

Firm Brochure (Part 2A of Form ADV)
March 16, 2020

FIDUCIARY COUNSELLING, INC.

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This brochure provides information about the qualifications and business practices of Fiduciary Counselling, Inc. If you have any questions about the contents of this brochure, please contact us at 651-228-0935. 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. Registration of an adviser with the SEC does not imply a certain level of skill or training.

Additional information about Fiduciary Counselling, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

There following material changes have occurred since the last annual update to this brochure for Fiduciary Counselling, Inc. ("FCI") dated March 15, 2019.

Effective February 5, 2020, Karen P. Rau was appointed as Chief Compliance Officer of FCI.

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Item 4 - Advisory Business

Fiduciary Counselling, Inc. ("FCI"), founded in 1941, provides discretionary and non-discretionary investment services consistent with the individual needs and objectives of each client account. FCI provides accounting, trust and tax services, financial and investment services and estate planning in consultation with the client's legal counsel. Services are provided pursuant to each client's respective Client Services Agreement.

After consultation with the client, FCI will establish guidelines and policies, which generally include a written investment policy statement ("IPS"). We provide clients investment services consistent with a formulated plan of investment (the "Plan") through the use of model portfolios to be implemented by FCI for the client's account. These model portfolios are based on FCI's asset allocation methodology and each client's desired exposure to certain stocks traditionally owned by FCI clients. From this base, we use concepts of modern portfolio theory to build the model portfolio using registered and unregistered investment companies and other securities, including private investments where appropriate for certain clients.

FCI's investment services include asset allocation services, recommendations regarding the purchases and sales of securities and rebalancing recommendations. For certain clients, FCI provides investment services on a non-discretionary basis. FCI may exercise discretion if specifically authorized by the client in the Client Services Agreement. See Item 16.

FCI generally offers advice on investments in equity securities, fixed income securities, ETFs, mutual funds, certain private funds, private equity investments and other securities issued in private placements.

Clients can impose restrictions on owning certain securities or types of securities in the Client Services Agreement or IPS.

Upon client request, we may render advisory services to clients relative to the initial retention, ongoing monitoring and review of the performance of third-party separate account managers ("Managers"). Factors which we consider when reviewing a Manager include the client's stated investment objectives and the Manager's management style, performance, reputation, financial strength, reporting, pricing and research. The terms and conditions under which the client engages a Manager are set forth in separate written agreements between the client and the Manager.

FCI's services also include financial planning, accounting, estate planning and trust and charitable administration. We also provide clerical, record-keeping and other administrative services as directed by individual clients which include, but may not be limited to, facilitating the gifting and re-registration of securities, insurance policy administration, bill-paying services and the preparation of state and federal tax returns and other reports. In addition, FCI provides support in the processing of corporate actions (mergers, buyouts, bankruptcy claims), stock gifts and proxy materials. Upon request, FCI assists clients in obtaining mortgages and other loans and opening and administering bank accounts. Certain clients may elect not to receive the full suite of services offered by FCI. Clients may also request special projects and other specialized services ("Extraordinary Services") as described in Item 5, below.

Pursuant to a Servicing Agreement between FCI and Clearwater Management Co., Inc. (“CMC”), FCI has been engaged by CMC to provide compliance and administrative services for certain CMC clients: the Clearwater Investment Trust (the “Trust”), a registered investment company, as well as certain private investment funds (the “Private Funds”). CMC is a registered investment adviser that provides advice to the Trust and its mutual fund portfolios and the Private Funds. FCI may recommend that clients invest in the Trust and the Private Funds. Pursuant to a subadvisory agreement between FCI, CMC and the Trust, FCI provides certain investment services to CMC and the Trust, including investment strategy advice and manager recommendations. FCI also provides asset allocation advice, due diligence and other investment services to CMC with respect to the Private Funds.

FCI’s principal owner is M. Julie McKinley, President and Chief Executive Officer.

As of December 31, 2019, FCI managed approximately \$3,000,786,558 in assets on a discretionary basis and \$4,659,676,300 in assets on a non-discretionary basis.

Item 5 - Fees and Compensation

Generally, FCI charges an inclusive fee for investment advisory, accounting, tax, estate planning, financial planning, and trust and charitable administration services. The fee is charged as a percentage of the assets held in the client’s account in accordance with the following annual schedule:

MARKET VALUE	RATE	BASIS POINTS (100 bps = 1.00%)
\$ 0 to 500,000	0.625%	62.5
\$ 500,001 to 1,000,000	0.625%	62.5
\$ 1,000,001 to 2,000,000	0.600%	60.0
\$ 2,000,001 to 5,000,000	0.550%	55.0
\$ 5,000,001 to 10,000,000	0.390%	39.0
\$ 10,000,001 to 20,000,000	0.300%	30.0
\$ 20,000,001 to 25,000,000	0.280%	28.0
\$ 25,000,001 to 50,000,000	0.250%	25.0
\$ 50,000,001 to 75,000,000	0.220%	22.0
\$ 75,000,001 to 100,000,000	0.170%	17.0
\$ 100,000,001 to 200,000,000	0.100%	10.0
\$ 200,000,001 to 300,000,000	0.080%	8.0
\$ 300,000,001 +	0.060%	6.0

Fees are generally billed in arrears on a quarterly basis and at a rate of one-fourth of the annual fee, unless otherwise negotiated. The fee for any period that is less than a full quarter is pro-rated. FCI’s fees are generally non-negotiable; however, FCI reserves the right to reduce or waive minimum account size or fees at its sole discretion. FCI also reserves the right to exclude (exempt) assets from the above fee schedule, to provide discounts and to aggregate accounts for the purpose of applying the breakpoints set forth above. Fees will be separately billed to the client unless the client authorizes direct payment from account assets.

Market value is computed on the average of 16 trailing quarters, ending on the last quarter of the prior calendar year, on cash, short-term investments, annuity contracts, accounts receivable from securities sales, bonds, mutual funds, family businesses, stocks, private equity, investment real estate and other investments. Market values for common stocks and other publicly-traded securities are generally determined by their last reported sale price on the principal market in which they are traded. These prices are provided by a third-party vendor. Investment real estate is valued at the tax assessor's market value if available. If not, they are generally valued at cost. Mutual funds are valued at their stated net asset value. Other readily marketable securities are valued by using a pricing service or other external sources. Family businesses are generally valued at equity or net cost. Private equity investments are generally valued at their stated value based on the most recent capital statements or other value as provided by the general partner or sponsor of the investment. Other securities or investments for which market quotations are not readily available will be valued by FCI in a manner determined in good faith to reflect fair market value. In determining fair value for a given security or asset, FCI will generally consider factors such as external pricing events and information regarding transactions, appraisals or other factors that might affect cost basis or market value. In certain instances, the FCI Valuation Committee will meet and decide valuations based on these factors. Absent any of the factors, the security or asset will generally be priced at cost.

Minimum Fee

FCI's standard minimum fee per account is \$3,000. Individuals ages 21 to 28 qualify to pay fees based on the lesser of actual time billed at the appropriate rates or minimum fee. FCI's minimum fee for individuals under age 21, custodial accounts, minority trusts, irrevocable trusts, qualified personal residence trusts in grantor period and spouse (non-joint) accounts is \$250. However, for individuals under the age of 21 who only have low balance IRAs, FCI does not have a minimum fee.

Extraordinary Services and Hourly Fees

Certain FCI accounts are charged on an hourly basis for services performed, rather than on a market value basis. FCI also charges hourly fees to other clients for the services listed below as Extraordinary Services. FCI will also receive compensation for such out-of-pocket expenses as are reasonably incurred by FCI in performing such services. For client accounts, these hourly fees are in addition to the asset-based fees listed above.

Extraordinary Services

- Accounting for outside investment manager activity;
- Detail accounting of foundation gifting;
- Special investment analysis requested by client;
- Multiple broker accounting;
- Payment of and accounting for household bills - 4th and succeeding generations;
- Payroll and pension services;
- Divorce assistance;
- Preparation of amended returns;
- Special projects; and
- Additional work on behalf of clients who require more organizational assistance.

Hourly fees are based on the following fee schedule:

EMPLOYEE GROUP	HOURLY RATE
Executive	\$375
Leadership	\$300
Senior Professional	\$250
Professional Staff	\$200
Senior Staff	\$150
Support Staff	\$125

FCI will be reimbursed for costs incurred on behalf of clients, such as wire transfer fees, overdraft charges, bank fees and travel-related expenses. In addition, FCI may impose special charges in certain cases, such as late fees or amended return fees.

FCI may recommend that qualified clients invest in the Trust and the Private Funds. As described above, FCI also provides compliance and administrative services to CMC for the Trust and the Private Funds pursuant to a Servicing Agreement. FCI also provides certain investment services to CMC with respect to the Private Funds. FCI's staff members record their time in terms of hours and category of services. Fees owed to FCI by CMC are calculated based on the number of hours and established hourly rates for each staff person as described above. FCI provides investment-related services to CMC and the Trust pursuant to a Subadvisory Agreement. For its services, FCI is entitled to a subadvisory fee payable by CMC of 0.20% of each Fund's net assets, paid on a quarterly basis. The subadvisory fee is subject to reduction pursuant to the terms of a fee waiver agreement.

FCI may also recommend that qualified clients invest in a limited partnership ("Third-Party Fund") managed by CMC and advised by an unaffiliated federally registered investment adviser for which CMC collects a fee from the Third-Party Fund. In turn, CMC pays FCI a fee for certain compliance and administrative support services provided by FCI to CMC related to the Third-Party Fund pursuant to the Servicing Agreement as described above.

Other Fees

Clients may also incur brokerage commissions and custody fees, as described in Item 12. With respect to investments in registered and non-registered investment companies, in addition to the fees charged by FCI, the client will incur charges imposed at the investment company level (i.e., management fees and other fund expenses).

The investment management fees charged by Managers, together with the fees charged by the corresponding custodian and/or other service providers engaged by the client for the client's assets are exclusive of, and in addition to, FCI's fees set forth above. Some Managers which FCI recommends to clients may also serve as subadvisers to portfolios of the Trust. A Manager may aggregate the Trust's assets under management with assets of FCI clients under management for purposes of determining breakpoints to the Manager's fee schedule.

Other Services

FCI has entered into sublease agreements with certain clients as an accommodation, whereby these clients are provided an office suite and charged annual rent which includes related office expenses, such as copying, telephone, postage, office supplies, and receptionist cost. The fees for these services are computed and billed quarterly in advance on the first day of the quarter.

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

FCI does not charge any performance-based fees, which are fees based on a share of capital gains or capital appreciation of client assets.

Item 7 - Types of Clients

FCI's clients include individuals, trusts, charitable organizations, corporations and other business entities, a registered investment adviser and a registered investment company. FCI generally performs services exclusively for descendants and family members of a single family and their related entities.

Private investment funds may require certain conditions be met prior to investing as outlined within the applicable offering memorandum and related documents.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

FCI provides investment advice to a broad array of clients with varying degrees of commonality, differences and expectations. We are committed to providing the best investment advice appropriate for a client's individual situation. By knowing our clients well, we can design and align their portfolios to match their short-term and long-term objectives.

The initial step is the development of an IPS for a client. Every client has unique investment needs, yet many can be grouped into common models with specific risk and reward characteristics. In practice, the majority of our client base invests based on these common models. Certain clients have very specific needs that require FCI's advanced knowledge and expertise, utilizing customized models in implementation.

FCI's models are an output of the asset allocation work and capital market assumptions put together by FCI's investment team. FCI's asset allocation model is built from assumptions about the expected risk, return and correlation between various asset classes. The goal is to create recommended asset mixes that seek to achieve the highest possible returns for given levels of risk given a client's investment objectives and time horizon. FCI's recommendations are based on objective research and analysis with a focus on long-term investing. Primary investment vehicles are investment funds including the Trust, Private Funds, the Third-Party Fund, ETFs and other public and private funds. The model portfolios also include an allocation based on each client's desired exposure to certain stocks traditionally owned by FCI's clients.

In the instances where we render advisory services to clients relative to third-party separate account managers, FCI considers Manager selection and the due diligence process employed as critical to the recommended portfolios and the ability to meet their long-term objectives.

Recognizing that past performance has proven to be an unreliable predictor of future performance, much of FCI's work is based on getting to know prospective Managers very well. This process demands a detailed and careful qualitative evaluation of a Manager's firm and process. An important part of the research is the on-site due diligence process. This provides an important source of information beyond the quantitative evaluation of the firm's performance numbers. In these meetings we look and listen for the subtle nuances each firm has: what makes them different and what makes them special.

We supplement our internal skills through outside relationships with various consultants and industry experts developed over many years. Other sources of information include company-prepared information such as financial statements and offering memoranda, as well as any publicly available SEC filings.

A key component to reaching a client's long-term financial goals is the portfolio implementation process. Besides the processing of security transactions, stock transfers and account re-registrations, FCI implements diversification and rebalancing programs, tax-loss harvesting and other strategies to account for and adjust to a client's individual needs for contributions or withdrawals. All of these strategies are used while considering the client's model portfolio target.

Portfolio Advisors LLC, a registered investment adviser, provides certain advisory services to FCI, primarily with respect to private equity investments recommended to CMC with respect to the Private Funds.

Risk of Loss

Risk of loss is inherent in any investment of securities. FCI clients generally invest in equity securities, fixed income securities, ETFs, mutual funds, private funds and private equity investments. In addition, FCI clients often invest in timberland real estate investment trusts, a type of security traditionally owned by FCI clients. Client accounts may be subject to the following risks:

- **Model Portfolio Risk.** Asset allocation through an FCI model portfolio does not guarantee that an account will increase in value nor will it protect against a decline in value if market prices fall. At times, our judgments as to the asset classes in which client accounts should invest may prove to be wrong, as some asset classes may perform worse than others or the equity markets generally from time to time or for extended periods of time. Periodic rebalancing of the model portfolios can cause their holdings to incur transactional expenses. These expenses can adversely affect the performance of an account and of the model portfolios. In addition, if an account is required to buy or sell securities due to rebalancing, it may hold a large cash position. A large cash position could detract from achieving an investment objective.
- **Equity Securities Risk.** Common stocks and other equity securities generally increase or decrease in value based on the earnings of a company and on general industry and market conditions. The value of a company's share price may decline as a result of poor decisions made by management, lower demand for the company's services or products or

if the company's revenues fall short of expectations. There are also risks associated with the stock market overall. The stock market may experience periods of turbulence and instability.

- **Fixed Income Risk.** A bond's market value is affected significantly by changes in interest rates – generally, when interest rates rise, the bond's market value declines and when interest rates decline, its market value rises. Generally, a bond with a longer maturity will entail greater interest rate risk but have a higher yield. Conversely, a bond with a shorter maturity will entail less interest rate risk but have a lower yield. A bond's value may also be affected by changes in its credit quality rating or the issuer's financial condition.
- **ETFs Risk.** An account may lose money investing in an ETF if the value of securities owned by the ETF declines. An account could pay more to purchase ETF shares, or receive less in a sale of shares, than the actual net asset value of the shares. In addition, when an account invests in an ETF, the account will bear additional expenses based on its pro rata share of the ETF's operating expenses. The risk of owning an ETF generally reflects the risks of the underlying securities that the ETF is designed to track and the investment strategies employed by such ETF. The ETF may not track the underlying index.
- **Mutual Funds Risk.** Mutual funds are subject to investment advisory, transactional, operating and other expenses. Each mutual fund is subject to specific risks, depending on its investments. The value of mutual funds' investments and the net asset value of the funds' shares will fluctuate in response to changes in market and economic conditions, as well as the financial condition and prospects of companies in which the funds invest. The performance of each fund will depend on whether the fund's investment adviser is successful in pursuing the fund's investment strategy.
- **Timberland REIT Risk.** Timberland Real Estate Investment Trusts (REITs) own and manage various types of timberland real estate, and specialize in the harvesting and selling of timber as well as the sale of other lumber products. The timber REIT industry is cyclical, and fluctuations in the prices of and the demand for timber and related products could result in lower sales volumes and smaller profit margins for stocks in the industry. In addition, increases in the cost of and availability of raw materials or in the cost of energy could have an adverse effect on the financial results of companies in the timber REIT industry.
- **Private Funds Risk.** Private investment partnerships and other private investment vehicles ("Private Investment Funds") are not registered under the Investment Company Act of 1940, which regulates mutual funds. Investors in Private Investment Funds, therefore, are not accorded the protective measures provided by such legislation. Accordingly, activities of Private Investment Funds are subject to less state and federal regulation and supervision than a registered investment company (a mutual fund).

- **Private Equity Risk.** Private equity investments, including funds-of-funds, are not registered under the Securities Act of 1933, do not trade on public securities markets and are generally less liquid than registered, publicly traded securities. Investments in private equity funds will be subject to the risks inherent in investing in private companies, including that portfolio companies may be dependent on a small number of products or services and may be more adversely affected by poor economic or market conditions. Some portfolio companies may be concentrated in a sector or industry group, and, therefore, may be susceptible to adverse conditions and economic or regulatory events affecting the sector or industry group.
- **Private Placements Risk.** Investments in securities issued in private placements and other restricted securities generally are difficult to sell at prices comparable to the market prices of similar securities that are publicly traded. It may be difficult to dispose of restricted securities in the ordinary course of business and in some cases investors are contractually prohibited from disposing of such investments for a specified period of time.
- **Valuation Risk.** Securities and other investments for which market valuations are not readily available may be valued by FCI at fair value. Although FCI will use its best judgment, fair value pricing involves subjective judgments and there is no single standard for determining a security's fair value. As a result, the fair value of any investment may not accurately reflect the prices at which the security could actually be sold. This risk may be greater with respect to illiquid investments. In addition, market prices provided by public markets, pricing services or other sources may from time to time be inaccurate. Because FCI's fees are based on market valuations, there is a risk that an incorrect valuation could result in advisory fees that are higher or lower than otherwise would be payable by the client.
- **Online Trading Risk.** FCI will rely on the online trading capabilities of the custodian and other broker-dealers to effect trades. Our ability to execute trades is highly reliant on technology, including communications. Should the broker experience technology problems, including slowdowns or shutdowns, FCI's ability to trade may be affected. If this occurred during the trading day, a client account could incur substantial losses.
- **Cybersecurity Risk.** The computer systems, networks and devices used by FCI and its service providers employ a variety of protections designed to protect damage or interruption from computer viruses, network and computer failures and cyber-attacks. Despite such protections, systems, networks and devices potentially can be breached. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of corrupting data, or causing operational disruption, as well as denial-of-service attacks on websites. Cyber incidents may cause disruptions and impact business operations, potentially resulting in financial losses, the inability of FCI or service providers to trade, violations of privacy and other laws, regulatory fines, reputational damage, reimbursement costs and additional compliance costs, as well as the inadvertent release of confidential information.

- **Foreign Securities Risk.** Investments in foreign companies and markets carry a number of economic, financial and political considerations that are not associated with the U.S. markets and that could unfavorably affect your account's performance. Among those risks are greater price volatility; weak supervision and regulation of securities exchanges, brokers and issuers; higher brokerage costs; fluctuations in foreign currency exchange rates and related conversion costs; adverse tax consequences; and settlement delays. The United Kingdom withdrew from the European Union (EU) on January 31, 2020 following a June 2016 referendum referred to as "Brexit." Upon the United Kingdom's departure from the EU, the United Kingdom entered a transition period until December 31, 2020 during which time a trade deal and other key agreements will be negotiated. Though the ramifications of Brexit will not be fully known for some time, the uncertainty surrounding the United Kingdom's economy, and its legal, political, and economic relationship with the remaining member states of the EU, may cause considerable disruption in securities markets, including decreased liquidity and increased volatility, as well as currency fluctuations in the British pound's exchange rate against the U.S. dollar.
- **Market Risk.** The investments we make for clients are subject to market risk, which may cause the value of an investment to decline if the value of an individual company or multiple companies declines. Global economies and financial markets are increasingly interconnected, which increases the possibility that conditions in one country or region might adversely impact issuers in a different country or region.
- **Recent Market Events.** U.S. and international markets have experienced significant periods of volatility in recent years due to a number of economic, political and global macro factors including the impact of the coronavirus as a global pandemic and related public health issues, growth concerns in the U.S. and overseas, uncertainties regarding interest rates and trade tensions. These developments as well as other events, such as the upcoming U.S. presidential election, could result in further market volatility and negatively affect financial asset prices, the liquidity of certain securities and the normal operations of securities exchanges and other markets. As a result, the risk environment remains elevated. Continuing market volatility may have adverse effects on your account.

FCI does not guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices or investment products. Clients may experience a loss of value in their investments. Past performance does not guarantee future results, and there is no guarantee that a client's investment objectives will be achieved.

Item 9 - Disciplinary Information

There have been no legal or disciplinary events involving FCI or any of our employees involving investments or otherwise material to a client's evaluation of our advisory business or the integrity of our management.

Item 10 - Other Financial Industry Activities and Affiliations

As noted above, FCI provides services to CMC clients pursuant to various servicing agreements. FCI and CMC have a long-standing business relationship, provide services to common clients and share office space. In addition, certain of FCI's clients are directors of CMC. CMC is not considered a "related person" of FCI because it is not an "advisory affiliate" or under "common control" with FCI.

FCI provides compliance and administrative services on behalf of CMC to the Trust, the Private Funds and the Third-Party Fund. FCI provides investment services to the Trust and CMC pursuant to a subadvisory agreement. FCI also provides asset allocation advice and other investment services to CMC with respect to the Private Funds.

FCI uses the services of Fidelity Family Office Services and its affiliated broker-dealers, Fidelity Brokerage Service, LLC and National Financial Services, (collectively, "Fidelity"), for custody, execution and administrative services. CMC has agreed to pay the trade ticket charges otherwise payable by FCI clients to Fidelity with respect to FCI client trades in the Trust's mutual fund shares.

Members of the CMC Board of Directors and the Trust's Board of Trustees are generally also clients of FCI and shareholders of the Trust's mutual fund portfolios. FCI recommends mutual funds and private funds managed by CMC to FCI clients, which may present a conflict of interest for FCI when constructing model portfolios and recommending related investments to clients due to FCI's receipt of fees under the servicing agreements described above. In addition, FCI's multiple roles and relationships with CMC and its clients may present a conflict of interest to FCI when managing FCI's financial and other interests. However, FCI has structures and policies in place to address these potential conflicts, including review of investments by FCI's Investment Department and oversight by FCI's compliance personnel.

FCI has facilitated transactions at the request of and for the benefit of its clients in private offerings of companies where the principals of the companies are also clients of FCI and who have familial relationships with certain CMC Board members. Due to these relationships, the appearance of a conflict of interest may be present. However, in all cases the clients, not FCI, initiated such transactions. Similar transactions may take place in the future.

As discussed above in Item 8, FCI receives certain advisory services from Portfolio Advisors LLC, a registered investment adviser, through an agreement between CMC and Portfolio Advisors LLC for which FCI pays a portion of the fee.

FCI maintains policies, procedures and controls which it believes are reasonably designed to ensure that the conflicts described above are satisfactorily addressed, such as oversight by FCI's Board of Directors and Investment Department, provisions of the Code of Ethics and the operation of FCI's compliance program.

Item 11 - Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

FCI has adopted a Code of Ethics (the “Code”) to ensure that personal investing and other activities of FCI employees are consistent with FCI’s fiduciary duty to its clients. The Code includes personal trading, insider trading, gift and outside business activities policies. Access Persons (as defined within the Code) are required to adhere to prescribed standards of conduct, as outlined within the Code. The Code addresses core principles that FCI has adopted to promote ethical conduct, which FCI believes is premised on the fundamental concepts of openness, integrity, honesty and trust.

Subject to the restrictions in the Code, FCI permits Access Persons to have interests in fully-disclosed securities accounts. The Code contains procedures designed to prevent conflicts of interest between the financial interests of clients and the interests of Access Persons. Under the Code, FCI has the right to cancel any trade that may be construed to be in conflict with the best interests of clients, or in violation of FCI’s general standards of conduct, including FCI’s fiduciary responsibilities. The Code requires that Access Persons preclear all securities transactions in publicly-listed Covered Securities and all other Covered Securities (as that term is defined in the Code) and must preclear any investments in initial public offerings. The Code restricts trading of securities on FCI’s restricted list, and includes pre-clearance and certification procedures regarding Access Persons’ compliance with the Code. The Code also prohibits Access Persons from investing in any investment product managed by CMC (e.g., the Trust and the Private Funds) or engaging in short-term trading. Personal securities transactions are reviewed by FCI’s compliance department to ensure that all Access Persons adhere to the standards of the Code. Any exceptions must be approved by the Chief Compliance Officer or designee.

FCI may invest in money market funds, ETFs, mutual funds and private partnerships for its corporate account. These investments are monitored by FCI’s Investment Department and are subject to review by the Board of Directors.

FCI may recommend that qualified clients invest in the Trust and the Private Funds, in which both FCI and CMC have a financial interest due to the receipt of fees under various service agreements. FCI recommends the services of CMC as manager of the Trust and the Private Funds and also receives fees from CMC. FCI has structures and policies in place to address these potential conflicts, including review of investments by FCI’s Investment Department and oversight by FCI’s investment personnel and Board of Directors.

Clients and prospective clients may obtain a copy of the Code by contacting FCI’s Compliance Department at (651) 228-0935.

Item 12 - Brokerage Practices

Unless a client has directed FCI to conduct the client’s securities transactions through a different broker-dealer, FCI primarily utilizes the client’s custodian, Fidelity, to execute trades on behalf of client accounts. Clients may trade away from Fidelity; however, Fidelity may charge clients additional fees and/or commissions for doing so.

In selecting or suggesting a broker or dealer, FCI may consider, among other things, the broker or dealer's execution capabilities, research services provided, knowledge of and dominance in specific markets, commission structure, ability to locate liquidity, acceptable recordkeeping and settlement functions, reputation and integrity and responsiveness to the requirements of FCI in servicing client accounts. FCI generally recommends that clients use Fidelity as custodian/broker-dealer due to the above factors as well as FCI's overall experience with Fidelity's service to clients.

FCI does not engage in soft dollar arrangements, where an investment adviser specifically directs portfolio brokerage commissions to a broker-dealer in return for services and research that the adviser uses in making investment decisions for clients.

It is FCI's policy to seek the best execution with respect to each FCI-directed transaction. FCI defines best execution as placing trades in such a manner that the client's total proceeds or cost for each transaction is the most favorable under the circumstances in which the trades are placed. When FCI evaluates the reasonableness of compensation paid to broker-dealers, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution for the client. FCI believes that with respect to most transactions, the primary custodian/broker-dealer (generally Fidelity) will provide best execution. FCI's Investment Department, Compliance Department and President's Council review best execution reports for reasonableness.

Clients should be aware that broker custody of client securities might limit or eliminate FCI's ability to obtain best price and execution in transactions in over-the-counter ("OTC") securities. This could potentially occur when OTC trades are executed on an agency basis, i.e., where Fidelity does not make a market in the security being traded. In filling such an order Fidelity may transact with a market-making broker on the other side of the trade that may mark up (in the case of a purchase) or mark down (in the case of a sale) the price of the security. This would be an additional cost incurred by the client beyond any commission that Fidelity may charge.

Directed Brokerage

As noted above, FCI generally uses Fidelity, the custodian/broker-dealer, to execute securities transactions for clients. In the event clients direct FCI to effect transactions through other brokers or dealers, FCI may be unable to achieve most favorable execution of client transactions. Directed brokerage clients may receive commission rates that are different from what might be attained through other brokers and directed brokerage may result in a less advantageous price and/or greater trading costs.

Trade Error Correction

Our policy is for clients to be made whole, as soon as appropriate, following the identification and correction of a trade error. FCI will bear the economic loss and clients will generally retain any net economic gain resulting from the trade correction (unless, for example, it would result in undesired tax consequences or it is not permissible for the client to retain the gain).

Trade Allocation

Our policy is to allocate investment opportunities and aggregate trades among client accounts in a fair and equitable manner, taking into account each client's best interest and ensuring that no client or group of clients are favored or discriminated against over time.

Item 13 - Review of Accounts

Portfolios are regularly reviewed by the client's Financial Manager and/or Client Adviser and by one or more members of our investment staff. Portfolios are generally governed by an investment policy statement that describes objectives and portfolio operations. Portfolios are periodically reviewed against these policies, generally at least annually. The process involves reviewing the account holdings compared to policy targets and determining whether there is cash available for investment.

The Investment Committee of the FCI Board meets periodically to discuss the recommended investment vehicles and to review any client investments that have been made outside of the standard recommendations. Accounts are not specifically assigned to individual Committee members.

Clients receive regular written reports (generally quarterly) providing information as to portfolio holdings, transactions and investment performance.

Item 14 - Client Referrals and Other Compensation

FCI does not compensate any person for client referrals. As discussed in Item 10, FCI benefits from services provided to CMC by Portfolio Advisors LLC. FCI does not receive commissions or any other economic benefit from a non-client in connection with providing advice to clients.

Item 15 - Custody

FCI does not act as custodian for any clients. All accounts are held by an outside custodian. Clients may choose any qualified custodian to hold custody of part or all of the client's securities and other assets. We are deemed to have custody to the extent we deduct advisory fees from a client's account. We are also considered to have custody for purposes of the Investment Advisers Act of 1940 in other cases, such as when we are given check writing authority over client assets or when we direct payments from a client account at the custodian to third parties. All clients receive either monthly or quarterly account statements directly from their custodian. *Clients should carefully review such statements and compare the information in FCI's client statements with information in statements provided by the custodian.*

Item 16 - Investment Discretion

For certain clients, FCI provides advisory services on a non-discretionary basis. FCI may exercise investment discretion if so authorized by the client in the Client Services Agreement or through a separate power of attorney. Discretionary authority is specifically limited by the guidelines and restrictions in the client's Investment Policy Statement.

For non-discretionary clients, security transactions are generally either initiated or approved by the client prior to execution. However, a client who has not otherwise granted FCI discretion may authorize FCI to conduct certain routine rebalancing or cash management transactions through the Investment Policy Statement.

Item 17 - Voting Client Securities

Without a specific written grant of authority to FCI or an outside investment manager, the client retains the right to vote all proxies related to securities held in the client's account. If the client has granted FCI the right to vote proxies in the Client Services Agreement, FCI will vote shares held by clients in accordance with FCI's proxy voting policies and procedures, which are designed to ensure that FCI votes proxies in the best interests of its clients. Clients may withhold proxy voting for specific securities in the IPS. Due to potential conflicts of interest, FCI will not accept proxy voting authority for certain securities. FCI will, as necessary, facilitate proxy voting of these securities, which may include sending proxy information to FCI clients and obtaining voting directions from clients. FCI's Proxy Voting Committee is responsible for identifying any new conflicts that may arise in the future. In the event of conflicts, the client will generally provide proxy voting direction. Clients that wish to vote proxies in a particular manner must retain proxy voting authority in the Client Services Agreement.

When clients retain proxy voting authority, FCI may assist clients with the administration of proxy voting. Clients who retain proxy voting authority may receive their proxies from the custodian, transfer agent or FCI. At the request of a client, FCI may provide information or analysis related to a particular proxy solicitation.

Upon request to FCI at our contact information set forth on the cover of this brochure, FCI will provide clients with a copy of the proxy voting policy and information on how the client's portfolio securities were voted.

Item 18 - Financial Information

FCI does not have any financial condition that would impair our ability to meet contractual commitments to clients. A balance sheet is not required to be provided because we do not require prepayment of more than \$1,200 in fees per client, six months or more in advance.

Item 19 - Additional Information

Class Action Participation

FCI attempts to determine whether the potential dollar recovery value will be more than a de minimis amount prior to involving its clients in class action participation. When FCI determines it may be in the best interest of clients to consider participating in a class action lawsuit, we complete the class action participation paperwork, execute and file on behalf of clients.

Privacy Notice

Fiduciary Counselling, Inc. ("FCI") is committed to protecting the privacy and security of the nonpublic personal information that you provide to us. FCI has adopted policies and procedures we believe are reasonably designed to protect the nonpublic personal information of our clients. You trust us with your personal and financial information and we will honor that trust by handling your information carefully and using it only in your best interests. Because your personal and financial data is your private information, we hold ourselves to the highest standards in its safekeeping and use.

This notice will help you understand the types of information we collect and maintain, how that information is used and the safeguards in place to protect it.

Information We Collect and Maintain

We collect personal information from you when you engage FCI to provide certain services. The types of information that we collect may vary based on the services that we provide to you. Examples of information we may collect include:

- Name and address
- Social Security number
- Value of assets and liabilities
- Debt and credit history
- Transactions between you and third parties
- Consumer report information
- Health information for insurance needs

What We Do With Your Personal Information

The personal information that we gather is generally required by law to conduct business on your behalf and in some cases may be required by nonaffiliated third parties in order for us to provide the products and services that you have directed. For example, in order to authorize transactions with a brokerage firm in an account on your behalf, we are permitted to provide a limited amount of information about you to that firm. Names and addresses of account owners for accounts held by your custodian are required in order for the custodian to deliver quarterly account statements as required by law.

We do not disclose any nonpublic personal information about current or former clients to any third parties, except as required to conduct transactions and provide the services that you have authorized or requested and as permitted by law.

How We Safeguard Your Personal Information

FCI maintains strict physical, electronic and procedural safeguards to protect your personal information. This includes procedures regarding physical security and records retention, as well as information that may be maintained in technology applications used within the company.

We restrict access to information about you to those FCI employees who need to know the information in order to provide investment services to you. We have also implemented measures to protect your information from unauthorized access to or use of the information in connection with its disposal.

When information is required or directed to be shared with nonaffiliated third parties as necessary to conduct authorized activities on your behalf, FCI requires such third parties to adhere to strict privacy standards as well.

We Will Keep You Informed

As required by federal law, we will notify you of our privacy policy annually. We reserve the right to modify this policy at any time, but be assured that if we do change our policy, we will tell you promptly.

If you have any questions or concerns regarding this policy, please contact us.

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