



**FORM ADV  
PART 2A/2B**

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This brochure provides information about the qualifications and business practices of Inverness Counsel, LLC. If you have any questions concerning the contents of this brochure, please contact us at (212) 207-2102. The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or any state securities authority.

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

Inverness is an SEC-registered investment adviser. Such registration with the SEC or any state securities authority does not imply a certain level of skill or training.



# TABLE OF CONTENTS

<b>FORM ADV PART 2A</b>	<b>1</b>	<b>Code of Ethics, Participation in Client Transactions and Personal Trading</b>	<b>8</b>
<b>Material Changes</b>	<b>1</b>	Code of Ethics	8
Annual Update	1	Recommending Securities with Material Financial Interest	9
Material Changes Since Last Update	1	Investing in Same Securities Recommended to Clients	9
<b>Advisory and Wealth Management Business</b>	<b>1</b>	<b>Brokerage Practices</b>	<b>10</b>
Firm Description	1	Selecting Broker-Dealers	10
Principal Owners	1	Research and Soft Dollars	10
Types of Advisory Services	1	Order Aggregation	11
Tailored Relationships	3	<b>Review of Accounts</b>	<b>12</b>
Client Assets	3	Periodic Reviews	12
<b>Fees and Other Compensation</b>	<b>3</b>	Review Triggers	13
Fees Payable	3	Regular Reports	13
Billing of Fees	3	<b>Client Referrals and Other Compensation</b>	<b>13</b>
Other Fees	4	Economic Benefit	13
<b>Performance-Based Fees &amp; Side-by-Side Management</b>	<b>5</b>	Third-Party Solicitors	13
<b>Types of Clients</b>	<b>5</b>	<b>Custody</b>	<b>13</b>
General Description	5	Account Statements	13
Account Minimum	5	Privacy Policy	14
<b>Methods of Analysis, Investment Strategies and Risks of Loss</b>	<b>5</b>	<b>Investment Discretion</b>	<b>15</b>
Methods of Analysis	5	Discretionary Authority for Trading	15
Investment Strategies and Risks of Loss	6	Limited Authority	15
<b>Disciplinary Information</b>	<b>8</b>	<b>Voting Client Securities</b>	<b>15</b>
Legal and Disciplinary Events	8	Proxy Voting	15
Criminal or Civil Actions	8	<b>Financial Information</b>	<b>16</b>
Administrative Proceedings	8	Financial Condition	16
Self-Regulatory Proceedings	8	<b>FORM ADV PART 2B</b>	<b>17</b>
<b>Other Financial Industry Activities and Affiliations</b>	<b>8</b>		

# FORM ADV PART 2A

## MATERIAL CHANGES

### Annual Update

Inverness Counsel, LLC (“Inverness,” the “Company” or “we”) is providing this information as part of the Company’s annual updating amendment and it contains certain changes from our last annual update, which we filed with the SEC on March 30, 2016.

### Material Changes Since Last Update

The SEC adopted amendments to Part 2 of Form ADV, effective October 2010. As revised, Part 2 consists now of Part 2A (the “Brochure”) and Part 2B (the “Brochure Supplement”). Each annual update of our Brochure includes a summary of any material changes relating to the Company that have occurred since its last annual update. The Company’s most recent Brochure Supplement is attached hereto as Part 2B. We deliver copies of the Brochure and the Brochure Supplement to existing and prospective clients in accordance with the requirements of the Investment Advisers Act of 1940, as amended (the “Act”), and its rules.

The Company believes that there have been no material changes relating to the Company since its last annual update. Clients are, however, urged to read this Brochure in its entirety

## ADVISORY AND WEALTH MANAGEMENT BUSINESS

### Firm Description

Inverness, an independent investment counsel firm, is an investment adviser registered under the Act. The Company, which has been in business since 1967, is engaged primarily in providing continuous investment advice to its clients, based on their individualized goals, requirements and circumstances. We strive to provide our individual, family, trust, pension and profit sharing plan, tax-exempt organization and other institutional clients with a high level of investment advisory services. Our principal

objective is to generate wealth enhancement and superior performance for our clients over the long-term. Our only office is located in New York City.

### Principal Owners

There are four principal equity owners of Inverness, a Delaware limited liability company. ICI (New York) Holdings, LLC beneficially owns 44% of the Company’s outstanding Class A units of membership interest. Cromarty Management Corporation, Philip S. Lawrence, the President and Chief Executive Officer of Inverness, and David W. Laughlin, the Chairman of Inverness, each beneficially owns less than 25% of its outstanding units.

### Types of Advisory Services

Inverness provides its clients with investment advisory services on both discretionary and non-discretionary bases. Most of the Company’s assets under management are managed on a discretionary basis. The services rendered by Inverness consist primarily of “investment supervisory services. These services are defined under the Act to be the provision of continuous advice as to the investment of funds based on the individualized needs of each client. We tailor the advice and services that we provide to address the often differing investment objectives, financial circumstances, risk orientations and expectations of our clients.

Ongoing collaboration and communication are essential aspects of the services that Inverness provides in managing its clients’ accounts. At the outset of a client relationship, Inverness discusses with the client (and, often, the client’s family and legal and accounting advisors) the client’s: overall financial goals, both long- and short-term; financial condition, including asset allocation and liquidity needs; investment experience and history; risk orientation; general and any specific investment objectives; and any restrictions or limitations

that the client may desire to impose on investing in specific or type of issuers or type of securities. In particular, the Company often works with its high net worth clients in planning and executing strategies designed to preserve family wealth and provide for the inter-generational distribution or other transfer of such wealth, including through trusts and similar vehicles. As of December 31, 2016, the Company had an aggregate of approximately \$1.825 billion invested on behalf of its private wealth clients, the majority of which was invested in U.S. publicly-traded equity securities.

Through its separate institutional management business unit, the Company provides general and tailored investment management services to its pension tax-exempt organization and other institutional clients. As of December 31, 2016, the Company had an aggregate of approximately \$630 million invested on behalf of its clients in fixed income securities, the substantial majority of which was managed by its institutional business unit. The Company's institutional business unit invests primarily in investment-grade debt securities, centered on any guidelines, restrictions or constraints imposed by its clients.

Inverness manages its clients' accounts in accordance with the above-described approaches and the information that it garners about a client, including compliance with any restrictions or limitations imposed by it on investments. The Company's principal investment strategy is to purchase securities and hold them for significant periods of time. Inverness also provides, to a lesser extent, investment consulting services as to asset allocation, broader diversification and risk management, as well as in response to certain economic and financial matters.

The Company's advisory services are guided by the objectives and restrictions outlined in the client's

investment advisory agreement and other information that it garners from communications with the client. For certain client accounts, Inverness may recommend pooled investment vehicles, such as hedge funds, private equity funds and other limited partnerships or limited liability companies. The third-party investment managers recommended by us to our clients will have full investment discretion and trading authority in respect of the funds invested with them and sole responsibility for the implementation of their investment objectives. With respect to assets held in client accounts managed by third-party investment advisers, Inverness will not place orders for transactions in the clients' accounts or otherwise exercise trading authority over such accounts.

Inverness regularly provides investment advice to, and makes investments on behalf of, its clients with respect to publicly-traded equity and debt securities. To a lesser degree, Inverness also recommends alternative investments, including hedge funds, private equity funds, real estate investments (including real estate investment trusts), options, warrants and similar securities. As of December 31, 2016, approximately \$1.4 billion of Company clients' assets under management were invested in publicly-traded equity securities, the substantial majority of which was the common stock of U.S.-based large capitalization issuers, approximately \$630 million in debt securities of the U.S. Government and other governmental authorities or bodies and company issuers, and approximately \$380 million in alternative investments, including funds operated by external managers.

Inverness also manages some accounts in a manner that does not constitute providing "investment supervisory services," if specifically requested to do so by clients. This type of relationship generally involves providing administrative and supervisory oversight and



general investment advice. The Company does not participate in any “wrap fee” programs.

## **Tailored Relationships**

We seek to understand the individualized financial and personal circumstances of our clients and tailor our recommendations predicated on this understanding. Our advisory services are based primarily on the articulated objectives, financial and other circumstances, and risk profiles of our clients. Our goal is to provide advice and services to our clients that are effective and adapted to their specific requirements and circumstances.

## **Client Assets**

As of December 31, 2016, Inverness managed client assets of \$2,288,695,961 on a discretionary basis and client assets of \$382,854,805 on a non-discretionary basis.

## **FEES AND COMPENSATION**

### **Fees Payable**

Inverness is compensated for its investment advisory services generally by its clients' payment of annual fees based on a percentage of the appraised value of their assets under management (“AUM”). The specific fees payable for such services are negotiated in advance by the Company with its clients, subject to adjustment in any renewal agreement(s). The fees payable for new and existing high net worth individual clients range from 0.5% to 1.5% of AUM per annum, depending on a number of factors and circumstances, principally including the size of the account, the account's asset composition and mix, any pre-existing client relationships and the nature and extent of the client services to be rendered.

The fees payable for new and existing institutional clients range from 0.3% to 0.6% of AUM per annum, also depending on a number of factors and circumstances, principally including the size of the account and its asset

composition and mix. As a general matter, larger accounts are subject to lower annual rates. Because the fees payable by the Company's clients are negotiated and based on varying factors, clients with similarly-sized accounts may pay advisory fees at different rates. In some limited cases services provided by Inverness consist essentially of investment consultation services, and the Company's clients compensate it through the payment of negotiated fixed fees.

Clients may make additions to and withdrawals from their accounts at any time, subject to our right to terminate an account. Additions may be in cash or securities, except that the Company reserves the right, following consultation with the client, to liquidate any transferred securities or decline to accept particular securities in a client's account. Clients may withdraw account assets on notice to Inverness, subject to usual and customary securities settlement procedures. However, Inverness notes that it generally constructs its clients' portfolios as long-term investments and, accordingly, often indicates to its clients that the withdrawal of assets may negatively impact the achievement of their objectives. The Company may also discuss with its clients the alternatives to, and implications of, transferring securities to or from their accounts.

### **Billing of Fees**

The Company's investment advisory fees are payable quarterly, in advance. Other than fixed fees payable by certain of its clients, Inverness calculates client fees based on its appraised valuation of the client's AUM, utilizing the most recent market information reasonably available to it, determined as of the close of the last trading day immediately preceding the commencement of the billing period for which advisory services are to be provided. Securities for which there are not current market values are priced using reasonably available information. If assets are deposited in or withdrawn from

an account after the commencement of a billing period, the fees payable with respect to such assets generally are not adjusted or *pro rated* to reflect any change in portfolio value.

Any client that terminates its relationship with Inverness prior to the end of a quarterly period will receive a refund of any unearned fees. The refund amount will be determined on a *pro rata* daily basis. Clients may either pay the advisory fees that they owe directly to Inverness or, which is generally the case, instruct the banks or other financial institutions that have custody of their assets to debit and deduct the fees from designated custody account(s) and pay Inverness on their behalf. Our investment advisory agreements with clients provide that any “assignment” of such agreement by Inverness will be made only in accordance with the Act and its applicable rules.

## **Other Fees**

The sole compensation received by Inverness for its investment advisory services is the investment advisory fees payable to it by its clients. Clients may, however, incur certain additional costs payable to third parties. For instance, our clients will generally be charged custody fees by the banks or other financial institutions maintaining custody of their assets under management and may incur other related expenses. Our clients also pay brokerage fees and commissions (or mark-ups or mark-downs) and other transaction costs to the broker-dealers that effect transactions on their behalf. Please refer to the section of this Brochure below titled “*Selecting Broker-Dealers*” for a discussion of certain matters involving the selection and use of broker-dealers.

In certain circumstances, Inverness may advise its clients to invest in money market funds, mutual funds, exchange traded funds, or ETFs, and investment limited

partnerships or limited liability companies, or LLCs, including hedge and private equity funds. Clients whose assets are invested in money market funds, mutual funds, ETFs and/or investment limited partnerships or LLCs often pay advisory fees to the managers of those investment vehicles. Accordingly, in such cases, clients pay fees both to Inverness and such outside managers. Client assets invested in these types of investment vehicles generally are included in calculating the value of a client’s account for the purpose of computing the fees that Inverness charges for the investment advisory services that it provides, and the same assets could be subject to additional fees and expenses, as may be set forth in the offering or subscription documents of those investment vehicles.

The advisory fees payable to these entities can vary considerably. Generally, money market fund and ETF fees are significantly lower than those charged by managers of investment limited partnerships or LLCs. The fees charged by managers of equity mutual funds are generally comparable to those charged by Inverness but, at times, may be higher. The managers of certain private investment partnerships and LLCs may be paid an additional amount equal to a percentage of the investment performance generated by such partnerships or companies. Furthermore, because the securities or other investments held by many of these private vehicles, such as hedge or private equity funds, often do not have readily available market prices, the managers of these companies charge fees on the basis of their own valuations of such securities. Such valuations may, at times, be higher than the sales prices that such securities or other investments would actually realize if there were readily available trading markets. Inverness charges fees to its clients in respect of such securities on the basis of the same valuations made by such managers.

No employee or officer of Inverness is permitted to accept compensation for the sale of securities or other investment products, including any asset-based charges or service or other fees from the sale of mutual funds.

## **PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

Performance-Based Fees & Side-by-Side Management  
This section is not applicable to the policies, activities or practices of Inverness because Inverness does not charge or accept any performance-based fees.

## **TYPES OF CLIENTS**

### **General Description**

Inverness provides its investment advisory services to high net worth and other individuals and families, trusts, tax-exempt organizations, pension and profit sharing plans, and other institutional clients..

### **Account Minimum**

Inverness generally requires its clients to have minimum AUM of \$1 million in order to open an account, although historically it has made exceptions to such minimum on a case-by-case basis, taking into consideration such factors as whether there are accounts held by other family members or related parties, the account's asset composition and mix, and the types of client services to be rendered. Clients whose accounts hold less than the minimum AUM often pay fees to Inverness at higher rates than those who have more than the minimum AUM.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISKS OF LOSS**

### **Methods of Analysis**

Inverness provides investment management services to a range of clients, including institutions and high net worth individual, family and trust clients. The Company recognizes that the requirements of its clients often may

differ as to return objectives, risk tolerances and constraints, time horizons, liquidity needs and other matters. Client mandates, concentrated securities positions and related issues, as well as the amount of investable assets, are considered by us when constructing investment strategies for our clients. For the substantial majority of its clients, Inverness provides actively managed fixed-income and/or equity investment advisory services. Our active investment management services are driven by fundamental securities analyses. Various analytical tools are used and applied by Inverness's personnel, including the members of its two standing committees, the Investment Committee and the Wealth Advisory Committee. Inverness focuses on long-term investment ideas. Investment analyses, are generated for each potential investment. Each potential investment is judged on its particular merits or shortcomings and on whether and how it would contribute to the quantitative and qualitative parameters of a client's portfolio.

Although no two equity investments are completely alike, we review and emphasize such significant factors as an issuer's financial condition, the amount and quality of its earnings, the nature and value of its assets, its prospects, the strength of its management team, the competitive environment, its competitive position and advantages, prevailing industry and market conditions, and the investment's liquidity. In selecting fixed-income securities, the Company takes into account a number of factors, including the credit risk of the issuer, maturities, macro-economic issues and preservation of capital and generation of income. When reviewing potential fixed-income securities, the Company generally takes a "laddered" approach in selecting the maturities/duration of such investments. With respect to certain client accounts, the Company may, if not precluded by any client-imposed investment restrictions, purchase debt securities that are not investment-grade.



To a significantly lesser extent, we may evaluate certain technical and/or trading methods of analyses. These analyses involve the examination and interpretation of past and current market data in helping to determine our investment recommendations for clients and often involve the use of mathematically-based indicators and charts designed to identify apparent market patterns and trends.

### **Investment Strategies and Risks of Loss**

The Company's principal investment strategy is to identify and purchase high-quality investments for its clients and hold them for significant periods. However, we believe that short-term trading of securities may be appropriate in certain circumstances.

There are limitations inherent in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities markets, changes in pertinent economic, financial and political circumstances and the economy in general, Inverness may pursue any objective or use any strategy or technique that it considers appropriate and to be in its clients' interests. As a result, Inverness may use any number of trading or investment strategies or techniques, whether or not presently contemplated by its principal investment strategy.

The principal investment strategy pursued by Inverness seeks to generate long-term growth, while also limiting risk. However, every investment involves some risk of loss. A buy and hold investment strategy creates specific risks to a securities portfolio because the Company may not take advantage of short-term gains in a security that could be profitable to a client. Additionally, the Company recognizes that efforts to limit down-side risk through our investment strategy may, at times, result in clients foregoing opportunities for potentially higher gains that are sometimes associated

with higher risk investment strategies. No assurance can be made, however, that our investment strategy will actually limit such down-side risk.

The exact structure and composition (including types and mix) of securities held in a client's account vary, primarily based on the client's individual investment objectives, financial and personal circumstances, risk orientation and any restrictions or limitations imposed by the client. Investing in securities in various asset classes involves certain risks. The primary risks associated with our principal investment strategy are active management risk, interest rate changes and issuer-specific matters and developments.

Active Management Risks: Active portfolio management relies largely on the Company's ability to define, formulate and execute on an investment strategy. Any factors that impede the Company's ability to perform the foregoing on a consistent and ongoing basis could adversely affect its ability to successfully realize on such strategy. If key personnel were to resign or otherwise leave Inverness, subsequent Company managers may not be able to replicate any prior successful investment results. The loss of key personnel could also adversely affect performance.

Fixed-Income Securities Risks: The values of fixed income securities are primarily affected by changes in interest rates and credit quality. In addition, general market risks, macro-economic factors and liquidity issues can adversely affect the value of fixed income securities. Typically, a general rise in interest rates causes the trading prices of debt securities to decline. Generally, the longer the maturity of a debt security, the more sensitive such security is to changes in interest rates. There are also risks that the financial condition of the issuer of a debt security will worsen, it will not timely pay all or a portion of the borrowed principal

and/or accrued interest when due or there is a concern that this will occur.

Equity Securities Risks: The values of equity investments are subject to issuer-specific matters such as its financial and other condition, operating results and prospects. A company's trading price can be negatively impacted by competitive developments, product demand or supply problems, general industry problems or issues, litigation and regulatory matters, and various other circumstances and events. Also, there are situations where significant problems or other matters will affect a particular sector, or where returns from that sector will be less than returns from the overall equities markets. Short-term fluctuations in specific market sectors may be more extreme than fluctuations in the overall stock market.

The prices of equity securities also fluctuate based on the overall condition of, and prospects for, the general economy and the financial markets. In this regard, a risk associated with relying on fundamental analyses in respect of equity securities is that, while the overall condition and position of an issuer may be positive, evolving market and/or technical conditions and considerations may negatively impact its trading price. Certain clients, by virtue of their legacy holdings or otherwise, are also exposed to the risk that their portfolios are concentrated in fewer positions. This concentration may lead to more volatility and vulnerability than might be the case with a diversified portfolio.

Additionally, investing substantially in publicly-traded equity securities, as the Company does, may limit opportunities to be invested in other asset classes that are considered non-correlated and might otherwise be considered in a diversification strategy. Conversely,

under certain market conditions, publicly-traded equity securities may be correlated very closely with other asset classes and, as a result, declines in the prices of such securities may not be offset by investments in other asset classes. In any event, there can be no assurance that investing in other asset classes will limit overall down-side risk, entirely or even in part.

Alternative Investment Risks: For certain clients, Inverness may recommend investing a portion of their funds with selected third-party managers as part of an overall investment strategy designed to provide added diversification or to address certain risk or return expectations or other client objectives. Access to these managers may require the client to meet additional SEC-imposed requirements, such as being a qualified investor with a minimum net worth or amount of assets under management. These managers may also impose substantial minimum investment and other requirements that limit client access.

Investments in hedge funds and other private LLCs and limited partnerships have both issuer-and security-specific risks, including those mentioned above. In addition, these investments may have risks associated with a lack of liquidity, short selling, limited liquidity and pricing difficulties. These private LLCs and limited partnerships may use leverage and have significant exposure to contingent and unknown operational and counter-party risks. Some of these LLCs and partnerships may also employ derivative instruments, such as options, swaps, futures, structured securities or similar instruments, that have certain additional inherent risks and increase volatility. Additionally, many private equity, hedge and other funds impose significant restrictions on the rights of investors to redeem all or any portion of their investments or to otherwise withdraw funds, including their capital. Finally, many of

these private LLCs and partnerships may hold securities or instruments for which market quotations are not readily available. Valuations of such securities are often made by the general partner(s) or manager(s) of these entities.

Dispositions of alternative investments may be protracted and/or result in undesired distributions in-kind to investors. Many, these private LLCs and limited partnerships are not registered under the Investment Company Act of 1940 and, accordingly, investors do not have the protections afforded by such Act and the rules thereunder. There often may be other structural and taxation issues that clients should consider and review, a number of which may be disclosed in the subscription and offering documents for such investments.

Inverness does not offer advisory services in respect of initial public offerings. If, however, any of its clients seeks to purchase securities in initial public offerings, Inverness will transmit their requests to the appropriate persons and, to the extent practicable, effect the execution of purchases on their behalf.

## **DISCIPLINARY INFORMATION**

### **Legal and Disciplinary Events**

Neither Inverness nor any of its management personnel or employees has been involved in any legal or disciplinary event that is material to an evaluation of its investment advisory business or the integrity of its management.

### **Criminal or Civil Actions**

Neither Inverness nor any of its management personnel or employees has been involved in any criminal or civil action that is material to an evaluation of its investment advisory business or the integrity of its management.

## **Administrative Proceedings**

Neither Inverness nor any of its management personnel or employees has been involved in any administrative proceeding that is material to an evaluation of its investment advisory business or the integrity of its management.

## **Self-Regulatory Proceedings**

Neither Inverness nor any of its management personnel or employees has been involved in any self-regulatory proceeding that is material to an evaluation of its investment advisory business or the integrity of its management.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

This section is not applicable to the policies, activities or practices of Inverness.

## **CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

In accordance with applicable federal securities laws, Inverness has adopted and maintains a written Code of Ethics that sets forth specific legal and ethical requirements and restrictions designed to ensure high standards of conduct by its employees. Inverness requires its employees to comply with all laws, rules and regulations applicable to its business and operations, as well as certain policies and practices of the Company. All employees are responsible for reviewing the Code of Ethics, or the Code, and acting in compliance with its policies, practices and restrictions in their day-to-day activities. The Code covers all officers and other employees of the Company; accordingly, all of them are deemed “access persons” for purposes of the Code and the Act. The Code

expressly provides that the interests of our clients take clear precedence over the interests of the Company and its employees. In particular, all access persons are prohibited from using or communicating information, particularly any material non-public information, for their personal benefit or otherwise to the detriment of any clients of Inverness.

Inverness will provide a copy of its Code of Ethics to existing or prospective clients upon their request.

### **Recommending Securities with Material Financial Interest**

Neither Inverness nor any of its employees or officers is permitted to recommend to clients, or to buy or sell for clients' accounts, securities in which any of them or any related person has a material financial interest.

### **Investing in Same Securities Recommended to Clients**

All employees of Inverness are directed to avoid investments in their personal accounts that could impair their ability to make disinterested investment judgements or recommendations to clients. However, Company employees are permitted to buy or sell securities that they also may have recommended to clients if such transactions are effected in compliance with the Code, specifically including the restriction described in the next sentence. All employees must wait at least 15 days from the date of any securities recommendation or change thereof made by the Investment Committee before purchasing or selling any securities that have been recommended to our clients, either for themselves or for accounts in which they have a beneficial interest.

All Company employees are required to report their personal holdings and transactions to the Company

regularly and that activity is reviewed by and, as applicable, subject to the approval of our Chief Compliance Officer. Subject to certain prescribed exceptions, all Company employees must obtain pre-approval of securities investments that they seek to make, including in any initial public and private offerings, and are required to hold securities that they purchase for at least 15 days. The Company monitors the transactions of its employees both through an automated system that it has installed and direct reviews by designated personnel, including the Company's Chief Compliance Officer and its head trader. Upon discovery, any violations or conflicts with the Code must be promptly reported to, and addressed by, our Chief Compliance Officer and Chief Executive Officer. In such events, these officers will determine the appropriate sanctions to be imposed on non-complying employees, which may include forfeiture of privileges and/or compensation, lack of promotion, demotion or termination.

As indicated above, Company employees may engage in securities transactions after 15 days have elapsed from the date of any recommendation (or change thereof) made to clients. It is, therefore, possible that Company employees may seek to effect transactions at the same time(s) as transactions for clients are being effected by Inverness. Inverness may often also encounter situations when it is appropriate for more than one client to purchase or sell a particular security at the same time(s), but the investment opportunity is limited. In such situations, Inverness employees are not permitted to trade for an appropriate period of time in order to first afford clients the investment opportunity. Inverness allocates trading opportunities among its clients in such situations on a *pro rata* basis, based on relative client demand, in order to make equitable allocations. Please refer to the section of this Brochure

below titled “*Brokerage Practices*” for more information regarding order aggregation.

## **BROKERAGE PRACTICES**

### **Selecting Broker-Dealers**

Inverness’s investment advisory agreements require its clients to specify whether Inverness or the client will be responsible for selecting the broker-dealer(s) to execute a client’s securities transactions. A client may specifically direct Inverness to execute the client’s trades through one or more designated broker-dealers. Inverness does not, however, recommend, request or require any of its clients to direct the Company to execute securities transactions on their behalf through any specified broker-dealer(s). Certain adverse consequences may result from such directed brokerage activities. In particular, a client may not achieve the best execution of its transactions and may incur higher brokerage commissions and other costs. Commission rates charged to individual clients by directed brokers are frequently higher than those negotiated by Inverness, principally by virtue of the volume of the transactions effected by Inverness. In directed brokerage situations, Inverness may not be able to negotiate lower commissions or aggregate orders in order to reduce transaction costs.

Inverness selects the broker-dealers to be used and the commission rates payable when a client does not specifically designate a broker-dealer for its account. Inverness makes such selections throughout the term of the client’s relationship with us, often selecting different broker-dealers for different transactions. Inverness considers the breadth and quality of a broker-dealer’s services before engaging it, including its execution capability, commission rates, financial responsibility, responsiveness and effectiveness in clearing and settling trades, and the value of any research that it may provide. In seeking best execution of a brokerage transaction, the

principal determinative factor is whether the transaction provides the best qualitative execution, taking into consideration the above-described broker-dealer services. Inverness seeks competitive rates, but it does not necessarily obtain the lowest possible commission rates for its clients in every instance. The Company notes that some of its larger client accounts may pay lower rates than other accounts.

In selecting or recommending broker-dealers for or to its clients, neither the Company nor any of its related persons considers whether it would receive client referrals from a broker-dealer or other entity. Additionally, the Company does not use, or recommend to its clients, any broker-dealer of which the Company is a related person and neither the Company nor any of its related persons receives any direct or indirect compensation for referring any of the Company’s clients to any particular broker-dealer(s).

### **Research and Soft Dollars**

Inverness does not have any formal “soft dollar” agreements. However, it is possible that, in recognition of the value of the services provided to the Company by a particular broker-dealer, commissions may, from time to time, be higher than what another broker-dealer would charge to execute a transaction.

Inverness bases its decisions in selecting broker-dealers on a number of factors. These principally include a broker-dealer’s commission rates, execution and processing capabilities, general service, and the access it provides to proprietary and third-party research or market opinions. As a result, clients may pay commissions to certain broker-dealers that are higher than they would have been had the trades been directed to a broker-dealer that provided trade execution services only. Some of the services received by, or made



available to, the Company have historically consisted of oral and written output of research departments, access to field reports for industries and issuers, supporting statistical data, as well as access to and attendance at seminars, meetings and forums sponsored by certain broker-dealers.

To the extent that brokerage commissions are used to obtain research or other products and services, we and certain clients, particularly those for whom we direct their brokerage activities, receive a benefit because we and they do not have to separately generate or pay for such research, products or services. As a result, we may, from time to time, have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products and services that may be provided by such broker-dealer. Inverness intends, in any event, to comply with the “safe harbor” provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, which permits the use of soft dollars to obtain brokerage and research services that provide lawful and appropriate assistance to an investment adviser in the performance of its investment decision-making responsibilities.

Inverness negotiates commission rates that it believes are reasonable and competitive in comparison to prevailing industry standards. Inverness utilizes a qualified independent third party to conduct trade cost analyses and to review, evaluate and track its best execution efforts on a quarterly basis and to provide it with written reports semi-annually. Such third party has delivered to the Company’s management its most recent written report in which it reviewed and evaluated the Company’s trading activities during the second half of calendar year 2016. A copy of this report, which includes a trading cost analysis as well as previous reports, will be provided to our clients upon their request. The Company’s Investment Committee meets

periodically to review its “best execution” efforts, including approving the broker-dealers engaged and the commission rates being paid, and makes adjustments whenever it deems them appropriate in a continuing effort to achieve best execution for our clients.

The research and other products or services provided by a broker-dealer for particular client accounts may, from time to time, be used to service other clients’ accounts. To the extent reasonably practicable, we attempt to use such research and other products and services to benefit as many client accounts as is viable. However, because of the nature of these services and products, and the fact that different client accounts have different investment objectives and asset allocations, it is not feasible for us to allocate these benefits, or their costs, among client accounts proportionally. This difficulty is intensified as a result of the large volume of securities transactions involved, the varying sizes of the different orders and our large number of accounts. Accordingly, any proportionate allocation of research and other benefits by us would be extremely difficult.

### **Order Aggregation**

Securities transactions for each Company client are generally effected independently, unless Inverness determines to purchase or sell the same security for several clients at approximately the same time(s). In such situations, Inverness may (but is not necessarily required to) combine or “bunch” orders in order to obtain best execution and equitably allocate among its clients any differences in prices and/or commissions paid. Under this method, transactions are generally averaged as to price and allocated among the affected clients. The effect is that, to the extent practicable, similarly situated clients receive the same purchase or sale price for trade orders placed at or about the same time. Inverness believes that its clients often benefit from more orderly execution when transactions are

effected simultaneously. Also, as a result, no one client is favored over another in terms of purchase or sale price.

Inverness may occasionally encounter situations where more than one client account is interested in purchasing or selling the same security, but the investment opportunity is limited. As a fiduciary, Inverness has an obligation to allocate investment opportunities among its clients fairly. Inverness allocates such investment opportunities among its clients with similar investment profiles on a *pro rata* basis, based on the relative demand of such clients, as evidenced by the respective purchase and sale orders placed for such clients on any given day. Accordingly, Inverness does not favor one account over another or delay in allocating investment opportunities among its clients' accounts.

## REVIEW OF ACCOUNTS

### Periodic Reviews

The Company's portfolio managers and the members of its Investment Committee periodically review clients' accounts as frequently as they believe to be appropriate, based on a number of factors, including the size, mix and composition of an account, its specific holdings, the level of its trading activity and general and specific developments in the financial markets. Restrictions on client accounts are adjusted and refined to meet our clients' objectives and directions, as set forth in their respective investment advisory agreements and as otherwise communicated to us.

Investment Committee meeting time is divided between the review and discussion of issues relating to the Company's high net worth individuals and their families and trusts and those relating to the Company's pension and profit sharing plans, tax-exempt organizations and other institutions comprising the client base of the Company's institutional management business.

The portfolio managers and analysts of Inverness meet weekly to share and evaluate new investment opportunities, as well as to discuss existing portfolio investments of the Company's managed accounts. These meetings serve as forums for both discussion and education where investment proposals are presented, analyzed and debated by the Investment Committee members. These meetings also serve as a forum to discuss general economic, financial, political, and market events and various other factors that might influence the Company's investment strategy, and to develop guidelines, limitations and restrictions for its investment decisions and recommendations. Members are strongly encouraged to follow and implement the investment decisions and recommendations that the Committee collectively determines to adopt.

The Investment Committee of Inverness is composed of the following nine persons:

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**Philip S. Lawrence**

*(President and CEO)*

**John T. Rochford**

*(Senior Vice President)*

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**David W. Laughlin**

*(Chairman of Board of Managers)*

**Adrian K. Sancho**

*(Vice President)*

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**Richard H. Chesterton**

*(Chief Investment Officer)*

**David G. Hyun**

*(Vice President)*

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**M.L. Graeme Campbell**

*(Director of Wealth Management)*

**Burt Kobylivker**

*(Vice President)*

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**Robert K. Maddock III**

*(Senior Vice President)*

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## **Review Triggers**

Additional Company account reviews may be triggered by client requests, changes in or adjustments to our investment recommendations, policies or restrictions or certain changes in economic or financial conditions. These reviews can result in changes in the size, composition and mix of an account's holdings. Each client is responsible for keeping Inverness informed of any changes in the client's financial condition, investment objective(s) or risk tolerance.

## **Regular Reports**

We furnish our clients with account statements of their assets under management on at least a quarterly basis (and more frequently if requested by a client). In 2016, we commenced providing most of our clients with their account statements through a secure Company portal. Regular oral or written communications may be supplemented by periodic or other meetings with our clients. These meetings may include accountants, attorneys or other advisors of the clients.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

### **Economic Benefit**

Inverness does not compensate any outside third parties for client referrals and does not presently engage any third-party solicitors.

### **Third-Party Solicitors**

The so-called cash solicitation rule under the Act provides that an investment adviser required to be registered with the SEC may not pay cash compensation to a third-party solicitor for client referrals unless the investment adviser complies with certain conditions. These conditions are: (i) all payments must be in accordance with a written agreement to which the adviser is a party; and (ii) the solicited clients of the investment adviser must be

provided with certain disclosures intended to alert them that the solicitor is being compensated by the adviser for making referrals. The cash solicitation rule is intended to address conflicts of interest inherent in solicitation arrangements.

In the event that, in the future, Inverness engages in any third-party solicitation arrangements, we will require that each solicitor, at the time of any solicitation activities, provide our clients with a separate document that contains, among other items, the following:

- the names of the solicitor and us;
- a description of the nature of the relationship between the solicitor and us;
- a statement that the solicitor will be compensated by us; and
- the terms of the compensation arrangement.

Compensation payable to any third-party solicitors would consist of a percentage of the fees received by Inverness from a solicited client during the period that such client remains a client of Inverness. The compensation payable to the third party would come solely from the fees paid to Inverness. As a result, there would be no difference in the fees payable by comparable solicited and non-solicited clients of the Company. Prior to receiving any fees from Inverness, the solicitor would be required to obtain a written confirmation from the solicited client that it had received both the solicitor's disclosure document and our most recent Brochure.

## **CUSTODY**

### **Account Statements**

Inverness does not have physical custody of any of its clients' assets. Inverness also does not have direct access to its client funds as they are maintained with independent qualified custodians, in accordance with

the Act. Pursuant to limited powers of attorney that they grant to the Company, clients authorize Inverness to effect the purchase of securities against payment by the client's account or the sale of securities from such account against receipt of payment. However, clients often also request and authorize Inverness to effect transfers or distributions of their assets to third parties in ways that extend beyond direction to broker-dealers to execute transactions, and that constitute "custody" under the Act. In certain circumstances, Inverness also may be deemed to have custody when officers or other employees of the firm act as a trustee (or co-trustee), general partner or in a similar capacity in respect of client accounts.

In order to help ensure that client assets are secure from conversion or inappropriate use by its personnel, Inverness is subject to an annual surprise custody examination by an independent third party under the Act. Such examination reviews if Inverness acted in compliance with the custody requirements set forth under the Act and the rules thereunder. Such a third party conducted an examination of the Company's compliance with applicable custody requirements as of June 6, 2016 and for the 14 month period then ended. It issued a report, dated as of September 29, 2016, stating its unqualified opinion that Inverness was in compliance with such requirements.

Inverness believes that the qualified custodians engaged by or on behalf of its clients send account statements (by mail or electronically) to such clients on at least a quarterly basis and that such statements identify the funds and securities held in the accounts as at the end of each period and set forth all transactions effected in the accounts during the described period. In order to establish a reasonable belief that its clients are so receiving account statements from the qualified

custodians, Inverness receives duplicate copies of account statements delivered via mail and takes various other steps to verify that the respective mailing and/or e-mail addresses of its clients are (and remain) correct, including requesting from custodians that Inverness be copied on e-mail transmissions to its clients.

Inverness performs reconciliations of its client statements and the clients' custody statements in order to help ensure their accuracy and consistency. Commencing in 2016, the Company requests its clients, through a secure Company portal, to indicate whether or not they were regularly receiving account statements from their respective custodians. Inverness also urges its clients to compare their written Inverness account statements with the account statements that they receive from custodians for the same periods.

## **Privacy Policy**

We collect certain non-public personal information about our clients from information provided in clients' interviews, investment advisory agreements, financial profiles and other information provided to us in writing, in person, by telephone or electronically. Inverness is committed to protecting the confidentiality of the information furnished to us by our clients. We maintain physical, electronic and procedural safeguards designed to comply with applicable federal and state laws and regulations to protect our clients' non-public personal information. In particular, Inverness, as required by federal law, provides its clients with initial and annual privacy notices even if it does not share client information with any other persons. Inverness provides an initial privacy notice no later than the outset of the client relationship. Commencing in 2016, the Company provides annual privacy notices (even if not so required by applicable law) to most of its clients through a secure Company portal.

The Company has also adopted and implemented policies, procedures and practices designed to comply with the requirements of federal Regulation S-ID concerning matters of identity theft and related issues. These policies, procedures and practices cover both new and existing accounts. The Company believes that the policies, procedures and practices it has adopted are reasonably designed to detect, prevent and mitigate instances of identity theft relating to its clients' accounts.

## **INVESTMENT DISCRETION**

### **Discretionary Authority for Trading**

Inverness generally accepts discretionary authority to manage securities accounts for and on behalf of its clients. In order to effectuate this authority, a client must execute and deliver a limited power of attorney to Inverness. This document affords Inverness the authority to act on behalf of a client in order to determine: (i) the types of securities to be bought and sold; (ii) the amounts of securities to be bought and sold; (iii) the timing of any transactions; (iv) the broker-dealers to be used for order execution; and (v) the commission rates (or mark-ups and mark-downs) to be paid.

### **Limited Authority**

Limitations on such grants of authority are set by the specific limitations and restrictions agreed to between Inverness and the client and the policies of our Investment Committee. The amounts and types of any securities bought or sold are subject to these limitations and restrictions. In this regard, significant consideration is given by the Company to the diversification and asset distribution of our clients' discretionary accounts. The selection of investments and broker-dealers and the commission rates payable are governed by the internal

policies and procedures of Inverness, which are implemented by the Investment Committee. Clients may impose additional restrictions and limitations on the investment and other authority granted to Inverness if they so elect.

## **VOTING CLIENT SECURITIES**

### **Proxy Votes**

Inverness has adopted proxy voting policies and procedures that cover the following actions relating to clients' proxies:

- voting, including abstentions, of proxies with respect to securities held by its clients;
- identifying and resolving any conflicts of interest between such clients and Inverness that may exist with respect to such voting;
- archiving of related records; and
- disclosing and producing records upon clients' requests.

The substantial majority of the Company's account holders does not direct or authorize us to vote proxies on their behalf and, to our knowledge, they receive proxies directly from the banks or other financial institutions at which their securities are held in custody. For those clients that have directed (in writing) Inverness to vote their proxies, Inverness will vote such proxies in a manner that it believes to be in the clients' best interests. The Company's written proxy policies and procedures are designed to effectuate this objective. In particular, it is the policy of Inverness to identify and recommend actions to be taken for the benefit of the client if and when conflicts of interest arise. In the event of any conflict, clients may instruct Inverness, in writing, on how to vote their proxies and Inverness will comply with any such lawful instructions. If such written



instruction is not obtained in a conflict situation, Inverness will not vote any proxies on behalf of such clients in respect of any issue presenting a conflict. Inverness has an obligation to forward all proxy materials that it may receive to clients that do not authorize or direct it to vote their proxies. Clients may obtain information as to how Inverness voted proxies relating to their securities by contacting the Company directly.

The Company has retained Broadridge Financial Solutions, Inc., specifically its Investment Communications Solutions Division (“Broadridge”), to support it in the client proxy voting process. Broadridge provides support in two discrete ways. First, it provides logistical support that enables the automatic execution of a substantial portion of the proxy voting process. Broadridge’s suite of electronic voting services, called ProxyEdge, manages the process of meeting notifications, voting, tracking, mailing, reporting and record maintenance. It supports Inverness by managing, reconciling and reporting the proxy voting process for its clients through the electronic delivery of ballots, on-line voting and integrated reporting and recordkeeping. ProxyEdge provides its information and other services through an automated interface mechanism based on share positions provided directly to Broadridge by the banks and other financial institutions that serve as custodians for the Company’s clients.

Second, Broadridge has partnered with Glass Lewis, a prominent proxy consultant (“GL”), to provide it with proxy voting *recommendations* in respect of those clients that have instructed Inverness to vote their proxies. As such, Inverness has available to it an integrated process for processing and voting its clients’

proxies. Although the Company, through its Investment Committee, determines how it will vote its clients’ proxies on proposals made to them, it works with Broadridge to automatically vote in accordance with GL’s “*Management Supportive Guidelines*” for its non-pension plan clients. In accordance with these Guidelines, an investment manager, like Inverness, would be expected to vote in accordance with the recommendations of issuers’ management nearly all the time. However, Inverness retains both the right and ability to override such Guidelines and vote in a manner that it believes to be in its clients’ best interests.

A written copy of the Company’s proxy voting policies and procedures are available by contacting us at (212) 207-2102.

## **FINANCIAL INFORMATION**

### **Financial Condition**

Because Inverness neither maintains physical custody of client funds or securities nor requires or solicits the prepayment of fees amounting to more than \$1,200 per client for a period of six months or more in advance, a balance sheet of Inverness is not required by the Act to be included herewith.

Inverness has never been in a precarious financial condition and has never filed a bankruptcy petition.

This brochure supplement provides some pertinent information about certain “supervised persons” of Inverness Counsel, LLC, a federally registered investment adviser (the “Company” or “Inverness”), that supplements the brochure of Inverness. You should have received a copy of the brochure. Please contact the Company, at (212) 207-2102, if you have not received a copy of such brochure or if you have any questions about the contents of this supplement.

**March 31, 2017**

**Philip S. Lawrence –  
President and Chief Executive Officer**

*Philip S. Lawrence (1965)*

**Education**

Columbia University, B.A. (1987)

**Five Year Business Experience**

Philip S. Lawrence joined Inverness in 1992. He served as Executive Vice President of the Company from 2007 to 2010 and has been its President and Chief Executive Officer since December 2010.

**Disciplinary Information**

There are no legal or disciplinary events in Philip S. Lawrence’s background.

**Other Business Activities**

Philip S. Lawrence is not actively engaged in any other investment-related business or any non-investment-related business activities or occupation that involves a substantial amount of time or pay.

**Additional Compensation**

Philip S. Lawrence has no other business affiliations and receives no economic benefits (commissions, bonuses or similar payments) based on the sale of securities or other investment products.

**Other Business Activities**

David W. Laughlin is not actively engaged in any other investment-related business or any non-investment-related business activities or occupation that involves a substantial amount of time or pay.

**Additional Compensation**

David W. Laughlin has no other business affiliations and receives no economic benefits (commissions, bonuses or similar payments) based on the sale of securities or other investment products.

The Company monitors the advice provided by this employee on a regular basis, through and at formal Investment Committee meetings and face-to-face meetings and discussions, as well as regular reviews of the holdings of the Company’s clients. Philip S. Lawrence, the Chief Executive Officer and President of the Company, is the supervisor of such person. He can be contacted at the general telephone number set forth on the cover page.

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**Robert B. Deans III –  
Senior Vice President and Manager**

*Robert B. Deans III (1954)*

**Education**

Fordham University, M.B.A. (1994)  
University of Virginia, B.A. (1978)

**Five Year Business Experience**

Robert B. Deans III joined Inverness in 1990. He served as Executive Vice President and Treasurer of the Company from 2000 to 2009, its President and Treasurer in 2010, and has been a Senior Vice President and a Manager since 2010.

**Disciplinary Information**

There are no legal or disciplinary events in Robert B. Deans III’s background.

**Other Business Activities**

Robert B. Deans III is not actively engaged in any other investment-related business or any non-investment-related business activities or occupation that involves a substantial amount of time or pay.

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**David W. Laughlin –  
Chairman of Board of Managers**

*David W. Laughlin (1958)*

**Education**

New York University, B.A. (1983)  
American University (1977-1979)

**Five Year Business Experience**

David W. Laughlin joined Inverness in 1983. He served as President of the Company from 1996 to 2009. He has been a Manager since 2010 and is presently the Chairman of the Company’s Board of Managers.

**Disciplinary Information**

There are no legal or disciplinary events in David W. Laughlin’s background.

**Additional Compensation**

Robert B. Deans III has no other business affiliations and receives no economic benefits (commissions, bonuses or similar payments) based on the sale of securities or other investment products.

The Company monitors the advice provided by this employee on a regular basis, through and at formal Investment Committee meetings and face-to-face meetings and discussions, as well as regular reviews of the holdings of the Company's clients. Philip S. Lawrence, the Chief Executive Officer and President of the Company, is the supervisor of such person. He can be contacted at the general telephone number set forth on the cover page.

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**Henry P. Renard – Executive Vice President**

*Henry P. Renard (1933)*

**Education**

Cornell University, M.B.A. (1955)  
Cornell University, B.A. (1954)

**Five Year Business Experience**

Henry P. Renard joined Inverness in 1975. For over the past five years, he has served as an Executive Vice President of Inverness.

**Disciplinary Information**

There are no legal or disciplinary events in Henry P. Renard's background.

**Other Business Activities**

Henry P. Renard is not actively engaged in any other investment-related business or any non-investment-related business activities or occupation that involves a substantial amount of time or pay.

**Additional Compensation**

Henry P. Renard has no other business affiliations and receives no economic benefits (commissions, bonuses or similar payments) based on the sale of securities or other investment products.

The Company monitors the advice provided by this employee on a regular basis, through and at formal Investment Committee meetings and face-to-face meetings and discussions, as well as regular reviews of the holdings of the Company's clients. Philip S. Lawrence, the Chief Executive Officer and President of the Company, is the supervisor of such person. He can be contacted at the general telephone number set forth on the cover page.

**Robert K. Maddock III – Senior Vice President**

*Robert K. Maddock (1962)*

**Education**

New York University, M.B.A. (1992)  
University of Utah, B.A. (1985)

**Five Year Business Experience**

Robert K. Maddock III joined Inverness in 1993. For over the past five years, he has served as a Senior Vice President of Inverness.

**Disciplinary Information**

There are no legal or disciplinary events in Robert K. Maddock's background.

**Other Business Activities**

Robert K. Maddock is not actively engaged in any other investment-related business or any non-investment-related business activities or occupation that involves a substantial amount of time or pay.

**Additional Compensation**

Robert K. Maddock has no other business affiliations and receives no economic benefits (commissions, bonuses or similar payments) based on the sale of securities or other investment products.

The Company monitors the advice provided by this employee on a regular basis, through and at formal Investment Committee meetings and face-to-face meetings and discussions, as well as regular reviews of the holdings of the Company's clients. Philip S. Lawrence, the Chief Executive Officer and President of the Company, is the supervisor of such person. He can be contacted at the general telephone number set forth on the cover page.

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**M.L. Graeme Campbell – Senior Vice President and Director of Wealth Management**

*M.L. Graeme Campbell, CFP® (1976)*

**Education**

New York University, M.B.A. (2005)  
Skidmore College, B.S. (1998)

**Five Year Business Experience**

M.L. Graeme Campbell joined Inverness in 2000. She served as a Vice President of the Company from 2005 to 2010 and has been a Senior Vice President since December 2010 and its Director of Wealth Management since January 2015.

**Disciplinary Information**

There are no legal or disciplinary events in M.L. Graeme Campbell's background.

**Other Business Activities**

M.L. Graeme Campbell is not actively engaged in any other investment-related business or any non-investment-related business activities or occupation that involves a substantial amount of time or pay.

**Additional Compensation**

M.L. Graeme Campbell has no other business affiliations and receives no economic benefits (commissions, bonuses or similar payments) based on the sale of securities or other investment products.

The Company monitors the advice provided by this employee on a regular basis, through and at formal Investment Committee meetings and face-to-face meetings and discussions, as well as regular reviews of the holdings of the Company's clients. Philip S. Lawrence, the Chief Executive Officer and President of the Company, is the supervisor of such person. He can be contacted at the general telephone number set forth on the cover page.

(commissions, bonuses or similar payments) based on the sale of securities or other investment products.

The Company monitors the advice provided by this employee on a regular basis, through and at formal Investment Committee meetings and face-to-face meetings and discussions, as well as regular review of the holdings of the Company's clients. Philip S. Lawrence, the Chief Executive Officer and President of the Company, is the supervisor of such person. He can be contacted at the general telephone number set forth on the cover page.

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**John T. Rochford- Senior Vice President**

*John T. Rochford (1961)*

**Education**

St. Peter's College, M.B.A. (1996)  
Jersey City State College, B.S. (1986)

**Five Year Business Experience**

John T. Rochford joined Inverness in 2012 and has been a Senior Vice President of Inverness since 2012. He served as a Senior Portfolio Manager at United States Trust Company from 2008 to 2012.

**Disciplinary Information**

There are no legal or disciplinary events in John T. Rochford's background.

**Other Business Activities**

John T. Rochford is not actively engaged in any other investment-related business or any non-investment-related business activities or occupation that involves a substantial amount of time or pay.

**Additional Compensation**

John T. Rochford has no other business affiliations and receives no economic benefits (commissions, bonuses or similar payments) based on the sale of securities or other investment products.

The Company monitors the advice provided by this employee on a regular basis, through and at formal Investment Committee meetings and face-to-face meetings and discussions, as well as regular reviews of the holdings of the Company's clients. Philip S. Lawrence, the Chief Executive Officer and President of the Company, is the supervisor of such person. He can be contacted at the general telephone number set forth on the cover page.

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**Richard H. Chesterton –  
Chief Investment Officer**

*Richard H. Chesterton, CFA (1975)*

**Education**

Columbia University, M.B.A. (2003)  
North Carolina State University, B.S. (1997)

**Five Year Business Experience**

Richard H. Chesterton joined Inverness in 2007. He served as a Vice President and Portfolio Manager of United States Trust Company from 2003-2007. Mr. Chesterton served as a Vice President of Inverness from 2008 to 2010 and has been a Senior Vice President since December 2010 and its Chief Investment Officer since January 2015.

**Disciplinary Information**

There are no legal or disciplinary events in Richard H. Chesterton's background.

**Other Business Activities**

Richard H. Chesterton is not actively engaged in any other investment-related business or any non-investment-related business activities or occupation that involves a substantial amount of time or pay.

**Additional Compensation**

Richard H. Chesterton has no other business affiliations and receives no economic benefits

**Lauren E. Waldo –  
Vice President of Wealth Management**

*Lauren E. Waldo, CFP® (2016)*

**Education**

Marist College, B.S. (2005)

**Five Year Business Experience**

Lauren E. Waldo joined Inverness in 2015 and serves as a Vice President of Wealth Management for Inverness since 2015. Mrs. Waldo served as a Client Associate for Rockefeller & Co., Inc. from 2012 to 2015.

**Disciplinary Information**

There are no legal or disciplinary events in Lauren E. Waldo's background.

**Other Business Activities**

Lauren E. Waldo is not actively engaged in any other investment-related business or any non-investment-related business activities or occupation that involves a substantial amount of time or pay.

**Additional Compensation**

Lauren E. Waldo has no other business affiliations and receives no economic benefits (commissions, bonuses or similar payments) based on the sale of securities or other investment products.

The Company monitors the advice provided by this employee on a regular basis, through and at formal Investment Committee meetings and face-to-face meetings and discussions, as well as regular reviews of the holdings of the Company's clients. Philip S. Lawrence, the Chief Executive Officer and President of the Company, is the supervisor of such person. He can be contacted at the general telephone number set forth on the cover page.

**Disciplinary Information**

There are no legal or disciplinary events in Richard W. Hagner's background.

**Other Business Activities**

Richard W. Hagner is not actively engaged in any other investment-related business or any non-investment-related business activities or occupation that involves a substantial amount of time or pay.

**Additional Compensation**

Richard W. Hagner has no other business affiliations and receives no economic benefits (commissions, bonuses or similar payments) based on the sale of securities or other investment products.

The Company monitors the advice provided by this employee on a regular basis, through and at formal Investment Committee meetings and face-to-face meetings and discussions, as well as regular review of the holdings of the Company's clients. Philip S. Lawrence, the Chief Executive Officer and President of the Company, is the supervisor of such person. He can be contacted at the general telephone number set forth on the cover page.

**PROFESSIONAL DESIGNATION  
QUALIFICATIONS**

**CFA Certification Requirements**

The CFA designation stands for Chartered Financial Analyst and is a professional designation given by the CFA Institute (formerly AIMR) that measures the competence and integrity of financial analysts. Candidates are required to pass three levels of exams covering areas such as accounting, economics, ethics, money management and security analysis. Before one can become a CFA charter holder, they must have four years of investment/financial career experience. To enroll in the program, one must hold a bachelor's degree. CFA charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct. The CFA charter is one of the most respected designations in finance, considered by many to be the gold standard in the field of investment analysis.

**CFP® Certification Requirements**

CFP® professionals must develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study at a college or university offering a financial planning curriculum approved by CFP Board. CFP® practitioners must pass a comprehensive two-day, 10-hour CFP® Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. CFP® professionals must have three years' minimum experience in the financial planning process prior to earning the right to use the CFP® certification marks. As a result, CFP® practitioners possess financial counseling skills in addition to financial planning knowledge. As a final step to certification, CFP® practitioners agree to abide by a strict code of professional conduct, known as CFP Board's *Code of Ethics and Professional Responsibility*, which sets forth their ethical responsibilities to the public, clients and employers. CFP Board also performs a background check during this process, and each individual must disclose any investigations or legal proceedings related to their professional or business conduct. Once certified, CFP® practitioners are required to maintain technical competence and fulfill ethical obligations. Every two years, they must complete a minimum of 30 hours of continuing education to stay current with developments in the financial planning profession and better serve clients. Two of these hours are spent studying or discussing CFP Board's *Code of Ethics or Practice Standards*. In addition to the biennial continuing education requirement, all CFP® practitioners voluntarily disclose any public, civil, criminal or disciplinary actions that may have been taken against them during the previous two years as part of the renewal process.

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**Richard W. Hagner – Vice President**

*Richard W. Hagner (1954)*

**Education**

Franklin & Marshall College, B.A. (1976)  
Lubin School of Business, M.B.A. (1980)

**Five Year Business Experience**

Richard W. Hagner joined Inverness in 2005. For over the past five years, he has served as a Vice President of Inverness.



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[www.invernesscounsel.com](http://www.invernesscounsel.com)

**Inverness**  
**Counsel**

Inverness Counsel, LLC does not guarantee the future performance or any specific level of performance of managed assets, the success of any investment decision or strategy that may be used, or the success of the overall management of the assets. Investment decisions are subject to various market, currency, economic, political and business risks and those investment decisions will not always be profitable.