



## FORM ADV DISCLOSURE BROCHURE

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This brochure provides information about the qualifications and business practices of 1919 Investment Counsel, LLC (“1919”). If you have questions about the contents of this brochure, please contact us at (410) 454-2171. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

1919 Investment Counsel, LLC is a registered investment adviser. Additional information about 1919 Investment Counsel, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Investment adviser registration does not imply a certain level of skill or training.

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## **ITEM 2. MATERIAL CHANGES**

There have been no material changes since the last filing of the Form ADV.

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## ITEM 4. ADVISORY BUSINESS

### A. Firm Description

Founded in 1919, 1919 Investment Counsel, LLC ("1919") has been a wholly-owned subsidiary of Stifel Financial Corp. ("Stifel"), a publicly held company whose common stock trades under the symbol "SF", since November 8, 2014, when it was acquired from Legg Mason, Inc. 1919 was originally founded as Scudder Stevens & Clark and later known as Scudder Private Investment Counsel while under the ownership of Zurich Insurance Co., from 1997 to 2001, and Deutsche Bank from 2002 to 2004.<sup>1</sup>

A group of senior 1919 management professionals are responsible for the management structures, and policies and procedures for the operation and development of the firm. Harry O'Mealia, Chief Executive Officer, Margaret M. Pasquarella, Chief Financial Officer and Director of Human Resources, Charles C. King, Chief Investment Officer, Brian Gallagher, Chief Administrative Officer, Reshma Ballie McGowan, Chief Compliance Officer and the firm's Operating Committee, comprise this group of executives.

1919 is a Maryland limited liability company formed in 2004 and is registered with the SEC as an investment adviser. As of December 31, 2022, 1919 managed approximately \$17.378 billion of both discretionary and non-discretionary assets. 1919 is a separately-registered investment adviser that generally operates independently of other Stifel-affiliated advisers and broker-dealers. Information about 1919's qualifications, business practices, portfolio management techniques and affiliates is accessible on our website at [www.1919ic.com](http://www.1919ic.com).

### B. Advisory Services

When we serve as investment adviser to clients, we are considered to have a fiduciary relationship with the client and are therefore held to the legal standards set forth in the Investment Advisers Act of 1940, certain state laws, and common law standards applicable to fiduciaries. These standards include the duty of care, including the obligation to have a reasonable basis for believing that our investment recommendations are suitable and consistent with each client's stated objectives and goals, and the duty of loyalty, including the obligation to provide the client with full disclosure of material conflicts of interest. Our duties of care and loyalty differ depending on the authority that a client has granted us and the services that we have agreed to provide – for example, whether we have agreed to provide non-discretionary versus discretionary services or when we provide episodic (e.g., financial planning) versus continuous advice. 1919's core business is providing comprehensive investment counsel services including, but not limited to, equity, fixed income, and private funds discretionary and non-discretionary investment advisory services to both individual and institutional clients, and financial planning, family office services, and estate and generational wealth planning services to individual clients. 1919 is also the investment manager to four mutual funds as of December 31, 2022.

1919 tailors the investment advisory services to client needs by creating client-informed investment guidelines reflecting client investment objectives. 1919 then manages client accounts in accordance with these tailored investment policy statements. The firm's investment professionals work directly with individual and institutional clients to develop these investment policy

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<sup>1</sup> Unless otherwise stated, references to 1919 also includes Arthur Karafin Investment Advisors ("AKIA"), which is a department of 1919. AKIA is not a separately registered investment advisor.

statements and tailor portfolios to reflect individual client considerations including time horizon, risk tolerance, liquidity needs, restrictions on investing in specific securities or types of securities, portfolio income and cash flow needs, and tax considerations. The investment policy statements are not static and periodically reviewed with clients, and modified to meet clients' changing needs. Investment professionals primarily focus on, but are not limited to, liquid mid- to large-cap stocks and investment grade fixed income securities and, using third-party managers who may supplement with strategies they believe complement these core assets. For certain client accounts, 1919 directs the investment of client assets in mutual funds. From time to time, 1919 presents a variety of alternative investments including private equity, hedge funds and real estate investments to clients if appropriate. Clients have the ability to define investment restrictions with respect to any of their accounts (or specific assets within the accounts), such as restricting investments in specific securities, types of securities, industries, or sectors. Clients should provide investment restrictions in writing. The performance of accounts will differ (even significantly) from the performance of other accounts in the same strategy, without similar restrictions.

In addition to the core offering of tailored investment management, 1919 also manages a variety of investment strategies that can be made available to clients through direct accounts or certain wrap platforms. These strategies include the following:

Type	Strategies	
<b>Responsible Investing</b>	<ul style="list-style-type: none"> <li>▪ SRI / ESG Equity</li> <li>▪ SRI / ESG Catholic Values Equity</li> <li>▪ SRI / ESG International ADR Equity</li> <li>▪ SRI / ESG Intermediate Duration Fixed Income</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRI / ESG Climate Aware Equity</li> <li>▪ SRI / ESG Balanced</li> <li>▪ SRI / ESG Full Range Duration Fixed Income</li> <li>▪ Inclusive Investing</li> <li>▪ Impact Equity</li> </ul>
<b>Equity</b>	<ul style="list-style-type: none"> <li>▪ Quality Growth Equity</li> <li>▪ Multi-Cap Core Equity</li> <li>▪ Disruptive Innovation Equity</li> <li>▪ Global Growth Equity-ADR</li> <li>▪ Real Estate</li> <li>▪ Dividend Growth Equity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Core Growth Equity</li> <li>▪ Growth Opportunity</li> <li>▪ High Dividend Growth</li> <li>▪ Equity Income</li> <li>▪ TOP Aggressive</li> </ul>
<b>Fixed Income</b>	<ul style="list-style-type: none"> <li>▪ Intermediate Municipal Fixed Income</li> <li>▪ Full Range Duration Fixed Income</li> </ul>	<ul style="list-style-type: none"> <li>▪ Intermediate Duration Fixed Income</li> <li>▪ Intermediate Govt/Credit Fixed Income</li> </ul>
<b>Balanced</b>	<ul style="list-style-type: none"> <li>▪ Balanced Multi-Strategy Growth</li> <li>▪ Balanced Multi-Strategy Income</li> <li>▪ Balanced Multi-Strategy Growth &amp; Income</li> </ul>	<ul style="list-style-type: none"> <li>▪ TOP Moderate</li> <li>▪ TOP Balanced</li> <li>▪ TOP Conservative</li> </ul>

## C. Non-Discretionary Investment Advice

1919 typically provides discretionary investment management services, which involve 1919 selecting investments for client accounts. However, 1919 has, in limited circumstances, agreed to provide certain clients with non-discretionary investment advisory services. When 1919 provides non-discretionary investment advisory services, the client decides whether or not to approve 1919's investment recommendations. If 1919 has agreed to implement approved non-discretionary advice, then 1919 will implement the recommendations after receiving the client's approval.

1919's non-discretionary investment advisory services include:

- providing another financial firm (the client) with, and continuously monitoring and updating, a model investment portfolio that the client, in turn, can implement for accounts of its own clients;
- monitoring and making investment recommendations for specific client accounts; or
- reviewing and making investment recommendations for client accounts at periodic intervals.

## ITEM 5. FEES AND COMPENSATION

Generally, clients pay a management fee based on the client's aggregated assets under management with 1919 on a quarterly basis. Requests for alternative fee arrangements are considered using several factors, as discussed below, and approval is at the sole discretion of 1919.

1919's standard fee schedules as of December 31, 2022 are set forth below. Fees vary for a variety of circumstances that include, but are not limited to, (i) clients who opened accounts under prior fee schedules, (ii) clients who transition their accounts to 1919 from a firm that is affiliated with, or acquired by, 1919, or (iii) clients who obtain 1919 investment advisory services pursuant to agreements such clients have with other firms, such as wrap fee program sponsors and 1919 affiliates, Stifel Trust Company, National Association ("Stifel Trust") and Stifel, Nicolaus & Company, Incorporated ("Stifel Nicolaus"). In addition, 1919 offers different fee schedules in certain programs of other firms in which 1919 investment advisory services are available.

The fee schedules set forth below is 1919's standard fee schedule. However, fees will vary for clients who have greater servicing needs. For certain new accounts, a minimum fee will apply even if such fees are not part of the applicable standard fee schedule. 1919 and clients will mutually agree to a fee structure prior to entering into an agreement. Clients have the option to purchase investment products that 1919 recommends through brokers or agents that are not affiliated with us.

Account Type	Individual Accounts <i>Based on a \$2 million minimum account or client relationship</i>		Institutional Accounts
<b>Equity / Balanced</b> <i>(excluding AKIA clients)</i>	1.00% on the first \$3 million under management		0.75% on the first \$10 million under management
	0.70% on the next \$7 million under management		0.60% on the next \$15 million under management
	0.50% on the next \$30 million under management		0.50% on the next \$25 million under management
	0.40% on the balance		0.40% on the balance
<b>Fixed Income</b> <i>(excluding AKIA clients)</i>	0.50% on the first \$3 million under management		0.30% on the first \$10 million under management
	0.35% on the next \$7 million under management		0.20% on the next \$15 million under management
	0.25% on the next \$30 million under management		0.15% on the next \$25 million under management
	0.20% on the balance		0.10% on the balance
<b>AKIA</b>	0.50% to 1.00% of assets under management		0.50% to 1.00% of assets under management

### Wrap Fees

In a wrap fee program, a client pays an asset-based fee to the program sponsor that typically covers the sponsor's investment advisory and custody services, and the cost of brokerage transactions executed by the sponsor or by a broker-dealer designated by the sponsor. 1919's fees are included in the wrap fee where 1919's Wrap Fee Strategy manages the client's wrap fee account. If managed outside of 1919's Wrap Fee Strategy, clients pay 1919 a fee for such investment management services that is separate from the wrap fee paid to the sponsor. Clients with accounts in a wrap fee program should contact the program's sponsor for information regarding fees and expenses associated with program accounts.

## **Employee Investment Programs**

1919 offers certain investment programs exclusively to 1919 employees. The standard fee rates and minimum account sizes for these programs are as follows:

Program	Minimum Account Size	Fees
Fund Asset Allocation Program	\$10,000	0.35% of assets under management
Investment Strategies Program	\$100,000	0.35% of assets under management
Tailored Investment Strategy	\$500,000 (Minimum Relationship)	0.50% on the first \$3 million under management 0.35% on the next \$7 million under management 0.25% on the next \$30 million under management 0.20% on the balance

From time to time 1919 will also agree to negotiated fee arrangements for family members of 1919 employees at 1919's discretion.

## **Family Office Services**

1919 offers family office services for which fees are assessed on a client-by-client basis based on account value, account activity (e.g., disbursements processed), and estimates of employee time devoted to performing the services. Such fees are separate from, and in addition to, investment management fees. These services, which represent an extension of 1919's core business of providing comprehensive investment counsel, include outsourced Chief Investment Officer and financial planning services (see below), as well as administrative services such as (i) special services such as administering payrolls for clients, (ii) coordinating outsourced tax preparation and reporting services, and (iii) providing consolidated and/or customized reporting. Upon client request, family office services can include one-time or ongoing investment manager evaluation or recommendation services. 1919 will have a conflict of interest when evaluating or recommending any of its affiliates as an investment manager, but intends to perform such evaluations and make such recommendations solely in the interests of clients. 1919 may delegate certain family office services to third parties or may refer clients directly to the providers of such services. 1919 will not be responsible for a third party's provision of services.

## **Financial Planning Services**

Our investment professionals work with clients to ascertain their financial goals and circumstances. We offer financial planning typically together with additional investment advisory services (specifically, discretionary investment management). For clients who have greater than routine financial planning servicing needs, 1919 reserves the right to negotiate a separate fee prior to providing services. 1919 will consider a client request to waive this fee in its discretion, including without limitation for a client that has not already retained 1919 as its investment manager and does so in connection with, or after, receiving financial planning services. 1919 is able to support a recommended financial program by providing any one or more of several financial services, including: investment advisory/management (including concentrated holdings strategies); executive compensation plan supervision; estate planning; trust advisory; generational planning and philanthropic planning. 1919 can also provide financial planning services together with certain third parties that have expertise in certain specialties, such as insurance. 1919 is not responsible for advice or services provided by such third parties. Once we have provided a finalized financial plan, the client can decide whether to implement or instruct 1919 to implement the recommendations based on their needs and preferences.

Financial plans are designed to help clients assess their financial situation and pursue their long-term financial goals and objectives. The financial planning process is meant to be a collaborative experience that is customized to the complexity of a client's financial circumstances. To make the most of the planning services, we recommend that clients establish clear and

measurable financial goals and provide specific and accurate information. At the beginning of the planning process, clients are asked to provide information about their individual financial situation, including cash flow needs, investment goals, objectives, and risk tolerance. We rely on the information that the client provides to create a personalized financial plan, and therefore, it is critical that we gather as complete a picture of the client's financial situation as possible. For this reason, we request additional financial information, such as bank and brokerage statements, employee benefits statements, insurance policies, etc., all of which will assist us in understanding the client's financial situation.

Clients should notify us promptly if any significant life or financial changes occur while we are working on a financial plan. We will use the information a client provides to prepare our financial planning recommendations and guidance, which cover a variety of topics. As appropriate, this can include:

- Retirement Analysis: Goal funding retirement analysis calculating the results of a plan by running trials, where each trial has a different sequence of returns. The analysis identifies the probability of funding all goals without exhausting all resources over the estimated time horizon.
- Net Worth Overview: A snapshot of the client's current financial position looking at the difference between assets and liabilities.
- Asset Allocation Comparison: Compares the allocation of the client's current portfolio to a target risk-based portfolio. Identify changes associated with investment strategies and allocation changes the client should consider.
- Insurance Needs Analysis: Analyzes whether the client has adequate investment assets and resources to support their family if the client passes away earlier than expected (e.g., compares income needs to income sources across multiple disability periods, identifies how an extended long-term care event could adversely impact the client's investment portfolio).

In general, the financial plan is intended to assist clients in assessing their individual financial goals and to serve as a basis for further analysis and discussion between our 1919, our client, and our client's legal, and tax advisers toward developing a suitable investment strategy for pursuing financial goals.

### **Estate and Generational Wealth Planning**

In addition to investment advisory services, 1919 also offers estate and generational wealth planning, trust advisory services, and philanthropic planning. 1919 can design a plan for managing and distributing a client's assets in the event the client becomes incapacitated or pass away. This process includes working with our clients' other advisers, such as attorneys and accountants, to create estate planning documents can be used to achieve our clients' goals, such as a will, revocable trust, power of attorney, and healthcare power of attorney (or healthcare proxy). If appropriate for the client's circumstances, we also advise on tax-efficient generational wealth planning strategies such as Grantor Retained Annuity Trusts, Charitable Lead Trusts, Irrevocable Life Insurance Trusts, Marital Trusts and gifts to minors.<sup>2</sup>

### **Philanthropic Planning Services**

Federal law provides incentives to donors making a gift to charity. These include income, gift and estate tax deductions as well as tax-exempt status for various types of charitable entities, including private foundations and Donor Advised Funds. After meeting with clients and understanding their goals, we might suggest utilizing a type of charitable planning vehicle, such as a donor advised fund or private foundation. Although 1919 does not provide tax advice, we are able to guide clients through the planning process and help them think through the issues and possibilities.

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<sup>2</sup> 1919 Investment Counsel does not act as a life insurance broker and is not compensated for sales of any insurance product.



## **Scope and Limits of Financial, Estate and Generational Wealth, and Philanthropic Planning Services**

*Topics or Areas Not Covered.* Our financial, estate and generational wealth, and/or philanthropic plans, may not address every aspect of a client's financial life or intentions (e.g., areas not covered include analysis of property and casualty, homeowners, and excess liability coverage, etc.). In addition, a topic may not be included in a financial, estate, generational wealth, or philanthropic plan for a variety of reasons (for example, because we did not receive sufficient data from the client to complete an analysis); unless we explicitly state otherwise, a client should not take any such omission as an indication that the topic is not applicable to their particular situation.

*No Verification of Outside Assets Analyzed.* In developing a financial plan for a client, we generally consider and analyze information relating to assets that a client holds at other financial institutions if the client has provided us the relevant information. In considering such information, we will assume that the information that the client has provided is accurate and will not take any steps to verify or ensure the accuracy of information regarding any assets that are managed by parties other than 1919.

*No Tax or Legal Advice.* Our firm does not provide tax or legal advice. A client should not consider any information that is presented in a financial, or trust and estate plan regarding potential tax considerations as tax or legal advice, and should not rely on such information for the purpose of avoiding any tax penalties or liabilities. As we do not provide legal or tax advice, we recommend coordinating with a client's independent legal and tax advisers during the financial planning process so that they may assess any legal and tax issues relating to the strategies we recommend. If a client is not comfortable involving those advisers during planning, they should separately consult with a client's legal or tax advisors to review the client's personal circumstances.

*Residency Assumption in Our Plans.* Unless a client has explicitly informed us otherwise, our financial, estate and generational wealth, and philanthropic planning services assumes that the client a U.S. citizen or resident, and is subject to U.S. taxes. Our services may therefore not be applicable to or appropriate for those who are subject to other tax jurisdictions and requirements.

*Implementation of Recommendations.* No current or potential client is required to implement or to instruct 1919 to implement any of the recommendations that we provide in a financial, estate, generational wealth or philanthropic plan or to do so through our firm. Clients who would like us to assist in implementing the recommendations will need to enter into an investment advisory agreement.

*No Obligation to Update the Plan.* We will be under no obligation to update a plan to reflect changes in the client's life events or financial situation that occur after the plan is created unless requested to do so.

## **Mutual Fund Investment Manager**

1919 is the investment manager to four mutual funds that are registered with the SEC. As investment manager, 1919 is responsible for implementing each fund's investment strategy in compliance with each fund's investment guidelines and restrictions. In fulfilling this responsibility, 1919 manages all trading activity and valuation oversight with respect to each fund. 1919 is overseen by the funds' boards through U.S. Bank's Trust for Advised Portfolios. With respect to these funds, 1919 is compensated based on the corresponding fund's average daily net assets as follows:

<b>Fund</b>	<b>Management/Advisory Fee Rate</b>
<b>1919 Financial Services Fund</b>	0.80%
<b>1919 Maryland Tax-Free Income Fund</b>	0.55%
<b>1919 Socially Responsive Balanced Fund</b> <b>1919 Variable Socially Responsive Balanced Fund</b>	0.65% up to and including \$100 million 0.61% of assets in excess of \$100 million and up to and including \$200 million 0.51% if assets in excess of \$200 million and up to and including \$300 million 0.46% of assets in excess of \$300 million

## **Non-Standard Fees and Relationship/Client Minimum Waivers**

1919 considers several factors in determining whether to approve requests for non-standard fees or relationship/client minimum assets including, but not limited to, longevity of relationship, aggregate assets under management across asset types, additional services contracted (e.g., 1919's family office or financial planning services). Approval for such requests are at the sole discretion of 1919. For example, 1919 has approved non-standard fee rates for certain clients with different types of assets in a single account, such as in mutual funds, exchange-traded funds ("ETFs"), private investment funds and other collective investment funds.

Although the purpose of these non-standard fees is to reduce client expenses, they involve a conflict of interest in which 1919 has a financial incentive to increase its fee revenue by investing more of a client's account in the higher fee assets and less in assets subject to the lower fee rate, even though this may not be in client's best interest as an investment matter. 1919 addresses this conflict by investing solely in the best interests of its clients and without regard for any benefits to 1919 from particular investments, as is our fiduciary duty.

As described in Item 14 of this brochure, 1919 incurs referral fee payment obligations, the amount of which varies depending on the types of assets in which 1919 exercises its discretion to invest referred client accounts in the Fidelity Wealth Advisor Solutions® Program. The structure of the referral fee in this program causes 1919 to have a conflict of interest in investing client accounts in the program. Refer to Item 14 of this brochure for more information, including how 1919 addresses this conflict.

## **Fee Billing**

**Billing Methods.** 1919's standard forms of client agreements include client authorization of 1919 to collect (or debit) 1919's agreed-upon fees directly from the client's account. 1919 collects its fee in this situation by sending the custodian of the client's account an invoice setting forth the amount of the fee payable to 1919 or by electronically causing the custodian to pay 1919 its fees. 1919 considers client requests to instead collect fees by billing the client directly and has agreed to such billing for certain clients. However, 1919, in its sole discretion, has the right to refuse requests for this alternative billing method. The fees are based on market value as of the last business day of the applicable billing quarter, which are impacted by client withdrawals or contributions during that quarter.

**Arrears and Advance Fee Billing; Frequency.** Generally, 1919, excluding AKIA and clients of the former Rand & Associates, charges fees quarterly in arrears – i.e., billing of fees at the end of the quarter during which 1919 provided the services covered by the fees. In addition, 1919 has agreed with certain clients to bill fees in advance or at monthly, semi-annual or other intervals. Where 1919 provides tax services, it generally bills separate fees for such services on an annual basis.

AKIA fees are due in advance, at the beginning of the quarter to which such fees apply. The fee is calculated based on the value of the assets under management as of the close of business on the last day of the preceding year or, for new accounts, as of the account funding date. AKIA (i) will adjust account value downwards during the year to reflect the account's value in the event of a withdrawal that equals or exceeds 20% of the account's value (at close of business on date of withdrawal) and is at least \$200,000, and (ii) adjust account value upwards during the year to reflect the account's value in the event of an addition that equals or exceeds 20% of the account's value (at close of business on date of addition) and is at least \$200,000. Any such adjustments generally will take effect with respect to the next quarterly fee charged during the year.

In 2018, 1919 acquired Rand & Associates, a San Francisco-based investment advisor. Those who became Rand & Associates clients prior to 1919's acquisition generally continue to be billed in advance on a quarterly basis and calculated based on the value of the assets under management as of the close of business on the last day of the preceding quarter. Clients being serviced primarily from 1919's San Francisco office and who were onboarded after the acquisition are generally billed in arrears as

described above.

For a client that agrees to billing in arrears, if the client's agreement is terminated during a billing period, 1919 will be entitled to a final pro-rated fee for the billing-period-to-termination-date period during which 1919 provided the client with services. If the client's agreement authorizes 1919 to collect or debit agreed-upon fees directly from the client's account, 1919 typically will collect its final fee, as well as any other owed but still unpaid agreed-upon fees, in this manner. Alternatively, 1919 in its discretion may instead send the client an invoice for such fees.

For a client that agrees to advance billing, 1919 will refund the client a portion of the investment advisory fees previously paid for the billing period in the event the client or 1919 terminates the client's investment advisory agreement with 1919 during such period. 1919 calculates refunds in these circumstances by:

1. Dividing the number of days left (after termination) in the period for which the client paid the fee by the total number of days in the period; and
2. Multiplying the result by the dollar amount of the pre-paid fee.

1919 pays fee refunds by mailing checks to client custodians for deposit into the accounts previously managed by 1919, directly depositing funds into client accounts or, if the client requests, mailing checks directly to the client.

Where 1919 manages client accounts as a sub-adviser to another firm or as part of a wrap fee program in which another firm collects and pays 1919 its investment advisory fees, clients should contact such other firm for information on potential fee refunds in the event 1919's investment advisory services are terminated.

### **Middle and Back Office Services Agreements**

1919 provides certain current and former affiliates with limited middle- and back-office services and support on a one-off basis. 1919 does not hold itself out as offering such services as generally available and therefore, 1919 does not make any representation that costs under such agreements are negotiated at an arms'-length basis. The service and support level varies by party but can include technology, compliance support, and trading. Personnel delivering services under these bespoke agreements are employed by 1919. Fees for these services are determined by the service levels required and vary on a case-by-case basis.

### **Other Fees and Expenses**

In addition to the fees 1919 charges for its services, a client generally will incur custody, brokerage and trade execution costs, as well as certain fees, for securities transactions 1919 effects or recommends for the client's account. Expenses paid to third parties in connection with the acquisition or disposition of investments are borne by the client. These expenses include wire fees, appraisal fees, third-party tax preparation fees, SEC fees on certain security transactions, tax withholding on certain securities, custody specialty reporting or accounting fees, wrap fees (when applicable), mutual fund, ETF or private investment imbedded fees, brokerage commissions (direct or in the form of a spread), prime brokerage and other account fees, custodial expenses, agent bank and other bank service fees, and other investment costs, fees, and expenses incurred in connection with completed investments. Clients that hold investments in American Depositary Receipts ("ADRs") typically pay fees charged by the ADR's depositary bank when the ADR pays dividends – these small fees are deducted from the dividends. When an ADR is purchased or sold in a non-U.S. market for the ADR's underlying ordinary shares, associated conversion and foreign exchange fees typically are included in the ADR price paid or received by the client's account. Brokerage and other transaction costs are also discussed in more detail in Item 12 – "Brokerage Practices".

From time to time, 1919 employees have been and are expected in the future to be asked to serve as trustee or executor for

client trusts or as executors of client estates. Such trusts and estates are not funded by or for the benefit of 1919 and therefore, to the extent a 1919 employee is offered standard compensation for their services, which is entirely at the discretion of the client, such compensation is not subject to a management fee offset

From time to time, 1919 is able to take advantage of group discounts which have been negotiated with various vendors and service providers alongside Stifel affiliates. Such discounts, or the failure to obtain a discount, does not impact 1919's clients as clients do not bear organizational or other costs outside of management fees and their own, respective custody, brokerage and trade execution costs.

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## **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

1919 does not charge performance based fees. 1919 maintains policies and procedures to ensure that all clients are treated fairly and equitably regardless of the type of account or fees paid.

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## ITEM 7. TYPES OF CLIENTS

1919 provides investment advisory services to the high-net-worth individuals and families, endowments, foundations, other charitable organizations, public/government-related clients, pension and profit sharing plans, investment companies, corporations, individual retirement plans, partnerships, trusts, and estates. For new client accounts and relationships, 1919 generally charges the minimums described in Item 5 of this brochure. As described in Item 5, 1919 in its sole discretion can waive otherwise applicable minimums for any one or more clients.

In addition, 1919 reserves the right to refuse or terminate business for any reason, except as otherwise prohibited by law, even if such business would meet applicable standard 1919 account and relationship minimums in accordance with the investment advisory agreement or applicable services agreement.

## ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

As investment counsel, 1919 often customizes its investment strategies to reflect unique client investment objectives, guidelines, needs and preferences. As a result, the investment strategy descriptions in this brochure will not apply to all clients and depends on the nature or extent of customization 1919 applies in managing their accounts. Each investment strategy involves risk of loss, which clients should be prepared to bear. There is no express or implied assurance or guarantee that client investment objectives will be met.

1919's employs comprehensive sector and company analyses to manage risk in client portfolios. In evaluating assets, 1919 both conducts its own research and analyzes what we believe to be credible third party data taking into account current economic and market conditions applicable to the asset, and other factors, as appropriate (e.g., the nature of the asset, the ratings assigned by certain rating agencies, the operational history of the issuer, the issuer's cash position, leverage and cash flow, the issuer's position in the industry, the structure of the issuer's debt obligations and political dynamics). 1919 monitors asset specific factors and market trends that influence an asset's performance and, consequently, the current composition of a client portfolio to achieve the client's portfolio at any given point in time.

1919 cannot provide any assurance that target investment opportunities will materialize or, if they do, that clients will realize a return on the securities of any particular company or portfolio of companies. There can be no assurance that any investment strategy will be able to generate returns for clients or that returns will be in proportion to the investment risks. Additionally, distributions resulting from certain types of investments may be subordinated in the event of a default under any credit facility by the issuer of securities held by the client. **Forecasts or forward looking statements of market trends or returns are not guaranteed. Past performance is not a guarantee or indicator of future results. All investments carry a degree of risk and clients may lose a portion or all of their invested capital.**

1919's core investment capabilities are rooted in the construction of actively managed portfolios. The exact portfolio composition is unique to each client based on their risk tolerance, return objectives, cash flow needs, tax considerations and other factors salient to the particular client.

When selecting individual large and mid-cap equities, we:

- focus on high quality stocks, employing a hybrid bottom-up and top-down approach;
- employ independent proprietary research to discover unrecognized or underutilized sources of value;
- focus on companies with demonstrable competitive advantages to enhance long-term opportunities and maximize returns;
- emphasize high-quality securities to reduce fundamental risk and avoid significant loss; and
- identify promising sectors that have the potential to offer above-average opportunities and diversification benefits.

When selecting investment grade fixed income investments, we:

- manage our fixed income portfolios actively and tailor portfolio construction with an aim to achieve total return consistent with client goals;
- capitalize on our bond sector research to identify undervalued and overvalued sectors early and utilize proprietary credit research to anticipate positive and negative credit ratings changes; and
- make duration and term structure decisions that are top-down while our sector weighting decisions are bottom up.

1919 employs a “core and satellite” approach to asset management. To complement 1919’s internally managed, core investment strategies listed above, we engage third party investment managers who focus on specific sub-asset classes or styles of management and who 1919 believes execute those strategies particularly well. When selecting third party investment managers, 1919’s Third Party Committee evaluates investment philosophy and process, experience, reputation, and costs. 1919 typically accesses third party managers via mutual funds, exchange traded funds (ETFs), private investment funds or other collective investment vehicles, including REITs, managed by such managers. From time-to-time, 1919 also accesses such managers by retaining them as sub-advisors to manage client assets.

### **Material Risks**

The following is a summary of the material risks associated with asset types that 1919 typically seeks to include in client accounts and the methods of analysis used by the firm. Clients should be aware that not all of the risks listed herein will pertain to every account as certain risks may only apply to certain investment strategies. Furthermore, the risks listed herein are not intended to be a complete description or enumeration of the risks associated with the significant strategies and significant methods of analysis used by 1919. Among other things, an account may invest in assets that are underperforming or non-performing and/or in securities of issuers who are under financial stress. By their nature, such investments involve a high degree of financial risk, and there can be no assurance that a client’s return objectives will be realized or that there will be any return of capital.

**General Investment Risk.** Stocks, bonds and other equity and fixed income securities may decline in value for any one or more of several reasons. The potential reasons these securities may decline in value are almost without limit and may not be foreseeable. Some common reasons securities may decline in value include:

Actual or anticipated negative developments affecting the issuer of the securities or the assets backing the securities, including: losses, earnings, revenues, expenses, profit margins, cash flow, growth rates, component unavailability, dividend levels or other financial or business metrics that do not meet expectations; deterioration in financial position; competition; changes in technology or governmental regulation; loss of or failure to obtain customers, personnel or necessary government approvals; product failures; lawsuits, corruption; government investigations or enforcement actions; loss of intellectual property protection; and loss or reduction of benefits such as exclusive distribution or supplier rights.

Actual or anticipated negative developments affecting (a) one or more industries in which the issuer of the securities participates, (b) in the case of governmental issuers, the tax base, economy or other attributes of the country or region where the issuer is located; or (c) in the case of securities backed by specified assets, the type of assets backing the securities, such as mortgages, finance receivables, toll roads, hospitals, etc.

Broader declines in security prices, including global, regional, country-specific, asset class-specific (e.g., equity, fixed income) and investment style-specific (e.g., growth, value) price declines. Potential reasons for these declines include changes in investor preferences; actual or anticipated global, regional or country-specific political, economic, regulatory or social developments (e.g., government changes, monetary policy, inflation, demographic changes, recessions), wars, terrorism, civil unrest, labor stoppages, infrastructure problems (e.g., power outages), and disasters such as earthquakes, floods, droughts, epidemics, oil spills, nuclear incidents, tsunamis, volcano activity, hurricanes and tornadoes.

**Below Investment Grade Risk.** Below investment grade fixed income securities, which are sometimes referred to as “junk” bonds or high yield securities, are fixed income securities that are rated below Baa or BBB and unrated fixed income securities of comparable quality. These securities have a higher risk of declining in value and defaulting than investment grade (i.e., higher quality) fixed income securities. In particular, below investment grade fixed income securities typically are more volatile and involve greater credit risk than investment grade fixed income securities. See “**High Volatility Risk**” and “**Credit Risk**” below for explanations of these risks. Below investment grade fixed income securities also tend to be less liquid and more susceptible to general investment risk than investment grade fixed income



securities. See “**Illiquidity Risk**” and “**General Investment Risk**” for explanations of these risks.

**Convertible Securities Risk.** A convertible security is a bond, debenture, note, preferred stock, right, warrant or other security that may be converted into or exchanged for a prescribed amount of common stock or other security of the same or a different issuer or cash within a particular period of time at a specified price or formula. A convertible security generally entitles the holder to receive interest paid or accrued on debt securities or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities generally have characteristics similar to both debt and equity securities. Convertible securities ordinarily provide a stream of income with generally higher yields than those of common stock of the same or similar issuers. Convertible securities generally rank senior to common stock in a corporation’s capital structure but are usually subordinated to comparable nonconvertible proportionate securities.

Convertible securities generally do not participate directly in any dividend increases or decreases of the underlying securities although the market prices of convertible securities may be affected by any dividend changes or other changes in the underlying securities. Investments in convertible securities may be subject to the risks that prevailing interest rates, issuer credit quality and any call provisions may affect the value of the securities. Rights and warrants entitle the holder to buy equity securities at a specific price for a specific period of time. Rights typically have a substantially shorter term than do warrants. Rights and warrants may be considered more speculative and less liquid than certain other types of investments in that they do not entitle a holder to dividends or voting rights with respect to the underlying securities nor do they represent any rights in the assets of the issuing company. Rights and warrants may lack a secondary market.

The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities.

**ETF Risk.** Investments in exchange-traded funds (“ETFs”) (which may, in turn, invest in equities, bonds, and other financial vehicles) may involve the duplication of certain fees and expenses. By investing in an ETF, a strategy becomes a shareholder of that ETF. As a result, investors in a strategy that invests in ETFs are indirectly subject to the fees and expenses of the individual ETFs. These fees and expenses are in addition to the fees and expenses that investors in the strategy directly bear in connection with the strategy’s own operations. If the ETF fails to achieve its investment objective, the strategy’s investment in the ETF may adversely affect its performance. In addition, because ETFs are listed on national stock exchanges and are traded like stocks listed on an exchange, the following may occur:

- The strategy may acquire ETF shares at a discount or premium to their NAV, and
- The strategy may incur greater expenses since ETFs are subject to brokerage and other trading costs.

Finally, because the value of ETF shares depends on the demand in the market, we may not be able to liquidate the ETF holdings at the most optimal time, adversely affecting the strategy’s performance.

**Emerging Market Risk.** Non-U.S. investment risk is increased for securities issuers and markets in emerging market countries. Emerging markets tend to have economic, political and legal systems that are less developed and less stable than those of the United States and other developed countries. In addition, securities markets in emerging market countries may be relatively illiquid and subject to extreme price volatility. See “**Illiquidity Risk**” and “**High Volatility Risk**” below.

**Fund Investments.** Unless otherwise agreed with a client, 1919 may invest any client account partly or wholly in shares of mutual funds, exchange-traded funds (“ETFs”), private investment funds and other collective investment funds, including funds that invest in other funds and funds managed by 1919 or its affiliates (“Affiliated Funds”). Situations in which a 1919 portfolio manager may invest client accounts in Funds, including Affiliated Funds, include (i) to provide diversified investment exposure for client accounts or account portions, and (ii) to provide investment exposure in areas

where 1919 believes a Fund manager has greater expertise.

**Mid Cap Risk.** Mid cap risk is the additional risk of loss typically associated with investments in securities of mid cap companies. Negative company-specific developments tend to cause securities of mid cap companies to decline in value more than securities of large cap companies. See clause (i) of “General Investment Risk” above for examples of such developments. Reasons for mid-cap companies’ increased risk of loss from such developments include the tendency of mid cap companies to have more limited product lines, operating histories, markets and financial resources, and also to be dependent on more limited management groups. Securities of mid cap companies also tend to be more volatile and less liquid than securities of large cap companies. See “**High Volatility Risk**” and “**Illiquidity Risk**” below.

**Non-U.S. Investment Risk.** Non-U.S. investment risk is the additional risk of loss typically associated with investments in securities of non-U.S. issuers. Investments in securities of non-U.S. issuers tend to involve greater risk than investments in U.S. issuers. This increased risk arises from factors that include: many non-U.S. countries having securities markets that are less liquid and more volatile than U.S. securities markets; political and economic instability in some non-U.S. countries; lesser availability of issuer and market information in some non-U.S. countries; and less rigorous accounting and regulatory standards in some non-U.S. countries. In addition, currency exchange rate fluctuations may have a greater negative effect on the value of investments in securities of non-U.S. issuers.

**Private Placement Risk.** If appropriate for qualified clients, 1919 invest assets in private investment funds from time-to-time, the shares or units of which are not publicly traded or freely transferable. Investments in private placements generally will be subject to significant Illiquidity Risk as a result, and this typically will make such investments more susceptible to losses. See “**Illiquidity Risk**” below for an explanation of this risk.

**REIT and Real Estate Risk.** The value of a strategy’s investments in real estate investment trusts (“REITs”), a type of Fund that invests in real estate-related assets, may change in response to changes in the real estate market. Investments in REITs may subject clients to additional risks including, but not limited to declines in the value of real estate, changes in interest rates, lack of available mortgage funds or other limits on obtaining capital and financing, overbuilding, extended vacancies of properties, increases in property taxes and operating expenses, changes in zoning laws and regulations, casualty or condemnation losses, and tax consequences of the failure of a REIT to comply with tax law requirements. These additional risks typically will be magnified for REITs that leverage their investments – i.e., use debt financing to increase real estate investment exposure above the amount of the REIT’s net assets

**Short Selling Risk.** Short selling involves selling securities that are not owned by the seller and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows a portfolio to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss upon such repurchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short-selling exposes a portfolio to unlimited risk with respect to that security due to the lack of an upper limit on the price to which an instrument can rise.

**Small Cap Risk.** Small cap risk is the additional risk of loss typically associated with investments in securities of small cap companies. Negative company-specific developments tend to cause securities of small cap companies to decline in value more than securities of large cap and mid cap companies. See clause (i) of “General Investment Risk” above for examples of such developments. Reasons for small cap companies’ increased risk of loss from such developments include the tendency of small cap companies to have more limited product lines, operating histories, markets and financial resources, and also to be dependent on more limited management groups. Securities of small cap companies also tend to be more volatile and less liquid than securities of large cap and mid cap companies. See “**High Volatility Risk**” and “**Illiquidity Risk**” below.

**Responsible Investing Criteria Risk.** Responsible Investing strategies may have a smaller universe of available investments than investment strategies that do not apply responsible investing criteria and this may prevent investment in certain otherwise attractive opportunities. Also, responsible investing criteria may underperform other types of investments or the market as a whole.

### **Additional Risks Information**

#### ***Concentration Risk:***

**Geographic Concentration Risk.** Geographic concentration risk is the risk of loss from concentrating investments in a particular geographic region, such as a single U.S. state or region, and not more broadly diversifying investments across multiple geographic regions. An investment management portfolio that concentrates investments in a particular geographic region will have a greater risk of loss from developments that negatively affect securities issuers with significant business or other financial exposure to the region. Examples of such developments include: regional disasters such as earthquakes, hurricanes and floods; deteriorating finances of regional governmental securities issuers (e.g., states, municipalities); regional infrastructure problems such as power outages or transport facility shutdowns or restrictions; and economic, demographic or regulatory changes that negatively affect the region's business environment.

**Industry Concentration Risk.** Industry concentration risk is the risk of loss from concentrating investments in a particular industry and not more broadly diversifying investments across multiple industries. An investment management portfolio that concentrates investments in a particular industry will have a greater risk of loss from developments that negatively affect companies in that industry. Examples of such developments include: regulatory or other government policy changes that negatively affect the industry; changes in business methods, technologies or consumer preferences that reduce demand for the industry's products or services; alternative product/service competition from new or pre-existing industries; and shortages of, or increased costs for, industry personnel, raw materials or product components.

**Issuer Concentration Risk.** Issuer concentration risk is the risk of loss from concentrating investments in individual securities (i.e., making larger investments in individual securities) instead of more broadly diversifying investments across a larger number of securities. An investment management portfolio that concentrates investments in individual securities will have a greater risk of loss from developments that negatively affect the issuers of those securities. See clause (i) of "**General Investment Risk**" above for examples of developments that may negatively affect the value of a particular issuer's securities.

**Credit Risk.** Credit risk, which is sometimes referred to as "default risk", is the risk that the value of a fixed income security will decline because of investor perception that the security issuer's or guarantor's future payment of the principal and/or interest obligation represented by the security has become less likely, increasing the likelihood of default; or actual default by the issuer or guarantor of the security.

**Extension Risk.** Extension risk is the risk that issuers of fixed income securities, including mortgage-backed and other asset-backed securities, will repay their obligations more slowly than the market anticipates in the event market interest rates rise. This repayment extension may cause the prices of these securities to fall because their interest rates are lower than market rates and they remain outstanding for longer than originally anticipated.

**High Volatility Risk.** High volatility risk is the risk of loss associated with investments that tend to fluctuate in value more than other investments. An investment management portfolio with high volatility risk typically involves more speculative investments than a portfolio that does not have such risk. More speculative investments increase the client's risk of loss. In addition, high volatility increases the chance that a client will incur significant investment losses if and when the client or the client's investment manager decides to sell one or more securities held in the client's account.

**Illiquidity Risk.** Illiquidity risk is the risk that securities held in a client's account may be difficult to sell at prices close to recent valuations because few or no market participants are willing to purchase the securities at such prices. This risk, which generally is greater during times of market turmoil, may result in increased losses (or lesser gains) relative to sales of securities for which more active trading markets exist. Illiquidity risk may also result in client accounts realizing lower prices from smaller-sized sales of securities, including municipal bonds that usually trade in larger amounts. For example selling a single \$5,000 lot of a municipal bond for a client's account may result in a lower per-bond price than a contemporaneous sale of a \$100,000 lot of the same bond.

**Interest Rate Risk.** Interest rate risk is the risk that market interest rates will rise, causing fixed income security prices to fall. This risk stems from the tendency of increases in market interest rates to generally make payment obligations associated with already-outstanding fixed income securities less attractive to investors and therefore the securities themselves less valuable. The risk of securities price declines caused by interest rate increases generally is higher for fixed income securities with longer-term maturities.

**Prepayment Risk.** Issuers of many fixed income securities, including certain mortgage-backed and other asset-backed securities, have the right to pay their payment obligations ahead of schedule. If interest rates fall, an issuer may exercise this right. If this happens, the investor's ability to reinvest the prepayment proceeds and obtain the same yield will be diminished because of the lower market interest rates. In addition, prepayment may cause the investor to lose any premium paid upon purchase of the security.

#### **Financial Services Risk.**

**Counterparty Risk.** Actual events involving reduced or limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions or other companies in the financial services industry, including banks and other custodians of an investor's funds and securities, or impact the financial services industry generally, as well as concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, defaults on financial obligations, non-performance of contractual obligations, and other adverse impacts on these financial institutions, investors that deposit funds and securities at these institutions, lenders and borrowers of these institutions, and other companies in the financial services industry. For example, on March 10, 2023, Silicon Valley Bank, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation as receiver. Investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult to acquire financing on acceptable terms or at all. Any decline in available funding or access to cash and liquidity resources could, among other risks, adversely impact the ability to meet operating expenses, satisfy financial obligations, liquidate portfolio holdings, withdraw capital, or fulfill other obligations, or result in breaches of financial and/or contractual obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on portfolio holdings, fund performance, or business operations.

**Regulatory Risk.** The financial services industry is subject to complex and extensive regulation by numerous primary Federal regulators, including: the Office of the Comptroller of the Currency, the Federal Reserve Board and the Federal Deposit and Insurance Corporation ("FDIC"). State chartered financial institutions also are subject to regulation and supervision by state bank regulatory agencies. Further, all federally insured depository institutions are subject to certain oversight and supervision by the FDIC as the insurer of deposit accounts. These regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities.

Moreover, the laws, rules and regulations comprising such regulatory framework are constantly changing, as are the interpretation and enforcement of existing laws, rules and regulations. The regulatory framework governing the financial services industry is currently under close Congressional and regulatory agency scrutiny and is the subject of pending and contemplated legislation and rulemaking initiatives that could drastically alter the manner in which financial services companies operate and are structured. Financial services organizations are also subject to non-industry specific regulatory requirements that may be impactful, such as compliance with economic sanctions, cyber security and data privacy.

**Banking Industry Investment Risk.** The results of operations of banking institutions may be materially affected by general economic conditions, changes in the level of interest rates, national and local cycles in real estate and the monetary and fiscal policies of the Federal government. In addition, over the last couple of years, the world's financial markets have experienced extraordinary market conditions, including the failure of the credit markets to function and extreme volatility in the securities market. As a result, U.S. and foreign financial regulators undertook unprecedented regulatory action and continue to consider and implement other measures to stabilize U.S. and global financial markets. While the U.S. financial market appears to have reached a level of stability, there continues to be a high level of troubled depository institutions and therefore likely consolidation in the financial services industry and uncertainty in other markets that affect the U.S. market.

**Other Financial Services Company Risk.** Many of the investment considerations discussed in connection with banks, mortgage brokers and insurance companies also apply to other financial services companies. These companies are all subject to extensive regulation, rapid business changes and volatile performance dependent on the availability and cost of capital, prevailing interest rates and significant competition. General economic conditions significantly affect these companies. Credit and other losses resulting from the financial difficulty of borrowers or other third parties have a potentially adverse effect on companies in this industry.

**Derivatives Risk.** Derivatives, which may be used in Funds in which 1919 client assets are invested, are financial instruments that have a value which depends upon, or is derived from, a reference asset, such as one or more underlying securities, pools of securities, options, futures, indexes or currencies. Derivatives may result in investment exposures that are greater than their cost would suggest; in other words, a small investment in a derivative may have a large impact on strategy's performance. The successful use of derivatives generally depends on the Fund manager's ability to predict market movements.

Derivatives are subject to a number of risks, including without limitation Illiquidity Risk, Interest Rate Risk, Credit Risk and General Investment Risk (each described above) and the following additional risks:

- Risk of default by the other party to the derivatives transaction;
- Risk that the derivatives transaction may result in losses that partially or completely offset gains in other positions; and
- Risk that derivative instruments may be mispriced or improperly valued and that changes in the value of the derivatives may not correlate perfectly with the underlying asset or security.

### **Cyber Security**

1919 is subject to certain risks associated with cyber security incidences. In general, cyber security incidents can result from deliberate attacks or unintentional events, including inadvertent disclosures, and can arise from either external or internal sources for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Although 1919 takes protective measures and endeavors to modify its systems, software and networks against changing and emerging threats, there is no guarantee that these are impervious to hacking/unauthorized access, misuse, social engineering, viruses, malware, ransom ware, denial of service attacks,

other malicious code and other events that could have an impact on the security of our information.

We believe we have established reasonable controls to secure our systems so that they function as intended. Furthermore, we conduct reasonable due diligence on our material service providers. Additionally, cyber incidents affecting 1919, or any of our service providers, could affect business operations; create impediments to trading transacting business which could result in financial losses, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

### **Personnel**

The success of each strategy depends in part upon 1919's ability to attract and retain talented investment professionals, the skill and expertise of the investment professionals who manage each client's investment strategy. There can be no assurance that such professionals will continue to be associated with 1919 throughout the entire term of a client's investment advisory agreement or other services agreement and a loss of the services of key personnel could temporarily impair 1919's ability to provide services. Moreover, there can be no assurances that such professionals will remain in the same roles at 1919 for the entirety of their tenure. The fiduciary duties owed by such professionals to a client would be modified accordingly. In addition, 1919 investment professionals involved in providing advisory services to a client may in the future cease providing such services while nonetheless remaining employed by 1919 if the employee's role has changed. Separately, there is ever-increasing competition among industry participants for hiring and retaining qualified investment professionals. There can be no assurance that 1919 personnel will not be solicited by and join competitors or other firms and/or that 1919 will be able to hire and retain any new personnel that it seeks to maintain or add to its roster of investment professionals.

### **Risks Related to Investment Analysis and Market Conditions**

1919 seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment. When conducting due diligence and making an assessment regarding an investment, 1919 relies on available resources, including information provided by the target company, third party research and 1919's proprietary research. As a result, the due diligence process is at times be subjective. Accordingly, 1919 cannot be certain that investment research with respect to any investment opportunity will reveal or highlight all relevant facts (including irregular accounting, employee misconduct and other fraudulent practices) that are necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities. In the event of fraud by a company whose securities clients own, there is a greater likelihood of clients suffering a partial or total loss of capital invested in such company, and there can be no assurance that any such losses will be offset by gains (if any) realized with respect to a client's other investments.

In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the assumptions will be accurate or that the estimated results will be achieved, and actual results can vary significantly from the projections. General economic, political and market conditions, which are difficult to predict, can have a material adverse impact on the reliability of such projections. If, due to extraordinary market conditions or other reasons, clients were to incur substantial losses, the revenues of 1919 would decline accordingly. Such losses increase the risk of hampering 1919's ability to (i) retain employees and (ii) provide the same level of service to clients as the firm has in the past.

The success of a client's activities will be affected by general economic and market conditions, such as inflation rates, economic uncertainty, changes to tax codes, environmental and socioeconomic circumstances (including wars, terrorist acts, political uncertainty or widespread health crises).

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## ITEM 9. DISCIPLINARY INFORMATION

There are no reportable legal or disciplinary events for 1919 or its employees.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As a wholly-owned subsidiary of Stifel, 1919 has the following business arrangements with affiliates that clients may wish to consider:

- (1) 1919 Investment Companies. 1919 serves as investment adviser to the 1919 Maryland Tax-Free Income Fund, the 1919 Financial Services Fund, the 1919 Socially Responsive Balanced Fund and the 1919 Variable Socially Responsive Balanced Fund. 1919 receives a fee for the investment advisory services it provides to these investment companies and also seeks and obtains reimbursement from these investment companies (other than the 1919 Variable Responsive Balanced Fund) for certain Fund-related marketing expenses 1919 incurs. As described in Item 11 of this brochure, 1919 will have certain financial incentives that conflict with client interests in certain limited situations associated with investments in shares of these investment companies.
- (2) Stifel Trust Company, National Association. 1919 and Stifel Trust Company, National Association (“Stifel Trust”), a national trust bank, have entered into a Relationship and Investment Management Agreement pursuant to which 1919 serves as investment manager and relationship manager for certain trust and other accounts of Stifel Trust that have been sourced by 1919. Also, under this agreement, 1919 may refer clients – but does not do so exclusively - to Stifel Trust for trust services and these services are expected to typically involve Stifel Trust, as trustee, retaining 1919 to manage accounts opened as result of the referral. As described in Item 12 of this brochure, 1919 will have a conflict of interest in making such a referral.
- (3) Affiliated Broker-Dealer Firms. Stifel is a financial services holding company that owns multiple broker-dealer firms, including Stifel, Nicolaus & Company, Incorporated (“Stifel Nicolaus”), Century Securities Associates, Inc., Miller Buckfire & Co., LLC, Keefe, Bruyette & Woods, Inc. (“KBW”), Eaton Partners, LLC, Vining Sparks IBG, LLC, and First Empire Securities, Inc. As described in Items 11 and 12 of this brochure, 1919’s affiliation with Stifel-owned broker-dealers presents 1919 with conflicts of interest in certain situations. In addition, 1919 has soft dollar arrangements under which client commissions are used to pay Stifel Nicolaus and KBW for certain research services. As described in Item 12, these arrangements involve conflicts of interest due to 1919’s affiliation with Stifel Nicolaus and KBW.
- (4) Affiliated Paid Referral, Managed Account, and Model Portfolio Arrangements. 1919 has arrangements with its affiliate, Stifel Nicolaus, pursuant to which (i) Stifel Nicolaus, in certain limited situations, may receive cash compensation from 1919 for referring clients to 1919, (ii) 1919 manages accounts of Stifel Nicolaus clients as a sub-adviser to Stifel Nicolaus and pursuant to agreements 1919 enters into directly with Stifel Nicolaus clients, (iii) 1919 provides non-discretionary model portfolios to Stifel Nicolaus, which Stifel Nicolaus uses to manage accounts for its clients, and (iv) Stifel Nicolaus provides a non-discretionary model portfolio to 1919, which 1919 uses to manage a client’s account. Refer to Item 14 of this brochure for additional information on 1919’s affiliated and unaffiliated paid referral arrangements.



## ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### A. Code of Ethics

1919 has established and approved a Code of Ethics (the “Code”) that sets forth standards of ethical conduct for employees and is designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act. Among other things, the Code prescribes standards for treating clients ethically, addresses conflicts of interest issues, and supplements personal trading and operating procedures. The Code provides guidance in specific areas, including but not limited to, confidentiality of 1919 and client information, personal investments, gifts and entertainment, protection of persons who engage in “whistle blowing” activities from retaliation and personal political activities (e.g., “pay-to-play”).

Existing and prospective clients can request a copy of the Code by mailing a written request to:

1919 Investment Counsel, LLC

ATTN: Compliance

One South Street, Suite 2500 Baltimore, MD 21202

### B. Discussion of Potential Conflicts of Interest Associated with Employee Personal Trading

Subject to the requirements of 1919’s Code, 1919 employees are permitted to make personal investments in the same securities 1919 invests in for client accounts, as well as in securities that 1919 does not invest in for client accounts. Employees can also make personal investments in related securities or financial instruments, such as options, futures and warrants. When done in compliance with 1919’s Code, employees can make personal investments at or about the same time 1919 is making the same investments or related investments for client accounts. These possibilities involve potential conflicts between client interests and the personal interests of the employees – i.e., the potential that employee trades in a security will compete with client trades for the same or related securities or otherwise adversely affect the prices obtainable for client trades. 1919 believes that, for the liquid larger cap securities that constitute 1919’s primary investments for clients, the risk of employee personal trading and associated conflicts disadvantaging clients is small or nonexistent because neither employee trades nor client trades generally are large enough to significantly affect market prices.

1919 addresses the potential conflicts presented by employee personal trading by prohibiting employee personal trades that have a higher risk of affecting securities prices. Specifically, the Code prohibits personal trades of all sizes in certain, generally less liquid securities (equity securities of certain small cap companies, municipal fixed income securities) when 1919 has open orders at its trading desk for the same or related securities, subject to certain exceptions described in the Code. 1919 subjects personal trades in certain generally more liquid securities, such as corporate bonds and equity securities of larger cap companies, to this prohibition only if the trade size exceeds *de minimis* amounts specified in the Code.

### C. Discussion of Potential Conflicts of Interest Associated with Affiliated Fund Investments

As part of 1919’s investment advisory services, 1919 is able to invest client assets in shares of mutual funds, private investment funds or other collective investment vehicles for which 1919 or one or more 1919 affiliates act as investment manager (“Affiliated Funds”). See Item 8 of this brochure for information on the circumstances in which 1919 considers investing client assets in Affiliated Funds.

Although 1919 does not charge account-level fees on client assets it invests in Affiliated Funds managed by 1919, 1919 will have a conflict of interest when making such an investment if the aggregate fee rate payable by such Affiliated Fund to 1919 exceeds the rate of the account-level fee 1919 would receive if 1919 did not make the investment.

If permitted by applicable laws, 1919 does charge account-level fees on client assets it invests in Affiliated Funds managed by its Stifel affiliates. These account-level fees are paid to 1919 and are in addition to the Affiliated Fund-level fees that 1919's affiliates receive from these investments. The aggregate fees received by 1919 and its affiliates from such investments typically will exceed the account-level fees that 1919 would receive if 1919 did not make such an Affiliated Fund investment.

In the above scenarios, 1919 will have an incentive to make and hold investments in Affiliated Funds for clients in order to maximize the aggregate compensation to 1919 and its affiliates. 1919 addresses the conflict of interest presented by this incentive by selecting Affiliated Funds (and unaffiliated Funds) for investment, and making decisions to continue to hold their shares, based solely on the best interests of clients and without regard for the amount of compensation payable to 1919 and its affiliates in connection with such investments. As described in Item 8 of this brochure, 1919's Third Party Committee at least annually reviews any Affiliated Funds (other than Affiliated Funds managed by 1919) that it has selected for investment to determine whether they continue to be appropriate investments. In addition, 1919 makes investments in Affiliated Funds managed by 1919 only to provide diversified investment exposure for client accounts or account portions or in response to client requests for such investments. 1919 will comply with laws applicable to the investment of client assets in Affiliated Funds.

#### **D. Discussion of Conflicts of Interest Associated with Participation in Offerings Underwritten by Affiliates**

Certain Stifel-owned broker-dealer firms participate in the underwriting of securities offerings for companies and other issuers. See Item 10 of this brochure for the names of certain of these firms. If participating in such an offering is in the best interest of the client or if directed by the client, 1919 can purchase such securities offerings for which one or more such firms is a member of the offering syndicate for client accounts. Due to 1919's affiliation with these firms, 1919 will have an incentive to benefit them by causing client accounts to purchase securities in such offerings. 1919 addresses this conflict of interest by making investment decisions solely in the interests of its clients and without regard for any benefits particular investments result in for affiliates. Also, participation in any such offering will be subject to compliance with applicable law.

#### **E. Discussion of Potential Conflicts of Interest Associated with Private Investments**

As noted in Item 8 of this brochure, 1919 from time to time recommends qualifying clients invest part of their account assets in certain private investments. 1919 will be subject to a conflict of interest in making such a recommendation if it has, or is seeking, a client relationship with any one or more of the private investment's sponsors, service providers, or any of such firms' personnel – i.e., firms and personnel who will benefit from investments in the private investment. In this situation, 1919 will have a conflict between the interests of clients who are potential investors in the private investment and 1919's interest in currying favor with such firms and personnel (by recommending the investment) so that they are favorably inclined to establish a client relationship with, or maintain or add to an existing client relationship with, 1919. 1919 addresses this conflict of interest by recommending private investments solely in the interest of the clients to whom it is making such recommendations.

## ITEM 12. BROKERAGE PRACTICES

To the extent practical and consistent with client directions and applicable laws, 1919 seeks to obtain best execution when selecting broker-dealers to execute securities trades for client accounts. 1919 defines best execution as placing trades such that, considering all appropriate circumstances, the value of 1919's investment decisions is maximized over time for clients. For equity securities trades, commission cost is one factor considered, but is not necessarily determinative. In seeking best execution for such trades, 1919 typically considers research it receives from broker-dealers, as and to the extent described below.

1919 generally selects broker-dealers to execute securities trades only if 1919's Investment Policy Committee has approved the broker-dealer. The Investment Policy Committee, which meets quarterly, oversees 1919's brokerage practices and is comprised of 1919's Chief Executive Officer, Chief Investment Officer, Head Trader, Chief Financial Officer, Chief Administrative Officer, Chief Compliance Officer, and certain senior portfolio managers.

1919 investment and trading personnel proposes broker-dealers for Investment Policy Committee approval for reasons that include the broker-dealer's execution capabilities, expertise and personnel, and also research the broker-dealer provides (in the case of broker-dealers proposed for equity securities trading). The Investment Policy Committee typically considers these factors, as applicable, and also information regarding the proposed broker-dealer's financial position.

Unless otherwise noted, orders portfolio managers place with 1919's Trading Desk to buy or sell securities are considered not-held orders, and are placed for execution with an approved broker-dealer at the discretion of a 1919 trader. The factors 1919 traders consider when selecting broker-dealers to execute securities trades and seeking best execution generally are as follows:

- Competitiveness of commission rates for equity trades and of spreads for fixed income trades.
- Research provided – as and to the extent described in below, considered via (i) target commission amounts 1919 sets for soft dollar arrangements, (ii) ratings of executing broker-dealers assigned by 1919 research analysts, or (iii) 1919 portfolio manager broker-dealer preferences (1919 considers research only for equity trades it effects as a discretionary manager).
- Speed and accuracy of trade execution.
- Broker-dealer commitment of own capital as necessary.
- Ability to execute block trades without significant market impact (see below).
- Electronic trading, reporting and clearing capabilities.
- Back office clearing and settlement capabilities and responsiveness.
- Specialty abilities in particular markets and securities.
- Broker-dealer familiarity with 1919 investment focus.
- Broker-dealer provision of useful market information.

Not all factors are considered for every trade. 1919 determines the reasonableness of commissions charged by considering commission rates then prevailing in the market for similar-sized trades in similar securities, as well as the overall quality of the trade execution services provided for the benefit of 1919's clients. In addition, as and to the extent described below, 1919 considers the value of research it receives.

1919's fixed income traders seek best execution for fixed income securities trades by placing dealers in competitive situations and utilizing offers and bids from numerous local and national broker-dealers. The fixed income traders review the market environment, the new issue calendar, and secondary offerings to help determine a competitive price for the bonds they are trading. By seeking to obtain the highest bid when selling securities, or selecting the broker-dealer with the lowest-priced offers, 1919 generally seeks to ensure that clients obtain best execution on fixed income securities trades.

For wrap fee program accounts or other arrangements in which clients pay asset-based fees for services that include execution of agency trades, 1919 typically selects the program's or arrangement's sponsor or the sponsor's designated broker-dealer to execute equity trades, since the client has already paid for that firm's execution of such trades via the wrap fee or other asset-based fee. In such instances, 1919 typically compares trade execution prices against current market quotations for reasonableness and otherwise is not in a position to, and does not otherwise, monitor for best execution. This means the directed brokerage disclosures in below apply for all wrap fee programs and other arrangements in which clients pay asset-based fees for services that include execution of agency trades.

For one or more client accounts in wrap fee programs and such other asset-based-fee arrangements, 1919 in its discretion can deviate from the approach described in the above paragraph and instead select other broker-dealers to execute equity trades (causing trade-specific commissions to be incurred, in addition to the wrap fee or other asset-based fee) if 1919 determines the execution-related benefit of doing so is likely to outweigh the added commission and other costs involved.

Subject to compliance with applicable laws, 1919 will cause an affiliated broker-dealer, such as Stifel Nicolaus, to execute trades only for (i) clients in wrap fee programs sponsored by the affiliated broker-dealer, or (ii) clients that direct 1919 to use such affiliated broker-dealer.

1919's Investment Policy Committee conducts a quarterly review of 1919 trading for clients, which includes review of (i) 1919's allocation of transactions and commissions to broker-dealers, (ii) commission rates and other trading-related fees paid, (iii) 1919 research analysts' ratings of broker-dealers, (iv) soft dollar arrangement-related transactions, and (v) 1919 traders' ratings of executing broker-dealers on certain best execution- related factors.

### **1919's Use of Client Commissions to Obtain and Pay for Research**

As noted above, 1919 regularly receives research from broker-dealers it uses to execute securities trades for client accounts. For equity trades, 1919 generally considers the value of such research in selecting broker-dealers to execute trades and in determining the reasonableness of the commissions charged.

Where 1919 considers the value of research, it does so by considering:

- soft dollar arrangements 1919 has established;
- ratings 1919's research analysts assign to executing broker-dealers based on research services these broker- dealers have provided; or
- for certain equity investment strategies, research-based broker-dealer preferences communicated by the strategy's portfolio manager.

For certain equity securities trades, 1919's traders consider target commission amounts that are part of soft dollar arrangements 1919 has established with certain executing broker-dealers. Each arrangement includes an annual target commission amount that 1919 seeks, but is not obligated, to cause client accounts to pay the broker-dealer in return for trade execution and research that is used to benefit clients as described below. The soft dollar arrangements are structured to comply with the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, which permits an investment adviser to pay more than the lowest available commission in return for trade execution and eligible research if the investment adviser determines in good faith that the commissions paid are reasonable in relation to the value of the brokerage and research provided, viewed in terms of the specific trade or the investment adviser's overall responsibilities to client accounts. 1919's Investment Policy Committee

approves and periodically reviews the arrangements, including the target commission amounts and research services, and periodically reviews the arrangements to determine that the commissions paid meet this reasonableness standard.

For certain equity securities trades for which 1919 does not consider soft dollar arrangements, 1919's traders consider ratings 1919's research analysts periodically assign to certain of 1919's approved executing broker-dealers based upon research the broker-dealers have provided to them that aids in furthering 1919's performance of its investment-decision-making responsibilities to clients.

For equity securities trades in certain 1919 investment strategies, 1919 can consider the research-based preferences communicated by the strategy's portfolio manager before soft dollar arrangements or analyst ratings in selecting broker-dealers to execute equity securities trades.

The commissions 1919 causes client accounts to pay to obtain or pay for research (and trade execution services) as described in this section typically are higher than they would be if 1919 did not consider research in selecting brokers to execute trades. 1919 does not require that research obtained or paid for with commissions be used only to benefit the accounts that paid the commissions, and there is no guarantee that each account will benefit from research paid for by their commissions in each instance. 1919 generally uses research obtained or paid for with commissions to benefit a broad range of client accounts. 1919 does not seek to allocate the benefits of research obtained or paid for with commissions to client accounts in proportion to the commissions such accounts paid for such research.

However, 1919 generally seeks to cause a broad range of client accounts to pay commissions to obtain or pay for research so that client accounts do not receive the benefits of the research without having to contribute to its cost. Exceptions to this approach apply for (i) client accounts for which the use of a specific executing broker is directed, and (ii) client accounts in wrap fee programs and client accounts that pay brokers asset-based fees for services that include trade execution. Although accounts of clients in these categories generally do not contribute to the cost of research obtained or paid for with 1919 client commissions, these accounts typically do receive the benefits of such research.

When 1919 uses client commissions to pay for or obtain research, 1919 receives a benefit since it does not have to produce the research itself or pay for the research with its own money. As a result, 1919 has an incentive to select a broker-dealer based on its interest in receiving research. Also, as noted in Item 10 of this brochure, 1919 has soft dollar arrangements under which client commissions are used to pay Stifel Nicolaus and KBW, each an affiliated broker-dealer, for certain research services they provide to 1919. Because of 1919's affiliation with Stifel Nicolaus and KBW, 1919 has an incentive to implement these arrangements in order to use 1919 client commissions to benefit its affiliates, Stifel Nicolaus and KBW. The affiliates are part of the firm's overall vote process and are not afforded any advantage or accommodation through the vote due to their status. 1919 addresses this conflict – potentially using 1919 client commissions to benefit the firm's affiliates – by having its Investment Policy Committee review the continued appropriateness of these arrangements (including the value of the research to 1919's investment decision-making) on a quarterly basis and holding the arrangements to the same standards to which the Committee holds soft dollar arrangements involving research provided by unaffiliated firms.

The research 1919 obtains and pays for with client commissions can include:

- Advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; and
- Analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts.

Specific types of research 1919 obtains and pays for with client commissions consist of: (i) fundamental, quantitative and technical issuer, industry, sector, market, economic and policy research reports and analyses, (ii) portfolio strategy research, (iii) meetings and calls with company management representatives and analysts and access to investment conferences, (iv) information and analysis on company activities, operations and properties relevant to the making of investment decisions, and (v) assistance in further developing and refining a valuation framework 1919 uses in making investment decisions. The research is generated by either an executing broker-dealer or a third party.

Under 1919's policy, research paid for with client commissions must be eligible under the Section 28(e) safe harbor and must be used only to provide lawful and appropriate assistance to 1919's performance of its investment decision-making responsibilities. 1919's Investment Policy Committee determines whether or not to allocate a portion of an eligible research service subject to a soft dollar arrangement to client commissions (i.e., soft dollars) and a portion to hard dollars (i.e., 1919's own money).

A research service for which 1919 makes such an allocation is generally referred to as a "mixed-use" service. Any allocation for a mixed-use service will be in proportion to 1919's good faith estimate of the value of the service for investment decision-making assistance purposes and the value of the service for non-28(e)-eligible purposes, such as client communications. The Committee will have a conflict of interest in making this allocation, given that 1919 by definition will pay hard dollar costs out of its own pocket. The Committee will record in writing all mixed-used service allocation decisions and will periodically review such decisions to confirm that they continue to be appropriate.

### **1919's Practices When a Client Directs Brokerage (Also Applicable to Wrap Fee Program Accounts and Accounts in Other Asset-Based Fee Trade Execution Arrangements)**

If a client or wrap fee program sponsor directs 1919 to use a specific broker-dealer to execute securities trades, 1919 will do so unless 1919, in its discretion, determines that selecting one or more other broker-dealers would result in better execution and, in the case of a wrap fee program, the program sponsor permits this.

When clients or their wrap fee program sponsors direct 1919 to use a specific broker-dealer to execute securities trades, or when 1919 uses a specific broker-dealer for clients in a wrap fee program or other arrangement involving payment of asset-based fees for services that include trade execution to execute securities trades:

- 1919 will not negotiate the broker-dealer's trade execution services or compensation for such services on behalf of the client account
- 1919 will not be in a position to, and will not, monitor for best price and execution of trades the broker-dealer executes for the client account.
- The prices and execution quality achieved for the account may be less favorable than the prices and execution quality 1919 achieves for other client accounts. In other words, directed brokerage and wrap fee programs and other arrangements involving payment of asset-based fees for services that include trade execution may cost clients more money.
- 1919 will not be able to aggregate trade orders of such client accounts with trade orders of other client accounts, and this may prevent 1919 from being able to reduce trading costs for accounts that direct brokerage or that are in wrap fee programs or other arrangements involving payment of asset-based fees for services that include trade execution.
- 1919 generally will place trades for such accounts after placing trades for client accounts that do not direct 1919 to use a specific broker-dealer and are not in wrap fee program or such other arrangements. This may result in such accounts receiving worse prices on securities trades than other 1919 client accounts. Also, due to operational requirements in wrap fee programs and other arrangements involving payment of asset-based fees for services that include trade execution, 1919 tends to complete placing trades for accounts in wrap fee programs and such other arrangements after trades for other directed brokerage accounts are completed.

In addition, 1919's business relationship with a sponsor firm or broker-dealer may give 1919 an incentive to recommend that a client or sponsor firm issue or continue such a direction, as described below. Conversely, 1919's interest in receiving research paid for with client commissions, instead of 1919's own money, will give 1919 an incentive to recommend that a client or sponsor firm terminate such a direction.

For a broker-dealer that is affiliated with 1919, such as Stifel Nicolaus, this affiliation will give 1919 an incentive to recommend that a client issue or continue a direction to use such broker-dealer. See Item 10 of this brochure for the names of certain 1919-affiliated broker-dealers.

A client or sponsor firm can terminate a direction to use a specific broker-dealer by notifying 1919 in writing.

### **Trade Aggregation and Allocation**

1919's policy is to treat all client accounts for which it exercises investment discretion impartially. If 1919's trading desk receives (from one or more 1919 portfolio managers) multiple orders for the same security on the same side of the market at the same time, the trading desk typically will block the orders together to minimize execution costs and seek best execution. Because portfolio managers manage accounts individually, however, the trading desk often will not receive such orders at the same time and therefore will not block or aggregate the orders.

If an aggregated order is executed in multiple trades at varying prices, each client account participating in the order receives the average price. Under certain circumstances, 1919 will exercise its discretion to make an exception to its standard approach of aggregating, such as when multiple large trades would likely have an adverse market impact. In addition, trades for wrap fee program clients and clients who direct their brokerage to specific brokers-dealer generally will not be aggregated with those of clients for which 1919 selects the executing broker-dealer. As a result, these clients would likely incur greater trading costs and receive less favorable execution.

Most of 1919's investments are in highly liquid securities. Aggregated orders 1919 places for such securities typically are completely filled on the day the order is placed – i.e., the aggregate amount of securities desired to be purchased or sold is actually purchased or sold. However, there may be circumstances in which aggregated trade orders are only partially filled. 1919 allocates partially filled orders pro rata, based on the amounts sought for participating client accounts, or in another manner that 1919 concludes is fair and equitable to each client. Pro rata allocations will be subject to any minimum acceptable amounts for each account. If the pro rata allocations result in odd block sizes, they will be rounded to the nearest acceptable block size. If the order is only partially filled and the securities would be insignificant if spread over all accounts participating in the trade, 1919 will remove an entire account objective from the trade. In this way, the amount of bonds or shares of equity securities purchased or sold is significant to the accounts participating in the trade, and accounts with the same investment objective are treated equally. If 1919 bases the allocation on reasons other than the preceding, it will maintain a record of this decision, which includes a description of the reasons that the general allocation policy was not followed.

The usual practice of 1919 portfolio managers when submitting equity securities orders to 1919's trading desk is to specify the client account or accounts for which the order is being submitted, including the amount of equity securities to be purchased or sold for each participating account. For fixed income securities trades, a portfolio manager will either also follow this approach or will initially specify only an aggregate amount of the securities desired to be purchased without specifying the accounts for which the securities are sought. This aggregate amount is based on an acceptable position size for all accounts managed by the portfolio manager and then estimated by the portfolio manager to be eligible for the purchase. When the securities are obtained in this situation, the portfolio manager will then allocate them across such accounts, generally on a pro rata basis but subject to account-specific considerations such as (i) applicable investment restrictions, (ii) account cash position, (iii) securities of issuer already held by account, and (iv) effect on account duration. 1919 considers these factors when determining whether certain accounts initially estimated to be eligible for the purchase can receive more or less than a pro rata allocation, including in some cases no allocation at all.

### **Dissemination and Implementation of Investment Decisions**

1919 typically provides discretionary investment management services. As part of these services, the client's 1919 portfolio manager implements the investment decisions he or she makes for the client's account by placing trades with 1919's Trading Desk for execution as described above. Because of the typically customized nature of 1919's services and the related need to individually consider each client's or account's particular needs and/or investment situation, a portfolio manager will determine whether to implement similar investment decisions (e.g., the purchase of a particular stock) for different client accounts at

different times, and this may result in clients receiving different prices for the same investment. Alternatively, a portfolio manager holds discretion as to submitting an aggregate order to 1919's Trading Desk for the client accounts he or she manages as described above.

In addition to providing and implementing discretionary investment management services, 1919 has agreed to provide certain other financial firms with model investment portfolios, which such firms have the option to implement for accounts of their clients. For these relationships, 1919's policy is to endeavor to communicate all changes to such model portfolios to these financial firms at approximately the same time 1919 portfolio managers are able to start implementing the change for client accounts for which 1919 has implementation responsibility. In certain cases, a financial firm's formatting or system requirements for communicating model portfolio changes may delay 1919's communication of model portfolio changes to such firm. Also, any implementation delays by the financial firm receiving the model portfolio changes may extend the head start 1919 has in terms of being able to implement the changes for client accounts for which 1919 has implementation responsibility. The above factors could result in client accounts of financial firms receiving 1919 model portfolios obtaining worse securities purchase and sale prices than 1919 obtains for its own clients.

### **Recommendation of Broker-Dealers, Custodians and other Service/Product Providers**

1919 does not generally recommend clients to direct brokerage to particular broker-dealers, unless the client requests a recommendation, which 1919 will make depending on the individual client's specific needs and preferences.

1919's MCC Strategy previously recommended that clients establish a prime brokerage account with Pershing. If a client establishes a prime brokerage account at Pershing, Pershing generally requires that approximately 50% of the client's trades be directed to Pershing for execution. The MCC Strategy has a negotiated arrangement with Pershing pursuant to which Pershing receives commissions on a sliding scale depending on the number of shares being bought or sold. Clients that establish accounts at Pershing generally receive custody services from Pershing at no additional cost.

Upon request, 1919 recommends custodians (typically banks or broker-dealer firms) to clients, as well as other service and product providers such as providers of trust services, insurance policies, accounting and tax services and products, legal services, and mortgage lending services on the basis of the client's needs and 1919's reasonable belief that the recommended vendor can meet those needs. Certain of these service and product providers, such as Fidelity, may refer investment advisory business to 1919, provide products or services to 1919, and/or provide 1919 with access to their representatives so that 1919 or other persons can promote 1919's investment services or products to such representatives. In addition, certain of these firms are affiliated with 1919, such as Stifel Bank & Trust (which 1919 may recommend as a lender) and Stifel Trust Company, National Association (which 1919 may recommend as a custodian and/or provider of trust services). In these situations, 1919 will have a conflict between recommending the service and product provider in the client's interest and recommending such firm in order to (i) to obtain favorable terms on any products or services the recommended provider provides or may provide to 1919, (ii) to preserve or obtain additional referred business or promotion-related access from the recommended provider, and/or (iii) in the case of a recommended provider that is affiliated with 1919, to benefit its affiliate. The preceding statements are qualified in that 1919 *may* recommend these service providers because we do not always recommend these parties for services to clients. 1919's recommendations are made solely in the best interest of the individual client without regard to whether or not the recommended party is an affiliate or provides an incentive to 1919. Currently, 1919 has the conflicts of interest in clauses (i) and (ii) above in situations in which 1919 recommends Fidelity and NFS as custodian. Each of Fidelity and NFS provide 1919 with limited practice management and/or similar business services from time to time, typically at no charge to 1919.

Also, with respect to Fidelity and NFS, the conflict of interest in clause (ii) will exist in part because of 1919's participation in the Fidelity Wealth Advisor Solutions® Program as described in Item 14 of this brochure. 1919 will have an incentive to recommend these firms in order to influence their affiliate, Fidelity Personal Workplace Advisors LLC ("FPWA"), to continue to authorize 1919 to receive referrals in this program.

In addition, for any custodian 1919 recommends, 1919 will be subject to a conflict between its interest in minimizing the number of client custodians with which 1919 has to interact, which will enable 1919 to minimize internal 1919 operational costs, and the client's interest in receiving superior custody services.



Consistent with 1919's status as a fiduciary, however, 1919 will base any recommendations of custodians, directed brokers, or other service and product providers only on what it believes is in the best interests of clients. The main factors 1919 considers in selecting custodians to recommend to clients include the level of fees such custodians will charge clients for custody services, accounting and reporting capabilities, the level of custody and account servicing such custodians provide to clients, and the manner in which such custodians interact with 1919 in its capacity as the client's investment manager.

For clients referred to 1919 in connection with the Fidelity Wealth Advisor Solutions® Program, 1919 has agreed not to (i) recommend that such clients transfer their brokerage accounts from Fidelity, NFS and their affiliates, or (ii) interfere with or jeopardize a client's relationship with any such firm, except in each case where 1919 believes its fiduciary duties to the client require such action. 1919 has agreed to pay FPWA a one-time fee based on client account assets for any violation of this agreement if the client transfers its brokerage account. These agreements and this fee will pose a conflict of interest for 1919 by giving it a financial incentive to recommend that clients in the program maintain, or continue to maintain, their brokerage accounts with Fidelity, NFS and their affiliates. See Item 14 of this brochure for additional information on 1919 participation in the Fidelity Wealth Advisor Solutions® Program.

### **Trade Error Correction Policy**

In the event of a trade error attributable to 1919, 1919's general policy is to place the client in the position it would have been in absent the error unless otherwise directed by the client. When an error is identified prior to settlement, 1919 normally will move the trade to its error account. In such cases, the profit or loss resulting from the reversing transactions will be owned by 1919.

The Investment Policy Committee, along with certain investment professionals, review trade errors to identify trends and areas for improvements.

## ITEM 13. REVIEW OF ACCOUNTS

Client accounts are generally reviewed at least annually by the portfolio manager for the account, typically with the assistance of the portfolio associate or investment associate assigned to the account. Portfolio managers also receive a number of monthly and quarterly reports and analytics for the accounts they oversee. Portfolio managers will generally review multiple accounts together as part of a larger client relationship. Each review involves monitoring for adherence to client investment objectives, guidelines, needs and preferences, including tax situation, and restrictions, as well as adherence to appropriate investment allocations. This review is most often completed by a client meeting conducted annually to discuss the relationships and any changes contemplated. These meeting can be in person or virtual.

The frequency and scope of the review for each account is based on a combination of the following factors: (i) the type of client; (ii) the size and complexity of the relationship; (iii) the type of the client mandate; (iv) the type of investment product(s) utilized; (v) general market conditions and associated factors; (vi) specific client needs and objectives; (vii) turnover in investment management personnel; and (viii) change in client committee structure or management team.

Clients can opt-in to use the 1919 Client Portal, which is available online 24 hours per day, 7 days per week, to view account information. The Client Portal is accessible at [www.1919ic.com](http://www.1919ic.com).

## ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

1919 compensates certain persons for client referrals. Some of these persons include 1919 affiliates in addition to unaffiliated other investment advisers, broker-dealers, financial planners, and individuals, including clients. Such arrangements create a conflict of interest for the firm making the referral because of the fee the firm will receive for making the referral. As noted in Item 10 of this brochure, 1919 has paid referral arrangements with Stifel, Nicolaus & Company, Incorporated an affiliated firm. 1919 also has paid referral arrangements with certain unaffiliated firms. The terms of certain agreements require 1919 to continue to compensate affiliates or third parties for prior client referrals for the duration of 1919's relationship with the referred client though the firm no longer participates in receiving new referrals.

If referrals made in accordance with a paid referral arrangement materialize into new clients, 1919 will compensate the referring party for making the introduction. Compensation is generally based on a percentage of (i) the client's annual management fee, or (ii) the amount of the referred client's assets managed by 1919. The range of compensation has included a recurring payment of 20 – 50% of the client's annual management fee. The payment typically is made quarterly based on 1919's billing cycle. Clients are not charged additional fees as a result of any 1919 referral arrangements. 1919 has entered into agreements with these third parties that govern their referral activities. These agreements also contemplate that the third parties will have involvement in 1919's ongoing servicing of referred client accounts.

## ITEM 15. CUSTODY

Client assets are held by qualified custodians that are selected by the client. Qualified custodians maintain the client assets in a manner that segregates them from assets of other clients of the custodian. 1919 is deemed to have custody of the underlying assets of many of its clients due to being able to deduct advisory fees, acting as trustee for the client, or having discretionary authority over the client account. These accounts are also subject to a year-end audit by a major accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board (“PCAOB”).

Clients should carefully review the account statements they receive from their custodians and compare them to any account statements they receive from 1919. Clients are discouraged from sending their funds (e.g., cash or checks made payable to cash, to 1919 or to 1919 personnel) or securities (e.g., original stock certificates or limited partnership interest certificates, originally signed promissory or demand notes) to 1919, but instead should send such assets directly to their custodians. In the event that 1919 is in receipt of funds or securities, the firm promptly forwards them to the intended recipient.

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## ITEM 16. INVESTMENT DISCRETION

1919's standard investment advisory agreement grants the firm discretionary authority over client accounts, authorizing 1919 to make purchase and sale decisions for client accounts or to select other advisers for the client. Alternatively, clients can elect to enter into a non-discretionary agreement with 1919. Under such agreement, 1919 must receive client approval before making any purchase and sale decisions for the client's accounts.

Clients have the ability to place limitations on 1919's investment authority. Specific client investment restrictions will limit 1919's ability to manage a client's account like accounts of other clients with the same or similar investment objectives and/or guidelines but without similar client-imposed restrictions to varying degrees depending upon the nature of the restrictions. This may impact the performance of the account relative to these other accounts and the benchmark index.

## ITEM 17. VOTING CLIENT SECURITIES

1919 generally accepts proxy voting authority on behalf of clients that wish to grant 1919 proxy voting authority, and has adopted a proxy voting policy and procedure that the firm believes are reasonably designed to comply with the requirements of the Advisers Act. Unless directed otherwise by the client, or in the event of a conflict among clients, 1919 will vote all proxies for client accounts in a manner that is consistent with the client's investment guidelines. As a result, 1919 would vote one client's securities differently than the firm votes those of another client in accordance with differing client investment guidelines.

In the absence of applicable investment guidelines, 1919 generally votes proxies in accordance with proxy voting guidelines prepared by an independent proxy voting firm and approved by 1919's Proxy Voting Committee (the "Committee"). These guidelines seek to maximize the economic interests of shareholders. For clients receiving responsible investing services, 1919 generally votes proxies in accordance with responsible investing proxy voting guidelines prepared by this firm and approved by the Committee. 1919 can vote proxies other than in accordance with applicable guidelines, and in situations where such guidelines do not cover a particular vote, if the Committee approves of such vote. The vote approval process will include seeking to ensure that the vote does not involve a material conflict between the interests of 1919 and its clients. 1919 will consider a conflict to be material if it is significant enough to potentially influence or appear to influence 1919's decision in the voting process.

Except for extraordinary circumstances, in any such instance, the material conflict will be resolved by the Committee, voting in accordance with the otherwise applicable approved guidelines (if any), or by obtaining the client's consent to the vote after disclosure of the conflict. Alternatively, in its sole discretion, the Committee determines whether to vote in accordance with the advice or recommendation of an independent third party.

In exercising its voting authority, 1919 will not consult or enter into agreements with officers, directors or employees of Stifel Financial Corp. or any of its affiliates regarding the voting of any securities owned by its clients. An account owner can direct 1919 to refrain from voting a specific security, and name themselves or another person to so vote, while 1919 retains voting authority over the other securities in the account. With respect to shares over which 1919 has voting authority, 1919 will not decline to vote proxies except in extraordinary circumstances where 1919 believes that refraining from voting is in the client's best interests. Nor will 1919 accept direction from others with regard to the voting of proxies. 1919 will vote proxies related to the same security differently for different clients in accordance with clients' differing investment guidelines.

The Committee will meet annually to review and approve proxy voting guidelines. 1919's proxy voting policy at all times shall be directed toward maximizing the value of the assets of managed accounts, for the benefit of the accounts' ultimate owners or beneficiaries. On proxy vote matters specific to a company, such as the election of directors, the appointment of auditors, granting of options, re-pricing of options, mergers and other material issues, the voting decision typically shall be made in accordance with the proxy voting guidelines approved by the Committee, consistent with the policy of maximizing value.

There are times when 1919 is unable to vote a proxy or elects not to vote a proxy. Examples of these times include, but are not limited to (1) the meeting notice was received too late, (2) fees imposed to exercise the vote are high and outweigh the benefit of voting, or (3) a proxy voting service is not offered by the client's custodian. In the event that a custodian does not provide 1919 with the materials necessary to vote proxies in general for securities held in the client's account, 1919 will be unable to vote proxies and will so notify the client. There are legacy accounts related to an acquisition where 1919 does not have and has not sought proxy voting authority. For clients that grant 1919 proxy voting authority, a complete record and file of all votes cast, and where appropriate, the reason therefor, shall be maintained by 1919 with a third party voting service, Institutional Shareholder Services Inc. (ISS). Such clients can obtain information on how their proxies were voted, as well as the more detailed policies and procedures upon which this summary is based, by contacting 1919 at One South Street, Suite 2500, Baltimore, Maryland, 21202, Attention: Compliance Department.



## ITEM 18. FINANCIAL INFORMATION

At this time, 1919 is not aware of any financial condition that is reasonably likely to impair 1919's ability to meet its contractual obligations to its clients. 1919 has not been the subject of any bankruptcy petitions, including in the past ten years.