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**March 2, 2021**

**FORM ADV PART 2A  
BROCHURE**

This Disclosure Brochure provides information about the qualifications and business practices of Stonebridge Investment Counsel, LLC. If you have any questions about the contents of this Disclosure Brochure, please contact us at 615-309-0832. The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Stonebridge Investment Counsel, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 11, 2020, we have no material changes to report.

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## Item 4 Advisory Business

### Description of Firm

Stonebridge Investment Counsel, LLC ("Stonebridge") is a privately-held Tennessee limited liability company that has been providing investment advisory services since 2002. The company also does business as Stonebridge Wealth Management and Stonebridge Family Office. Mitchell Martin is the owner and chief compliance officer of our firm.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this Disclosure Brochure, the words "we", "our" and "us" refer to Stonebridge Investment Counsel, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term "supervised person" or "Investment Adviser Representative" throughout this Disclosure Brochure. As used in this Disclosure Brochure, our Supervised Persons are our firm's officers, employees, including our firm's Investment Adviser Representatives who are those individuals providing investment advice on behalf of our firm. Stonebridge Investment Counsel, LLC offers investment advice with the assistance of its Investment Adviser Representatives (IARs), who are appropriately registered in state jurisdictions where required.

### Investment Management Services

We offer investment management services exclusively on a discretionary basis where our investment advice is tailored to meet our clients' individual needs and investment objectives. These services include an initial consultation along with follow up consultations, as may be agreed, to discuss your investment objectives, time horizon, risk tolerance, tax circumstances, and various other financial factors. We will ask that you complete certain investor questionnaires, onboarding forms, and other documents to assist us in gathering information about your financial needs and circumstances. Based on our evaluation of the foregoing factors, we will use the information to establish a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf.

Clients engaging our firm for investment management services are required to grant our firm discretionary authority to manage their account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction, including the authority to use one or more *Independent Managers*. Please see Item 16 (Investment Discretion) of this Disclosure Brochure for more information on discretionary authority.

Our discretionary management services are typically provided to you through an investment platform administered by Callan Associates, LLC ("Callan"), a third-party SEC registered investment adviser, to select Independent Managers to use in client relationships. Callan evaluates independent money managers across multiple assets classes. Using qualitative and quantitative screens, Callan develops and provides us with a list of vetted and approved Independent Managers. In addition, Callan negotiates lower investment minimums and fees with these Independent Managers for our clients. Callan also provides ongoing due diligence on these managers to determine if they should remain on the approved list. Our firm selects Independent Managers from this Callan approved list for use in our client portfolios.

We work with Callan using the Callan Unified Managed Account (UMA) platform. The Callan UMA platform is an integrated investment platform in which a client's assets can be invested in a single custodial account across multiple asset classes. On the UMA platform, Callan provides a list of approved independent managers (i.e. sub-advisors), whose portfolios are implemented by a Callan

approved independent overlay manager, Managed Portfolio Advisors ("MPA"), a division of Natixis Global Asset Management. After portfolio implementation, MPA is responsible for the ongoing trading, tax loss harvesting and portfolio rebalancing of clients' accounts. Please refer to Item 5 of this Disclosure Brochure for more information on the fees charged by Callan, MPA, and the selected independent manager(s), which are separate and apart from our investment management fees.

Where appropriate, we may also recommend a third-party investment management program sponsored by SEI Investments Management Corporation, and its affiliates, SEI Private Trust Company and SEI Global Services, Inc. (collectively, "SEI"). Our agreement with SEI allows us to offer SEI's investment management programs (collectively, the "SEI Programs"), bundled together with SEI's custodial and execution services.

In addition to our ongoing monitoring of your portfolio, we will also be responsible for collecting and maintaining information on each client's financial circumstances, and communicating such information to the appropriate parties of the selected investment platform as may be necessary in efforts to ensure that portfolio allocations are aligned with each client's investment objectives. As required, we will deliver the disclosure brochures associated with the selected investment platform along with other applicable information.

We do not sponsor a wrap fee program. For information on the investment strategies, our methods of analysis, and how we might manage your account(s), please see Item 8 (*Methods of Analysis, Investment Strategies and Risk of Loss* section) of this Disclosure Brochure.

#### **Use of Independent Managers**

As mentioned above, we generally select or recommend certain Independent Managers to manage client assets. In addition to this Disclosure Brochure, clients may also receive written disclosure documents of the Independent Managers engaged to manage their assets. Our firm does not receive compensation from any such Independent Manager.

Our firm evaluates various information about the Independent Managers we choose to manage client portfolios, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses we believe are reputable. To the extent possible, we assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. We will also take into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

On an ongoing basis, our firm monitors the performance of those accounts being managed by Independent Managers. We will seek to ensure that the Independent Managers' strategies and target allocations remain aligned with our clients' investment objectives and overall best interests.

## **Wealth Management Services**

As part of our wealth management services we offer broad-based financial planning and consulting. These services typically involve a variety of advisory services regarding the management of the client's financial resources based upon an analysis of their individual needs. If you retain our firm for these services, we will meet with you to gather information about your financial circumstances and objectives. As required, we will conduct follow-up interviews for the purpose of reviewing and/or collecting additional financial related data. Once such information has been reviewed and analyzed, we will provide you with our financial planning and/or consulting recommendations designed to help you achieve your stated financial goals and objectives. We provide wealth management services in areas that may include, but are not limited to, asset protection (preservation), disability and income protection (protection), debt management (leverage), investment and cash flow planning (accumulation), legacy planning (distribution), and tax management.

If we are engaged to deliver a customized written financial plan, the client's plan will generally include recommendations for a course of specific actions to be taken by the client. For example, recommendations may be made that the client make adjustments to their risk management strategy or revise existing coverage, establish an individual retirement account, increase or decrease funds in savings accounts or invest funds in securities/mutual funds. Where appropriate we may assist clients with respect to tax and/or estate planning situations, but we will always recommend that clients consult with a tax/legal professional. The primary objective of this process is to enable our firm to assist the client in developing a strategy for the successful management of income, assets and liabilities in efforts of meeting the client's long-term life and wealth goals.

We also offer ongoing wealth management services covering complex financial planning and consulting support that typically includes, but not limited to: ongoing consulting regarding your financial plan; periodic reviews (as-needed or by client request); and updates to your financial plan.

Our wealth management services are based on your financial situation at the time we deliver our services, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. You have the right to accept or reject our recommendations, and you may choose any firm to assist you with implementing our recommendations.

## **Types of Investments**

We offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, U.S. Government securities, options contracts on securities, and interest in partnerships investing in real estate, private equity and private debt, alternative investments, among others. Additionally, we may recommend other types of investments since each client has different needs and different tolerances for risk. We may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request.

## **Assets Under Management**

As of December 31, 2020, we manage approximately \$139,564,282 in client assets on a discretionary basis. We currently do not have any assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

### Investment Management Services

Our annualized fee for investment management services is based on a percentage of the assets in your account and is set forth in the following annual flat tiered fee schedule:

Assets Under Management	Maximum Annualized Investment Management Fee
0 - \$1,000,000	1.00%
\$1,000,001 - \$5,000,000	0.65%
\$5,000,001 - \$10,000,000	0.50%
\$10,000,001 - \$25,000,000	0.40%
\$25,000,001 - \$50,000,000	0.30%
Over \$50,000,000	Negotiable

The annual fee is typically billed and payable monthly, in arrears, and is based on the average daily balance of your account. In other instances, and depending on the selected investment platform, our fee may be billed and payable monthly in arrears based on the value of your account on the last day of the billing month. If the agreement you sign with our firm is executed at any time other than the first day of a calendar month, our fees will apply on a pro-rata basis, which means that our fee is payable in proportion to the number of days in the month for which you are a client. Our investment management fee is negotiable depending on individual client circumstances. Existing clients may be subject to a different fee schedule that was in place when they became a client. All terms of the engagement will be evidenced in the written agreement you sign with our firm.

Separate and apart from our investment management fee, clients will also pay a program fee for the selected investment platform, such as Callan's UMA platform fee or SEI's Program Fee, for the advisory, custodial, and/or execution services they (and other service providers) provide to your account.

### Callan UMA Platform

There are several fee components on the Callan UMA platform. These components include our firm's investment management fee, which is described above, the fees for the various independent investment managers, the Callan fee, the MPA fee and a custodial fee. The typical investment manager account minimum investment is \$100,000 of assets. The fees or fee range for each component is as follows:

- Our firm's fee, which is described above.
- The annual fees for the Independent Managers range from 18 basis points (0.18%) to 50 basis points (0.50%).
- The Callan fee is a sliding fee calculated based on assets under management ranging from 19 basis points (0.19%) on the first \$10 million of client assets invested on the UMA platform to 9 basis points (0.09%) for investable assets in excess of \$20 million.
- The MPA fee is also a sliding asset-based fee ranging from 17 basis points (0.17%) on the first \$3 million of investable assets to 6 basis points (0.06%) on assets in excess of \$100 million.
- The custodial fee at Fidelity, where all clients invested on the UMA platform are custodied, is 6 basis points (0.06%) of investable assets. A client's specific fee will be dependent on several factors, including assets under advisement, portfolio allocation and the independent managers used to implement the portfolio. Client assets on the UMA platform are invested on a discretionary basis by MPA.

### SEI Programs

SEI will deduct both the SEI Program Fee and our firm's investment management fee. Please refer to the SEI account opening documents and agreement for information on the SEI Program fee, as well as other important terms of the engagement.

### General Disclosures

Our fees will only be deducted from your custodial account when you have given our firm written authorization permitting the fees to be paid directly from your account. Your qualified custodian (for instance, Fidelity or SEI Private Trust Company) will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account, and you should review all statements for accuracy. If you have any questions about the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this Disclosure Brochure.

Our agreement for services will continue in effect until terminated by either party. Either party may terminate the engagement upon 30-days' written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the month for which you are a client. Refunds are not applicable as fees are payable in arrears; however, where the recommended investment platform requires advance fee payments any applicable refunds will be based on a pro-rata refund.

### **Wealth Management Services**

We utilize the following fee schedule subject to negotiation and depending on the nature, complexity, and time involved in providing the client with the requested services.

Fixed Fees: Our firm will generally charge an agreed upon fixed fee, which ranges between \$1,000 and \$10,000. Our fixed fee is typically associated with broad-based financial planning where we deliver a written financial plan.

Hourly Fees: In limited circumstances and in our sole discretion, we provide services for consultative or single subject planning on an hourly basis. The consulting fee is payable at the conclusion of each session. The hourly fee will range from \$100 to \$400 depending on the level and scope of the service(s) required and the professional(s) rendering the advice to clients who request specific services (such as a modular plan) and do not desire a broad-based written financial plan. The number of hours to be spent is estimated on a case-by-case basis depending on the requested services.

Ongoing Retainer: Our fee for ongoing wealth management services is customized for each engagement and varies widely based on the complexity of each client's financial circumstances. Our monthly retainer fee is typically based on a negotiated fixed fee that is payable monthly in arrears.

When the scope of the wealth management services have been agreed upon, a determination will be made as to the applicable fee. The final fee shall be directly dependent upon the facts and circumstances of the client's financial situation and the complexity of the financial plan or service requested. If the client chooses to proceed, one half of the estimated fee is due in advance with the balance due and payable upon completion of the contracted services. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify the client and we may request that the client pay an additional fee.



Either party may terminate the engagement by providing written notice to the other party. In the event there are any prepaid unearned fees, we will return a pro rata share to the client.

### **Additional Fees and Expenses**

In addition to our firm's advisory fees, clients will also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"), including Callan Associates and Managed Portfolio Advisors (see fee disclosures above). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, Hedge Funds, Callan Associates and Managed Portfolio Advisors; charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. Clients are encouraged to read such prospectuses carefully to evaluate such fees. For information on our brokerage practices, please refer to the "Brokerage Practices" section (Item 12) of this Disclosure Brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We typically offer investment and wealth management services to high net worth individuals in professional sports, arts and entertainment, profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

We generally require a minimum of \$250,000 to open and maintain an advisory account.

Additionally, certain Independent Managers may impose more restrictive account requirements and varying billing practices than our firm. In such instances, we may alter our account requirements and/or billing practices to accommodate those practices followed by the Independent Managers.

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

### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Technical Analysis - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

*Risk:* The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

*Risk:* The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

*Risk:* Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

*Risk:* Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Short Sales - a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future.

*Risk:* A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited.

Option Writing - Generally, we do not use option writing as part of the investment strategy in managing accounts. However, when agreed to in advance, and in writing, we may utilize option writing, specifically covered calls, as an investment strategy in managing your account. Because this strategy is generally considered to carry a higher degree of risk, it will only be utilized when consistent with your tolerance for risk, and in accordance with your investment guidelines. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option.

*Risk:* Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Our strategies and investments may have unique and significant tax implications. Unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. However, we may engage in tax-loss harvesting, deferral of short term gains and wash sale avoidance, based on individual client customization decisions. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

### **Callan Investment Platform**

For accounts on the Callan investment platform, we typically utilize Callan's method of analysis involving the evaluation and analysis of a fund or managers, management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations.

In addition, we utilize services and analytical software tools from Independent Adviser Group ("IAG"), a division of Callan LLC. Such services and tools include capital markets and investment manager research and analytical tools that are used to assist in determining an appropriate asset allocation strategy, establishing investment manager structure and monitoring portfolio results versus relative benchmarks and peer groups.

Callan is the program coordinator to Managed Portfolio Advisors ("MPA"), a division of Natixis, the administrator and overlay manager of the Callan Unified Managed Account program ("UMA"), a multi-manager portfolio management program. Stonebridge Wealth Management may recommend to its qualified clients that they utilize the UMA to achieve the benefits of multiple investment manager diversification. Callan may reduce or waive fees payable by Stonebridge Wealth Management for IAG services based upon fees received by Callan attributable to Stonebridge Wealth Management-clients' assets in the Callan UMA program. Stonebridge Wealth Management is unaffiliated with Callan. Participation in the Callan UMA program results in a conflict of interest for Stonebridge Wealth Management as the receipt of IAG services at reduced or wholly waived fees can create an incentive for Stonebridge Wealth Management to recommend the UMA to its qualified clients. In fulfilling its duties to its clients, Stonebridge Wealth Management endeavors at all times to put the interests of its clients first and will only make such a recommendation when the use of the Callan UMA is suitable for the client. Our firm serves as a fiduciary to clients, and will act in our clients' best interest at all times.

**Use of Independent Managers**

We often recommend the use of Independent Managers. In these situations, our firm continues to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the Independent Managers' ability to successfully implement their investment strategies. In addition, we do not have the ability to supervise the Independent Managers on a day-to-day-basis.

**Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

**Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

**Recommendation of Particular Types of Securities**

We primarily recommend investment company securities (mutual funds and exchange traded funds), as well as equity securities, corporate debt securities, certificates of deposit, municipal securities, and U.S. Government securities. We may also recommend other types of securities depending on each client's individual needs. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

You should be advised of the following risks when investing in these types of securities:

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same interest rate.

Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that's used to pay the dividends; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same dividend.

Certificates of deposit are generally the safest type of investment since they are insured by the federal government. However, because the returns are generally very low, it's possible for inflation to outpace the return. Likewise, US Government securities are backed by the full faith and credit of the United States government but it's also possible for the rate of inflation to exceed the returns.

Options and warrants give an investor the right to buy or sell a stock at some future time at a set price. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited. The main difference between warrants and call options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months.

A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Mutual funds and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative

companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

We may also recommend alternative investments, such as private placements, limited partnerships, limited liability companies, alternative investments or private funds, to certain "accredited" clients. Alternative investments should be considered to contain an above average amount of risk and the loss of principal is high. These types of investments are generally recommended only as long-term investments as they may be considered illiquid in nature, and clients should be prepared for any investment in these funds to be inaccessible for a prolonged period. To the extent applicable, clients will be provided the required legal investment documentation and must sign documents outside the scope of our firm's investment advisory agreement. These documents may include, but are not limited to: Private Placement Memorandum; Subscription Agreement; Operating Agreement; and/or, Limited Partnership Agreement.

## **Item 9 Disciplinary Information**

Stonebridge Investment Counsel, LLC has been registered and providing investment advisory services since 2002. Neither our firm nor any of our supervised persons have any reportable disciplinary information.

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

We do not have any financial industry activities, affiliations or relationships that are material to our advisory business or to our advisory clients.

### **Recommendation of Other Advisers**

Our discretionary investment management services are provided to you primarily through a third-party investment platform that provides us with a variety of Independent Managers, performance, due diligence, research and risk management tools and administrative services enabling our firm to more efficiently deliver advisory services to you. We do not receive separate compensation, directly or indirectly, from the recommended third-party investment platform or Independent Manager in connection with these arrangements.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our supervised persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our supervised persons are expected to adhere strictly to these guidelines. Persons associated with our firm are required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by



persons associated with our firm. Our Code of Ethics is available to clients and prospective clients upon request. You may obtain a copy of our Code of Ethics by calling our main number (615) 309-0832.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our supervised persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Disclosure Brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm do not buy or sell the same securities that we recommend to you or securities in which you are already invested. It is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

### **Brokerage Recommendations**

For clients engaging our firm for investment management services, clients must open one or more custodian accounts in their own name at an independent custodian. While you are free to choose any broker-dealer/custodian or other service provider, we typically require that you establish an account with a brokerage firm with which we have an existing relationship. In recommending a broker-dealer/custodian we will endeavor to select those brokers or dealers that will provide quality services at reasonable fees. The reasonableness of such fees is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the custodian's reputation, execution capabilities, and responsiveness to our clients.

### Fidelity

For clients in need of brokerage and custodial services via the Callan / IAG investment platform, we typically recommend Fidelity Institutional Wealth Services LLC and National Financial Services LLC, respectively (together with all affiliates "Fidelity"). If you do not direct our firm to execute transactions through a qualified custodian to whom we have an existing relationship with, we reserve the right to not accept your account.

On occasion, Fidelity may provide additional support for third-party technology and analytical software tools that we use to manage our clients' accounts.

Fidelity's platform services generally include, but not limited to, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like our firm in conducting business and in serving the best interests of our clients, but that may also benefit the our firm. Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables registered investment advisers like our firm to purchase many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, Fidelity's commissions and transaction fees may be higher or lower than those charged by other custodians and broker-dealers.

### SEI Private Trust Company

For clients participating on the SEI investment platform, clients are required to establish a brokerage and custodial relationship with SEI Private Trust Company, a wholly-owned subsidiary of SEI Investments Corporation. In all cases, the recommended Custodian is a securities broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor

Protection Corporation ("SIPC"). We believe that the recommended Custodian provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the Custodian, including the value of the Custodian's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Directed Brokerage**

Some clients may instruct our firm in writing to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, and choose to accept your request, you will negotiate terms and arrangements for your account with the broker-dealer/custodian. We will not be responsible for ensuring best execution services or prices from other broker-dealers or be able to aggregate trades with other client accounts (as described below at *Block Trades*). As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you. Subject to our duty to obtain best execution, we may decline your request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Research and Other Soft Dollar Benefits**

As a registered investment adviser, we may have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the service platforms of these firms, and are *not* considered to have been paid with soft dollars. The receipt of such products and/or services creates a conflict of interest since our firm may benefit from such products and/or services. In efforts to mitigate this conflict, it is our firm's policy to act in our clients' best interest, and to use these products and/or services for the benefit of all our clients. Clients should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Trade Errors**

In the event a trading error occurs in your account, and we are responsible for the trade error, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Block Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the



shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

## **Item 13 Review of Accounts**

### **Investment Management Services**

Mitch Martin and/or Tyler Martin, Investment Adviser Representatives of our firm, among others, will monitor your account(s) on an ongoing basis and will conduct account reviews at least quarterly in efforts to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals; year-end tax planning; market moving events; security specific events; and/or, changes in your risk/return objectives. Formal, in-person reviews are encouraged and available upon client request.

The recommended investment platform generally provides reporting services, including consolidated monthly statements, quarterly performance reports, and year-end tax reports. You will also receive statements, at least quarterly, directly from your account custodian (for instance, Fidelity or SEI Private Trust).

### **Wealth Management Services**

If you engage us for wealth management services, Mitch Martin and/or Tyler Martin will review your financial plan or current circumstances as needed depending on the arrangements made with you at the inception of your advisory relationship. Generally, we will contact existing clients periodically to determine whether any updates may be needed based on changes in their circumstances. Changed circumstances may include, but are not limited to: marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. While we recommend meeting with you at least annually, additional reviews will be conducted upon your request. Such reviews and updates will generally be subject to a new and separate engagement. To the extent we provide any written reports, such reports and/or financial plans will be rendered as part of the negotiated services.

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

We do not receive any compensation from any third party in connection with providing investment advice to a client nor do we compensate any individual or firm for client referrals. Please refer to the *Brokerage Practices* section above for disclosures on "research and other benefits" we may receive resulting from our relationship with your acting custodian.

Our firm receives economic benefits in the form of research, educational services, and analytical software tools from Callan that we use to manage our clients' accounts at reduced or wholly waived fees based upon fees received by Callan that are attributable to our clients' assets in the Callan UMA program.

## **Item 15 Custody**

As paying agent for our firm, the client's independent custodian (for instance, SEI) will directly client account(s) for the payment of our advisory fees. We do not have physical custody of any of the client's funds and/or securities. The client's funds and securities will be held with a bank, broker-dealer, or other qualified custodian. Each client will receive account statements from the qualified custodian(s) holding the client's funds and securities at least quarterly. The account statements printed by the custodian(s) will indicate the amount of our advisory fees deducted from each client's account(s) for each billing period.

Clients should carefully review their account statements for accuracy. If a client has a question regarding their account statement, or if a client did not receive a statement from their custodian, please contact us directly at the telephone number on the cover page of this Disclosure Brochure.

## **Item 16 Investment Discretion**

If you enter into discretionary arrangements with our firm, you must grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) before we can buy or sell securities on your behalf. Discretionary authority enables our firm to execute transactions within your account without obtaining your consent or approval prior to each transaction. Additionally, we may also use one or more Independent Managers to manage a portion of your account on a discretionary basis. Subject to our discretion and approval, you may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security.

## **Item 17 Voting Client Securities**

Our firm may agree to vote client securities (proxies) on behalf of our clients. When we accept such responsibility, we will only cast proxy votes in a manner consistent with the best interest of our clients that are most likely to produce favorable financial results. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

We will maintain certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

## **Item 18 Financial Information**

The following are disclosures required by the Form ADV Instructions:

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this Disclosure Brochure. We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Requirements for State Registered Investment Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this Disclosure Brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this Disclosure Brochure and ask to speak to the Chief Compliance Officer.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **Initial Public Offering (IPO) Policy**

On occasion, our firm, through our clearing, custodial and trust company relationships, may have limited access to IPO shares. Except with respect to the limited exception described below, we do not purchase and/or recommend the purchase of IPOs for our individual client accounts. The exception to the above policy is for those individual clients of our firm who, on a completely unsolicited basis, contact us to request that we purchase a specific IPO for their account, to the extent same has been made available to our firm. In the event of any such unsolicited request(s), our firm, after first determining that the client is *qualified* for such specific IPO (i.e. suitable for the client(s), relative to client's(s) investment objective, financial situation(s), risk preference(s) and current asset allocation(s)), may, to the extent possible under the circumstances, purchase such IPO on a pro rata basis with other unsolicited client requests. To the extent possible and applicable under the circumstances, our firm will allocate unsolicited individual client IPO share purchases among *qualified* individual clients on a rotational basis or some other fair and equitable basis.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have a financial incentive to recommend a rollover to you. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  1. Employer retirement plans generally have a more limited investment menu than IRAs.

2. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  1. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  2. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  1. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions please call our main number as listed on the cover page of this Disclosure Brochure.