

# **DHR Investment Counsel, Ltd**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 26, 2021**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of DHR Investment Counsel, Ltd (“DHR” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (510) 596-2580 or by email at [DHR@dhrcounsel.com](mailto:DHR@dhrcounsel.com).

DHR is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about DHR to assist you in determining whether to retain the Advisor.

Additional information about DHR and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 109546.

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## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of DHR. For convenience, the Advisor has combined these documents into a single disclosure document.

DHR believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. DHR encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

There have been no material changes to this Disclosure Brochure since the last filing and distribution to Clients.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 109546. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at (510) 596-2580 or by email at [DHR@dhrcounsel.com](mailto:DHR@dhrcounsel.com).

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## Item 4 – Advisory Services

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### A. Firm Information

DHR Investment Counsel, Ltd (“DHR” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The Advisor is organized as a Corporation under the laws of the State of California. DHR was founded in January 1998 and is owned and operated by Davis H. Riemer (Chief Executive Officer) and Louise Rothman-Riemer (Chief Financial Officer and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by DHR.

### B. Advisory Services Offered

DHR offers investment advisory services to individuals, high net worth individuals, trusts, estates, retirement plans and charitable organizations (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. DHR’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Wealth Management Services

DHR may provide Clients with wealth management services, which generally includes a broad range of comprehensive financial planning and consulting services in connection with discretionary management of investment portfolios. These services are described below.

*Investment Management Services* – DHR provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary and non-discretionary investment management and related advisory services. DHR works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. DHR will then construct an investment portfolio, consisting of mutual funds to achieve the Client’s investment goals. DHR may use mutual funds offered by Dimensional Fund Advisors LP (“DFA”). DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. The DFA fund fees are generally lower than fees and expenses charged by other fund providers. The Advisor is under no obligation to recommend DFA funds to Clients and will only do so only when it is believed to be in the Client’s best interest. DFA funds are exclusively made available through a registered investment advisor, therefore a Client may not invest in these funds in their independent capacity. The Advisor may also utilize exchange traded funds (“ETFs”), individual stocks or bonds to meet the needs of its Clients. The Advisor may retain certain legacy investments based on portfolio fit and/or tax considerations.

DHR’s investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. DHR will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

DHR evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. DHR may recommend, on occasion, redistributing investment allocations to diversify the portfolio. DHR may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. DHR may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Under certain circumstances, DHR may accept or maintain custody of Client's funds or securities. Please see Item 15 – Custody for more information.

*Financial Planning Services* - DHR will typically provide a variety of financial planning and consulting services to Clients, as a part of its wealth management services. Services are offered in several areas of a Client's financial situation, depending on their goals and objectives.

Depending on a Client's financial situation, goals and objectives direct or influence the type of services offered. DHR believes that financial planning is ongoing as a Client's life is ongoing. The variables that can and do change in a plan are also ongoing and reflected accordingly when they occur. DHR reviews with its Clients their financial objectives utilizing software to examine, reflect, and recommend changes. This can but usually does not result in a written financial planning document, however, clients may request a copy of the current plan projections at any time. DHR views financial planning as an iterative process and understanding a client's life, goals, objectives, intent extends beyond a written document.

DHR may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor may not provide a written summary of the Client's financial situation, observations, and recommendations, as this is part of its wealth management services.

Financial planning and consulting recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### Retirement Plan Advisory Services

DHR provides retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Plan Participant Enrollment and Education Tracking
- Investment Policy Statement ("IPS") Design and Monitoring
- Investment Oversight Services (ERISA 3(21))
- Performance Reporting
- Ongoing Investment Recommendation and Assistance

These services are provided by DHR serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of DHR's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

### C. Client Account Management

Prior to engaging DHR to provide investment advisory services, each Client is required to enter an agreement with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – DHR, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – DHR will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – DHR will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – DHR will provide investment management and ongoing oversight of the Client's investment portfolio.

### D. Wrap Fee Programs

DHR does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by DHR.

### E. Assets Under Management

As of December 31, 2020, DHR manages \$437,940,179 in Client assets, \$363,075,159 of which are managed on a discretionary basis and \$74,865,020 on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter an agreement with the Advisor.

### A. Fees for Advisory Services

#### Wealth Management Services

For Clients engaged for comprehensive wealth management services, the Client will be charged a single combined fee for investment management and financial planning services based on the market value of assets under management.

Investment advisory fees are paid quarterly, in three month periods (each a "quarter"), at the end of each quarter pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the quarter. Investment advisory fees are based on the following schedule:

Assets Under Management (\$)	Annual Rate (%)
First \$1,000,000	1.00%
Next \$1,000,000	0.80%
Next \$3,000,000	0.50%
Over \$5,000,000	0.40%

The Advisor will also charge an initial start up fee of up to \$5,000. The first quarter of investment advisory fees begin the first full month after execution of the investment advisory agreement. Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by DHR will be independently valued by the designated Custodian. DHR will not have the authority or responsibility to value portfolio securities.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

#### Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 0.80% and are billed on a quarterly basis, at the end of each quarter, pursuant to the terms of the retirement plan advisory agreement. Retirement plan advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Fees may be negotiable depending on the size and complexity of the services to be provided to the Plan.

### **B. Fee Billing**

#### Wealth Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by four (4)) to the total assets under management with DHR at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting DHR to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Retirement Plan Advisory Services

Retirement plan advisory fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than DHR, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all securities execution and custody fees charged by the Custodian, if applicable. The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. The fees charged by DHR are separate and distinct from these custody and execution fees.

In addition, all fees paid to DHR for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of DHR, but would not receive the services provided by DHR which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. However, Clients are unable to invest into DFA funds directly, without the services of a registered investment advisor. If a Client chooses to terminate the relationship with the Advisor, the Client may hold the DFA funds, but would not be able to purchase additional shares. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by DHR to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.



## **D. Advance Payment of Fees and Termination**

### Wealth Management Services

DHR is compensated for its services at the end of the quarter after investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing ten (10) days advance written notice to the other party. At termination, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

### Retirement Plan Advisory Services

DHR is compensated for its services at the end of the quarter after advisory services are rendered. Either party may terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. Upon termination, the Plan shall be responsible for investment advisory fees up to and including the effective date of termination. The Plan's retirement plan advisory agreement with the Advisor is non-transferable without the Client's prior consent.

## **E. Compensation for Sales of Securities**

DHR does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

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

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DHR does not charge performance-based fees for its investment advisory services. The fees charged by DHR are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

DHR does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## **Item 7 – Types of Clients**

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DHR offers investment advisory services to individuals, high net worth individuals, trusts, estates, retirement plans and charitable organization. The amount of each type of Client is available on DHR's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. DHR generally requires a minimum relationship size of \$1,000,000 to effectively implement its investment process.

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

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### **A. Methods of Analysis**

DHR primarily employs a fundamental analysis method in developing investment strategies for its Clients. Research and analysis from DHR is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. These criteria consist generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if



adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

As noted above, DHR generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. DHR will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, DHR may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value. Clients should be prepared to bear the potential risk of loss. DHR will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

Following are some of the risks associated with the Advisor's investment approach:

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving DHR or its management persons.** DHR values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider with whom the Client engages. The backgrounds of the Advisor and its Advisory Persons are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching by the Advisor's firm name or CRD# 109546.

## **Item 10 – Other Financial Industry Activities and Affiliations**

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### Insurance Agency Affiliations

Louise Rothman-Riemer is also a licensed insurance professional. Insurance sales are implemented separate and apart from Ms. Rothman-Riemer's role with DHR. As an insurance professional, Ms. Rothman-Riemer will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by DHR or Ms. Rothman-Riemer's.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **A. Code of Ethics**

DHR has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code applies to all persons associated with DHR ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. DHR and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of DHR's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (510) 596-2580 or via email at [dhrcounsel.com](mailto:dhrcounsel.com).

### **B. Personal Trading with Material Interest**

DHR allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. DHR does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. DHR does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

DHR allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by DHR requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO") or

delegate. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While DHR allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically traded afterward. **At no time will DHR, or any Supervised Person of DHR, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

DHR does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize DHR to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, DHR does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where DHR does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a broker-dealer/custodian not recommended by DHR. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. DHR may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation and/or the location of the Custodian's offices.

DHR will generally recommend that Clients establish their account[s] at Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer and member SIPC. Schwab will serve as the Client's "qualified custodian". DHR maintains an institutional relationship with Schwab, whereby the Advisor receives economic benefits from Schwab. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker/dealer/custodian in exchange for research and other services. **DHR does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 below.**

**2. Brokerage Referrals** - DHR does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis," where DHR will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s] at the Custodian. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). DHR will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian. The Advisor may not be able to aggregate orders to reduce transaction costs in a Client directed brokerage account.

#### **B. Aggregating and Allocating Trades**

Although DHR does not aggregate or "batch" trades, the primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into

account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. DHR will execute its transaction through the Custodian as authorized by the Client. DHR will seek to execute securities transactions by the close of each business day in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients' accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Advisory Persons of DHR. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify DHR if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

## **Item 14 – Client Referrals and Other Compensation**

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### **A. Compensation Received by DHR**

DHR does not receive securities commissions from product sponsors, broker-dealers or any un-related third party. DHR may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, DHR may receive referrals of new Clients from a third-party. However, DHR and certain Supervised Persons do receive compensation and other economic benefits from Schwab. Additionally, the Advisor may receive the following benefits from Schwab:

#### Participation in Institutional Advisor Platform

DHR has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like DHR. As a registered investment advisor participating on the Schwab Advisor Services platform, DHR receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes

that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back-office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services to DHR that may not benefit the Client, including educational conferences and events, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a conflict of interest. DHR believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

## **B. Client Referrals from Solicitors**

DHR does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

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DHR has “custody” of client accounts as defined in Rule 206(4)-2 under the Investment Advisers Act of 1940 as the Advisor also serves as Trustee of certain Clients account[s] or by having Client login credentials to access held away assets.

All Clients must place their assets with a “qualified custodian”. Clients are required to enter into an agreement with the Custodian to retain their funds and securities and direct DHR to utilize the Custodian for the Client’s security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by DHR to ensure accuracy as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may be deemed to have custody of those assets. In order to avoid additional regulatory requirements in these cases, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client’s instructions.

## **Item 16 – Investment Discretion**

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DHR generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by DHR. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client’s execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by DHR will be in accordance with each Client’s investment objectives and goals.

## **Item 17 – Voting Client Securities**

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DHR does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 – Financial Information**

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Neither DHR, nor its management, have any adverse financial situations that would reasonably impair the ability of DHR to meet all obligations to its Clients. Neither DHR, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. DHR is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.

## Privacy Policy

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Effective: March 26, 2021

### Our Commitment to You

DHR Investment Counsel, Ltd ("DHR" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. DHR (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

DHR does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.



### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> DHR does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where DHR or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].	Yes	Yes
<b>Information About Former Clients</b> DHR does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### State-specific Regulations

California	In response to a California law, to be conservative, we assume accounts with California addresses do not want us to disclose personal information about you to non-affiliated third parties, except as permitted by California law. We also limit the sharing of personal information about you with our affiliates to ensure compliance with California privacy laws.
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### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (510) 596-2580.