel Fiduciary setting forth the terms and conditions under which Counsel Fiduciary renders its services (collectively the "Agreement").

This Disclosure Brochure describes the business of Counsel Fiduciary. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of Counsel Fiduciary's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Counsel Fiduciary's behalf and is subject to Counsel Fiduciary's supervision or control.

### **Financial Planning and Consulting Services**

Counsel Fiduciary offers clients a broad range of comprehensive financial planning and consulting services addressing a number of investment and non-investment related matters. The firm provides these services either as part of an investment management engagement or as a standalone service. This service offering includes:

- Retirement planning
- Educational planning
- Insurance assessment
- Cash flow analysis
- Estate planning
- Financial education
- Tax strategy

In performing its services, Counsel Fiduciary is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Counsel Fiduciary may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Counsel Fiduciary recommends its own services. The client is under no obligation to act upon any of the recommendations made by Counsel Fiduciary under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Counsel Fiduciary itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Counsel Fiduciary's recommendations. Clients are advised that it remains their responsibility to promptly notify Counsel Fiduciary if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Counsel Fiduciary's previous recommendations and/or services.

### **Investment Management Services**

After the initial financial planning stage is complete, clients can engage Counsel Fiduciary to manage their investment portfolios on a discretionary basis.

During the plan implementation phase, Counsel Fiduciary allocates clients' investment management assets among Independent Managers (as defined below), mutual funds, exchange-traded funds ("ETFs") and/or alternative investments in accordance with the investment objectives of the client. The firm also provides investment advice regarding legacy positions or investments otherwise held in its clients' portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon.

Certain of the alternative investments recommended by Counsel Fiduciary, which include debt, equity and/or pooled investment vehicles, exist in the form of private placement securities. As such, the firm limits such recommendations to those clients deemed to be "accredited investors," as defined under Rule 501 of the Securities Act of 1933, as amended.

Counsel Fiduciary also renders non-discretionary investment management services to clients relative to variable life/annuity products that they own, their individual employer-sponsored retirement plans and/or 529 plans or other

products that are not held by the client's primary custodian. In so doing, Counsel Fiduciary either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

Counsel Fiduciary tailors its advisory services to the individual needs of clients. Counsel Fiduciary consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that impact the clients' investment needs. Counsel Fiduciary ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in Counsel Fiduciary's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Counsel Fiduciary does not participate in wrap fee programs.

### **Use of Independent Managers**

As mentioned above, Counsel Fiduciary recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("Independent Managers"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the Independent Managers are set forth in a separate written agreement between Counsel Fiduciary or the client and the designated Independent Managers. Counsel Fiduciary renders services to the client relative to the discretionary selection of Independent Managers. Counsel Fiduciary also monitors and reviews the account performance and the client's investment objectives. Counsel Fiduciary receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Managers.

When selecting an Independent Manager for a client, Counsel Fiduciary conducts a due diligence review to the extent available. Factors that Counsel Fiduciary considers in selecting an Independent Manager include investment objectives, the Independent Manager's investment strategies, past performance and risk results, management style, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of and in addition to, Counsel Fiduciary's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by Counsel Fiduciary, the designated Independent Managers and corresponding broker-dealer and custodian.

In addition to Counsel Fiduciary's written disclosure brochure, the client also receives the written disclosure brochure of the designated Independent Managers. Certain Independent Managers impose more restrictive account requirements and varying billing practices than Counsel Fiduciary. In such instances, Counsel Fiduciary may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

### **ERISA Requirements**

Counsel Fiduciary is a registered investment adviser. As a registered investment adviser we are held to the highest standard of client care – a fiduciary standard. As a fiduciary, we are legally obligated to always put client interests first and we take pride in doing so. We exercise the highest ethical standards and maintain a high level of knowledge and professional competence. Our policy is to identify and address all conflicts of interest, and to eliminate or make full and fair disclosure of them.

In rendering investment advice to employer sponsored retirement plans and Individual Retirement Accounts (IRAs), we are subject to additional layers of regulation required by the Department of Labor Employee Retirement Income Security Act (DOL ERISA) and the Internal Revenue Service (IRS) Tax Code. Therefore, we must make the following additional affirmative statements and disclosures to you:

- Counsel Fiduciary is acting as a fiduciary as defined in ERISA 29 USC § 1002 (21) and applicable rules found in 29 CFR 2510.3-21 and as a registered investment adviser.
- We will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like

character and with like aims, based on the investment objectives, risk tolerance, financial circumstances and needs of the client, without regard to our interests.

- Compensation for our services will not exceed “reasonable” compensation within the meaning of ERISA section 408(b)(2) and 29 CFR 4975(d)(2).
- At the time and circumstances in which a communication is made, Counsel Fiduciary will not mislead its clients in its communications. We apply care, skill, prudence, and diligence in providing financial and investment advice to all accounts of our clients, including retirement plan accounts and IRAs. We strive to keep our compensation reasonable and free from conflict and we always strive never to mislead our clients in any communications, again, regardless of the types of accounts our clients hold.

## Item 5. Fees and Compensation

Counsel Fiduciary offers its services on a fee basis, which include hourly and/or fixed fees, as well as fees based upon assets under management.

### Financial Planning and Consulting Fees

Counsel Fiduciary charges a fixed fee and/or hourly fee for its standalone financial planning and consulting services. These fees are negotiable, but generally range from \$3,000 to \$8,000 on a fixed fee basis and \$400 on an hourly basis. These fees are largely determined by the complexity and scope of the services and the professional engaged to render them. In the event the client engages Counsel Fiduciary for additional investment advisory services, Counsel Fiduciary may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging Counsel Fiduciary to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Counsel Fiduciary setting forth the terms and conditions of the engagement. Counsel Fiduciary bills one-half of the financial planning or consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is due upon delivery of the financial plan or completion of the agreed upon services.

### Investment Management Fee

Counsel Fiduciary provides investment management services for an annual fee based upon a percentage of the assets being managed by Counsel Fiduciary. As part of an investment management engagement, clients may receive certain financial planning services at no additional cost. This fee is prorated and charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The annual fee varies between 0.125% and 1.50% based on the following fee schedule:

PORTFOLIO VALUE	BASE FEE
Up to \$500,000	1.50%
Next \$1,500,000	1.00%
Next \$3,000,000	0.75%
Next \$5,000,000	0.50%
Next \$10,000,000	0.25%
Above \$20,000,000	0.125%

Counsel Fiduciary, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

As discussed in response to Item 7 (below), Counsel Fiduciary imposes a minimum annual fee of \$10,000 for new and existing investment management engagements. In the event the firm agrees to render services to clients with less than \$600,000 in portfolio assets, the applicable asset-based fee will exceed the top range of the above referenced fee schedule (i.e., 1.50%). The effective rate for such engagements may range up to roughly 2.00% of the total portfolio assets, but may be more or less, depending on the client's individual circumstances.

Counsel Fiduciary's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Counsel Fiduciary does not receive any portion of these commissions, fees and costs. We do not accept compensation for the purchase or sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

**Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), Counsel Fiduciary recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("Fidelity") for investment management accounts. Counsel Fiduciary only implements its investment management recommendations after the client has arranged for and furnished Counsel Fiduciary with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, Fidelity, any other broker-dealer recommended by Counsel Fiduciary, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "Financial Institutions").

Clients incur certain charges imposed by the Financial Institutions and other third parties such as fees charged by Independent Managers, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Counsel Fiduciary's fee.

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

**Fee Debit**

Counsel Fiduciary's Agreement and the separate agreement with any Financial Institutions authorize Counsel Fiduciary or Independent Managers to debit the client's account for the amount of Counsel Fiduciary's fee and to directly remit that management fee to Counsel Fiduciary or the Independent Managers. Any Financial Institutions recommended by Counsel Fiduciary have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Counsel Fiduciary. Alternatively, clients may elect to have Counsel Fiduciary send an invoice for payment.

**Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees are calculated on a pro rata basis.

The Agreement between Counsel Fiduciary and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement.

Clients may make additions to and withdrawals from their account at any time, subject to Counsel Fiduciary's right to terminate an account. Additions may be in cash or securities provided that Counsel Fiduciary reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Counsel Fiduciary, subject to the usual and customary securities settlement procedures. However, Counsel Fiduciary designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Counsel Fiduciary may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets in excess of \$50,000 are deposited into an account after the inception of a quarter, the fee payable with respect to such assets is prorated based on the number of days remaining in the quarter. For partial withdrawals in excess of \$50,000 during a billing period, the unearned portion of the fee is credited toward the following quarter's management fee.

## Item 6. Performance-Based Fees and Side-by-Side Management

Counsel Fiduciary does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7. Types of Clients

Counsel Fiduciary provides its services to individuals, trusts, estates and business entities.

### Minimum Annual Fee

As a condition for starting and maintaining a relationship, Counsel Fiduciary imposes a minimum annual fee of \$10,000. This minimum fee may have the effect of making Counsel Fiduciary's service impractical for clients, particularly those with portfolios less than \$600,000 under Counsel Fiduciary's management. Counsel Fiduciary, in its sole discretion, may waive its minimum annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention and *pro bono* activities.

Additionally, certain Independent Managers impose more restrictive account requirements and varying billing practices than Counsel Fiduciary. In such instances, Counsel Fiduciary may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

## Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

### Methods of Analysis

Counsel Fiduciary's analytical metrics are based on the principles of Modern Portfolio Theory ("MPT"). MPT is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nonetheless, Counsel Fiduciary's investment process is structured in such a way to integrate those assumptions and real-life considerations for which MPT analytics do not account.

### Investment Strategies

Counsel Fiduciary initiates each client relationship with a complete review of its client's individual circumstances, current portfolio, goals and objectives and risk tolerance. Based on this initial conversation, the firm uses long-only portfolios and plan investments that it feels best suit the client's needs. A Monte Carlo simulator assists in determining how the plans are structured based on the assumptions used and communicated to the client. Counsel Fiduciary's investment portfolios are all global and include asset classes that are readily investible. These comprise U.S., global developed and emerging market debt and equity securities, as well as alternative investments (examples are real estate, commodities, options strategies, and crypto assets). The firm's primary investment choices are ETFs and indexed-based mutual funds. Counsel Fiduciary determines asset allocation criteria and chooses the funds necessary to rebalance accordingly.

### Risk of Loss

*Publicly traded pooled investment vehicles ("funds"): Mutual Funds, Exchange Traded Products (ETFs), Unit Investment Trusts (UITs), Real Estate Investment Trusts (REITs)*



An investment in a fund involves risk, including the loss of principal. Fund shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains. Mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

**Mutual Funds:** Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

**ETFs:** Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF or the underlying assets making up the fund, a shareholder may have no way to dispose of such shares.

**UITs and REITs:** These types of funds are traded similarly to ETFs, but often have no mechanism for redeeming shares. This can result in share prices significantly deviating from NAV. In addition, the underlying assets may be illiquid or difficult to value. These types of funds may also be subject to less regulatory oversight than mutual funds or ETFs.

#### *Market Risks*

The profitability of a significant portion of Counsel Fiduciary's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Counsel Fiduciary will be able to predict those price movements accurately.

#### *Use of Independent Managers*

Counsel Fiduciary may recommend the use of Independent Managers for certain clients. Counsel Fiduciary will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the Independent Managers ability to successfully implement their investment strategy. In addition, Counsel Fiduciary does not have the ability to supervise the Independent Managers on a day-to-day basis other than as previously described in response to Item 4, above.

#### *Use of Private Collective Investment Vehicles*

Counsel Fiduciary may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called "hedge funds"). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

#### *Digital Assets*

Counsel Fiduciary recognizes that digital assets may be suitable for certain clients and circumstances. Digital assets are a new asset class and are not part of a traditional investment portfolio, rather, they may be added to an investment portfolio as a speculative position. Digital assets involve a unique set of risks, which include:

- **Risk of Loss:** Digital assets are a speculative and volatile investment. Investors should be prepared for volatile market swings and prolonged bear markets. The prices of digital assets are completely derived by market forces of supply and demand, and digital assets are more volatile than traditional currencies and financial assets.
- **Regulatory risk:** Federal law provides investors with significant protections when they invest in securities. Many of these protections are not yet available to those who choose to purchase digital assets. Digital assets could be banned or highly regulated by governments, which could deter investors from buying or holding digital assets.

- **Technical and Cybersecurity Risk:** Digital assets are a dynamic codebase network. Updates or changes could potentially have an error that threatens the security or functionality of the digital asset network. Digital asset exchanges and wallets have been hacked and digital assets have been stolen. This is a significant risk with which clients must be comfortable.

***General Risk of Loss***

**Investing involves the risk of loss. Clients should be prepared to bear such loss.**

**Item 9. Disciplinary Information**

Counsel Fiduciary is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Counsel Fiduciary does not have any required disclosures to this Item.

**Item 10. Other Financial Industry Activities and Affiliations**

Counsel Fiduciary is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. The firm has no disclosures pursuant to this Item.

**Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The law considers an investment adviser like Counsel Fiduciary to be a fiduciary under the Investment Advisers Act of 1940.

The SEC provides an information sheet that describes some of our obligations to our clients, and you can read it here: <https://www.sec.gov/divisions/investment/advoverview.htm>

**As a fiduciary, we have an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest.**

Counsel Fiduciary has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). Counsel Fiduciary's Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Counsel Fiduciary or any of its associated persons. The Code of Ethics also requires that certain of Counsel Fiduciary's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients and prospective clients may contact Counsel Fiduciary to request a copy of its Code of Ethics.

We recognize that the personal investment transactions of employees, family members, and persons associated with Counsel Fiduciary ("Associated Persons") may create a conflict of interest through timing and pricing of trades. We require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Counsel Fiduciary Associated Persons are permitted to buy or sell securities that the firm also recommends to clients consistent with Counsel Fiduciary's policies and procedures. Associated Persons may effect transactions for themselves at the same time as clients as part of a block trade, in accordance with the Rules and the Compliance Manual, but must not receive more favorable transaction terms than clients.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

## **Item 12. Brokerage Practices**

As discussed above, in Item 5, Counsel Fiduciary routinely recommends that clients utilize the brokerage and clearing services of Fidelity.

Factors which Counsel Fiduciary considers in recommending Fidelity or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Fidelity may enable the firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other Financial Institutions. The commissions paid by Counsel Fiduciary's clients to Fidelity comply with the firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Counsel Fiduciary determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Counsel Fiduciary seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Counsel Fiduciary in its investment decision-making process. Such research generally will be used to service all of the firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Counsel Fiduciary does not have to produce or pay for the products or services. Counsel Fiduciary periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

Counsel Fiduciary receives without cost from Fidelity computer software and related systems support, which allow Counsel Fiduciary to better monitor client accounts maintained at Fidelity. Counsel Fiduciary receives the software and related support without cost because the firm renders investment management services to clients that maintain assets at Fidelity. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support benefits Counsel Fiduciary, but not its clients directly. In fulfilling its duties to its clients, Counsel Fiduciary endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Counsel Fiduciary's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the firm's choice of broker/dealer over another that does not furnish similar software, systems support or services. Counsel Fiduciary does not currently have formal "soft dollar" arrangements with any broker and clients do not pay commissions or additional fees in return for the benefits currently received from Fidelity.

Specifically, Counsel Fiduciary may receive the following benefits from Fidelity:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Fidelity also makes available to the Firm, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Counsel Fiduciary (within specified parameters). These research and brokerage services are used by the Firm to manage accounts for which it has investment discretion.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Fidelity. Fidelity's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Fidelity generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts.

Fidelity also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Fidelity. Other potential benefits may include occasional business entertainment of personnel of Counsel Fiduciary by Fidelity personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Counsel Fiduciary in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Fidelity. Fidelity also makes available to Counsel Fiduciary other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Fidelity may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Fidelity may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, Counsel Fiduciary endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Fidelity may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity, which creates a potential conflict of interest.

### **Brokerage for Client Referrals**

Counsel Fiduciary does not consider, in selecting or recommending broker/dealers, whether the firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

Counsel Fiduciary routinely recommends that clients direct us to utilize the brokerage and clearing services of Fidelity. Each client will generally be required to establish their accounts at Fidelity if they have not already done so. Please note that not all advisers have this requirement. Counsel Fiduciary is independently owned and operated and is not affiliated with Fidelity. The benefits Counsel Fiduciary receives as a result of client accounts held at Fidelity are detailed above.

The client may direct Counsel Fiduciary in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Counsel Fiduciary (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Counsel Fiduciary may decline a client's request to direct brokerage if, in the firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

Transactions for each client will be effected independently, unless Counsel Fiduciary decides to purchase or sell the same securities for several clients at approximately the same time. Counsel Fiduciary may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had

such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Counsel Fiduciary's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Counsel Fiduciary's Supervised Persons may invest, the firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Counsel Fiduciary does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Item 13. Review of Accounts**

For those clients to whom Counsel Fiduciary provides investment management services, Counsel Fiduciary monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Counsel Fiduciary provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by Counsel Fiduciary's executive officer, Leith S. Harmon. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Counsel Fiduciary and to keep Counsel Fiduciary informed of any changes thereto. Counsel Fiduciary contacts ongoing investment advisory clients at least quarterly to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Counsel Fiduciary provides investment advisory services will also receive a written report from Counsel Fiduciary that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance not less than annually. Clients should compare the account statements they receive from their custodian with those they receive from Counsel Fiduciary.

Those clients to whom Counsel Fiduciary provides financial planning and/or consulting services will receive reports from Counsel Fiduciary summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Counsel Fiduciary.

### **Item 14. Client Referrals and Other Compensation**

Counsel Fiduciary does not currently provide compensation to any third-party solicitors for client referrals

### **Item 15. Custody**

Counsel Fiduciary's Agreement and/or the separate agreement with any Financial Institution authorize Counsel Fiduciary through such Financial Institution to debit the client's account for the amount of Counsel Fiduciary's fee and to directly remit that management fee to Counsel Fiduciary in accordance with applicable custody rules.

The Financial Institutions recommended by Counsel Fiduciary send statements to clients, at least quarterly. In addition, as discussed in Item 13, Counsel Fiduciary also sends periodic supplemental reports to clients. Clients should carefully

review the statements sent directly by the Financial Institutions and compare them to those received from Counsel Fiduciary.

## **Item 16. Investment Discretion**

Counsel Fiduciary accepts the authority to exercise discretion on behalf of clients. Clients may limit this discretion. For example, certain securities may be restricted from purchase or sale. Counsel Fiduciary is given this authority through a power-of-attorney included in the agreement between Counsel Fiduciary and the client. Counsel Fiduciary takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

## **Item 17. Voting Client Securities**

Counsel Fiduciary is required to disclose if it accepts authority to vote client securities. Counsel Fiduciary does not vote client securities on behalf of its clients. Clients receive proxies directly from the Financial Institutions. Clients may contact us at the number listed on the cover of this brochure to discuss a particular proxy vote.

Certain Independent Managers may offer to proxy vote on behalf of client securities. These arrangements are approved by the client on a case by case basis. In these instances, voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6, may be obtained from the Independent Manager. These policies and procedures will detail whether (and, if so, how) clients can direct the Independent Manager vote in a particular solicitation, how the Independent Manager addresses conflicts of interest with clients with respect to voting their securities, and how clients may obtain information on how their securities were voted.

## **Item 18. Financial Information**

Counsel Fiduciary is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Counsel Fiduciary, LLC**

*a Registered Investment Adviser*

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