

Item 1 – Cover Page



For Wealth Management

Cutler Investment Counsel, LLC

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April 29, 2021

This Disclosure Brochure provides information about the qualifications and business practices of Cutler Investment Counsel, LLC. If you have any questions about the contents of this Brochure, please contact us at (541) 770-9000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Cutler Investment Counsel, LLC [Cutler] is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any particular level of skill or training. The oral and written communications with Cutler provide you with the information necessary to determine whether to hire or retain an Adviser.

Additional information about Cutler is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

For a reader’s convenience, our Brochure is produced in two distinct versions—one for an employer’s retirement plan, and this one for wealth management and other clients.

Effective April 30, 2021, two existing members, Erich Patten and Matthew Patten have purchased Brooke Ashland’s remaining equity. This is a material change in the structure of the firm that will not impact the advisory services offered by Cutler, the professionals servicing your account nor your advisory contract and any of the terms or provisions within your Client Agreement (such as Cutler’s advisory services or fees). Most importantly, this internal reorganization will not impact the senior management team or the compliance program; Brooke Ashland is maintaining her existing role as Chief Compliance Officer of the firm, which has held since 2004.

There were no reported material changes in the March 31st, 2021 filing.

Our Brochure may be requested by contacting Jessica Alvarez, Vice President, at (541) 770-9000 or jessica@cutler.com.

Additional information about Cutler Investment Counsel, LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Cutler who are registered, or are required to be registered, as investment adviser representatives of Cutler.

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents	ii

Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	7
Item 7 – Types of Clients.....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9 – Disciplinary Information	9
Item 10 – Other Financial Industry Activities and Affiliations	9
Item 11 – Code of Ethics	10
Item 12 – Brokerage Practices	11
Item 13 – Review of Accounts.....	15
Item 14 – Client Referrals and Other Compensation.....	15
Item 15 – Custody	16
Item 16 – Investment Discretion	16
Item 17 – Voting Client Securities.....	17
Item 18 – Financial Information.....	17

Item 4 – Advisory Business

Cutler Investment Counsel, LLC is an investment advisory firm founded in 2003. Cutler is headquartered in Jacksonville, Oregon. Cutler provides the following services:

- Individual investment portfolios, using a full spectrum of asset classes and different types of securities (for example stocks and bonds). These investment programs are referred to as Cutler's Lifestyle Portfolios. Certain Cutler employees advise clients on which investment portfolio may be most suitable for them.
- Investment advice and portfolio management for 401(k) and other retirement plans, including as Advisor to Collective Investment Trusts (see more information in Item 10)
- Dividend-based equity strategy for individuals, institutions, and foundations. This strategy, called Cutler's Equity Income Strategy, buys large, US-based companies with a defined dividend history. This strategy is also available as a mutual fund, the Cutler Equity Fund (DIVHX), of which Cutler is the investment adviser.
- Intelligent Portfolio Program. We offer an automated investment program through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds ("ETFs") and a cash allocation. We use the Institutional Intelligent Portfolios® platform, offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors to operate the Program. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process. Once an account is funded with at least \$5,000, the portfolio is monitored daily and rebalanced automatically when the individual asset class weighting exceeds the drift tolerance threshold relative to the targeted weighting. Clients do not pay brokerage commissions or any other fees to Schwab as part of the Program. Schwab does receive other revenues in connection with the Program.

Cutler will occasionally customize the above strategies, depending on the needs of certain clients. For example, clients might place restrictions on the types of securities their account may own or prohibit the purchase of a particular security (clients in our Intelligent Portfolios may restrict up to three ETFs). Cutler will accommodate those requests when possible and invest the rest of the account according to our portfolio manager's discretion.

At the onset of the client relationship, Cutler obtains each client's investment objectives, risk tolerance, and other information relating to the client's overall financial circumstances, which may be written or verbal. Whether provided verbally or in written form, Cutler will allocate assets according to these guidelines, unless our client directs us to do differently. In this Brochure, we refer to any of these directives as "Investment Guidelines". These Investment Guidelines are used to determine the suitable portfolio asset allocation and investment strategy for the client. Cutler does not assume any responsibility for the accuracy of such information provided by the client, is not obligated to verify any information received from a client or from a client's other professionals (e.g., attorney, accountant, etc.), and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying Cutler in

writing of any material changes to their Investment Guidelines. In the event that a client notifies Cutler of changes in such information, Cutler will review the changes and recommend any necessary revisions to the client's portfolio.

Cutler also offers financial planning services to introduce clients to discretionary investment management. These services vary in scope, depending on the needs of the individual client(s), but may include:

- Balance Sheet Review
- Budget Review
- Cash Flow Analysis
- Investment Allocation
- Retirement Analysis
- Social Security withdrawal strategies
- College/Tuition Planning
- Coordination with Insurance Professionals, CPAs, and Estate Planning Attorneys
- Access to financial organization software

Financial planning reviews and basic financial planning services are included in the standard fee schedule for most wealth management clients. For clients choosing to engage Cutler solely for Financial Planning, our a la carte Comprehensive Financial Planning services are available for an annual retainer fee starting at \$2,000.00, depending on scope and complexity.

Cutler often helps clients manage cash flows with regular withdrawals and may take capital gains into consideration for clients with substantial tax liabilities. Cutler does not provide tax advice to clients.

Cutler participates in several dual-contract relationships, where Cutler has a mutual client with another investment advisory firm or broker-dealer. The management of these accounts does not deviate substantially from the accounts that directly invest with Cutler in similar strategies. For Cutler clients having dual contracts with other broker-dealers or investment advisers, additional fees will be assessed by the broker dealer or investment adviser. Clients should discuss Cutler's strategy's suitability with their broker-dealer or investment adviser relationship manager before investing with Cutler.

Assets Under Management

As of December 31, 2020, Cutler managed client assets totaling \$750,000,000. Of those assets, \$725,000,000 are managed on a discretionary basis and \$25,000,000 on a non-discretionary basis.

Item 5 – Fees and Compensation

Cutler's fee schedule is stated below. Fees are subject to negotiation. The specific manner in which investment advisory fees are charged by Cutler is established in a client's written agreement with Cutler. Except as otherwise agreed to in writing, Cutler charges an annualized management fee based on a percentage of assets under management (AUM). Unless the client agreement calls for a different fee calculation, this annualized fee is applied to an average AUM of the last trading day of each month during the quarter. Assets are valued in such manner as

reasonably determined in good faith by Cutler to reflect the fair market value thereof.

Clients generally authorize Cutler to directly debit fees from their account(s), however, in certain circumstances, Cutler may elect to invoice clients for their investment management fees. Unless otherwise agreed upon, Cutler does not provide invoices to those accounts whose fees are direct debited. Clients are asked to refer to their custodial statement to review actual fees paid. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee and upon termination of any account, any earned, unpaid fees will be due and payable.

Cutler's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients will incur certain charges imposed by custodians, brokers, and other third parties such as those charged by outside investment managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees and other operating expenses, which are disclosed in a fund's prospectus. Item 12 (below), further describes the factors that Cutler considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Clients who invest in a Cutler affiliated mutual fund also indirectly "pay" the fund's operating expenses. A portion of those fees include a management fee paid to Cutler. The current annual management fee paid to Cutler is 0.75% for the Cutler Equity Fund. Those management fees are accrued daily and paid to Cutler monthly in arrears. In measuring *your* fee, Cutler omits your assets invested in the Cutler Funds, meaning you pay the management fee, but not an additional advisory fee.

Clients should understand that all the fees and any other charges described in the above paragraph are generally paid out of the assets in the client's account and are in addition to the investment management fees charged by Cutler. It is important that clients review the fees charged to their account(s) to fully understand the total amount of all fees charged. Clients should understand that lower fees for comparable services may be available from other advisory firms.

For individually managed accounts, Cutler charges the following fees:

Assets Under Management	Fee
< \$2,000,000	1.25%
2,000,000 - \$5,000,000	1.00%
> \$5,000,000	Negotiable

Fees are collected quarterly in arrears, which produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) [\$1,000,000] investment, (b) portfolio return of [8%] a year, and (c) [1.00%] annual investment advisory fee would be [\$10,416] in the first year, and cumulative effects of [\$59,816] over five years and [\$143,430] over ten years. Actual investment advisory fees incurred by clients will vary.

At times, and in the sole discretion of the firm, Cutler will perform services pursuant to a fixed

annual fee negotiated with the client and assessed quarterly. In such instances, clients are provided an invoice at the end of each quarter with payments due within fifteen days of delivery. Any such fixed fee arrangements will be included as part of the client agreement.

Compensation to Cutler for its Financial Planning services will generally be at the annual rate of \$2000. Prior to the Firm's commencement of Financial Planning Services, the Client will pay 25% of the agreed upon fee. An additional 25% is due at the first of each calendar quarter until payment has been made in full.

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

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

Item 7 – Types of Clients

Cutler provides investment management services to individuals (including high net worth individuals), corporate pension and profit-sharing plans (including 401k plans), corporations, charitable institutions, foundations, endowments, registered affiliated mutual funds, Taft-Hartley plans (labor unions), trusts, and government entities. For accounts with less than \$250,000 we generally recommend the Intelligent Portfolio Program (as described above in Item 4). Organizations (such as corporation or partnerships), government entities, and ERISA accounts are not currently eligible for the Intelligent Portfolio Program. You must have at least \$50,000 invested within the Intelligent Portfolio Program to have access to the tax-loss harvesting feature. Accounts with more than \$250,000, or special circumstances, generally receive a recommendation of a "Cutler Lifestyle" strategy or an individual portfolio in our Equity Income strategy (as described above in Item 4).

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

Investing in securities involves risk of loss that clients should be prepared to bear. Cutler uses different tools to generate its respective client portfolios, as described below.

For the Equity Income Strategy, Cutler uses screens to create an approved list of securities. These screens include a significant dividend history (which is measured by the company's past dividend payments), the quality of the company's public debt (if available), and minimum market capitalization (which is a measure of the size of the company determined by the number of outstanding shares multiplied by the price of the stock). The Equity Income portfolio is produced from the companies eligible for our approved list. The Equity Income portfolio generally contains between 30-35 securities, which means that the performance of each security can have a material impact on the strategy's total return. Risks include liquidity risk (inability to trade a security in stressed market conditions), company-specific underperformance or event-driven risks, and the risk that equities as an asset class have volatility and may decrease in value.

The portfolio may hold small- capitalization and mid-capitalization stocks, which have greater liquidity risk and more volatility in general than large-capitalization stocks. For investors in The Cutler Equity Fund, which follows this same strategy, the risks for investing are further outlined

in the Prospectus. This is available via our website or by contacting Cutler.

Cutler's Lifestyle Portfolios and Target-Date Portfolios on our 401(k) platform(s) are created using third-party software to generate an asset allocation of appropriately correlated assets. Correlation measures the degree to which different types of investments increase or decrease in value simultaneously. The process is based on research commonly referred to as Modern Portfolio Theory. The following risks should be considered if investing in these strategies- interest-rate risk, market risk, Cutler's conflict of interest in recommending these securities, inflation risk, and currency risk, in addition to the product specific risks discussed below:

- The Lifestyle Portfolios are risk-based portfolios; meaning that they are constructed to specific expected return and volatility measures, based on historical data. They include five strategies: Conservative, Balanced Income, Moderate Blend, Growth and Income, and Aggressive Growth. The strategy names are not intended to reflect a specific investment objective, but are intended to reflect the risk relative to the other Lifestyle Portfolios. As an example, the Conservative strategy contains assets with potential for losses, and may not correspond to any specific individual's definition of "conservative." These portfolios use individual securities, mutual funds, and exchange traded funds, which are subject to liquidity risks. All of these portfolios contain risk and may lose value under certain market conditions. The expected risk of these portfolios is based on historic volatility, which cannot be assumed to reflect the degree to which the portfolio experiences future volatility. The Lifestyle Portfolios may not necessarily perform according to their investment objective, meaning that the Conservative portfolio may underperform the Aggressive Growth in a down market, and vice- versa. Additionally, there is a risk that a client may be in a portfolio that is too aggressive (too much risk too close to retirement) or too conservative (not growing the client's assets enough during their wage-earning years to generate sufficient income in retirement).
- The Target-Date Portfolios are based on estimated retirement dates for a retirement plan's participant. These portfolios are intended to follow the participant through retirement, meaning the most conservative portfolio is designed for a retiree who is seeking additional portfolio growth beyond the target-date specified in the portfolio name. This portfolio contains risk that exceeds principal preservation portfolios. The age-specific Target-Date Portfolio that a participant is invested in may not be the most appropriate for their investment goals and risk profile. These portfolios have most of the same risks as the Lifestyle Strategies as they are comprised of ETF's, mutual funds (both active and passive), and other asset categories. The expected risk of these portfolios is based on historic volatility, which cannot be assumed to reflect the degree to which the portfolio experiences future volatility. The Target-Date Portfolios will not necessarily perform according to their investment objective, meaning that the most recent Target-Date Portfolio may underperform the furthest date portfolio in a down market, and vice-versa.

In addition to the risks as described above, there are risks specific to the underlying investments of each ETF and mutual fund utilized in Cutler's strategies, which vary depending on the types of investments, but generally include: market volatility risk, business financial risk, liquidity risk,

foreign investment risk, currency risk, exchange rate risk, reinvestment risk, derivatives risk, interest rate risk, credit risk, default risk. All applicable risks are outlined in the Prospectus and Statement of Additional Information for each respective ETF and mutual fund.

Cutler does not provide any guarantee that our advisory services or methods of analysis will provide positive results or insulate clients from losses.

Item 9 – Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client or prospect's evaluation of Cutler or the integrity of Cutler's Management. Cutler currently does not have any information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Cutler is affiliated with the Cutler Trust, as the investment adviser for the Cutler Equity Fund (DIVHX, an Affiliated Fund). Several of Cutler's employees are also officers or Trustees of DIVHX. Although nothing obligates Cutler to recommend the Cutler Funds, Cutler and its advisers often recommend an investment in DIVHX to certain Cutler clients. Clients who invest in DIVHX pay total operating fees at the prevailing rate as outlined in DIVHX's prospectus. A portion of those fees include a "fund management fee" that is paid to Cutler. The current annual fund management fee paid to Cutler is 0.75% for DIVHX.

Neither Cutler nor its advisers receive commissions or any other transaction-based compensation in connection with DIVHX. Further, for those clients who invest in DIVHX, Cutler will not retain advisory fees and fund management fees on the same assets. For example, if a client has \$100,000 in assets under management with Cutler, of which \$25,000 is invested in DIVHX, Cutler will retain its investment advisory fee only on the remaining \$75,000. For client account invoices generated by Cutler's billing system, client assets invested in DIVHX will be coded as "non-billed" and your billable assets under management will be reduced accordingly. For an explanation of the fee adjustment for an employment-based retirement plan, read our Brochure for retirement plans.

Despite Cutler not assessing an investment management fee on client assets invested in DIVHX, this relationship presents a conflict of interest in that Cutler has an economic incentive to recommend clients invest in DIVHX as it receives a management fee from DIVHX, a portion of which is attributable to clients' investments in DIVHX. Additionally, through their roles as officers or Trustees of DIVHX, certain employees of Cutler have an incentive to recommend DIVHX as opposed to other mutual funds that may have similar investment profiles. These conflicts of interest affect the ability of Cutler and its advisers to provide clients with unbiased, objective investment advice concerning the selection of certain investments for client accounts. This could mean that other investments, with whom Cutler or its employees do not have an interest, may be more appropriate for a client than an investment in DIVHX. THEREFORE, A SUBSTANTIAL CONFLICT OF INTEREST EXISTS IN THE SELECTION OF INVESTMENTS FOR CUTLER CLIENTS.

Each prospective investor in DIVHX, prior to making an investment decision to purchase interests, is encouraged to consider all factors the investor deems relevant to an investment in DIVHX, including the conflicts of interest noted above and elsewhere, and to consult with their own advisors regarding such potential investment. The conflicts surrounding these outside business activities are disclosed to clients at the time of entering into an advisory agreement with Cutler, mainly through the delivery of this Brochure, the Supplemental Brochures (ADV Part 2Bs) and the Form CRS (ADV Part 3). Additionally, Cutler has implemented certain policies, procedures and internal controls to help mitigate the conflicts. Importantly, as part of Cutler's fiduciary duty to clients, Cutler and its advisers endeavor at all times to put the interests of the clients first, and recommendations and investments will only be made to the extent that they are reasonably believed to be suitable and in the best interests of the client.

For more information on DIVHX, please request a copy of the Prospectus and Statement of Additional Information, which can also be found via our website.

Cutler Investment Counsel, LLC manages Employee Retirement Income Security Act of 1974, as amended, ("ERISA") assets in the Cutler Collective Investment Trust ("CIT"). The CIT is bank maintained and not registered with the Securities and Exchange Commission. The CIT is not a mutual fund registered under the Investment Company Act of 1940, as amended, ("1940 Act") or other applicable law, and unit holders are not entitled to the protections of the 1940 Act. The regulations applicable to the CIT are different from those applicable to a mutual fund. The CIT's units are not securities registered under the Securities Act of 1933, as amended or applicable securities laws of any state or other jurisdiction.

Item 11 – Code of Ethics

Cutler anticipates that, in appropriate circumstances, consistent with clients' investment objectives, Cutler will recommend to current or prospective clients, the purchase or sale of securities in which Cutler, or one or more of its employees has a position of interest (ownership). In order to address the possibility of a conflict of interest, Cutler has adopted a Code of Ethics ("Code") for all supervised persons of the firm (which includes officers, directors, and some employees). The Code requires all supervised persons to act for the benefit of all Cutler clients and is designed to assure that the personal securities transactions, activities and interests of the employees of Cutler will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt, based upon a determination that these would not materially interfere with the best interest of Cutler's clients. This Code establishes standards, prohibitions and procedures designed to prevent improper personal trading by supervised persons, to identify conflicts of interest, and to provide a means to resolve actual or potential conflicts of interest. Supervised persons are required to follow specific procedures regarding personal trading, such as pre-clearance of certain personal transactions and the submission of required quarterly and annual reports on personal trading and security holdings. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under our Code of Ethics by our Chief Compliance Officer and/or designee. All supervised persons at Cutler must acknowledge the terms of the Code of Ethics at least annually. Cutler's clients or

prospective clients may request a free copy of the firm's Code of Ethics by contacting Cutler.

Also, Cutler has a material conflict of interest in recommending the purchase of shares of DIVHX, Cutler's Affiliated mutual Fund, since Cutler earns management fees as the Investment Adviser to that Fund. For certain clients invested in Cutler's Lifestyle Strategies and Target-Date Portfolios, Cutler has a conflict of interest pertaining to the inclusion of DIVHX in those strategies, due to the fact that Cutler earns fees on assets invested in DIVHX as a portion of the prevailing expense ratio. Clients with IRA or retirement plan accounts (ERISA) with Cutler should be particularly aware of this conflict and may discuss any concerns with the firm's Chief Compliance Officer.

Importantly, as part of Cutler's fiduciary duty to clients, the firm and its supervised persons will endeavor at all times to put the interests of the clients first, and investments will only be made to the extent that they are reasonably believed to be in the best interests of the client. In some cases (such as 401(k) participants who are considering rolling into an IRA to be managed by Cutler), our conflict is material in nature and cannot be abated through policies and procedures. Cutler employees, however, still endeavor to provide only that advice which they believe to be in the long-term benefit of the client (or prospective client). Additionally, the conflicts presented by this affiliation are disclosed to clients at the time of entering into an advisory agreement with Cutler, mainly through the delivery of this Disclosure Brochure and Form CRS.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Cutler's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equitably and, if applicable, receive securities at a total average price. Cutler will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis.

If you have any questions regarding our Code of Ethics (or our client conflicts as discussed herein), our Chief Compliance Officer is available to address any concerns.

Item 12 – Brokerage Practices

Under the terms of Cutler Investment Counsel's standard client contract, Cutler has the authority to determine securities to be bought or sold, the amount of the securities to be bought or sold, the broker to be used and the commission rates to be paid. Limitations on authority are provided in client specified investment objectives, guidelines and restrictions. In the event that the client designates a broker, the client may pay commissions that are different than those which Cutler can negotiate when it selects broker-dealers to execute transactions on behalf of its discretionary clients.

The major factors used by Cutler to determine which broker is selected for equity transactions in situations in which Cutler has discretion to choose the broker, are (a) quality of execution, (b) commissions charged, and (c) back office efficiency. As fixed income trades do not generally have a separate commission expense, dealer selection is based on best price.

Cutler will batch client orders where possible to obtain best execution. Generally, when trades are batched, each account within the block will receive the same price and commission. However,

at the close of the trading day, the completed shares of partially filled orders will be allocated on a pro-rata basis (subject to rounding to “round lot” amounts). In the event the partial execution is not sufficient to complete a pro-rata allocation by round lot, a random selection of accounts will be made by the trading system to allocate trades.

Soft Dollars

Cutler does not participate in formal soft dollar arrangements and has not generated a soft dollar commission since September 2016. We do, however, receive benefits from certain custodians that are discussed in more detail in Item 12 (below).

The Custodians and Brokers Utilized by Cutler

Cutler does not maintain custody of client assets that it manages, although it may be deemed to have custody of Client assets if the Client gives authority to withdraw assets, such as quarterly fees, from their account or the presence of certain Standing Letters of Authorization (as discussed below in Item 15). Client assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. Cutler recommends (or has recommended) that clients use Charles Schwab & Co., Inc. (Schwab), D.A. Davidson, Wells Fargo, and/or Matrix Trust Company registered broker-dealers and members of SIPC, as their qualified custodian. In addition, our clients use Fidelity, , Mass Mutual, US Bank, and Morgan Stanley. Clients which utilize the “Intelligent Portfolio” product are required to use Schwab as their custodian/broker, however, the client decides to do so by opening a brokerage account agreement directly with Schwab. Cutler is independently owned and operated and is not affiliated with any of these custodians. These firms (or whatever custodian a client may choose) will hold client assets in a brokerage account and buy and sell securities when Cutler instructs them to do so. While Cutler frequently recommends that clients use Schwab as custodian/broker, clients will decide whether to do so and will open an account with Schwab by entering into an account agreement directly with them.

Cutler does not open the account for clients, although they may assist in doing so. Even though client accounts are maintained at a third-party custodian, Cutler can still use other brokers to execute trades for client accounts as described below (see “*Client Brokerage and Custody Costs*”).

How Cutler Selects Brokers/Custodians

Cutler seeks to use a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. Cutler considers a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client’s accounts)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)

- Availability of investment research and tools that assist Cutler in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to Cutler and its other clients
- Availability of other products and services that benefit Cutler, as discussed below (see *"Products and Services Available to Cutler from Schwab"*)

Client Brokerage and Custody Costs

For Cutler clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services, but is compensated in other ways such as interest, commission, and platform fees, amongst others. This arrangement benefits clients because the overall commission rates they pay are lower than they would likely be otherwise. Cutler monitors the execution from our custodians and broker/dealers to ensure clients receive timely and efficient market executions. In addition to commissions, custodians charge a flat dollar amount as a "prime broker" or "trade away" fee for each trade that Cutler has executed by a different broker-dealer, but where the securities bought or the funds from the securities sold are deposited (settled) into client account(s). These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Because of this, in order to minimize trading costs, Cutler generally has the primary custodian execute most trades for client accounts. Some custodians may charge a minimum custodial fee for holding assets.

Products and Services Available to Cutler from Schwab

Schwab Advisor Services™ is Schwab's business division serving independent investment advisory firms like Cutler. They provide Cutler and our clients with access to Schwab's institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help Cutler manage or administer its clients' accounts, while others help them manage and grow Cutler's business. Schwab's support services generally are available on an unsolicited basis (Cutler does not have to request them) and at no charge to Cutler as long as its clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If Cutler clients collectively have less than \$10 million in assets at Schwab, Schwab may charge Cutler a quarterly service fee of \$1,200. This is a potential conflict of interest; however, Cutler does not believe that this is a material conflict given the current level of assets that we manage. Cutler believes that its frequent recommendation of Schwab as custodian and broker is in the best interests of its clients. Cutler's selection is primarily supported by the scope, quality, and price of Schwab's client services and not Schwab's services that benefit only Cutler. Following is a more detailed description of Schwab's support services:

Services That Benefit Cutler Clients

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment

products available through Schwab include some to which Cutler might not otherwise have access or that would require a significantly higher minimum initial investment by Cutler's clients. Schwab's services described in this paragraph generally benefit Cutler clients and their account(s).

Services That May Not Directly Benefit Cutler Clients

Schwab also makes available to Cutler other products and services that benefit Cutler but may not directly benefit its clients or their accounts. These products and services assist Cutler in managing and administering its clients' accounts. They include investment research, both Schwab's own and that of third parties. Cutler may use this research to service all or a substantial number of Cutler clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements)
- Facilitates trade execution and allocates aggregated trade orders for multiple client accounts
- Provides pricing and other market data
- Facilitates payment of our fees from our clients' accounts
- Assists with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Cutler

Schwab also offers other services intended to help Cutler manage and further develop its business. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Cutler. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide Cutler with other benefits, such as occasional business entertainment of Cutler personnel.

The availability of services from the custodians mentioned above benefit us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business, either in trading commissions or assets in custody. With respect to the IIP program, we do not pay Schwab fees for the program so long as we custody the accounts at Schwab. This fee arrangement, in addition to those services that benefit our business (as described above) give us an incentive to recommend that our clients custody their assets with Schwab, rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our recommendation of Schwab (or any other custodian) as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of their services and not their services that benefit only us.

Item 13 – Review of Accounts

Cutler's portfolio managers review each of their accounts on an on-going basis and are responsible for selecting suitable investments for clients in accordance with each client's investment objectives and consistent with the Investment Policy (or other written guidelines) of the client (where applicable). Advisors are responsible for reviewing their client's investment allocations to confirm they are consistent with any Investment Guidelines.

Additional in-depth reviews may be triggered by factors such as contributions to and distributions from the account and market and economic changes. In addition, periodic internal reviews are conducted to ensure that portfolios are managed in accordance with client guidelines and restrictions.

The reviewers on most of Cutler's accounts are the portfolio managers, Matthew Patten and Erich Patten. For some of our advisory accounts, the advisor assigned to the account may be responsible for the review of their assigned accounts in conjunction with Erich Patten. All accounts receive no less than a quarterly portfolio evaluation from the relevant custodian. These statements include current holdings and relevant performance data. Clients requiring more frequent reports may request monthly statements or on an as needed basis.

Item 14 – Client Referrals and Other Compensation

Cutler receives a benefit from referral arrangements.

Cutler receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Cutler's participation in Schwab Advisor Network[®] ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Cutler. Schwab does not supervise Cutler and has no responsibility for Cutler's management of clients' portfolios or Cutler's other advice or services. Cutler pays Schwab fees to receive client referrals through the Service. Cutler's participation in the Service may raise potential conflicts of interest described below.

Cutler pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Cutler is a percentage of the fees the client owes to Cutler or a percentage of the value of the assets in the client's account, subject to a minimum participation fee. Cutler pays Schwab the participation fee for so long as the referred client's account remains in custody at Schwab. The participation fee is billed to Cutler quarterly and may be increased, decreased or waived by Schwab from time to time. The participation fee is paid by Cutler and not by the client. Cutler has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Cutler charges clients with similar portfolios who were not referred through the Service.

Cutler generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Cutler will have

an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Cutler's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Cutler will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Cutler's fees directly from the accounts.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Cutler also compensates certain of our advisory personnel for referring clients.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains their investment assets. Cutler urges each of our clients to carefully review such statements and compare such official custodial records to any account statements that Cutler may provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Cutler generally does not send client statements, unless specifically requested by the client and agreed to by Cutler. Clients should contact us immediately if they believe that there may be an error in their statement.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts. We also have certain "Standing Letters of Authorization" (SLOA) that allow us to transfer monies on behalf of our clients. Under government regulations these business processes deem us as having custody of our clients' accounts. We do not hold your assets, your qualified custodian does. As part of our billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. For questions regarding SLOAs and Cutler's custody of your account, please contact your advisor at Cutler.

Item 16 – Investment Discretion

Cutler usually receives discretionary authority from the client at the onset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account, when applicable. This authority, including any power of attorney, is specified in client contracts.

When selecting securities and determining amounts, Cutler observes the investment policies, limitations and restrictions of the clients for whom it advises. For Investment Companies, such as the Cutler Trust, Cutler's authority to trade securities may also be

limited by certain federal securities and tax laws that require diversification of investments.

Investment guidelines and restrictions, when applicable, must be provided to Cutler in writing, and may include restrictions such as the type or specific securities that may be bought and sold, or the percentage of exposure that may be allowable in a particular security or industry.

At times, Cutler will perform its services on a non-discretionary basis. Non-discretionary investment management services means the client retains full discretion to supervise, manage, and direct the assets of the account. Cutler will make recommendations on how the account should be managed; however, Cutler will have to receive the client's permission prior to placing any trades.

Item 17 – Voting Client Securities

You may request a copy of our Proxy Policy, which details the manner with which we vote proxies on behalf of our clients at any time. As a service to our clients, Cutler typically votes the proxy statements on all individual securities held in client account(s). Clients do have the right, however, to discuss with our Proxy Voting Administrator, Erich Patten, the specifics of our voting policies at any time. A copy of Cutler's proxy voting history is available upon request.

Generally, Cutler believes supporting the recommendations of management is the preferred course of action in a proxy vote. Cutler will, however, vote against management if it believes it to be in the client's best interest. Cutler's Proxy Voting Policy Statement outlines the specifics of how it addresses any conflicts of interest. In summary, however, Cutler's policy is to vote what we believe is in the best interest of the clients at all times.

Cutler utilizes a third-party vendor to assist in the facilitation of voting client proxies.

Item 18 – Financial Information

Registered Investment Advisers are required to provide our clients with certain financial information or disclosures about Cutler's financial condition.

Cutler has no financial obligations that impair our ability to meet contractual and fiduciary commitments to our clients and we have not been the subject of a bankruptcy proceeding. We did, however, take a Payroll Protection Program loan through the SBA on April 12, 2020 in conjunction with the relief afforded from the CARES Act. The loan was not material in dollar amount nor did we apply for it to protect advisory staff or services, the loan was only to protect the jobs of our support staff as we navigated the market turmoil caused by the global pandemic.