

**Part 2A of Form ADV: Firm Brochure**



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12/29/2023

This brochure provides information about the qualifications and business practices of Whitegate Investment Counselors, Inc.

If you have any questions about the contents of this brochure, please contact us at 603-228-5471 or [pwolfe@whitegateinvest.com](mailto:pwolfe@whitegateinvest.com).

Whitegate Investment Counselors, Inc. is a registered investment adviser. Use of the term “registered investment adviser” does not imply any level of skill or training.

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 Whitegate Investment Counselors, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Material Changes**

This item summarizes only material changes, including new or revised information or disclosures, to this Firm Brochure since our last update as of 12/31/2022:

### **Item 4 Advisory Business**

#### **Corporate Structure**

This item has been updated to reflect Whitegate Investment Counselors, Inc.'s change in control and ownership to Paulette W. Wolfe on 12/29/2023.

#### **Assets Under Management**

This item has been updated to reflect values as of 12/29/2023.

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

#### **Investment Supervisory Services and Individual Portfolio Management and Consulting Services.**

This item has been updated to reflect Carl G. Erickson's change in title and Sarah A. Burdette's addition to the list of individuals who perform client account review duties.

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## **Item 4 Advisory Business**

### **Corporate Structure**

Whitegate Investment Counselors, Inc. ("WICI") is a SEC-registered investment adviser with its principal place of business located in New Hampshire. The firm began conducting business in 1992 under the name of Whitegate Investment Counselors, Inc. ("Whitegate"). On 12/31/2015, Taylor, Cottrill LLC (another New Hampshire firm) merged with Whitegate and the combined entity was renamed Taylor, Cottrill, Erickson and Associates, Inc. On 12/28/2021, Taylor, Cottrill, Erickson & Associates, Inc. changed its name back to Whitegate Investment Counselors, Inc. and sold the assets and business unit associated with its branch office in New London, New Hampshire. On 12/29/2023, Paulette W. Wolfe acquired 100% of the shares of Whitegate Investment Counselors, Inc. from Carl G. Erickson. Ms. Wolfe is now the sole shareholder of the Company. Listed below are the firm's shareholders as of 12/29/2023 (i.e., these individuals and/or entities control 25% or more of this company):

- Paulette Wheeler Wolfe: President, Chief Compliance Officer ("CCO"), and Sole Shareholder

Education and Background of Officers and Shareholders is listed in WICI's ADV Part 2B (attached to our ADV Part 2A).

### **Investment Services**

WICI provides advice to clients regarding the investment of client funds based on the individual needs of the client. Through personal discussions (including, but not limited to, one or more of the following communication methods: letters, e-mails, telephone conferences, in-person meetings and forms that we request clients to complete to help us gather data about their family and financial situations) in which goals and objectives based on a client's particular circumstances are established, we develop an asset allocation and investment recommendations for each client. We then create and manage a portfolio based on that asset allocation. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, return expectations, expected deposit/withdrawal patterns and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. Account supervision is guided by the client's stated risk tolerance, return expectations, expected deposit and withdrawal patterns and tax considerations.

WICI manages advisory accounts on a discretionary or non-discretionary basis although most accounts are managed on a discretionary basis.

We will consider accepting any restrictions on investment in certain securities, or types of securities or industry sectors on a best-efforts basis for a client if we feel the restrictions are reasonable and can be executed without compromising our ability to meet the client's investment objectives. These restrictions can be discussed with portfolio managers at any time.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- American Depositary Receipts of foreign issuers
- Warrants
- Commercial Paper
- Corporate debt securities

- Certificates of deposit
- Municipal Bonds
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate

Depending on market conditions, holding periods may vary considerably. After-tax returns are taken into consideration for taxable accounts. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

#### **Participant Directed 401(k) Profit-Sharing Plan Services**

Although WICI does not currently provide this service for any Participant Directed 401(k) Plan clients at this time, WICI has in the past and may in the future perform certain investment advisory and reporting services for participant directed 401(k) profit-sharing plans on a non-discretionary basis. Such services include selection of mutual funds to be offered to participants, information regarding the benefits of participation in the plan, historical information on returns of various asset classes, asset allocation information, generic information on different types of mutual funds and specific information on risk levels, track records and management of the mutual funds selected for the plan. WICI does not generally place trades (as most plans are self-directed) or provide record keeping and administrative services but does provide quarterly or semi-annual performance reports and periodic updates of the information described previously.

#### **Selection of Other Advisors**

Although WICI does not currently provide this service for any of its clients at this time, WICI has in the past and may in the future perform certain investment advisory and reporting services to advise certain clients in the selection of other advisors, including Third Party Money Managers and/or Hedge Funds. Based on the client's individual circumstances and needs we then perform management searches of various unaffiliated registered investment advisers to identify which registered investment adviser's portfolio management style may be appropriate for that client. Factors considered in making this determination include account size, risk tolerance, and the investment philosophy of the selected registered investment adviser. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered.

We will monitor the performance of the selected registered investment adviser(s). If we determine that a particular selected registered investment adviser(s) is not providing sufficient management services to the client or is not managing the client's portfolio in a manner consistent with the client's individual objectives, time horizons, risk tolerance, return expectations, expected deposit/withdrawal patterns and liquidity needs, we may suggest that the client contract with a different registered investment adviser and/or program sponsor. Under this scenario, our firm may assist the client in selecting a new registered investment adviser and/or program. However, any move to a new registered investment adviser and/or program is solely at the discretion of the client.

#### **Consulting Services**

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

#### **Wrap Fee Programs**

We do not participate in any wrap fee programs.

#### **Assets Under Management**

Based on 12/29/2023 values, Whitegate Investment Counselors, Inc. actively manages or advises on a total of \$647,484,162 million of clients' assets: \$635,764,278 million on a discretionary basis and \$11,419,884 million on a non-discretionary basis.

### **Item 5 Fees and Compensation**

#### **Investment Supervisory Services and Individual Portfolio Management Fees**

WICI is normally compensated through fees assessed on the assets we are assigned to manage. The fee schedule is outlined below:

**Basic Fee Schedule**

<b>Size of Account</b>	<b>Annual Rate</b>
\$0-\$200,000	1.50%
plus \$200,001-\$500,000	1.25%
plus \$500,001-\$1,000,000	1.00%
plus >\$1,000,000	0.75%

Either party may terminate the contract at any time without cause upon 30 days written notice without a termination fee.

#### **Limited Negotiability of Advisory Fees:**

WICI retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, concentrated low-cost positions, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

We may group certain related client accounts for the purposes of determining the annualized fee.

Fees are billed quarterly in advance and may either be debited from client accounts or billed directly to client.

#### **Other Compensation**

Employees of WICI may not accept compensation for the sale of any security or investment product.

**Participant Directed 401(k) Profit Sharing Plan Services Fees**

Fees, generally a percentage of plan assets, are determined on a case-by-case basis and are based on the (i) size of the plan, (ii) number of investment options desired, (iii) frequency and extent of reporting desired and various other criteria but are generally lower than the Basic Fee Schedule for full investment advisory services.

**Consulting Services Fees**

WICI may, on occasion, perform services including preparation of special reports for certain clients on investments presented to or managed for those clients by others and for which those clients specifically seek WICI's advice such as tax-deferred annuities and limited partnership or private placement investments. WICI may prepare such reports as part of its investment supervisory services or may charge an hourly fee at a billing rate ranging from \$300 to \$500 per hour. Time for Associates and Other Officers is billed at \$100 to \$250 per hour. The client will be billed in arrears based on actual hours accrued.

**General Information**

*Termination of the Advisory Relationship:* A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, fees for investment advisory and portfolio management services are paid in advance of services provided. Upon termination of any account, any fees so billed and paid in advance are refunded pro-rata with no termination fee.

*Mutual Fund and ETF Fees:* All fees paid to WICI for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Generally, such funds are available to WICI clients at Net Asset Value without sales charges or sales loads. However, some mutual funds may charge redemption fees to restrict frequent trading. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

*Wrap Fee Programs and Separately Managed Account Fees:* WICI does not participate in any Wrap Free Programs. However, clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

*Additional Fees and Expenses:* In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

*ERISA Accounts:* WICI neither seeks, receives, nor pays to or from brokers or anyone else any commissions, sales loads, or 12(b)1 fees of any type.

*Advisory Fees for Similar Services:* Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

*Limited Prepayment of Fees:* Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered. Such prepayments will be promptly returned to the client.

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

WICI does not accept performance-based fee arrangements.

## **Item 7 Types of Clients**

WICI currently provides advisory services to individuals and high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. Banks and thrift institutions and investment companies could be clients in the future.

WICI seeks a mutually beneficial relationship with clients. We have determined that our minimum assignment is \$500,000 in managed assets or \$5,000 in annual fees. Accounts may be combined to meet the minimum asset requirement. The fee minimum may be waived. The acceptance or retention of a client below the minimum level will be determined by several factors including, but not limited to, the client's total assets potentially available for management, the client's choice of custodian, the client's expected level of service, and pre-existing account relationships.

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

### **Methods of analysis**

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information. WICI uses the following methods of analysis in formulating our investment advice and/or managing client assets:

*Asset Allocation:* We identify an appropriate ratio of equity securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. Risk cannot be eliminated, however. If return characteristics and correlations among asset class returns are inconsistent through time, these ratios may not perform as expected. In addition, a broadly diversified portfolio may not participate in sharp increases in a particular security, industry, or market sector. Also, the ratio of equity securities, fixed income, and cash will change over time due to position and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Our research process is intended to identify securities that offer a reasonable opportunity for long-term positive returns but there is no guarantee that returns will not be negative. Diversification among individual holdings can reduce risk, but clients should be prepared to experience losses.



*Mutual Fund and/or ETF Analysis:* Major criteria that should be considered include but aren't limited to the mutual fund's track record versus its benchmark, management, and management "bench strength", management ownership of the fund, expenses (loads, redemption fees, and management, distribution, administrative and trading fees), compliance history, style drift, MPT statistics (standard deviation, R-squared and other fund statistics), asset base, tax efficiency and fund turnover.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

### **Investment Strategies**

WICI uses the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

*Long-term purchases:* We purchase securities with the idea of holding them in the client's account for a year or longer. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

*Short-term purchases:* When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). WICI uses this strategy generally when a client has informed us that they may be making withdrawals from their account(s).

*Margin transactions:* Generally, WICI does not make margin transactions and can only make them in client accounts that have a margin feature on their account(s). However, there are circumstances under which we may recommend margin be used as a bridge loan for a limited period. Some clients may choose to use margin on a long-term basis.

*Options:* Infrequently, and depending on client and market circumstances, WICI may use options strategies including hedges, covered calls, and spreads.

*Risk of Loss:* Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

### **Item 9 Disciplinary Information**

None.

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

Neither the firm nor any of its employees are registered as a broker-dealer. There are no registration applications pending.

Neither the firm nor any of its employees are registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing entities. There are no registration applications pending.

Neither the firm nor any of its employees have relationships or arrangements that are material to our advisory business or to our clients with any of the following entities:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker
- Investment company or other pooled investment vehicle
- Other investment adviser or financial planner
- Futures commission merchant, commodity pool operator, or commodity trading advisor
- Banking or thrift institution
- Insurance company or agency
- Pension consultant
- Real estate broker or dealer
- Sponsor or syndicator of limited partnerships

On occasion, a new or current client of WICI may request that we provide them with a list of potential tax preparers and/or attorneys. We provide this only as a courtesy to our clients and have no referral fee arrangements for these recommendations. On occasion, one or more of the tax preparers and/or attorneys that WICI may have mutual clients or do business with may recommend WICI to accounting clients in need of advisory services. Conversely, WICI may recommend one or more of those tax preparers and/or attorneys to advisory clients in need of accounting and/or legal services. Accounting and/or legal services provided by such firms are separate and distinct from WICI and our advisory services and are provided for by separate and typical compensation. There are no referral fee arrangements between our firms for these recommendations. No WICI client is obligated to use these firms for any accounting and/or legal services and conversely, no accounting or legal client is obligated to use the advisory services provided by WICI.

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

##### **Code of Ethics**

WICI has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. WICI and our personnel owe a duty of loyalty, fairness, and good faith toward our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. You may request a copy by email sent to [pwolfe@whitegateinvest.com](mailto:pwolfe@whitegateinvest.com), or by calling us at 603-228-5471.

##### **Participation or Interest in Client Transactions and Personal Trading**

Employees may, from time to time, buy and sell for themselves the same securities they recommend to clients. This has the potential to create a conflict of interest between employees and clients. WICI's personal trading policies are designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Employees are encouraged to avoid any apparent conflict of interest with clients when buying and selling in their own account(s).

WICI allows its employees to purchase or sell securities in their own accounts on the same day it may execute such trades for clients as all same-day securities trades are executed at the same average price (NAV) for all client accounts buying and selling such securities. WICI may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek the best execution for our clients. In these instances, participating clients (including employee accounts) will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each client account paying the average price. More information regarding WICI's block trading policy can be found in Item 12 Brokerage Practices.

WICI employees must obtain prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Employees may only buy securities from or sell securities to clients as part of an agency cross transaction (usually involving municipal bonds). See Item 12 Brokerage Practices, Agency Cross Transactions for more information regarding WICI's Agency Cross Practices.

WICI requires that the CCO (i) be copied on a regular, continuous and timely basis on all statements and confirmations and (ii) have the authority to spot check on a surprise basis all trading activity of all full-time employees engaged in non-clerical positions ("covered individuals") as well as all accounts of covered individuals' family members (except 401(k), profit-sharing or pension plans of which such family member is a participant) who share a household with any advisory personnel that its appropriate supervisory personnel.

Covered individuals are required to provide the CCO with personal trading statements and to affirm quarterly that their personal trades have not created a conflict of interest with clients. The CCO reviews brokerage statements and trade blotters periodically to verify these attestations. Employees may be required to pre-clear their personal trades with the CCO if questionable practices arise. Willful and repeated violations of the firm's Code of Ethics may result in penalties up to and including termination.

WICI accepts investment management contracts with employees and employee relatives and will treat these accounts equally with other clients. This presents a potential conflict of interest in that portfolio managers could favor employee and related accounts over other client accounts. The CCO reviews related account trading and compares it to other client trades for evidence of favoritism. The CCO also reviews firm-wide portfolio and asset class returns for evidence of favoritism. Giving preference to any client over another could be considered a violation of our Code of Ethics and could result in penalties up to and including termination.

## **Item 12 Brokerage Practices**

### **Custody and Brokerage**

WICI generally recommends that clients use full-service discount brokerage firms or firms with rates competitive with full-service discount firms. WICI may recommend such firms based upon the (i) ability of such firms to offer clients the ability to purchase, hold and sell a variety of investments, including no-load mutual funds and various types of bonds and stocks in one consolidated account, (ii) tax reporting capability, and (iii) the financial strength and reputation of as well as other services provided by such firms.

WICI may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. WICI is independently owned and operated and not affiliated with Schwab.

Schwab provides WICI with access to its institutional trading and custody services, which may not be available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab and is not otherwise contingent upon an advisor committing to any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, 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 our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to our firm other products and services that benefit WICI but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab. Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that provide access to client account data (such as trade confirmations and account statements):

- i. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- ii. provide research, pricing and other market data;
- iii. facilitate payment of our fees from clients' accounts; and
- iv. assist with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise which may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to WICI. Schwab 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 our firm. Schwab may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients to custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### **Principal Transactions**

WICI and individuals associated with our firm are prohibited from engaging in principal transactions.

### **Agency Cross Transactions**

WICI on occasion negotiates "cross-trades" in accounts it manages provided that the transaction is consistent with our firm's fiduciary duty to the client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940 are met. Cross-trading is the practice of trading securities between accounts managed by the same investment advisor. WICI on occasion will negotiate such cross-trades, usually involving municipal bonds, if WICI believes an account it manages should sell a security for various reasons including but not

limited to realizing a tax loss or simply raising cash and that the security in question is appropriate for purchase in another account managed by WICI. WICI believes that both accounts benefit from such cross-trades (the selling account receiving more net proceeds than it otherwise might and the purchasing account paying less in gross proceeds than it otherwise might) because such cross-trades can usually be accomplished for a small flat dollar fee (generally \$50 to each account involved) instead of being subject to the broker-dealer mark-ups and mark-downs that would otherwise apply if WICI put such bonds out for so-called "street bids" and/or purchased bonds being offered by a broker-dealer. WICI always seeks such "street bids" and searches bonds being offered by broker-dealers before negotiating cross-trades and completes such cross-trades only if both accounts obtain better prices and terms than they otherwise would. WICI is not a broker-dealer, nor does it act as principal in such cross-trades and receives no compensation other than its standard advisory fees for arranging cross-trades.

### **Trade Aggregation**

WICI will arrange block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as no client's transaction costs are greater than they would have been if the trade was not blocked with other clients. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. WICI's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with WICI, or our firm's order allocation policy.
- 2) WICI must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) WICI must reasonably believe that the order aggregation will benefit and will enable WICI to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Aggregated trades are always preceded by a pre-execution aggregation statement.
- 5) If the order cannot be executed in full at the same price or time, the securities purchased or sold by the close of each business day will be allocated pro rata among the participating client accounts in accordance with the initial order. If an order must be allocated on a basis other than pro-rata, all participating clients shall receive fair and equitable treatment. When fixed income trades are aggregated, for instance, it may not be in any client's best interest to apportion pro-rata shares of the executed trade. The rationale for any incomplete equity trades allocated on anything other than a pro rata basis must be reported to the CCO.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) WICI's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 8) Funds and securities for aggregated orders are clearly identified on WICI's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 9) No client or account will be favored over another.

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

#### **Investment Supervisory Services and Individual Portfolio Management**

*Reviews:* Accounts are reviewed at least quarterly. More frequent reviews may be triggered by firm-wide decisions on asset class shifts or individual securities, or by material changes in the market, political, or economic environment as well as changes in the client's individual circumstances. Account reviews are conducted by an employee with the Series 65 Investment Adviser Representative designation and a U-4 on file, as well as professional qualifications such as a college degree, the CFA or the CFP designation, or the equivalent experience in finance and investments. Currently, the following perform these duties:

Sarah A. Burdette, Director of Client Service  
Carl G. Erickson, Senior Portfolio Manager  
Paulette W. Wolfe, Principal and Portfolio Manager

*Reports:* In addition to statements and trade confirmations received directly from their custodians, clients may also receive a variety of reports from WICI. These include periodic thought memos and individual portfolio reports. The portfolio reporting schedule is quarterly or annually depending upon the agreed-upon schedule.

#### **Consulting Services**

*Reviews:* While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted at the client's request by an employee with professional qualifications such as a college degree, the CFA or the CFP designation, or the equivalent experience in finance and investments. Currently, the following perform these duties:

Sarah A. Burdette, Director of Client Service  
Carl G. Erickson, Senior Portfolio Manager  
Paulette W. Wolfe, Principal and Portfolio Manager

*Reports:* Consulting Services clients will not typically receive reports due to the nature of the service.

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

It is WICI's policy to not engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

WICI does not accept nor allow our related persons to accept or solicit any form of compensation or benefit, direct or indirect, monetary, or otherwise, including cash, rebates, sales awards or other prizes or gifts (other than items sent to employees on an unsolicited basis with a value less than \$50) from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

WICI does not offer custody services. Client assets must be maintained in an account at a “qualified custodian,” generally a broker dealer or a bank. Each client may select their own qualified custodian. If there is no present relationship, WICI may suggest one or more alternatives. We are independently owned and not affiliated with any of the custodians we may suggest. These custodians will hold client assets in a brokerage account and buy or sell securities when we instruct them to do so. While we may recommend custodians, each client will decide which custodian to use and will enter into an account agreement directly with them. We may assist in opening the account, but we cannot do this for clients. The custodian will send statements directly to clients. WICI urges clients to review these regularly and to compare them to the reports clients will receive from WICI.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm may directly deduct advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account.

On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review the statements they receive directly from the custodian to verify the accuracy of the calculation. Clients should also review their custodian statements and trade confirmations for accuracy of deposits, withdrawals, income activity, trades and period end security and cash positions and valuations, among other things.

Clients should compare the market values, deposits and withdrawals and fees, among other things shown on the reports they receive from WICI with the statements they receive from the custodian.

Clients should contact WICI directly if they believe that there may be an error in their statement or report.

## **Item 16 Investment Discretion**

WICI and the client will jointly agree on the custodian firm to hold clients' assets. The agreed upon custodian will be identified on the contract between the advisor and the client. WICI generally obtains a limited trading authorization from a client that allows WICI to place purchase and sale instructions on a discretionary basis on clients' behalf. This limited trading authorization is granted on the contract between the advisor and the client as well as the custodian/broker-dealer account forms that the client must complete prior to opening an account at the custodian. After execution of a contract, no additional prior authorization is required from the client before WICI executes transactions on his behalf.

Clients may also choose to designate WICI with the authority to effect certain transactions in their accounts. Authority may include the ability for WICI to transfer funds electronically between client investment accounts, client investment accounts and client bank accounts, or in some limited cases, disbursement of funds from client accounts to a third party – usually a tax authority. This authority is designated to WICI by the client in writing to the custodian and may be changed or withdrawn by the client by written notice to the custodian at any time. WICI does not have the authority to change payee or address information for any disbursements.

WICI encourages clients to carefully review any transaction notices or statements they receive from custodians, as well as all reports they receive from WICI and to notify the custodian and WICI if they have any questions or concerns.

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

To avoid any potential conflict of interest, WICI recommends clients vote their own proxies on individual securities. WICI does not accept authority to vote proxies on client securities.

Because WICI does not specifically accept authority on proxies, clients will maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

WICI does not offer any consulting assistance regarding proxy issues to clients.

### **Item 18 Financial Information**

WICI does not require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement in our Form ADV Part 2.

WICI has no financial circumstances likely to impair our ability to meet our contractual obligations.

WICI has not been the subject of a bankruptcy petition at any time during the past ten years.