



# Carmichael Hill and Associates, Inc.

SEC File Number 801-34173

## **ADV PART 2A & B, Firm Brochure**

**March 28, 2024**

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[www.carmichael-hill.com](http://www.carmichael-hill.com)

This Brochure provides information about the qualifications and business practices of Carmichael Hill. If you have any questions about the contents of this Brochure, please contact us at 301-217-9300. 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.

Carmichael Hill is a “registered investment adviser”. Registration of an investment adviser does not imply a certain level of skill or training. Additional information about Carmichael Hill also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

### MATERIAL CHANGES

Carmichael Hill's most recent update to Part 2 of Form ADV (Disclosure Brochure) includes the following material changes:

- Revised/Updated Business Description – Item 4
- Added Limitations on Services Involving Third-Party Retirement Platforms – Item 4

We encourage you to review the document in its entirety and contact our office with any questions.

### OTHER NON-MATERIAL CHANGES

Various formatting and grammatical corrections – these are not material in nature.

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## Item 4 – Advisory Business

Carmichael Hill & Associates, Inc. (Carmichael Hill) has been a fee only investment advisory firm for small and mid-size groups and individuals since 1989. Clients who work with Carmichael Hill are typically seeking an advisor who knows each client well, approaches each relationship on an individual basis, and who helps to coordinate a host of financial considerations. Carmichael Hill's mission is twofold:

- A) To optimize every individual investment plan in terms of performance at a selected risk tolerance.
- B) Help the client to accomplish their specific stated objectives.

Clients can customize investment plans by imposing restrictions on investing in certain securities, types of securities, and specific industry sectors.

### SERVICES PROVIDED

Investment advisory services involve the selection of a preferred investment strategy to match goals and risk tolerance, the selection of investment vehicles, and a plan for monitoring and adjusting the portfolio on an ongoing basis.

Advice for clients not involving securities may include financial advice on such matters as budgeting, education planning, retirement planning, and insurance planning, and are provided on an as needed basis (i.e. client requests such services). A financial plan may include but is not limited to: a net worth statement, a cash flow statement, a review of investment accounts to include reviewing asset allocation and providing repositioning recommendations, a review of retirement accounts and plans including recommendations, a review of insurance policies, one or more retirement planning scenarios, estate planning review and recommendations, and education planning with funding recommendations.

**Please Note:** In performing its services, Carmichael Hill shall not be required to verify any information received from client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains the client's responsibility to promptly notify Carmichael Hill if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising Carmichael Hill's previous recommendations and/or services.

A copy of Carmichael Hill's written Brochure as set forth on Part 2A of Form ADV and Part 3 Form CRS shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement.

Carmichael Hill is owned by James Stewart. As of 12/31/2023 Carmichael Hill has \$342,912,793 of assets under discretionary management.

The asset types we advise on include mutual funds, exchange traded funds and notes, individual common and preferred stocks, options, warrants, structured products, government, municipal and corporate bonds, certificates of deposit and money market funds. We do not advise on commodities or

collectibles unless they are exchange traded funds (ETFs) or exchange trade notes (ETNs). We may also comment on interests in partnerships, real estate and oil and gas, but this is uncommon.

### Limitations of Financial Planning and Non-Investment Consulting/Implementation:

As indicated above, we may provide financial planning and related consulting services regarding non-investment related matters such as estate planning, tax planning, insurance, etc. upon client request.

**Please Note:** Carmichael Hill does not serve as an attorney, accountant, or insurance agency, and no portion of its services should be construed as legal or accounting services. Accordingly, it does not prepare estate planning documents, tax returns, or sell insurance products. To the extent requested by a client, Carmichael Hill may recommend the services of others to assist the client where it cannot (i.e. attorneys, accountants, insurance, etc.) Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by Carmichael Hill or its representatives.

**Please Note:** If the client engages any unaffiliated recommended professional and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

### Limitations on Services Involving Third-Party Retirement Platforms:

Where investment advisory services include recommendations on investments within retirement plans involving a third-party platforms (e.g., a 401k plan), such assets will be included for billing purposes. Due to the constraints of such platforms, Carmichael Hill typically will not have full discretion to trade client accounts. In such cases, recommendations are provided to clients to implement via the third-party retirement platform. Additionally, share class selection may be limited by the plan sponsor. For example, 401(k) Plans often have a limited array of investments and share classes available.

## Item 5 – Fees and Compensation

The specific way fees are charged is established in a client's written agreement with Carmichael Hill. Carmichael Hill will generally bill its fees on a quarterly basis in arrears. Clients may elect to be billed directly for fees or to authorize Carmichael Hill to directly debit fees from client accounts. Management fees shall not be prorated for each capital contributions and withdrawals made during the applicable quarter.

### BASIC FEE SCHEDULE (client chooses either A, B, or C.)

#### A) Percentage of Assets Under Management

Percentage fees range as follows for assets under management:

- 1.50% annually for asset amounts \$250,000 or less.

- 1.25% annually for asset amounts above \$250,000 but less than \$500,000.
- 1.00% annually for asset amounts above \$500,000 but less than \$1,000,000.
- 0.75% annually for asset amounts above \$1,000,000 but less than \$2,000,000.
- 0.50% annually for asset amounts \$2,000,000 but less than \$10,000,000.
- 0.35% annually for asset amounts \$10,000,000 and above.

Percentage fees are negotiable according to the complexity of the portfolio and could be higher or lower than the above fees. Services include selection of investments, monitoring, and adjusting as needed. Clients are advised to hold cash balances intended for non-investment purposes in accounts not managed by Carmichael Hill if they wish to avoid fees. Similar services to those offered by Carmichael Hill may be available for lower fees from other competing advisory firms. Billing for these charges is quarterly in arrears.

#### B) Hourly Charges

\$250/hour for business clients for non-investment advice or consultation; \$250/hour for individual clients for investment advice or other financial planning consultation; \$250/hour for business clients for investment advice. The hourly rate is non-negotiable. However, there is no minimum number of hours so a client may choose one hour or fraction of hour, depending on situation.

Clients working with Carmichael Hill under the hourly arrangement should be aware that we take no responsibility for implementing what we advise and do not monitor the investment portfolios or decisions on an ongoing basis. The advice given is only appropriate at the time it is given, regardless of whether the client chooses to send duplicate statements or other financial information to Carmichael Hill on an ongoing basis.

Billing for hourly charges usually occurs with ½ of the total estimated hours paid upfront and the remaining balance due upon completion of the work. For smaller hourly projects, billing may be paid at the completion of work.

#### C) Fixed Fees

Retainer agreements for which a fixed annual fee is stipulated are based on estimated hourly involvement. Billing is quarterly in arrears and all fees are subject to negotiation.

There is no minimum value of assets or minimum fee. However, the minimum fee for fixed fee and percentage of assets under management is generally \$1,000. Clients choosing hourly charges are not subject to a minimum charge.

#### CONTRACT TERMINATION/REFUND (For Arrangements A and C above)

An advisory contract can be terminated by either client or advisor at any time with written notice. Accounts terminated during a quarter will be charged a prorated fee.

Carmichael Hill's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to Carmichael Hill's fee, and Carmichael Hill shall not receive any portion of these commissions, fees, and costs. Item 12 further describes the factors that Carmichael Hill considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Carmichael Hill does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

Carmichael Hill provides advisory services to two broad client groups - qualified retirement plan sponsors and individual clients. Following are four general categories of client services (first three are for individual clients):

### A) Financial Planning with Ongoing Investment Monitoring

This arrangement involves the creation of an initial financial plan, which includes an investment plan, and may also include a retirement model. Retirement models reflect current sources of income, current positions, and projections of future income at retirement based on a set of assumptions. Some financial plans may include insurance planning and/or children's education planning. We frequently coordinate the plan with the client's other advisors, but we do not prepare tax returns or provide estate planning as stated above in Section 2. We monitor investments on an ongoing basis and clients have access to us by phone, email, virtual or face-to-face meetings to discuss their plan. Clients receive a quarterly report from us and monthly reports from the custodian. We usually bill clients with this type of arrangement quarterly in arrears based on a percentage of agreed upon assets. Sometimes we bill on a flat fee basis instead.

### B) Ongoing Investment Monitoring without financial planning

With this type of arrangement, we provide advice for one or more accounts for which the client has a predetermined purpose, goal or constraint. For example, a client may want to get an income stream from an account with no expectation for growth but a high need for capital preservation. Sometimes we advise on a portion of an overall portfolio while the client uses other advisors for other parts. It is our policy in those situations to be available upon client request to confer with other advisors to develop or enhance a coordinated approach. Clients determine their preferred level of support in this arrangement and may use us solely as a sounding board or for recommendations on particular investment types. Clients also receive a quarterly portfolio report from us and a monthly report from the

custodian/broker. Billing with this type of arrangement is quarterly in arrears based on a percentage of agreed upon assets but sometimes on a flat fee basis.

#### C) Financial Planning without Ongoing Investment Monitoring

Clients can choose regular financial consulting or project consulting. For regular financial consulting, clients can meet with us by phone, virtual or face to face and can ask financial questions pertaining to their specific situation. For this they are charged an hourly fee. For project consulting, we reach agreement on the parameters of the project including goals and constraints. We write this in a letter to the client which includes a description of the project, an estimated time of completion and a price based on estimated hours. We generally bill half the fee in advance and the other half upon completion. The project typically includes a written report and at least one client meeting at the beginning and end of the project.

#### D) Qualified Retirement Plan Clients

Clients hire us as co-fiduciaries for their qualified retirement plans. Depending on plan type, participant or trustee directed, we offer different services and charge different fees. We work with the Trustees of the plan to develop a written Investment Policy Statement for each plan. We customize our services depending on their needs. This usually involves providing reports to Third Party Administrators, participant education, investment selection, and monitoring and rebalancing. See Section 11 for more information about Retirement Plan Clients – ERISA, IRA, Roth IRA, SEP's, Keogh, Profit-sharing Plans and 401k's.

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

It is not our intention to dictate a client's risk tolerance. We ask questions to determine the risk tolerance and at times will employ short tests if the client is uncertain about it. With these questions we emphasize the client's age and time period until the assets will be needed as important determinants. The client's overall situation and goals are also factors. We understand that risk tolerance is not static and may change over time.

The asset types we advise on include mutual funds, exchange traded funds and notes, individual common and preferred stocks, options, warrants, structured products, government and corporate bonds, certificates of deposit and money market funds. We do not advise on commodities or collectibles unless they are exchange traded funds (ETFs) or exchange trade notes (ETNs). We may also comment on interests in partnerships, real estate and oil and gas, but this is uncommon.

We primarily use fundamental analysis when selecting investments, but also consider charting, technical, and cyclical analysis. We rely primarily on third party investment research from but not limited to Value Line, Morningstar, Standard and Poors, Moody's, Ned Davis and Real Money.com. In addition, we use company filings such as annual reports, press releases and periodicals such as The Wall Street Journal and Barron's to support investment recommendations.



We primarily use long term investment strategies complemented with short term or trading where appropriate. We use options, short sales and inverse exchange traded funds where appropriate to hedge portfolios.

Investing in securities involves risk of loss that clients should be prepared to bear. Investors should be prepared to bear risks including but not limited to the following:

- Interest-rate risk is the risk that the value of a security will go down because of changes in interest rates.
- Inflation risk is the risk that increases in the prices of goods and services, and therefore the cost of living, reduce your purchasing power.
- Currency risk occurs because many world currencies float against each other. If money needs to be converted to a different currency to make an investment, any change in the exchange rate between that currency and yours can increase or reduce your investment return.
- Liquidity risk is the risk that you might not be able to buy or sell investments quickly for a price that is close to the true underlying value of the asset.
- Sociopolitical risk is the possibility that instability or unrest in one or more regions of the world will affect investment markets.
- Management risk also known as company risk, refers to the impact that bad management decisions, other internal missteps, or even external situations can have on a company's performance and, therefore, on the value of investments in that company.
- Trading risk is the risk that portfolio management strategies used may generate increased brokerage and other transaction costs and taxes. Such expenses, fees and taxes may have a negative impact on portfolio performance.
- Credit risk also called default risk, is the possibility that a bond issuer won't pay interest as scheduled or repay the principal at maturity.
- Market risk is the risk that the price of a security, bond, ETF or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances.

The investment decisions clients make – and sometimes those they fail to make – can expose them to certain risks that can impede their progress towards meeting their investment goals.

## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Carmichael Hill or the integrity of Carmichael Hill's management. At this time Carmichael Hill has no such events requiring reporting.

## Item 10 – Other Financial Industry Activities and Affiliations

Registered investment advisers are required to disclose Financial Industry Activities and Affiliations that would be material to your evaluation of Carmichael Hill. Carmichael Hill and its employees do not have any Financial Industry Activities or Affiliations to report.

## Item 11 – Code of Ethics

Carmichael Hill has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Carmichael Hill must acknowledge the terms of the Code of Ethics annually or as amended.

Carmichael Hill anticipates that in appropriate circumstances consistent with clients' investment objectives, it will cause accounts over which Carmichael Hill has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Carmichael Hill, and/or clients, directly or indirectly, have a position of interest. Carmichael Hill's employees and associated persons are required to follow Carmichael Hill's Code of Ethics. Subject to satisfying this policy and applicable laws, employees of Carmichael Hill and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Carmichael Hill's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Carmichael Hill 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.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Carmichael Hill's clients. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Carmichael Hill and its clients.

On an infrequent basis, certain fixed income prime broker transactions occur whereas affiliated accounts trade in the same securities with client accounts on an aggregated basis. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Carmichael Hill affiliates shall not allocate trades in a manner that their accounts receive more favorable treatment than the clients' accounts.

Carmichael Hill's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting James Stewart at 301-217-9300.

It is Carmichael Hill's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. They will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

#### Retirement Plan (ERISA) Clients – IRA, Roth IRA, SEP, Simple, Keogh, PSP or 401k accounts:

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## Item 12 – Brokerage Practices

Carmichael Hill generally suggests the use of a discount brokerage account through which Carmichael Hill receives no commissions. Approval of which broker to use is solely at client's discretion. Carmichael Hill may recommend trade-away transactions or prime broker relationships for fixed income investments if it's determined that another broker dealer has better offerings or pricing.

In the event that the client requests that Carmichael Hill recommend a broker-dealer/ custodian for execution and/or custodial services, Carmichael Hill generally recommends that investment management accounts be maintained at Charles Schwab. Prior to engaging Carmichael Hill to provide investment management services, the client will be required to enter into a formal Investment Advisory Contract with Carmichael Hill setting forth the terms and conditions under which Carmichael Hill shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Factors that Carmichael Hill considers in recommending Schwab or another broker-dealer/custodian to clients include historical relationship with Carmichael Hill, financial strength,

reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Carmichael Hill's clients shall comply with Carmichael Hill's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Carmichael Hill determines, in good faith, that the commission/ transaction fee is 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 broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Carmichael Hill will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Carmichael Hill's investment management fee.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Carmichael Hill may receive from Schwab (or another broker-dealer/custodian, investment platform, and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Carmichael Hill to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Carmichael Hill may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Carmichael Hill in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist Carmichael Hill in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Carmichael Hill to manage and further develop its business. Carmichael Hill's clients do not pay more for investment transactions effected and/or assets maintained at Schwab or any other broker-dealer/custodian because of this arrangement. There is no corresponding commitment made by Carmichael Hill to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products because of the above arrangement.

From time to time Carmichael Hill may make an error in submitting a trade order on a client's behalf. When this occurs, Carmichael Hill may place a correcting trade with the broker-dealer which has custody of the client's account. If an investment gain results from the correcting trade, the gain will remain in the client account unless the same error involved other client account (s) that should have received the gain, it is not permissible for client to retain the gain, or Carmichael Hill confers with client and client decides to forgo the gain (e.g. due to tax reasons). If the gain does not remain in the client's account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain

\$100 and over to charity. If a loss occurs greater than \$100, Carmichael Hill will be responsible for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

## Item 13 – Review of Accounts

Accounts are reviewed on an as-needed basis with the reviewer making this determination. However, certain accounts are reviewed at least quarterly and more frequent reviews may be occasioned by business, financial, economic or political events.

There are four reviewers: James Stewart, President and CCO, Matthew Bacon, Morgan Tester and Phillip Garrett.

Reports are sent to clients on a quarterly basis as well as on an as-needed basis determined by the reviewer. Typically, they describe the valuation of the account as of a recent date plus a rate of return. Carmichael Hill strongly urges clients to compare our quarterly reports with the month end statements from the independent custodian of the assets. If you find any discrepancies, please contact James Stewart Chief Compliance Officer at 301-217-9300.

## Item 14 – Client Referrals and Other Compensation

Registered investment advisers are required to disclose any agreements or compensation arrangements for client referrals. Carmichael Hill has no agreements to disclose with outside third parties.

Carmichael Hill has entered into written solicitor agreements with qualified advisors (employees) by which Carmichael Hill pays referral (incentive) fees to advisors based upon management fees received by Carmichael Hill from the referred client relationships. Carmichael Hill does not charge clients referred by advisors a fee higher or lower than it charges to other similarly situated clients who were not referred by advisors. This policy creates a conflict of interest since the qualifying advisor (employees) could favor clients which they receive incentive pay over clients for which they do not. Any conflicts of interest created by such incentive programs are carefully monitored through supervisory reviews and approval of all new business by CCO who is not subject to the same incentive program.

## Item 15 – Custody

Clients should receive a monthly or quarterly statement from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Carmichael Hill urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide on a quarterly basis. It should be noted that our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Carmichael Hill and associated custodian broker may be authorized to debit client fees for investment advisory services directly from client accounts and remit to Carmichael Hill. Such fee payments can be completed in accordance with applicable custody rules.

## Item 16 – Investment Discretion

Carmichael Hill usually receives discretionary authority from the client at the outset of an advisory relationship, via a written Limited Power of Attorney form, to select the identity and amount of securities to be bought or sold. Carmichael Hill's policy is to discuss investment vehicles and strategies with a client and if stocks are involved, place limit/market orders on behalf of a client after receiving client consent. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the client account. In certain circumstances, such as 401k retirement plans involving a third-party platform, Carmichael Hill may not have the ability to exercise discretion in the broader context of an otherwise discretionary relationship. In such cases, recommendations are provided to clients to implement via the third-party retirement platform. When selecting securities and determining amounts, Carmichael Hill observes the investment policies, limitations and restrictions of the client being advised.

It should be noted that Limited Power of Attorney is NOT a mandatory requirement of Carmichael Hill. Clients are free to execute their own trades. Investment guidelines and restrictions must be provided to Carmichael Hill in writing.

## Item 17 – Voting Client Securities

The conditions that govern Carmichael Hill's authority to vote proxies on behalf of its clients are contained in its investment advisory contract. The advisory contract states that Carmichael Hill will not vote proxies on behalf of its clients unless specifically requested to do so by the client in a written request. An exception to this policy pertains to ERISA clients (pension plans).

Carmichael Hill will vote proxies for ERISA clients unless a client reserves the right to vote its own proxies. When requested by the client, Carmichael Hill may provide advice to the client regarding proposals submitted to the client for voting. In the event an employee determines that Carmichael Hill has a conflict of interest due to, for example, a relationship with a company or an affiliate of a company, or for any other reason which could influence the advice given, employee will notify James Stewart, Carmichael Hill's Chief Compliance Officer, and Carmichael Hill will (1) disclose to the client the conflict to enable the client to evaluate the advice in light of the conflict or (2) disclose to the client the conflict and decline to provide the advice.

In cases where the client has delegated proxy voting responsibility or ERISA clients not withholding proxy voting responsibility, Carmichael Hill has adopted and implemented policies and procedures which it believes are reasonably designed to ensure that proxies are voted in the best interests of its clients. In

pursuing this policy, proxies should be voted in a manner that is intended to maximize value to the client.

If you would like to receive a copy of our proxy voting policies and procedures, a record of historical votes or if you would like to direct a vote please contact James Stewart, Chief Compliance Officer at 301-217-9300.

## Item 18 – Financial Information

Registered investment advisers are required in this Item to provide certain financial information or disclosures about Carmichael Hill's financial condition. In accordance with the C.A.R.E.S Act, Carmichael Hill received a loan on May 18<sup>th</sup>, 2020 guaranteed by the U.S. Small Business Administration (SBA) under the Paycheck Protection Program (PPP). On July 7<sup>th</sup>, 2021 Carmichael Hill was notified the PPP loan was fully forgiven by the SBA. Carmichael Hill is not currently experiencing, and does not currently anticipate, any financial condition that it believes likely to impair its ability to meet contractual commitments to clients. Carmichael Hill has not been the subject of a bankruptcy petition.



## **BROCHURE SUPPLEMENT (Part 2B)**



## JAMES H. STEWART

Carmichael Hill & Associates, Inc.  
 18 East Diamond Ave. Gaithersburg, MD 20877  
 301-217-9300  
 March 11, 2024

This Brochure Supplement provides information about James H. Stewart that supplements the Carmichael Hill Brochure. You should have received a copy of that Brochure. Please contact James H. Stewart, Chief Compliance Officer at the above number or [jims@carmichael-hill.com](mailto:jims@carmichael-hill.com) if you did not receive Carmichael Hill's Brochure or if you have any questions about the contents of this supplement.

Additional information about James H. Stewart is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 2 – Educational Background and Business Experience

James H. Stewart is the President and Chief Compliance Officer of Carmichael Hill & Associates, Inc. His year of birth is 1970. His education includes a BS from the Pennsylvania State University. He has earned the Certified Financial Planner, CFP<sup>®</sup> and Chartered Retirement Plan Specialist, CSRS<sup>®</sup> designations. He has worked for Carmichael Hill since 1993.

For your information the qualifications for each professional designation are as follows:

#### Certified Financial Planner <sup>™</sup>

Acronym	CFP <sup>®</sup>
Issuing Organization	<a href="http://www.cfpcertification.com">Certified Financial Planner Board of Standards, Inc.</a>
Prerequisites/Experience Required	<p>Candidate must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• A bachelor's degree (or higher) from an accredited college or university, and</li> <li>• Three years of full-time personal financial planning experience</li> </ul>
Educational Requirements	<p>Candidate must complete a <a href="http://www.cfpcertification.com">CFP-board registered program</a>, or hold <u>one</u> of the following:</p> <ul style="list-style-type: none"> <li>• CPA</li> </ul>

	<ul style="list-style-type: none"> <li>• ChFC</li> <li>• Chartered Life Underwriter (CLU)</li> <li>• CFA</li> <li>• Ph.D. in business or economics</li> <li>• Doctor of Business Administration</li> <li>• Attorney's License</li> </ul>
Examination Type	CFP® Certification Examination
Continuing Education/Experience Requirements	30 hours every two years

### Chartered Retirement Plan Specialist

Acronym	CRPS
Issuing Organization	<a href="#">College for Financial Planning</a>
Prerequisites/Experience Required	None
Educational Requirements	<u>Online instructor led or self-study course</u>
Examination Type	Final designation exam (online, closed-book, proctored)
Continuing Education/Experience Requirements	16 hours every two years

## Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4 – Other Business Activities

Registered investment advisers are required to disclose all material facts regarding any Other Business Activities that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 5 – Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any Additional Compensation that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 6 – Supervision

James H. Stewart is the principal and owner of Carmichael Hill and has no supervisor. Mr. Stewart can be reached at 301-217-9300.

## MATTHEW L. BACON

Carmichael Hill & Associates, Inc.  
 18 East Diamond Ave. Gaithersburg, MD 20877  
 301-217-9300  
 March 11, 2024

**This Brochure Supplement provides information about Matthew L. Bacon that supplements the Carmichael Hill Brochure. You should have received a copy of that Brochure. Please contact James H. Stewart, Chief Compliance Officer at the above number or [jims@carmichael-hill.com](mailto:jims@carmichael-hill.com) if you did not receive Carmichael Hill's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Matthew L. Bacon is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### Item 2 – Educational Background and Business Experience

Matt Bacon has been employed by Carmichael Hill & Associates, Inc. since June 2019 and is a Lead Advisor with the firm. His work experience includes the following financial positions: MassMutual (2011), Capital Strategies of Metlife (2012-2016), and University Federal Credit Union (2016-2019). He was born in the year 1987. His education includes a BA from the University of Hull. He has earned the Certified Financial Planner (CFP®) designation.

For your information the qualifications for each professional designation are as follows:

#### Certified Financial Planner™

Acronym	CFP®
Issuing Organization	<a href="#">Certified Financial Planner Board of Standards, Inc.</a>
Prerequisites/Experience Required	Candidate must meet the following requirements: <ul style="list-style-type: none"> <li>• A bachelor's degree (or higher) from an accredited college or university, and</li> <li>• Three years of full-time personal financial planning experience</li> </ul>
Educational Requirements	Candidate must complete a <a href="#">CFP-board registered program</a> , or hold <u>one</u> of the following: <ul style="list-style-type: none"> <li>• CPA</li> <li>• ChFC</li> </ul>

	<ul style="list-style-type: none"> <li>• Chartered Life Underwriter (CLU)</li> <li>• CFA</li> <li>• Ph.D. in business or economics</li> <li>• Doctor of Business Administration</li> <li>• Attorney's License</li> </ul>
Examination Type	CFP® Certification Examination
Continuing Education/Experience Requirements	30 hours every two years

### Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### Item 4 – Other Business Activities

Registered investment advisers are required to disclose all material facts regarding any Other Business Activities that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### Item 5 – Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any Additional Compensation that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### Item 6 – Supervision

The actions and advice of Matthew Bacon are monitored and supervised by James H. Stewart, President and Chief Compliance Officer of Carmichael Hill, by periodically reviewing appointment reports, trade tickets and correspondence. Mr. Stewart can be reached at 301-217-9300.

## MORGAN P. TESTER

Carmichael Hill & Associates, Inc.  
 18 East Diamond Ave. Gaithersburg, MD 20877  
 301-217-9300  
 March 11, 2024

**This Brochure Supplement provides information about Morgan P. Tester that supplements the Carmichael Hill Brochure. You should have received a copy of that Brochure. Please contact James H. Stewart, Chief Compliance Officer at the above number or [jims@carmichael-hill.com](mailto:jims@carmichael-hill.com) if you did not receive Carmichael Hill's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Morgan P. Tester is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### Item 2 – Educational Background and Business Experience

Morgan Tester has been employed by Carmichael Hill & Associates, Inc. since May 2019 and is an Advisor with the firm. Her work experience includes an internship at Estabrook & Company. She was born in the year 1997. Her education includes a BA from Towson University. She has earned the Certified Financial Planner (CFP®) designation.

For your information the qualifications for each professional designation are as follows:

#### Certified Financial Planner™

Acronym	CFP®
Issuing Organization	<a href="http://www.cfpcertification.com">Certified Financial Planner Board of Standards, Inc.</a>
Prerequisites/Experience Required	<p>Candidate must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• A bachelor's degree (or higher) from an accredited college or university, and</li> <li>• Three years of full-time personal financial planning experience</li> </ul>

Educational Requirements	Candidate must complete a <a href="#">CFP-board registered program</a> , or hold <u>one</u> of the following: <ul style="list-style-type: none"> <li>• CPA</li> <li>• ChFC</li> <li>• Chartered Life Underwriter (CLU)</li> <li>• CFA</li> <li>• Ph.D. in business or economics</li> <li>• Doctor of Business Administration</li> <li>• Attorney's License</li> </ul>
Examination Type	CFP® Certification Examination
Continuing Education/Experience Requirements	30 hours every two years

### Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### Item 4 – Other Business Activities

Registered investment advisers are required to disclose all material facts regarding any Other Business Activities that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### Item 5 – Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any Additional Compensation that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### Item 6 – Supervision

The actions and advice of Morgan Tester are monitored and supervised by James H. Stewart, President and Chief Compliance Officer of Carmichael Hill, by periodically reviewing appointment reports, trade tickets and correspondence. Mr. Stewart can be reached at 301-217-9300.

## PHILLIP GARRETT

Carmichael Hill & Associates, Inc.  
 18 East Diamond Ave. Gaithersburg, MD 20877  
 301-217-9300  
 March 11, 2024

This Brochure Supplement provides information about Phillip Garrett that supplements the Carmichael Hill Brochure. You should have received a copy of that Brochure. Please contact James H. Stewart, Chief Compliance Officer at the above number or [jims@carmichael-hill.com](mailto:jims@carmichael-hill.com) if you did not receive Carmichael Hill's Brochure or if you have any questions about the contents of this supplement.

Additional information about Phillip Garrett is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 2 – Educational Background and Business Experience

Phillip Garrett has been employed by Carmichael Hill & Associates, Inc. since July 2021 and is an Advisor with the firm. His work experience includes a position at Cambridge Investment Research Advisors in early 2021. He was born in the year 1999. His education includes a BA from The University of Maryland. He has earned the Certified Financial Planner (CFP®) designation.

For your information the qualifications for each professional designation are as follows:

#### Certified Financial Planner™

Acronym	CFP®
Issuing Organization	<a href="#">Certified Financial Planner Board of Standards, Inc.</a>
Prerequisites/Experience Required	<p>Candidate must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• A bachelor's degree (or higher) from an accredited college or university, and</li> <li>• Three years of full-time personal financial planning experience</li> </ul>
Educational Requirements	<p>Candidate must complete a <a href="#">CFP-board registered program</a>, or hold <u>one</u> of the following:</p> <ul style="list-style-type: none"> <li>• CPA</li> </ul>



	<ul style="list-style-type: none"> <li>• ChFC</li> <li>• Chartered Life Underwriter (CLU)</li> <li>• CFA</li> <li>• Ph.D. in business or economics</li> <li>• Doctor of Business Administration</li> <li>• Attorney's License</li> </ul>
Examination Type	CFP® Certification Examination
Continuing Education/Experience Requirements	30 hours every two years

### Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### Item 4 – Other Business Activities

Registered investment advisers are required to disclose all material facts regarding any Other Business Activities that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### Item 5 – Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any Additional Compensation that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### Item 6 – Supervision

The actions and advice of Phillip Garrett are monitored and supervised by James H. Stewart, President and Chief Compliance Officer of Carmichael Hill, by periodically reviewing appointment reports, trade tickets and correspondence. Mr. Stewart can be reached at 301-217-9300.