

Professional  
Investment  
Management



**Peter B. Cannell & Co. Inc.**

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This brochure provides information about the qualifications and business practices of Peter B. Cannell & Co., Inc. ([www.peterbcannell.com](http://www.peterbcannell.com)). If you have any questions about the content of this brochure, please contact us at (212) 752-5255 or [mmuroff@peterbcannell.com](mailto:mmuroff@peterbcannell.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Peter B. Cannell & Co., Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Summary of Material Changes**

No material changes have occurred in the Form ADV Part 2 of Peter B. Cannell & Co., Inc. (the "Firm"), since the last filing dated April 26, 2019.

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## **Advisory Business**

Peter B. Cannell & Co., Inc. (the “Firm” or “we”), founded in 1973, is an independent registered investment adviser. The Firm is fully owned by its employees, following an acquisition at the close of business on March 29, 2019 of the Firm’s capital stock from New York Community Bancorp, Inc. Throughout the Firm’s history, we have focused on investing our clients’ assets in common stocks of publicly traded companies. With the arrival of several new partners in 2014, clients have had the opportunity to invest in fixed income securities as well as common stocks. We are not broker-dealers. We do not engage in investment banking or related activities. We are value investors and take a long term view. We rely on investment selection, not market timing.

Our approach provides individualized management for each account. We meet with each client (or client’s financial advisor) to gain an in-depth understanding of the client’s financial goals. Selection of securities, asset allocations, purchase guidelines, and tax management are based on our insight and understanding of each client’s financial circumstances and objectives. We meet with or otherwise communicate with our clients on a periodic basis to ensure that the financial goals of each client have not changed.

As of March 10, 2020, the Firm had assets under management of \$3,109,052,340. All assets are managed on a discretionary basis.

## **Fees and Compensation**

Our annual fee is based on the total value of each client’s assets under management on the last day of each calendar quarter. Our fees are billed at the end of each quarter. Fees are pro-rated in the event the Firm does not manage the account for an entire calendar quarter. If an investment advisory agreement is terminated on other than the last day of the calendar quarter, the fee is based upon the value of the account on the date of termination. Certain accounts managed by several of the portfolio managers who joined the Firm in 2014 are subject to a lower fee than shown in the schedule relating to those managers.

Fees for accounts managed by Joseph Werner are typically calculated as follows:

A. Fixed Income Securities:

- 0.40% on fixed income securities with original maturity of more than one year, and

B. All Other Assets:

- 1.20% on the first \$2,000,000 of assets under management

- 1.00% on the next \$3,000,000 of assets under management
- 0.75% on the next \$10,000,000 of assets under management
- 0.50% on assets under management in excess of \$15,000,000.

Fees for accounts managed by Edward Giles, William Herrman or William Herrman II are typically calculated as follows:

A. Fixed Income Securities:

- 0.40% on all fixed income securities, and

B. All Other Assets:

- 1.20% on the first \$2,000,000 of assets under management
- 1.00% on the next \$3,000,000 of assets under management
- 0.75% on the next \$10,000,000 of assets under management
- 0.50% on assets under management in excess of \$15,000,000.

Fees for accounts managed by Ian MacCallum, Robert Shapiro or Robert Eising are typically calculated as follows:

A. Fixed Income Securities:

- 0.40% on all fixed income securities, and

B. All Other Assets:

- 1.00% on the first \$10,000,000 of assets under management
- 0.75% on the next \$10,000,000 of assets under management
- 0.60% on the next \$10,000,000 of assets under management
- 0.40% on the next \$70,000,000 of assets under management
- 0.30% on assets under management in excess of \$100,000,000.

A client may authorize the custodian to deduct the investment advisory fee from the custody account or the client may elect to receive a bill each quarter for the amount due.

Clients will be charged custody fees by their custodian. Clients should refer to the custody agreement or contact their custodian for a discussion of their fees.

Clients will be charged brokerage commissions for transactions effected by the Firm on their behalf. See Brokerage Practices section. Clients will also be charged money market fund fees by the fund's manager on the cash portion of the account.

Clients will be charged a fee by the third-party class action processor which the Firm has retained. This fee is a percentage of the total compensation awarded to the client and is deducted by the class action processor prior to disbursing the award to the client.

### **Performance-Based Fees and Side-by-Side Management**

There are no performance-based fees.

### **Types of Clients**

We manage assets on behalf of individuals, pension and profit sharing plans, trusts, estates, non-profit organizations, partnerships, corporations and other business entities. In some cases, employees of the Firm serve as trustee for some trust account clients, by virtue of a prior relationship with those clients.

There is typically a \$2,000,000 minimum to open an account with us. In certain instances this minimum may be waived.

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

Significant rewards can come to the prudent and patient investor. Quality management, a proven record, a competitive advantage, sound financials and the opportunity for growth are the fundamental traits we look for in the companies in which we invest.

We employ fundamental security analytical techniques, although consideration is given to technical studies. Our primary investment objective is capital appreciation. Research is conducted independently in-house. When we identify what we believe to be a promising investment, we evaluate its suitability for each of our clients.

For most of our clients, we invest a significant majority of their assets in common stocks (or publicly traded limited partnership interests). However, we maintain cash or cash equivalents in each portfolio sufficient to permit us to capitalize on new investment opportunities without being forced to sell an existing holding at an inopportune time.

We believe common stocks are an excellent way to preserve and enhance purchasing power. We want our clients to own good businesses — businesses that we understand, that are managed by dedicated and able people. Other characteristics we look for are low cost of raw materials, high return on stockholders' equity, positive free cash flow, and a material management stake in the business. We keep an eye out for evolving industries and new concepts as well as for unduly depressed securities that appear to provide an appropriate level of market risk, but potential for substantial appreciation.

For many clients, we employ fixed income strategies in at least a portion of their portfolio.

While the foregoing describes the general precepts guiding our investment strategy, it is inherent in our makeup to avoid dogma, to keep a clear and open mind as to what constitutes value and to be deeply suspicious of the prevailing view. We manage each account individually. Therefore, a client's financial needs, goals, tolerance for risk, etc. further shape our investment strategy with respect to that account.

A typical portfolio managed by Joseph Werner, William Herrman, Edward Giles or William Herrman II will hold less than 25 securities. They believe this allows for appropriate diversification and manages risk while not watering down the importance of each investment to the overall return of the portfolio. When a holding becomes too small or too large relative to the portfolio, they tend to rebalance the holding. In taxable accounts, they endeavor to hold a given security for over a year if they feel that the security's future prospects warrant doing so.

A typical portfolio managed by Ian MacCallum, Robert Shapiro or Robert Eising will hold 25-40 securities, and may hold fixed income securities.

Investing in equity or fixed income securities involves risk of loss that clients should be prepared to bear. There is no assurance that an investment will provide positive performance over any period of time. Past performance is no guarantee of future results and different periods and market conditions may result in significantly different outcomes. There can be no guarantee that our decisions will produce the intended result, and there can be no assurance that the investment strategy will succeed. Additional material risks presented by the strategy and its investments are set forth below.

*Market risk:* The market values of the securities may decline, at times sharply and unpredictably. Market values of equity securities are affected by a number of different factors, including the historical and prospective earnings of the issuer, the value of its assets, management decisions, decreased demand for an issuer's products or services, increased production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions and market liquidity.

Stocks of a particular sector (e.g., energy, financial, etc.) or style (e.g., "growth" or "value") held in an account could fall out of favor and returns would subsequently trail returns from the overall stock market. The performance of stocks of large-cap companies could underperform those of smaller companies that may be more nimble and have better growth prospects. The performance of stocks of small and mid-cap companies could be more volatile than stocks of larger companies. There may be less liquidity in a smaller company's stock, which means that buy and sell orders in that stock could take longer to complete without impacting price. Small-cap companies often have less predictable earnings, more limited product lines and markets, and more limited financial and management resources than larger companies.



*Non-U.S. risk:* Companies based outside of the United States or domestic companies with significant foreign operations may be subject to risks in addition to those of companies that principally operate in the United States, due to political, social and economic developments abroad, different regulatory environments and laws, potential seizure by the government of company assets, higher taxation, withholding taxes on dividends and interest and limitations on the use or transfer of portfolio assets. Other risks include the following: enforcing legal rights may be difficult, costly and slow in non-U.S. countries, and there may be special problems enforcing claims against non-U.S. governments; non-U.S. companies may not be subject to accounting standards or governmental supervision comparable to U.S. companies, and there may be less public information about their operations; and non-U.S. markets may be less liquid and more volatile than U.S. markets.

*Credit risk:* Fixed income investments are prone to credit risk. The credit quality of an issuer can fluctuate, depending upon the issuer's ability to make good on its principal and interest obligations.

*Inflation risk:* This is the risk that the value of your investment will be negatively affected as an increase in prices decreases the value of money over time.

*Interest rate risk:* Fixed income investments are generally subject to interest rate risk, which is the risk that the value of a security will fall due to a change in overall interest rates. An environment of rising interest rates will generally cause the value of fixed income securities to decrease. Equity portfolios may also be subject to "hidden" interest rate risk, as some stocks can change in value due to fluctuation of interest rates.

### **Disciplinary Information**

Neither the Firm nor any of its management persons have been involved in a material regulatory or legal event.

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

None of our management persons are registered or have a pending application to be registered as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of these entities. We are not affiliated with any broker-dealer or commodities trading firm.

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

We manage several of our employees' personal investment accounts or accounts in which they are deemed to have a beneficial interest. Our management of these accounts raises potential conflicts of interest when we buy or sell a security that is owned

by, or considered for purchase or sale for, a client. In addition, we permit our employees to buy and sell securities that we have purchased or sold for or recommended to our clients after they are purchased or sold for clients. Such employees are permitted to engage in transactions for their accounts in a manner that is inconsistent with our recommendations to our clients.

Whether we buy or sell securities for employee accounts under our management, or our employees engage in personal securities transactions, all such trades must comply with our Code of Ethics (“the Code”).

The Firm’s Code is designed to detect and prevent conflicts of interest between transactions entered into on behalf of our clients and transactions entered into on behalf of or by our employees. If such conflicts do arise, the Code ensures that we effect transactions for clients in a manner that is consistent with our fiduciary duty to our clients and applicable law. Our employees who wish to buy or sell securities of the types purchased for our clients may do so only in a manner consistent with the Firm’s fiduciary obligations. We do not buy or sell for client accounts securities in which our Firm or a related person has a material financial interest.

Clients and prospective clients may request a copy of our Code of Ethics.

### **Brokerage Practices**

We are given authority by our clients to make the following determinations: (i) which securities to buy or sell; (ii) the amount of securities to buy or sell; (iii) the broker-dealer through which the securities are to be bought or sold; and (iv) the commission rates and prices at which securities transactions are effected.

Unless otherwise directed in writing, the Firm arranges for the execution of securities transactions for clients’ accounts through those brokers or dealers that, in our reasonable judgment, are capable of providing best execution. In determining the ability of a broker-dealer to provide best execution, we consider a number of factors such as:

- Quality of execution including speed, efficiency and potential ability to obtain price improvement
- Competitiveness of commissions
- Reliability
- Responsiveness to the Firm’s needs
- Reputation and integrity
- Trade error history
- Research/Access to information
- Ability to provide liquidity
- Confidentiality
- Clearance and settlement capabilities

- Knowledge of and access to markets

One of the Firm's clients is an executive officer of a broker-dealer to whom we direct business. We seek to mitigate this conflict of interest through our account review process.

#### Research and Other Soft Dollar Benefits

Consistent with obtaining best execution, at times we direct brokerage commissions on a client's portfolio transactions to brokers and dealers in recognition of research services furnished by them, as well as for services rendered in the execution of orders by such brokers and dealers. Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") permits an investment adviser, under certain circumstances, to cause its clients to pay a broker-dealer a commission for effecting a transaction in excess of the amount of commission another broker-dealer would have charged in recognition of the value of brokerage and research services provided by the broker-dealer. We must determine that the commission is reasonable in relation to the value of brokerage and research services received. In reaching such determination, we are not required to place or attempt to place a specific dollar value on the brokerage or research services provided by such broker. When we use a broker who provides research or other products and services rather than a broker who could execute a transaction at a lower commission rate, we receive a benefit because we are receiving such research or services without having to pay hard dollars. This may cause us to select a broker-dealer providing such research and services as opposed to one that may be able to provide more favorable execution.

Research products are in written form or through direct contact with individuals and may include information on companies and securities as well as market and economic conditions that assist in the valuation and pricing of investments. Examples of research-oriented services we pay for using soft dollars include portfolio management software, research reports, access to industry conferences and company managements, proprietary equity data, market commentary, economic forecasts, and other information on the economy, industries, sectors, groups of securities, individual companies, statistical information, political developments, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance and other analysis.

Brokerage and research services are employed for the benefit of all of our clients. However, each and every service may not be used for the benefit of all client accounts. We do not seek to allocate soft dollar benefits proportionately to the soft dollar credits that the account generates.

We generally consider the amount and nature of research, execution and other services provided by brokers and dealers as well as the extent to which such services are relied upon, and attempt to allocate a portion of each client's brokerage on the basis of these considerations. A broker-dealer is not precluded from receiving business because it does not provide brokerage or research services. We believe that such an allocation of brokerage business will help us to obtain valuable research and execution capabilities and

will provide other benefits to our clients.

We are required to monitor these arrangements to identify where a research product or service has a mixed use (research and non-research) and make a reasonable allocation of the cost of the product according to its use. The portion that assists us in the investment decision making process is paid for by commission dollars, while those services that provide administrative or other non-research assistance are outside the safe harbor of Section 28(e) and must be paid for using our own funds. We have a conflict of interest in making this research/non-research determination; we deal with this conflict through disclosure in this brochure. We maintain records concerning mixed-use allocations and make a good faith review of these determinations.

When deciding to direct client transactions to a particular broker-dealer in return for soft dollar benefits received, we consider a number of factors such as:

- Research/Access to information
- The percentage of companies in which we invest covered by the broker-dealer's research and trading departments
- Responsiveness to our needs
- Reliability, both historically and as an ongoing matter
- The broker-dealer's reputation and integrity.

#### Brokerage for Client Referrals

In selecting a broker-dealer, Peter B. Cannell & Co., Inc. does not consider whether we or a related person of our Firm receives client referrals from such broker-dealer.

#### Directed Brokerage

A few clients have directed us to use a specific broker-dealer through which we must execute securities transactions for their account(s), and have negotiated their own commission rates. When a client directs us to use a particular broker-dealer: (i) we may have limited or no ability to negotiate commissions for the client; (ii) we are unable to negotiate volume discounts; (iii) clients may incur different commission charges; (iv) conflicts of interest sometimes arise from such non-brokerage referrals; (v) we usually place "directed" trades after non-directed trades; and (vi) a directing client may not be able to obtain any of the benefits of block trades that we may enter into for clients who have not directed us to use a particular broker-dealer.

We often purchase or sell securities for several client accounts at approximately the same time. At times we will combine or "batch" these orders to facilitate obtaining best execution, to negotiate more favorable commission rates and/or to allocate equitably among such clients the effects of any market fluctuations that might have otherwise

occurred had such orders been placed independently. Under this procedure, the transactions are averaged as to price and allocated as to amount according to the daily purchase and sale orders actually placed for each client account.

Transactions that are to be effected through a particular broker-dealer, pursuant to a client direction, may not be combined or batched for execution with orders for the same securities for other managed accounts, except to the extent that such broker-dealer is the executing broker-dealer for the combined or batched order.

### **Review of Accounts**

All clients' accounts receive close and regular review. We meet with or otherwise communicate with our clients (or their financial advisor) on a periodic basis to ensure that the financial goals of each client have not changed.

Each quarter, clients are provided with an evaluation of their accounts. No less than annually, clients are provided with a capital gains/losses statement. These reports are available to clients in hard copy or in the password-protected section of the Firm's website for those clients who have elected to receive their statements electronically.

### **Client Referrals and Other Compensation**

The Firm does not compensate any third parties for client referrals, nor do we receive any payments from third parties in connection with giving advice to clients.

### **Custody**

Our clients' assets are held by qualified custodians as defined by §275.206(4)-2(d)(6) under the Investment Advisers Act of 1940 ("the Act"). At least quarterly, clients receive account statements from their custodian. *Such statements should be carefully reviewed and compared to the account statements received from us.*

### **Investment Discretion**

Pursuant to our investment advisory agreement with each client, we have full discretion to manage our clients' investment accounts. On occasion, a client may notify us of a limitation on investments we can make for their account. An example is no purchase of "sin stocks".

### **Voting Client Securities**

We have adopted a policy and implemented procedures which we believe are reasonably designed to ensure that proxies are voted in the best interest of our clients, in accordance with our fiduciary duties and SEC Rule 275.206(4)-6 under the Act. The following is a summary of our proxy voting policy and procedures:

We have formed a committee to administer and oversee the proxy voting process. We have also developed guidelines designed to assist in this process. In general, we will follow the voting guidelines except in cases where a material conflict of interest exists. The policy and procedures contain several methods by which a proxy will be voted in a manner that avoids a material conflict of interest.

We vote clients' proxies except when it is determined that the effect on our clients' economic interest of the value of the holding is insignificant, or when the cost of voting the proxies outweighs the benefit. We will not vote proxies for those securities in certain clients' custodian accounts that are "unsupervised" and appear under the heading "Special Holdings" on their quarterly statements. We do not receive a fee on, assume no responsibility for, and make no proxy voting or investment decisions regarding such securities. A proxy received with respect to such a security is forwarded to the client who owns the security, if the portfolio manager for that client believes it is appropriate to do so.

Clients may request a copy of our proxy voting policy and procedures. Clients may also request information as to how proxies were voted on their behalf.

### **Financial Information**

We do not require or solicit prepayment of our fees. We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients, nor have we ever been the subject of a bankruptcy petition.

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**Joseph B. Werner**  
**Chairman and Chief Executive Officer**

**Educational Background and Business Experience**

Joseph B. Werner, born in 1959, received a B.S. degree in Finance from the Boston University Questrom School of Business and an M.B.A. from Pace University's Lubin School of Business. He has been employed in the investment advisory business since 1981. He began his career at Bankers Trust Company as a Securities Analyst and Assistant Portfolio Manager. In 1984 he joined the Wallenberg Group Sweden (New York Office), where he again worked as a Securities Analyst and Assistant Portfolio Manager. From 1988 to 1991, he was Vice President, Portfolio Manager and Securities Analyst for A.R. Schindler & Co. Mr. Werner joined Peter B. Cannell & Co., Inc. in 1991, was elected President in 1995, and now serves as its Chairman and Chief Executive Officer. Mr. Werner is a member of the CFA Society New York and a graduate of the New York State Bankers Association Trust Investment School. Mr. Werner previously served on the Board of Governors of the Hyde School. Below is a summary of Mr. Werner's education and business background:

Education: Boston University, School of Management, B.S. Finance, 1981

Pace University, Lubin School of Business, M.B.A. Finance, 1985

**Business Background:**

01/2005 to Present	Peter B. Cannell & Co., Inc., Chairman and Chief Executive Officer
01/1995 to 03/2019	Peter B. Cannell & Co., Inc., President
03/1991 to Present	Peter B. Cannell & Co., Inc., Portfolio Manager and Securities Analyst
06/1988 to 03/1991	A.R. Schindler & Co., Vice President, Portfolio Manager and Securities Analyst
03/1984 to 06/1988	Wallenberg Group Sweden, Securities Analyst and Assistant Portfolio Manager
07/1981 to 03/1984	Bankers Trust Company, Securities Analyst and Assistant Portfolio Manager

### **Disciplinary Information**

Mr. Werner has not been involved in any regulatory or legal event.

### **Other Business Activities**

Mr. Werner is not actively engaged in any investment-related business or occupation other than his employment with Peter B. Cannell & Co., Inc. and is not actively engaged in any other business or occupation for compensation.

### **Additional Compensation**

Mr. Werner does not receive any economic benefit for providing advisory services other than his compensation as an employee of Peter B. Cannell & Co., Inc.

### **Supervision**

Peter B. Cannell & Co., Inc. has a robust compliance program and its employees and directors are aware of and understand its policies and procedures and take compliance with such policies and procedures with the utmost seriousness. The Firm has in place policies and procedures adequately designed to prevent and detect violations of its legal and regulatory requirements. The policies and procedures are appropriately tailored to the Firm's size, the nature of its business and stable and long-standing client base.

With varying frequency based on the risk posed by a particular activity, but no less frequently than annually, the Firm tests and reviews its policies and procedures as well as its employees' and directors' adherence to them. The Firm employs multiple testing methods to ensure that its activities are in accordance with its policies and procedures. Various committees comprised of senior management meet regularly to review, among other things, trading activity, performance of accounts and the management of clients' accounts. On a daily basis, all trading activity is reviewed for adherence to account restrictions and the Firm's trading policies.

For further information regarding the Firm's compliance program and the supervision of its employees for adherence to this program, contact the Chief Compliance Officer, Neal Muroff, at (212) 752-5255 or nmuroff@peterbcannell.com.



**William H. Herrman**  
**Senior Vice President**

**Educational Background and Business Experience**

William H. Herrman, born in 1936, received a B.A. degree from Brown University and an M.B.A. in Finance from the Wharton School of the University of Pennsylvania. He has been managing investment accounts since 1962. Mr. Herrman joined Peter B. Cannell & Co., Inc. in 1999 and serves as Senior Vice President. Below is a summary of Mr. Herrman's education and business background:

Education:     Brown University, B.A. Economics, 1958

University of Pennsylvania, Wharton Graduate School, M.B.A. Finance,  
1960

**Business Background:**

02/1999 to Present     Peter B. Cannell & Co., Inc., Senior Vice President

01/1974 to 01/1999     Kalb, Voorhis & Co., LLC, Partner

01/1968 to 12/1973     Kalb, Voorhis & Co., LLC, Broker

01/1961 to 01/1968     Halle & Stieglitz, Broker

**Disciplinary Information**

Mr. Herrman has not been involved in any regulatory or legal event.

**Other Business Activities**

Mr. Herrman is not actively engaged in any investment-related business or occupation other than his employment with Peter B. Cannell & Co., Inc. and is not actively engaged in any other business or occupation for compensation.

**Additional Compensation**

Mr. Herrman does not receive any economic benefit for providing advisory services other than his compensation as an employee of Peter B. Cannell & Co., Inc.

**Supervision**

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compliance with such policies and procedures with the utmost seriousness. The Firm has in place policies and procedures adequately designed to prevent and detect violations of its legal and regulatory requirements. The policies and procedures are appropriately tailored to the Firm's size, the nature of its business and stable and long-standing client base.

With varying frequency based on the risk posed by a particular activity, but no less frequently than annually, the Firm tests and reviews its policies and procedures as well as its employees' and directors' adherence to them. The Firm employs multiple testing methods to ensure that its activities are in accordance with its policies and procedures. Various committees comprised of senior management meet regularly to review, among other things, trading activity, performance of accounts and the management of clients' accounts. On a daily basis, all trading activity is reviewed for adherence to account restrictions and the Firm's trading policies.

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**Edward M. Giles**  
**Senior Vice President**

**Educational Background and Business Experience**

Edward M. Giles, born in 1935, received a B.S. in Chemical Engineering from Princeton University and an S.M. in Industrial Management from the Massachusetts Institute of Technology. He has been employed in the investment management business since 1959. Currently, Mr. Giles sits on the board of Tephra, Inc. and Sit Mutual Funds. Mr. Giles joined Peter B. Cannell & Co., Inc. in 2011 and serves as Senior Vice President. Below is a summary of Mr. Giles' education and business background:

Education:     Princeton University, B.S. Chemical Engineering, 1957

                  Massachusetts Institute of Technology, S.M. Industrial Management, 1959

**Business Background:**

07/2011 to Present     Peter B. Cannell & Co., Inc., Senior Vice President

01/1992 to 06/2011     GME Capital, LLC, Investment Manager

01/1989 to 12/1991     Peter B. Cannell & Co., Inc., Vice Chairman

01/1985 to 12/1988     Eberstadt Fleming, Inc., Vice Chairman

01/1979 to 12/1984     F. Eberstadt & Co., Inc., President

01/1977 to 12/1978     F. Eberstadt & Co., Inc., Executive Vice President

01/1969 to 12/1976     F. Eberstadt & Co., Inc., Director of Institutional Research

01/1966 to 12/1984     F. Eberstadt & Co., Inc., Partner and Shareholder

01/1959 to 12/1988     F. Eberstadt & Co., Inc., Securities Analyst

**Disciplinary Information**

Mr. Giles has not been involved in any regulatory or legal event.

**Other Business Activities**

Mr. Giles is not actively engaged in any investment-related business or occupation other than his employment with Peter B. Cannell & Co., Inc. and is not actively engaged in any other business or occupation for compensation.

### **Additional Compensation**

Mr. Giles does not receive any economic benefit for providing advisory services other than his compensation as an employee of Peter B. Cannell & Co., Inc.

### **Supervision**

Peter B. Cannell & Co., Inc. has a robust compliance program and its employees and directors are aware of and understand its policies and procedures and take compliance with such policies and procedures with the utmost seriousness. The Firm has in place policies and procedures adequately designed to prevent and detect violations of its legal and regulatory requirements. The policies and procedures are appropriately tailored to the Firm's size, the nature of its business and stable and long-standing client base.

With varying frequency based on the risk posed by a particular activity, but no less frequently than annually, the Firm tests and reviews its policies and procedures as well as its employees' and directors' adherence to them. The Firm employs multiple testing methods to ensure that its activities are in accordance with its policies and procedures. Various committees comprised of senior management meet regularly to review, among other things, trading activity, performance of accounts and the management of clients' accounts. On a daily basis, all trading activity is reviewed for adherence to account restrictions and the Firm's trading policies.

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**Ian B. MacCallum, Jr.**  
**Executive Vice President**

**Educational Background and Business Experience**

Mr. MacCallum, born in 1950, began his career in 1976 as a Securities Analyst with the New York Stock Exchange specialist firm, Walter N. Frank & Co. In 1982 he joined Cyrus J. Lawrence & Co. as a Portfolio Manager. In 1987, he joined J. & W. Seligman & Co. where he served as Vice President and later Senior Vice President responsible for the asset management of high net worth individuals. Mr. MacCallum continued this work as Senior Vice President at U.S. Trust Company following its acquisition of Seligman's high net worth business in 1995. In 1999, he joined Klingenstein, Fields & Co., L.L.C. as a Senior Vice President, and remained in that role until December 2013. Mr. MacCallum is a past Trustee of the Foundation for Child Development in New York, New York, a past Trustee of the Emma Willard School in Troy, New York, and currently is President and Trustee of the Charles and Marjorie Holloway Foundation. Mr. MacCallum graduated from Gettysburg College with a B.A. in Economics and received an M.B.A. from Seton Hall University. Mr. MacCallum joined Peter B. Cannell & Co., Inc. in 2014 and serves as Executive Vice President. Below is a summary of Mr. MacCallum's education and business background:

Education:     Gettysburg College, B.A. Economics, 1973

Seton Hall University, M.B.A. Finance, 1978

Business Background:

01/2014 to Present	Peter B. Cannell & Co., Inc., Executive Vice President
08/1999 to 12/2013	Klingenstein, Fields & Co., L.L.C., Senior Vice President
05/1995 to 07/1999	U.S. Trust Co. of New York, Senior Vice President
08/1987 to 05/1995	J. & W. Seligman & Co., Vice President and Senior Vice President
01/1982 to 08/1987	Cyrus J. Lawrence & Co., Portfolio Manager
01/1976 to 01/1982	Walter N. Frank & Co., Securities Analyst

**Disciplinary Information**

Mr. MacCallum has not been involved in any regulatory or legal event.

### **Other Business Activities**

Mr. MacCallum is not actively engaged in any investment-related business or occupation other than his employment with Peter B. Cannell & Co., Inc. and is not actively engaged in any other business or occupation for compensation.

### **Additional Compensation**

Mr. MacCallum does not receive any economic benefit for providing advisory services other than his compensation as an employee of Peter B. Cannell & Co., Inc.

### **Supervision**

Peter B. Cannell & Co., Inc. has a robust compliance program and its employees and directors are aware of and understand its policies and procedures and take compliance with such policies and procedures with the utmost seriousness. The Firm has in place policies and procedures adequately designed to prevent and detect violations of its legal and regulatory requirements. The policies and procedures are appropriately tailored to the Firm's size, the nature of its business and stable and long-standing client base.

With varying frequency based on the risk posed by a particular activity, but no less frequently than annually, the Firm tests and reviews its policies and procedures as well as its employees' and directors' adherence to them. The Firm employs multiple testing methods to ensure that its activities are in accordance with its policies and procedures. Various committees comprised of senior management meet regularly to review, among other things, trading activity, performance of accounts and the management of clients' accounts. On a daily basis, all trading activity is reviewed for adherence to account restrictions and the Firm's trading policies.

For further information regarding the Firm's compliance program and the supervision of its employees for adherence to this program, contact the Chief Compliance Officer, Neal Muroff, at (212) 752-5255 or nmuroff@peterbcannell.com.

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**Robert F. Shapiro**  
**Senior Vice President**

**Educational Background and Business Experience**

Robert F. Shapiro, born in 1934, began his career in 1956 at Lehman Brothers, where he became Partner in 1967. He joined Wertheim & Co., Inc. in 1974, became President of Wertheim & Co. in 1975, and held that position until 1986 when he became Co-Chairman of the succeeding firm, Wertheim Schroder & Co. From 1997 to 2013, Mr. Shapiro was Vice Chairman of Klingenstein, Fields & Co., an investment advisory business. From 1974 until 2010, Mr. Shapiro was also a Director of The TJX Companies, Inc., a multi-billion dollar NYSE company. Mr. Shapiro has held leading roles in the investment industry including service as a Governor of the American Stock Exchange from 1970 to 1976, as Chairman of the Nominating Committee of the New York Stock Exchange in 1980, as Chairman of the Securities Industry Association in 1985, and as President of The Bond Club of New York from 1987 to 1988. Mr. Shapiro previously served as an independent Trustee of the Burnham Investors Trust. He currently serves on the boards of a number of private companies and not-for-profit organizations. Mr. Shapiro graduated with a B.A. from Yale University. Mr. Shapiro joined Peter B. Cannell & Co., Inc. in 2014 and serves as Senior Vice President. Below is a summary of Mr. Shapiro's education and business background:

Education: Yale University, B.A. Economics/Political Science, 1956

**Business Background:**

01/2014 to Present	Peter B. Cannell & Co., Inc., Senior Vice President
02/1998 to 12/2013	Klingenstein, Fields & Co., L.L.C., Vice Chairman
06/1997 to 01/1998	Klingenstein, Fields & Co., L.P., Vice Chairman
05/1992 to 04/1995	New Street Capital Corp., Chairman
01/1988 to 05/1997	RFS & Associates, Inc., President
07/1986 to 12/1987	Wertheim Schroder & Co., Inc., Co-Chairman
01/1975 to 07/1986	Wertheim & Co., Inc., President
01/1974 to 01/1975	Wertheim & Co., Inc., Executive Vice President
01/1967 to 01/1974	Lehman Brothers, Partner
06/1956 to 12/1966	Lehman Brothers, Associate

### **Disciplinary Information**

Mr. Shapiro has not been involved in any regulatory or legal event.

### **Other Business Activities**

Mr. Shapiro is not actively engaged in any investment-related business or occupation other than his employment with Peter B. Cannell & Co., Inc. and is not actively engaged in any other business or occupation for compensation.

### **Additional Compensation**

Mr. Shapiro does not receive any economic benefit for providing advisory services other than his compensation as an employee of Peter B. Cannell & Co., Inc.

### **Supervision**

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**Robert C. Eising**  
**Senior Vice President**

**Educational Background and Business Experience**

Robert C. Eising, born in 1976, began his career in 1998 as a Trading Assistant with the New York Stock Exchange specialist firm, Bear Wagner Specialists. In 2004 he joined Apogee Asset Management as a Proprietary Equity Trader. In 2006, he joined Klingenstein, Fields & Co., L.L.C. as a Securities Analyst. In 2009 he began managing portfolios for high net worth individuals and families, and in 2010 became a Vice President. Mr. Eising joined Peter B. Cannell & Co., Inc. in 2014 and serves as Senior Vice President. Below is a summary of Mr. Eising's education and business background:

Education:     Lehigh University, B.S. Finance, 1998

                  New York University, M.B.A. Finance, 2007

**Business Background:**

01/2014 to Present     Peter B. Cannell & Co., Inc., Senior Vice President

01/2010 to 12/2013    Klingenstein, Fields & Co., L.L.C., Vice President

06/2006 to 01/2010    Klingenstein, Fields & Co., L.L.C., Securities Analyst

12/2004 to 07/2005    Apogee Asset Management, Proprietary Equity Trader

11/1998 to 09/2004    Bear Wagner Specialists, Trading Assistant

**Disciplinary Information**

Mr. Eising has not been involved in any regulatory or legal event.

**Other Business Activities**

Mr. Eising is not actively engaged in any investment-related business or occupation other than his employment with Peter B. Cannell & Co., Inc. and is not actively engaged in any other business or occupation for compensation.

**Additional Compensation**

Mr. Eising does not receive any economic benefit for providing advisory services other than his compensation as an employee of Peter B. Cannell & Co., Inc.

## **Supervision**

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**William H. Herrman II**  
**Senior Vice President**

**Educational Background and Business Experience**

William H. Herrman II, born in 1967, received a B.A. degree from Brown University. He has been managing investment accounts since 2002. Mr. Herrman joined Peter B. Cannell & Co., Inc. in 2018 and serves as Senior Vice President. Below is a summary of Mr. Herrman's education and business background:

Education: Brown University, B.A. Economics, 1989

Business Background:

08/2018 to Present Peter B. Cannell & Co., Inc., Senior Vice President

01/2009 to 08/2018 Bernstein Private Wealth Management, Principal

07/2002 to 12/2008 Bernstein Private Wealth Management, Vice President

**Disciplinary Information**

Mr. Herrman has not been involved in any regulatory or legal event.

**Other Business Activities**

Mr. Herrman is not actively engaged in any investment-related business or occupation other than his employment with Peter B. Cannell & Co., Inc. and is not actively engaged in any other business or occupation for compensation.

**Additional Compensation**

Mr. Herrman does not receive any economic benefit for providing advisory services other than his compensation as an employee of Peter B. Cannell & Co., Inc.

**Supervision**

Peter B. Cannell & Co., Inc. has a robust compliance program and its employees and directors are aware of and understand its policies and procedures and take compliance with such policies and procedures with the utmost seriousness. The Firm has in place policies and procedures adequately designed to prevent and detect violations of its legal and regulatory requirements. The policies and procedures are appropriately tailored to the Firm's size, the nature of its business and stable and long-standing client base.

With varying frequency based on the risk posed by a particular activity, but no less frequently than annually, the Firm tests and reviews its policies and procedures as well as its employees' and directors' adherence to them. The Firm employs multiple testing methods to ensure that its activities are in accordance with its policies and procedures. Various committees comprised of senior management meet regularly to review, among other things, trading activity, performance of accounts and the management of clients' accounts. On a daily basis, all trading activity is reviewed for adherence to account restrictions and the Firm's trading policies.

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