



Johnston Investment Counsel
LIFE THE WAY YOU PLANNED IT.

Johnston Investment Counsel
ADV Part 2A (Firm Brochure)
And
ADV Part 2B (Brochure Supplement)

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Item I: Cover Page

Johnston Investment Counsel, Ltd.

ADV Part 2A (Firm Brochure) And ADV Part 2B (Brochure Supplement)

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This brochure was last updated on June 30, 2026.

This Brochure provides information about the qualifications and business practices of Johnston Investment Counsel, Ltd. (JIC or Johnston Investment Counsel). If you have any questions about the contents of this Brochure, please contact us at 309-674-3330 or info@jicinvest.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Johnston Investment Counsel is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Johnston Investment Counsel is 109726. If you have questions about the contents of this Brochure, please contact Gregory A. Johnston, President, who is responsible for Johnston Investment Counsel's regulatory requirements at 309-674-3330.

Johnston Investment Counsel is a registered investment adviser. Registration does not imply a certain level of skill or training. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Item 2: Summary of Material Changes

This item discusses specific material changes to the Johnston Investment Counsel disclosure brochure.

Pursuant to current state regulations, Johnston Investment Counsel will ensure that clients receive a summary of any materials changes to this and subsequent brochures within 120 days of the close of the calendar year. Johnston Investment Counsel may further provide other ongoing disclosure information about material changes as necessary.

Johnston Investment Counsel will also provide clients with a new brochure as necessary based on changes or new information, at any time, without charge.

Since the date of its most recent filing (March 28, 2026) Johnston Investment Counsel has made the following material changes to this disclosure brochure:

Item 4 – Advisory Business

Johnston Investment Counsel has filed to transition its investment adviser registration from the State of Illinois to the U.S. Securities and Exchange Commission.

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Item 4: Advisory Business

Our Firm's History

Johnston Investment Counsel ("JIC") was formed in 1997. JIC provides comprehensive financial planning, investment consulting, and investment advisory services to select individual clients, as well as trusts, endowments, qualified retirement plan sponsors, and business entities. JIC is a totally independent, fee-only firm and acknowledges its fiduciary status to act in our clients' best interests. We sell no products and accept no commissions.

Johnston Investment Counsel actively seeks to avoid, or at least minimize, conflicts of interest that may exist between our firm and our clients. However, all investment advisory firms will likely possess some unavoidable conflicts of interest. In those instances when conflicts of interest arise, Johnston Investment Counsel keeps our clients' best interests paramount at all times.

Our Principal Owner

Gregory A. Johnston, CFA, CFP, CPWA, QPFC is the principal shareholder of Johnston Investment Counsel.

Types of Services Offered

Johnston Investment Counsel offers several different services including:

1. Comprehensive Financial Planning (project- and retainer-based)
2. Comprehensive Wealth Management
3. Comprehensive Portfolio Management
4. Enhanced Cash Management
5. Retirement Plan Services (Pension Consulting)
6. Institutional Consulting

I. Comprehensive Financial Planning

The Johnston Investment Counsel Comprehensive Financial Planning program provides clients with comprehensive financial planning services based on their individualized circumstances and needs. Comprehensive Financial Planning services may be either project- or retainer based. Projects are generally one-time in nature, while a retainer relationship is ongoing.

Comprehensive Financial Planning services may include all or any combination of the following: retirement planning, investment planning, tax planning, estate planning, cash flow planning, education planning, and risk management planning.

Project-based work is based on the number of hours it takes to complete the project. Prior to starting a project, Johnston Investment Counsel will provide client a fee estimate. There is not a minimum fee for project-based work.

Johnston Investment Counsel's retainer-based Comprehensive Financial Planning service is generally available to clients willing to pay an annual fee of at least \$2,500.

The Services Provided

Project-based clients select the specific services they desire from the full-range of Johnston Investment Counsel's financial planning services. Client and Johnston Investment Counsel will mutually agree on the specific services to be provided.

For retainer relationship clients, Johnston Investment Counsel will provide the full-range of its financial planning services. Based on the specific client situation, a customized set of services will be developed. Certain services will be considered ongoing, while other services will be completed annually and/or periodically. Johnston Investment Counsel and client will mutually agree upon the specific services to be provided.

Johnston Investment Counsel's Comprehensive Financial Planning agreement will detail the specific services to be provided. The agreement is given to a prospective client prior to signature.

While not all inclusive, the following are examples of Johnston Investment Counsel's financial planning services:

Retirement Planning

- Evaluating retirement scenarios -- when you can stop working and with what income
- Creating the retirement paycheck
- Tax efficient retirement income
- When to start and maximization of Social Security benefits
- Taking required minimum distributions
- Roth conversion planning

Investment Planning

- Asset allocation strategies that are consistent with the retirement plan
- Evaluating risk tolerance
- Tax-efficient asset location
- Maximizing after-tax investment return
- Managing concentrated stock positions
- Tax loss harvesting
- Rebalancing
- Diversification
- Risk control strategies

Tax Planning

- Overall tax planning strategies
- Income tax bracket management
- Multi-year tax planning
- Tax sensitive liquidations

Estate Planning

- How estate breaks down – who gets what and when
- Easing estate administration
- Titling of assets
- Makings gifts
- Transferring assets to the next generation
- Review legal documents such as wills, trusts, and power of attorney
- Review beneficiary designations

Education Planning

- Education funding methods and strategies
- Using 529 and/or prepaid tuition plans
- Reducing the cost of college
- Financial aid analysis and decision-making
- Review asset location to benefit financial aid
- Tax planning with education-related credits and deductions

Charitable Planning

- Tax planning for charitable gifts
- Review specific assets to make charitable gifts
- Qualified charitable distributions

Risk Management Planning

- Evaluate needs for the following insurance coverages: life, disability, long-term care, health, property, and liability
- Review existing coverages for limits and/or cost
- Tax planning retirement strategies using insurance

Johnston Investment Counsel's Comprehensive Financial Planning services do not include the ongoing management of a client's investment accounts. For retainer-based clients, JIC and client will develop a list of broadly diversified investment options that are appropriate for client. A minimum, neutral, and maximum allocation will be developed for each investment option. JIC will have the

responsibility of periodically rebalancing client accounts back to their neutral allocation target. Client will give JIC discretion to implement these rebalancing transactions.

2. Comprehensive Wealth Management

Johnston Investment Counsel's Comprehensive Wealth Management program combines ongoing discretionary investment advisory and comprehensive financial planning services to clients based upon their individualized circumstances and needs. The program is generally available to clients with greater than \$250,000 of assets under advisement or willing to pay an annual fee of at least \$2,500.

The Services Provided

The Comprehensive Wealth Management program provides services as outlined in Johnston Investment Counsel's Comprehensive Wealth Management agreement. This agreement is provided to a prospective client before the agreement is signed. The services provided generally include the following:

- The full-range of Johnston Investment Counsel's Comprehensive Financial Planning services. Based on the specific client situation, a customized set of services will be developed. Certain services will be considered ongoing, while other services will be completed annually and/or periodically. Johnston Investment Counsel and client will mutually agree upon the specific services to be provided.
- Ongoing investment management of client's account(s) subject to the terms of the client's Investment Policy Statement. Johnston Investment Counsel's Comprehensive Wealth Management program typically use a combination of no-load mutual funds, load-waived mutual funds exchange traded funds and notes, closed-end funds, individual stocks and bonds, and options.
- Based upon its analysis of the investment environment, Johnston Investment Counsel will adjust the allocation and/or securities held in each client's account(s) to take advantage of perceived market opportunities. In reviewing the current market environment, Johnston Investment Counsel performs macroeconomic, fundamental, relative value, and technical analysis of individual stocks and bonds as well as stock and bond market segments.
- Using a combination of quantitative and qualitative analysis, Johnston Investment Counsel's Comprehensive Wealth Management program may invest in individual stocks. The individual stock portfolio will be diversified by sector although sector concentrations may occur. Johnston Investment Counsel will make periodic changes to stocks held in the portfolio based upon its assessment of several factors including, but not limited to, the macroeconomic environment, fundamental, relative value and technical analysis, as well as the specific outlook and assessment of fair value of individual holdings.
- Depending on client-specific wishes, investment strategies may be used to reduce the portfolio's downside risk to a level described in the Investment Policy Statement. In order to target a downside, return level, portfolios will

typically use options as well as other risk-controlling strategies such as limit orders. Due to the strategies employed, client's upside return may be reduced. Johnston Investment Counsel does not provide a guarantee that returns below the downside return level will not occur.

3. Comprehensive Portfolio Management

The Johnston Investment Counsel Comprehensive Portfolio Management program provides ongoing discretionary investment advisory services. It does not include comprehensive financial planning services. The program is generally available to clients with greater than \$250,000 of assets under advisement or willing to pay an annual fee of at least \$2,500.

The Services Provided

The Comprehensive Portfolio Management program provides services as outlined in Johnston Investment Counsel's Comprehensive Portfolio Management agreement. This agreement is provided to a prospective client before the agreement is signed. The services provided generally include the following:

- Ongoing investment management of client's account(s) subject to the terms of the client's Investment Policy Statement. Johnston Investment Counsel's Comprehensive Portfolio Management program typically use a combination of no-load mutual funds, load-waived mutual funds, exchange traded funds and notes, closed-end funds, individual stocks and bonds, and options.
- Based upon its analysis of the investment environment, Johnston Investment Counsel will adjust the allocation and/or securities held in each client's account(s) to take advantage of perceived market opportunities. In reviewing the current market environment, Johnston Investment Counsel performs macroeconomic, fundamental, relative value, and technical analysis of individual stocks and bonds as well as stock and bond market segments.
- Using a combination of quantitative and qualitative analysis, Johnston Investment Counsel's Comprehensive Portfolio Management program may invest in individual stocks. The individual stock portfolio will be diversified by sector although sector concentrations may occur. Johnston Investment Counsel will make periodic changes to stocks held in the portfolio based upon its assessment of several factors including, but not limited to, the macroeconomic environment, fundamental, relative value and technical analysis, as well as the specific outlook and assessment of fair value of individual holdings.
- Depending on client-specific wishes, investment strategies may be used to reduce the portfolio's downside risk to a level described in the Investment Policy Statement. In order to target a downside return level, portfolios will typically use options as well as other risk-controlling strategies such as limit orders. Due to the strategies employed, client's upside return may be reduced. Johnston Investment Counsel does not provide a guarantee that returns below the downside return level will not occur.

4. Enhanced Cash Management

Johnston Investment Counsel's Enhanced Cash Management program provides ongoing discretionary investment advisory services of an individual short-term bond portfolio. The Enhanced Cash Management program is designed to increase a client's return above short-term Treasury Bills. The program is generally available for clients with greater than \$250,000 of assets under advisement or willing to pay an annual fee of at least \$1,500.

The Services Provided

The Enhanced Cash Management program provides services as outlined in Johnston Investment Counsel's Enhanced Cash Management agreement. This agreement is provided to a prospective client before the agreement is signed. The services provided generally include the following:

- Johnston Investment Counsel will analyze a client's specific cash flow and will make a recommendation on the structure of the enhanced cash program. If appropriate and agreed to by the client, JIC may allocate up to 20% of the portfolio to stocks. Johnston Investment Counsel's Enhanced Cash Management program typically use a combination of no-load mutual funds, load-waived mutual funds, exchange traded funds and notes, closed-end funds, individual stocks and bonds, and options. Clients should understand their portfolio will fluctuate in value.
- Ongoing investment management of client's account(s) subject to the terms of the client's Investment Policy Statement. Johnston Investment Counsel's Comprehensive Enhanced Cash Management program typically use a combination of individual bonds, active, and passive (index) management invested in a style diversified portfolio of no-load mutual funds, load-waived mutual funds, exchange traded funds and notes, closed-end funds, and options.
- Based upon its analysis of the investment environment, Johnston Investment Counsel will adjust the allocation and/or securities held in each client's account(s) to take advantage of perceived market opportunities. In reviewing the current market environment, Johnston Investment Counsel performs macroeconomic, fundamental, relative value, and technical analysis of individual stocks and bonds as well as stock and bond market segments.

5. Retirement Plan Services (Pension Consulting)

The Johnston Investment Counsel Retirement Plan Services program assists employers with plan design and investment assistance for their retirement plans. The program is generally available to all potential clients willing to pay a minimum annual fee of at least \$2,500.

The Services Provided

The Retirement Plan Services program provides services as outlined in Johnston Investment Counsel's Retirement Plan Services agreement. This agreement is provided to a prospective client before the agreement is signed. This service may be provided on either a discretionary or non-discretionary basis. The services provided generally include the following:

- A review and analysis of the current plan design. This is a customized and detailed analysis based on the goals and objectives of the employer.
- Johnston Investment Counsel develops a written investment policy statement that describes the client's goals, performance objectives, and any investment restrictions.
- Assistance with selecting a custodian and/or recordkeeper for plan assets.
- Creating a diversified menu of investment options that will allow participants to diversify their accounts.
- Creating several pre-diversified model portfolios based on different risk/return characteristics and/or target retirement dates.
- Ongoing performance reports to ensure the investment options are meeting the objectives stated in the investment policy.
- Ongoing investment education to participants.
- Periodic meetings, either in person, via telephone, or web conference to review retirement plan issues.

6. Institutional Consulting

The Johnston Investment Counsel Institutional Consulting program provides non-discretionary investment consulting services. The Institutional Consulting program is available to institutional clients willing to pay a minimum fee of at least \$2,500.

The Services Provided

The Institutional Consulting program provides services as outlined in Johnston Investment Counsel's Institutional Consulting agreement. This agreement is provided to a prospective client before the agreement is signed. The services provided generally include the following:

- An asset allocation review, analysis, and financial projections based upon a client's goals and objectives, current financial situation, and willingness to accept risk.
- A written investment policy statement describing the client's goals, performance objectives, and any investment restrictions.
- Recommendations with respect to investment manager structure including the use of active and passive investment strategies.
- Investment manager search, evaluation, and selection.

- Performance analysis of individual managers, asset class segments, and total portfolio on both an absolute and relative basis. Based upon its review and analysis, Johnston Investment Counsel may recommend adjustments to the manager configuration.

Types of Investments

Johnston Investment Counsel provides advice on publicly traded investments including individual stocks and bonds, options, mutual- and closed-end funds, and exchange traded funds and notes. Depending on client wishes, Johnston Investment Counsel may consider, in providing advice to clients, investments held in 401(k) or other qualified retirement plan accounts, and may evaluate the investment offerings of such retirement plans when constructing an overall investment portfolio for the client. The investment offerings of retirement plans are generally more limited than what is available at most custodians.

Client Tailored Services and Client Imposed Restrictions.

Johnston Investment Counsel's services are tailored to meet the needs of individual clients based on a variety of factors including, but not limited to, client risk tolerance, account taxability, legacy investment holdings, account size, and any client-based restrictions. For clients with similar characteristics, model portfolios may be used. JIC works with each client to find the appropriate services that will meet the clients' individual and specific needs. While most JIC clients are ongoing, retainer relationships, JIC is willing to work on a per-project basis.

Client meetings will occur upon client request or, generally speaking, on an annual basis to review any changes to the client's financial situation, the investment portfolio upon which advice is provided, and other planning issues.

Clients may impose restrictions on investing in certain securities or types of securities, and any restrictions will generally be disclosed in the Statement of Investment Policies and Objectives.

Legacy Services

Prior to 2017, Johnston Investment Counsel provided certain advisory services which are no longer offered. Any client that engaged Johnston Investment Counsel for such services and remained a client post 2017, have been transitioned to other comparable advisory services.

Wrap Fee Programs

Johnston Investment Counsel, as a matter of policy and practice, does not sponsor a wrap fee program.

Amount of Assets Under Management

As of December 31, 2025, Johnston Investment Counsel provided advice (either as primary advisor or sub-advisor) on approximately \$125 million of financial

assets for 305 accounts. These include all financial assets of clients who engage Johnston Investment Counsel for ongoing advice on their investment portfolios, whether continuous or periodic in nature. Of these assets under advisement, approximately \$110.5 million are managed on a discretionary basis and \$14.5 million are managed on a non-discretionary basis.

Item 5: Fees and Compensation

Comprehensive Financial Planning Fees: Project Based

There is no pre-determined fee for Johnston Investment Counsel's Comprehensive Financial Planning program. Each client engagement is unique.

How Comprehensive Financial Planning Fees are Calculated

An estimated fee based on the services requested, complexity of the situation, and estimated hours of work will be provided prior to the engagement.

Johnston Investment Counsel may invoice clients for expenses incurred on behalf of the client. An example may be travel costs. These expenses are billed to clients as additional charges on their statement.

Minimum and Maximum Comprehensive Financial Planning Fees

There is no minimum or maximum fee for Johnston Investment Counsel's project-based Comprehensive Financial Planning program.

When Comprehensive Financial Planning Fees are Paid

One-half of Johnston Investment Counsel's estimated fee is due upon signing the Comprehensive Financial Planning agreement. The remainder of the fee is due upon completion of the project.

How Comprehensive Financial Planning Fees are Paid

After receipt of an invoice, the client may pay Johnston Investment Counsel's fee by cash, check, money order, or through an ACH transaction initiated by the client.

In addition to the above, there are also relevant fee and other considerations. These are described in the sections entitled: "*Applicable to All Programs*".

Comprehensive Financial Planning Fees: Retainer Based

The annual fee for Johnston Investment Counsel's retainer-based Comprehensive Financial Planning program is charged as a percentage of assets under advisement, according to the table below. Fees are paid quarterly, in arrears. Upon prior written approval from the client, fees may be deducted from client's account(s). Alternatively, Johnston Investment Counsel can issue an invoice and the client may pay the invoice by cash, check, money order, or through an ACH transaction initiated by the client.

<u>Assets Under Advisement</u>	<u>Maximum Annual Fee Rate</u>
First \$1,000,000	0.40%
Next \$2,500,000	0.30%
Next \$1,500,000	0.20%
Next \$5,000,000	0.10%
Over \$10 million	0.05%

Minimum and Maximum Comprehensive Financial Planning: Retainer Based Fees

There is a minimum annual fee for the retainer-based services of Johnston Investment Counsel's Comprehensive Financial Planning program of \$2,500. There is no maximum fee. If the combined market value of the account(s) fall below Johnston Investment Counsel's minimum fee threshold, Johnston Investment Counsel retains the right to terminate the relationship.

In addition to the above, there are also additional services provided and relevant fee and other considerations. These are described in the sections entitled: "Applicable to Comprehensive Financial Planning: Retainer Based, Applicable to Comprehensive Wealth Management, Comprehensive Portfolio Management, and Enhanced Cash Management", and "Applicable to All Programs".

Comprehensive Wealth Management Fees

The annual fee for Johnston Investment Counsel's Comprehensive Wealth Management program is charged as a percentage of assets under advisement, according to the table below. Fees are paid quarterly, in arrears. Upon prior written approval from the client, fees may be deducted from client's account(s). Alternatively, Johnston Investment Counsel can issue an invoice and the client may pay the invoice by cash, check, money order, or through an ACH transaction initiated by the client.

<u>Assets Under Advisement</u>	<u>Maximum Annual Fee Rate</u>
First \$500,000	0.90%
Next \$2,500,000	0.70%
Next \$2,000,000	0.50%
Over \$5,000,000	0.30%

Minimum and Maximum Comprehensive Wealth Management Fees

There is a minimum annual fee for the Johnston Investment Counsel Comprehensive Wealth Management program of \$2,500. There is no maximum fee. If the combined market value of the account(s) fall below Johnston Investment Counsel's minimum fee threshold, Johnston Investment Counsel retains the right to terminate the relationship.

In addition to the above, there are also additional services provided and relevant fee and other considerations. These are described in the sections entitled: "Applicable to Comprehensive Financial Planning: Retainer Based, Applicable to

Comprehensive Wealth Management, Comprehensive Portfolio Management, and Enhanced Cash Management”, and “Applicable to All Programs”.

Comprehensive Portfolio Management Fees

The annual fee for Johnston Investment Counsel’s Comprehensive Portfolio Management program is charged as a percentage of assets under advisement, according to the table below. Fees are paid quarterly, in arrears. Upon prior written approval from the client, fees may be deducted from client’s account(s). Alternatively, Johnston Investment Counsel can issue an invoice and the client may pay the invoice by cash, check, money order, or through an ACH transaction initiated by the client.

<u>Assets Under Advisement</u>	<u>Maximum Annual Fee Rate</u>
First \$500,000	0.90%
Next \$2,500,000	0.70%
Next \$2,000,000	0.50%
Over \$5,000,000	0.30%

Minimum and Maximum Comprehensive Portfolio Management Fees

There is a minimum annual fee for the Johnston Investment Counsel Comprehensive Portfolio Management program of \$2,500. There is no maximum fee. If the combined market value of the account(s) fall below Johnston Investment Counsel’s minimum fee threshold, Johnston Investment Counsel retains the right to terminate the relationship.

In addition to the above, there are also additional services provided and relevant fee and other considerations. These are described in the sections entitled: *“Applicable to Comprehensive Financial Planning: Retainer Based, Applicable to Comprehensive Wealth Management, Comprehensive Portfolio Management, and Enhanced Cash Management”, and “Applicable to All Programs”.*

Enhanced Cash Management Fees

The annual fee for Johnston Investment Counsel’s Enhanced Cash Management program is charged as a percentage of assets under advisement, according to the table below. Fees are paid quarterly, in arrears. Upon prior written approval from the client, fees may be deducted from client’s account(s). Alternatively, Johnston Investment Counsel can issue an invoice and the client may pay the invoice by cash, check, money order, or through an ACH transaction initiated by the client.

<u>Assets Under Advisement</u>	<u>Maximum Annual Fee Rate</u>
First \$1,000,000	0.60%
Next \$4,000,000	0.45%
Over \$5,000,000	0.30%

Minimum and Maximum Enhanced Cash Management Fees

There is a minimum annual fee for the Johnston Investment Counsel Enhanced Cash Management program of \$1,500. There is no maximum fee. If the combined market value of the account(s) fall below Johnston Investment Counsel's minimum fee threshold, Johnston Investment Counsel retains the right to terminate the relationship.

In addition to the above, there are also additional services provided and relevant fee and other considerations. These are described in the sections entitled: *"Applicable to Comprehensive Financial Planning: Retainer Based, Applicable to Comprehensive Wealth Management, Comprehensive Portfolio Management, and Enhanced Cash Management"*, and *"Applicable to All Programs"*.

Retirement Plan Services Fees

The annual fee for Johnston Investment Counsel's Retirement Plan Services program is charged as a percentage of assets under advisement, according to the table below. Fees are paid quarterly, in arrears. Upon prior written approval from the client, fees may be deducted from their account. Alternatively, Johnston Investment Counsel can issue an invoice and the client may pay the invoice by cash, check, money order, or through an ACH transaction initiated by the client.

<u>Assets Under Advisement</u>	<u>Maximum Annual Fee Rate</u>
First \$1,000,000	0.50%
Next \$2,000,000	0.40%
Next \$2,000,000	0.30%
Next \$5,000,000	0.20%

Minimum and Maximum Retirement Plan Services Fees

There is a minimum annual fee for the Johnston Investment Counsel Retirement Plan Services program of \$2,500. There is no maximum fee. If the combined market value of the account(s) fall below Johnston Investment Counsel's minimum fee threshold, Johnston Investment Counsel retains the right to terminate the relationship.

In addition to the above, there are also additional services provided and relevant fee and other considerations. These are described in the sections entitled: *"Applicable to Retirement Plan Services and Institutional Consulting Programs"* and *"Applicable to All Programs"*.

Institutional Consulting Fees

The annual fee for Johnston Investment Counsel's Institutional Consulting program is charged as a percentage of assets under advisement, according to the table below. Fees are paid quarterly, in arrears. Upon prior written approval

from the client, fees may be deducted from their account. Alternatively, Johnston Investment Counsel can issue an invoice.

<u>Assets Under Advisement</u>	<u>Maximum Annual Fee Rate</u>
First \$500,000	0.90%
Next \$2,500,000	0.70%
Next \$2,000,000	0.50%
Next \$5,000,000	0.30%

Minimum and Maximum Institutional Consulting Fees

There is a minimum annual fee for the Johnston Investment Counsel Institutional Consulting program of \$2,500. There is no maximum fee.

In addition to the above, there are also additional services provided and relevant fee and other considerations. These are described in the sections entitled: *“Applicable to Retirement Plan Services and Institutional Consulting Programs”*.

Applicable to Comprehensive Financial Planning: Retainer Based, Comprehensive Wealth Management, Comprehensive Portfolio Management, and Enhanced Cash Management

Additional Services Provided

For services listed in the heading, please note the additional services provided:

- The benefits of Johnston Investment Counsel’s ongoing research and analysis. This includes information gained from our ongoing study of macroeconomic conditions, the historical analysis of capital markets with a view toward estimating long-term returns of certain asset classes, the taxation of investments, review of specific investment products, and other matters affecting clients’ investments and financial planning.
- Development and implementation of an Investment Policy Statement. The Investment Policy Statement will be customized to each client and will be based on a client’s specific investment objectives, risk tolerance, and willingness to accept risk. Included in each client’s Investment Policy Statement will be an agreed upon asset mix, performance objectives, investment restrictions, etc. The Investment Policy Statement may be periodically amended if and when the client’s circumstances change.
- Johnston Investment Counsel will seek to structure client account(s) in as tax-friendly approach as possible. This means individual accounts may be structured significantly different from one another while, in the aggregate, the total portfolio will be consistent with the Investment Policy Statement.
- Transactions are directed by Johnston Investment Counsel to a custodian (a bank or brokerage firm selected by the client). The custodian, following Johnston Investment Counsel’s instructions, executes the transactions.

- Johnston Investment Counsel will issue quarterly performance reports of the client's investment portfolio. On an ongoing basis, Johnston Investment Counsel evaluates the performance of portfolio holdings.
- Online access to account(s) information via the custodian's website.
- The custodian will directly issue monthly or quarterly reports for each client account(s) and will also issue confirmation statements upon a trade being placed.
- Johnston Investment Counsel newsletters, market outlooks, commentary, and other materials.
- Periodic meetings, either in person, via telephone, or web conference to review portfolio results, changes to a client's financial situation, and other planning issues.

How Fees are Calculated

Billed amounts are based upon the market value of the client's account(s) (including securities, cash, and accrued interest) at the end of the previous quarter. However, the billed amount may be adjusted (either up or down) for significant inflows or outflows to properly reflect the value of assets under advisement during the billing period and/or any legacy assets that Johnston Investment Counsel has agreed not to charge a fee. Valuations are derived from recognized and independent pricing sources. Fees are prorated for clients commencing or terminating service during a calendar quarter.

Johnston Investment Counsel may invoice clients for expenses incurred by Johnston Investment Counsel on behalf of the client. An example may be travel costs. These expenses are billed to clients as additional charges on their quarterly statement.

When Fees are Paid

Fees are billed and paid quarterly, in arrears, and are based upon the market value of assets upon which advice is provided (see description in How Fees are Calculated).

Applicable to Retirement Plan Services and Institutional Consulting Programs

How Fees are Calculated

Billed amounts are based upon the market value of the client's account(s) (including securities, cash, and accrued interest) at the end of the previous quarter. However, the billed amount may be adjusted (either up or down) for significant inflows or outflows in order to properly reflect the value of assets under advisement during the billing period and/or any legacy assets that Johnston Investment Counsel has agreed not to charge a fee. Valuations are derived from recognized and independent pricing sources. Fees are prorated for clients commencing or terminating service during a calendar quarter.

Johnston Investment Counsel may invoice clients for expenses incurred by Johnston Investment Counsel on behalf of the client. An example may be travel costs. These expenses are billed to clients as additional charges on their quarterly statement.

When Fees are Paid

Fees are billed and paid quarterly, in arrears, and are based upon the market value of assets upon which advice is provided (see description in How Fees are Calculated).

Applicable to All Programs

Proper Management of Conflicts of Interest between Clients

Johnston Investment Counsel's relationship with each client is non-exclusive. In other words, Johnston Investment Counsel provides investment advisory services and financial planning services to multiple clients. Johnston Investment Counsel seeks to avoid situations in which one client's interest may conflict with the interest of another of its clients.

How Fees are Paid

Fees may be deducted from clients' accounts, paid directly by check by the client following receipt of an invoice, or some combination of the two.

Other Fees or Expenses Paid in Connection Custodian and Mutual Fund Fees

All fees paid to Johnston Investment Counsel for its services are separate and distinct from the fees and expenses charged by mutual funds, closed-end funds, and exchange traded funds and notes to their shareholders. These expenses are generally described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee. In addition, mutual funds incur transaction costs and opportunity costs, which are not disclosed in the fund's prospectus or Statement of Additional Information, but which may be estimated.

The custodian may charge clients a transaction fee or commission when it executes a trade for an individual stock, bond, or option. The custodian may or may not charge a transaction fee on mutual fund and exchange traded fund or note transactions. If available, mutual fund investments are usually invested using the institutional share class. With this share class the custodian usually, but not always, charges a transaction fee. There are also "no transaction fee" mutual funds that Johnston Investment Counsel may consider. While the custodian does not charge a transaction fee for these funds, the mutual fund expense ratios tend to be higher. Separately, several custodians have begun to offer "no transaction fees" for certain (but not all) exchange traded funds and notes. The custodian transaction fee is one factor Johnston Investment Counsel uses in

determining the type of mutual fund share class and/or exchange traded fund or note to use.

The client should review fees charged by the mutual funds and/or exchange traded funds and notes, custodian transaction fees, as well as the fees charged by Johnston Investment Counsel, to fully understand the total amount of fees and costs paid by the client.

Clients may also incur “account termination fees” upon the transfer of an account from one brokerage firm (custodian) to another. Clients should contact their custodians (brokerage firms, bank or trust company, etc.) to determine the amount of account termination fees which may be charged and deducted from their accounts for any existing accounts which may be transferred.

Proper Management of Conflicts of Interests Relating to the Fees We Receive from You, Relating to the Receipt of Percentage-Based Compensation

The vast majority of our clients pay Johnston Investment Counsel fees based upon a percentage of the assets we advise upon. This is a very common form of compensation for registered investment advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation (Johnston Investment Counsel does not accept commission-based compensation of any nature, nor does Johnston Investment Counsel accept 12b-1 fees).

Clients are advised, that charging a fee based on a percentage of assets under management, may lead to a potential conflict of interest. Any advice that increases assets under our management will increase the management fee, and any advice that decreases assets under our management will decrease the management fee. We strive to maintain a high degree of objectivity and to ensure that our advice is not based on these considerations. However, the potential for conflict of interests exists, and clients must be aware of that fact as they consider our recommendations.

Other Fee Issues.

All fees and minimums may be modified or changed by Johnston Investment Counsel upon 30 days’ advance written notice to the client. All fees are negotiable. Factors involved in negotiating fees include our desire to serve clients in need of the assistance of Johnston Investment Counsel’s services who otherwise cannot afford our services, the size of the relationship, whether future additions will be made to accounts upon which advice is provided, the level and type of advisory services provided and likely to be provided in the future, the presence of greater than 70% allocation to fixed income investments in the overall investment portfolio of the client, the nature of the relationship between the advisor and the client, and whether the client is related to an employee or independent contractor of Johnston Investment Counsel. Generally, our principals and employees are not charged fees on either their accounts or those of immediate family members.

Comparable Services

Johnston Investment Counsel believes that the charges and fees offered within its program are competitive with alternative programs available through other firms offering a similar range of services. However, lower fees for comparable services may be available from other sources. A client could invest in mutual funds directly, without the services of Johnston Investment Counsel. In that case, the client would not receive the services provided by Johnston Investment Counsel which are designed, among other things, to assist the client in determining which investment styles and/or approaches to invest, which mutual fund or funds are most appropriate to each client's financial condition and objectives, and using a disciplined approach to portfolio rebalancing while taking into account possible tax ramifications of any transaction.

Cancellation and Termination of Advisory Agreements

Clients may cancel a new advisory agreement without penalty by providing written notice of such cancellation to Johnston Investment Counsel within five (5) business days of the date of signing the agreement. Thereafter, either party may terminate the agreement without penalty upon thirty days written notice to the other party.

Termination of an agreement will not affect: (a) the validity of any action previously taken by Johnston Investment Counsel under the agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the agreement; or (c) a client's obligation to pay advisor fees (prorated through the date of termination plus thirty days). Upon termination of the agreement, Johnston Investment Counsel will not possess any obligation to recommend or take any action with regard to the securities, cash, or other investments in a client's account.

Item 6: Performance-Based Fees and Side-by-Side Management

Johnston Investment Counsel does not accept performance-based fees, nor manage accounts which impose performance-based fees.

Item 7: Types of Clients

Johnston Investment Counsel provides comprehensive financial planning, investment consulting, and investment advisory services to select individual clients, as well as trusts, endowments, qualified retirement plan sponsors, and business entities.

Required Minimum Fees

The following table sets forth the minimum account and fee requirements (as applicable), all of which can be waived at Johnston Investment Counsel's discretion:

Service	Account Minimum	Minimum Annual Fee
Comprehensive Financial Planning (project-based)	N/A	N/A
Comprehensive Financial Planning (retainer-based)	N/A	\$2,500
Comprehensive Wealth Management	\$250,000	\$2,500
Comprehensive Portfolio Management	\$250,000	\$2,500
Enhanced Cash Management	\$250,000	\$1,500
Retirement Plan Services (Pension Consulting)	N/A	\$2,500
Institutional Consulting	N/A	\$2,500

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

Methods of Analysis and Investment Strategies

Johnston Investment Counsel provides the investment strategy and its implementation for all clients. Client portfolios, based on a number of factors (one of which is portfolio size), may use a combination of individual securities as well as pooled investment vehicles (such as mutual funds or exchange traded funds). Clients of Johnston Investment Counsel receive the benefit of Johnston Investment Counsel's investment philosophies and strategies, research and due diligence, account monitoring, and personal financial planning recommendations.

Expansive academic research, investment information, and certain proprietary analyses are drawn upon by Johnston Investment Counsel in order to provide innovative investment advisory services. Each of Johnston Investment Counsel's investment management clients agree to a written Investment Policy Statement, which sets forth a recommended asset allocation.

Specific no-load mutual funds, exchange traded funds and notes, individual securities and other investment products are used in client portfolios. Client portfolios are periodically monitored, and changes to investment portfolios are implemented when appropriate. Portfolio changes may occur for several reasons such as a change in investment strategy, a security reaching its target price, or the replacement of an investment holding.

In designing investment plans for clients, Johnston Investment Counsel relies upon the information supplied by the client and the client's other professional

advisors. Such information may pertain to the client's financial situation, estate planning, tax planning, risk management planning, short-term and long-term lifetime financial goals and objectives, investment time horizon, and perceived current tolerance for risk.

This information becomes the basis for the asset allocation plan that we believe will best meet the client's stated long-term personal financial goals. A client's asset allocation will consist of asset classes that Johnston Investment Counsel believes will possess attractive combinations of return, risk, and correlation over the long term.

Johnston Investment Counsel's investment advice is based upon investment strategies that incorporate the principles of Modern Portfolio Theory. The use of several different asset classes, investment styles, and individual securities as part of an investor's portfolio is emphasized, as this typically (but not always) has the effect of reducing portfolio volatility (i.e., the standard deviation of the portfolio returns) over long periods of time. A client's investment portfolio will be guided by the investment policy statement agreed to by the client.

Johnston Investment Counsel's investment approach is firmly rooted in the belief that markets are reasonably efficient (although not always rational) and that investors' gross returns are determined principally by asset allocation decisions.

Investment policy and overall portfolio weightings between equities, fixed income, and other investments are based upon each client's needs and desires, perceived risk tolerance and the need to assume various risks, and investment time horizon. Client portfolios may follow models designed by Johnston Investment Counsel to fit the overall weightings of various asset classes to a client's portfolio. For other clients, the investment portfolio does not use a model portfolio but is customized to meet the specific and individualized circumstances of the client. Examples of using more customized portfolios could include (but are not limited to) incorporating a 401(k) or other account and/or low-basis stock.

Sources of Information

Johnston Investment Counsel's security analysis is derived from a combination of commercially available information as well as several proprietary tools developed internally. Commercially available information includes software technology, securities rating services, general economic and market and financial information, due diligence reviews, financial newspapers and journals, academic white papers, periodicals, prospectuses, statements of additional information, and other issuer-prepared information. Advisors also attend various investment and financial planning conferences.

Types of Investments

Investment portfolios are developed based on the unique and specific circumstances of each client. Investments generally consist of passively managed (index) mutual funds, actively managed mutual funds, closed-end funds, exchange traded funds and notes, individual stocks and bonds, and options.

These investment vehicles may provide exposure to several different investment styles including domestic stocks (large, mid- and small-company), international stocks, (developed and emerging market), domestic bonds (investment grade, medium grade, and high yield “junk” bonds), international bonds (developed and emerging market bonds), real estate, commodities, and other alternative investment strategies.

Insurance products such as annuities and various types of life insurance products may also be evaluated. When appropriate, based on the circumstances and tax situation of the client, among other things, Johnston Investment Counsel may recommend the client invest in a low-cost, no-load (no commission) variable or fixed deferred or immediate annuity.

New clients’ existing investments are evaluated in light of the desired investment policy objectives. We work with new clients to develop a strategy to transition from a client’s existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by a client at the start of the advisory relationship.

Investing Involves Risk

Investing in securities involves a potential risk of loss that clients should be prepared to bear. Johnston Investment Counsel’s investment portfolios seek to limit risk through broad diversification in different asset classes and investment styles. While diversification can help reduce risk, there are times, even with a diversified portfolio, client portfolio values may decline and, at times, the decline may be dramatic.

For clients that are highly concerned about substantial declines in portfolio value, Johnston Investment Counsel may use options to reduce the possible portfolio decline to what the client views as a more acceptable level. An individual option position may be risky and could see a significant or total decline in value. Typically, several individual option positions are used to create an overall strategy that, in combination, should reduce downside risk. Johnston Investment Counsel seeks to use options in a conservative approach and in tandem with other investment strategies.

Johnston Investment Counsel’s stock strategies are usually appropriate for clients possessing an investment time horizon of a minimum of ten years, and preferably even longer. We believe that for most long-term market environments (10 years or more), that equities will outperform less risky investment alternatives (such as U.S. Treasury Bills) and that the value

investment approach will outperform the growth investment approach. However, there can be no assurance that these effects will occur over any given time period.

Even with a long-term time horizon, investing is inherently uncertain as to future returns. Because predicting the short-term direction of market movements is extremely difficult, Johnston Investment Counsel generally does not engage in market timing activities.

A client may accept stock market risk (including the risk of a general market decline) with the intention of meeting their longer-term financial goals and objectives. However, by accepting stock market risk, or any other risk, Johnston Investment Counsel cannot guarantee that the client's goals and objectives will be achieved.

Risks Associated with Specific Securities Utilized

Common Stocks

The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the issuer's ability to create shareholder value (e.g., increase the value of the company's stock price).

Preferred Stocks

Preferred stock dividends are generally fixed in advance. Unlike requirements to pay interest on certain types of debt securities, the company that issues preferred stock may not be required to pay a dividend and may stop paying the dividend at any time. Preferred stock may also be subject to mandatory redemption provisions, and an issuer may repurchase these securities at prices that are below the price at which they were purchased by the investor. Under these circumstances, a client account holding such preferred securities could lose money.

Fixed-Income Securities

Different forms of fixed-income instruments, such as bonds, money market funds, and certificates of deposit, may be affected by various forms of risk, including:

- *Interest Rate Risk.* The risk that the value of the fixed-income holding will decrease because of an increase in interest rates.
- *Liquidity Risk.* The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed-income securities are generally liquid (e.g., corporate bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells

at an efficient price. Conversely, when trading volume is high, there is also the risk of not being able to purchase a particular issue at the desired price.

- *Credit Risk.* The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments.
- *Reinvestment Risk.* With declining interest rates, investors may have to reinvest income or principal at a lower rate.
- *Duration Risk.* Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

Municipal Bonds

In addition to the risks set forth under “Fixed-Income Securities” above, municipal bonds are susceptible to events in the municipality that issued the bond or the security posted for the bond. These events may include economic or political policy changes, changes in law, tax base erosion, state constitutional limits on tax increases, budget deficits or other financial difficulties and changes in the credit rating assigned to municipal issues.

Exchange Traded Funds

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund. There is also the risk that a manager may deviate from the stated investment mandate or strategy of the ETF which could make the holdings less suitable for a client’s portfolio. ETFs may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. In addition, while many ETFs are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these ETFs or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of an ETF’s portfolio, may be considered “non-qualified” under certain tax code provisions.

Equity Funds

The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor’s shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value

by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, there is the risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund which could make the holdings less suitable for a client's portfolio. Also, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund. Mutual funds may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees.

Fixed-Income Funds

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also the same risks as set forth under "Fixed-Income Securities" listed above.

Index Funds

Index Funds have the potential to be affected by "tracking error risk" which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a "sample index" that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher "qualified dividend income" (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund's portfolio, may be considered "non-qualified" under certain tax code provisions.

Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

Real Estate Related Securities

Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation, possible lack of availability of mortgage funds, overbuilding, extending vacancies of properties, increases in competition, property taxes and operating expenses, changes in zoning laws, costs resulting from clean up of, and liability to third-

parties for damages resulting from, environmental problems, casualty and condemnation losses, uninsured damages from floods, earthquakes or other natural disasters, limitations on and variations in rents and changes in interest rates. Investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in real estate in general. REITs are dependent upon the skills of management, are not diversified and are subject to cash flow dependency, default by borrowers and self-liquidation.

Note that there may be other circumstances not described here that could adversely affect a client's investment and prevent their portfolio from reaching its objective.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events of their firm or certain management personnel which would be material to your evaluation of Johnston Investment Counsel or the integrity of Johnston Investment Counsel's management of your investment portfolio.

Johnston Investment Counsel has no disclosures to make pursuant to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Gregory A. Johnston or other management personnel of Johnston Investment Counsel do not have other financial industry activities and/or affiliations. Specifically:

Broker-Dealer or Representative Registration

Johnston Investment Counsel is not registered as a broker dealer and does not employ any registered representatives.

Futures or Commodity Registration

Johnston Investment Counsel does not have any future or commodities registration.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Johnston Investment Counsel does not have any ownership or other material relationships with outside firms.

Recommendation or Selection of Other Investment Advisers and Conflicts of Interest

While Johnston Investment Counsel may recommend the selection of outside investment advisors to clients, the only compensation Johnston Investment

Counsel receives is from its clients. Johnston Investment Counsel receives no economic benefit by recommending one investment advisory firm over another.

Item 11: Code of Ethics

Johnston Investment Counsel seeks to avoid material conflicts of interest. Johnston Investment Counsel's investment adviser representatives or its team members do not receive any third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies.

However, some additional services and non-direct monetary or other forms of compensation are offered and provided to Johnston Investment Counsel as a result of its relationships with custodian(s) and/or providers of mutual fund products. For example, Johnston Investment Counsel's investment advisors and employees may be invited to attend educational conferences and/or entertainment events sponsored by custodians and/or mutual fund companies. Other services may be provided as outlined below. Johnston Investment Counsel believes that the services and benefits provided by custodians and mutual fund providers do not materially affect the investment management recommendations made to clients of Johnston Investment Counsel. However, in the interest of full disclosure of any potential conflicts of interest, we disclose the possible conflicts.

Johnston Investment Counsel believes its business methodologies, ethics, rules, and adopted policies are appropriate to eliminate or minimize potential material conflicts of interest and to manage any material conflicts of interest that may remain. Clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest.

Our Code of Ethics

Johnston Investment Counsel has adopted a Code of Ethics, to which all investment advisor representatives and employees are bound to adhere. The key component of our Code of Ethics states:

Johnston Investment Counsel's investment advisor representatives and employees shall always:

- Act with integrity, competence, dignity and in an ethical manner when dealing with the public, clients, prospects, employers, and employees.
- Practice and encourage others to practice in a professional and ethical manner.
- Strive to maintain and improve our competence and the competence of others in the profession, and
- Use reasonable care and exercise independent professional judgment.

The Code of Ethics express the firm's commitment to ethical conduct and is used to guide the personal conduct of our various team members. The Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth our practices of supervising the personal securities transactions of employees with prior or concurrent access to client trade information.

Johnston Investment Counsel will provide a complete copy of its Code of Ethics to any client or prospective client upon written request.

Participation or Interest in Client Transactions and Personal Trading

Johnston Investment Counsel does not currently participate in securities in which it has a material financial interest. Johnston Investment Counsel and its related persons, as a matter of policy, do not recommend to clients, or buy or sell for client accounts, securities in which the firm or its related persons have a material financial interest.

Johnston Investment Counsel's Standards of Professional Conduct provides that individuals associated with our firm may buy or sell securities for their personal accounts identical or different than those recommended to clients. However, it is the expressed policy of our firm that no person employed by the firm shall prefer his or her own interest to that of an advisory client.

The Standards of Professional Conduct includes our policy prohibiting the use of material non-public information and protecting the confidentiality of client information. We require that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

Item 12: Brokerage Practices

A. Broker Selection

Best Execution

Best execution has been defined by the SEC as the "execution of securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances." The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer's services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including

among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Johnston Investment Counsel will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Broker Analysis

Johnston Investment Counsel evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer's trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving Johnston Investment Counsel.

Johnston Investment Counsel's President and Chief Compliance Officer is responsible for continuously monitoring and evaluation the performance and execution capabilities of brokers that transact orders for our client accounts to ensure consistent quality executions. In addition, Johnston Investment Counsel periodically reviews its transaction costs in light of current market circumstances and other relevant information.

Research/Soft Dollar Benefits

Johnston Investment Counsel uses Charles Schwab & Co.'s, Schwab Institutional (Schwab Institutional) service. There is no direct link between Johnston Investment Counsel's use of Schwab Institutional and the investment advice it gives to its clients, although Johnston Investment Counsel receives economic benefits through its participation in the program that are typically not available to Schwab Institutional retail investors.

As a user of Schwab Institutional, Schwab makes available to Johnston Investment Counsel other products and services that benefit Johnston Investment Counsel, but may not directly benefit its clients' accounts. Some of these other products and services assist Johnston Investment Counsel in managing and administering clients' accounts, including:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk serving Schwab Institutional participants exclusively;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;
- Ability to have investment advisory fees deducted directly from client account;
- Access to an electronic communication network for client order entry and account information;
- Receipt of compliance publications; and

- Access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

Schwab Institutional also makes available to Johnston Investment Counsel other services intended to help Johnston Investment Counsel manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab Institutional may make available, arrange and/or pay for these types of services rendered to Johnston Investment Counsel by independent third parties. Additional benefits received because of Johnston Investment Counsel's use of Schwab Institutional may depend upon the amount of transactions directed to, or amount of assets custodied by, Charles Schwab & Co., Inc. Johnston Investment Counsel is required to maintain a minimum level of client assets with Schwab Institutional to avoid a quarterly service fee.

While as a fiduciary Johnston Investment Counsel endeavors to act in its clients' best interests, Johnston Investment Counsel's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Johnston Investment Counsel of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage provided by Schwab which may create a conflict of interest. It may also create an incentive for Johnston Investment Counsel to recommend Schwab based on Johnston Investment Counsel's interests rather than its clients.

Directed Brokerage

Johnston Investment Counsel Directed Brokerage

Except for when Johnston Investment Counsel is required to use fixed-income brokers and/or dealers, Johnston Investment Counsel does not have the authority to determine the broker-dealer to be used. As stated above, clients in need of brokerage will have Charles Schwab & Co., Inc. Institutional Services Group ("Schwab") recommended to them. While there is no direct linkage between the investment advice given and usage of Schwab, economic benefits are received which would not be received if Johnston Investment Counsel did not give investment advice to clients (please see additional disclosures in the "Research/Soft Dollars Benefits" section directly above). Johnston Investment Counsel does not participate in any transaction fees or commissions paid to the broker dealer or custodian and does not receive any fees or commissions for the opening or maintenance of client accounts at recommended brokers.

Not all investment advisers require their clients to direct brokerage. Johnston Investment Counsel is required to disclose that by directing brokerage, Johnston Investment Counsel may not be able to achieve most favorable execution of client transactions, and this practice may cost clients more money.

Client Directed Brokerage

Certain clients may direct Johnston Investment Counsel to use particular brokers for executing transactions in their accounts. With regard to client directed brokerage, Johnston Investment Counsel is required to disclose that Johnston Investment Counsel may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates Johnston Investment Counsel might pay for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money. Johnston Investment Counsel reserves the right to decline acceptance of any client account that directs the use of a broker dealer if Johnston Investment Counsel believes that the broker dealer would adversely affect Johnston Investment Counsel's fiduciary duty to the client and/or ability to effectively service the client portfolio.

As a general rule, Johnston Investment Counsel encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services provided by the broker to the client in exchange for the directed brokerage designation.

B. Trade Aggregation/Allocation

Wealth Management Services

It is the objective of Johnston Investment Counsel to provide a means of allocating trading and investment opportunities between advisory clients on a fair and equitable basis and in compliance with all applicable state and federal guidelines. With respect to clients' accounts with substantially similar investment objectives and policies, Johnston Investment Counsel may often seek to purchase or sell a particular security in each account. Johnston Investment Counsel will aggregate orders only when such aggregation is consistent with Johnston Investment Counsel's duty to seek best execution and is consistent with the investment objective of each client. No client account will be unfairly favored over any other account. Each client that participates in an aggregated order will participate based on the average execution price in that particular security. All transaction costs will be allocated pro rata based on each client's participation in the transaction. All securities purchased or sold, whether the order is filled completely or partially, will then be allocated pro rata based on the assets of each account.

Financial Planning Services

Johnston Investment Counsel's Financial Planning Services practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance companies for the implementation of consulting

recommendations. Johnston Investment Counsel may recommend any one of several brokers. Johnston Investment Counsel's clients must independently evaluate these brokers before opening an account. The factors considered by Johnston Investment Counsel when making this recommendation are set forth above. Johnston Investment Counsel's financial planning and consulting clients may use any broker or dealer of their choice.

Item 13: Review of Accounts

Client assets held under advisement with Johnston Investment Counsel are generally reviewed by advisors on a monthly basis but no less frequently than quarterly and/or after a substantial asset class decline.

Reviews are completed to determine if the values in an asset class have strayed beyond their target minimums or maximums, and for purposes of meeting a client's cash flow needs. Even if one or more asset classes fall outside their target minimums or maximums, the advisor may determine not to rebalance the asset class for various reasons, such as avoidance of short-term capital gains, deferring long-term capital gains realization, minimization of transaction costs, or our view on whether the asset class is undervalued or overvalued relative to historic norms and our view of the level of the macroeconomic risks to which the asset class may be exposed.

Portfolio Reports Provided to Clients

On a periodic basis, Johnston Investment Counsel provides a consolidated report of a client's investment portfolio, including information on portfolio allocation, holdings, transactions, and performance.

Depending on client wishes, Johnston Investment Counsel's performance report may include investment accounts in which we do not provide advice and/or for assets that are not held at Charles Schwab & Co ("Schwab").

Clients have access to online account information from Schwab's secure website. Clients are required to provide a unique username and password to gain access.

While we are hopeful that the information supplied by custodians and data aggregation services is reliable, we cannot guarantee its accuracy.

On a monthly or quarterly basis, account statements are sent to the client directly from the corresponding brokers, banks, mutual funds, partnership sponsors, and/or insurance companies which hold the client's investments. These account statements reflect client assets in the custodian's custody, together with confirmations of each transaction executed in the account(s). For some custodians, the client may elect to receive these statements by e-mail rather than U.S. mail.

We encourage clients to frequently review their accounts statements received from custodians and compare them to the holdings listed in Johnston Investment Counsel performance reports.

Item 14: Client Referrals and Other Compensation

Economic Benefits

In the following situations, with prior client approval, Johnston Investment Counsel may refer clients to other professionals:

- Referrals to a CPA for preparation of the client's tax return and/or projections. Client's CPA/tax preparer will provide these services directly to the client. If necessary, Johnston Investment Counsel will provide the CPA/tax preparer information necessary to complete the return and/or projection.
- Referrals to attorneys for legal advice and/or preparation of any recommended estate planning documents.
- Referrals to insurance agent(s) to obtain the recommended type(s) of insurance.

Johnston Investment Counsel does not accept compensation from any person for client referrals. Johnston Investment Counsels only source of revenue is from its client-based fees. Johnston Investment Counsel does participate in the Charles Schwab & Co. ("Schwab") institutional advisor program. JIC may receive economic benefits through its participation in the program that are typically not available to Schwab's retail investors. Please see Item 12: "Brokerage Practices" for a full description.

Advisory Firm Payments for Client Referrals

Johnston Investment Counsel is a member of several organizations that, among other things, provide its members contact information of individuals and/or institutions that have asked to be contacted by an investment advisor. In addition, Johnston Investment Counsel, may, from time to time, enter into an arrangement with an individual or firm whereby Johnston Investment Counsel may directly or indirectly compensate such individual or firm for client referrals. Such arrangements are structured in full compliance of all applicable federal and state laws including written disclosure to the client. Johnston Investment Counsel's fees will not be higher as a result of the finder's fee paid by Johnston Investment Counsel to the finder.

Item 15: Custody

We do not accept custody of our clients' securities. In other words, we are not granted access to our clients' account(s) that would enable us to withdraw or transfer or move funds or cash from any client account to our accounts or the account of any third party (other than for purposes of fee deductions, as explained below). This is for the safety of our clients' assets.

With a client's consent, Johnston Investment Counsel may be given authority to deduct its fees from a client's account(s). Doing so is generally more efficient to both the client and the investment adviser, and there may be tax benefits to the client.

All of our clients receive account statements directly sent from qualified custodians, such as a bank or broker-dealer that maintains those assets. Clients should carefully review these custodial account statements and compare them to the quarterly or other reports provided by Johnston Investment Counsel.

Item 16: Investment Discretion

With client consent, Johnston Investment Counsel will accept limited forms of discretion over clients' accounts. A client's grant of discretion is provided in Johnston Investment Counsel's Investment Advisory Agreement and by the custodian's limited power of attorney that is contained in the account establishment forms, both of which are signed by the client. Nearly all discretionary investment management clients appoint Johnston Investment Counsel as the client's agent and attorney-in-fact with respect to undertaking trades in client accounts. Johnston Investment Counsel's ability to enter trades electronically for clients often provides reduced transaction fees and other benefits to the client.

Clients may choose not to provide Johnston Investment Counsel with discretionary authority. This decision may govern the entire relationship and/or an individual account. In certain cases, a client may have an individual holding they do not want to sell. The client may choose to transfer this holding to a separate non-discretionary account or keep it within a discretionary account. Johnston Investment Counsel will accept client instructions not to transact on a particular holding even if that holding is held in a discretionary account.

Item 17: Voting Client Securities

Johnston Investment Counsel will accept authority to vote proxies on behalf of clients. Upon signing a form provided by the custodian, the client can transfer the proxy voting responsibility to Johnston Investment Counsel. Johnston Investment Counsel considers proxies as an account asset and votes in the best economic interests of its clients.

If a client chooses and has the proper authority over the account (such as a named fiduciary on a 401k plan), they can direct Johnston Investment Counsel to vote proxies in a certain manner by providing written notification. If Johnston Investment Counsel does not believe the client's direction is in the best economic interest of the account, Johnston Investment Counsel will provide written documentation stating its reasons to the client. After disclosure and discussion, Johnston Investment Counsel will vote the proxy based on client's instructions.

By written request, Johnston Investment Counsel will provide information on how it voted securities in a client's account.

Johnston Investment Counsel will provide its proxy voting policies and procedures to clients upon receiving a written request.

Item 18: Financial Information

Johnston Investment Counsel does not require the prepayment of more than \$500 in fees per client, six months or more in advance.

Johnston Investment Counsel accepts limited forms of discretion over clients' accounts, as described in Item 16 of this Brochure. Since it will accept discretion over clients' accounts, Johnston Investment Counsel is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Johnston Investment Counsel currently possesses no such financial condition. Johnston Investment Counsel has never been the subject of a bankruptcy proceeding.

Form ADV Part 2B: Brochure Supplement

This brochure supplement is dated June 30, 2026 and provides information about Gregory A. Johnston that supplements the Johnston Investment Counsel Firm Brochure. You should have received a copy of Johnston Investment Counsel's brochure. Please contact Gregory A. Johnston at 309.674.3330 if you did not receive Johnston Investment Counsel's brochure or if you have any questions about the contents of this supplement.

Additional information about Gregory A. Johnston is available on the SEC's website at www.adviserinfo.sec.gov.



**Gregory A. Johnston, CFA, CFP,
CPWA, QPFC**

President & Chief Investment Officer
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Phone: 309.674.3330

Item 2 - Education Background and Business Experience

Gregory Johnston, the President and sole investment adviser representative of Johnston Investment Counsel, Ltd. ("Johnston Investment Counsel") is an experienced investment professional with a broad range of knowledge within the securities industry. It has always been Johnston Investment Counsel's policy that any advisory persons associated with Johnston Investment Counsel must possess, minimally, a degree from an accredited college and meaningful professional experience.

Educational Background and Business Experience

Mr. Johnston was born in 1963. He graduated with a B.A. in Finance and Economics from the University of Illinois at Urbana-Champaign in 1985. He earned an M.B.A. from DePaul University in 1990. He earned the Chartered Financial Analyst (CFA) designation in 1992, the Certified Financial Planner (CFP) designation in 2006, the Qualified Plan Financial Consultant (QPFC) designation in 2007, and the Certified Private Wealth Advisor (CPWA) designation in 2015.

Mr. Johnston has been the President and Chief Investment Officer of Johnston Investment Counsel since 1997. Mr. Johnston began his investment career in 1987 having previously worked for Stratford Advisory Group, and Mercer Investment Consulting.

Description Of Professional Designations

Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) designation is an international professional designation offered by the CFA Institute to financial analysts who complete a series of three examinations. It is a graduate-level self-study program that combines a broad curriculum with professional conduct requirements. To become a CFA Charterholder candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

The curriculum includes these topic areas: Ethical and Professional Standards, Quantitative Methods, Economics, Financial Reporting and Analysis, Corporate Finance, Analysis of Investments, and Portfolio Management and Analysis. Passing the Level I exam demonstrates competency in tools and concepts that apply to investment valuation and portfolio management, basic concepts regarding investable assets and markets, and the CFA Institute Code of Ethics and Standards of Professional Conduct.

Passing the Level II exam demonstrates competency in asset valuation, application of tools and concepts of investment valuation, industry and company

analysis, and the CFA Institute Code of Ethics and Standards of Professional Conduct.

Passing the Level III exam demonstrates competency in management of institutional and individual portfolios, management of specific asset class portfolios, and the CFA Institute Code of Ethics and Standards of Professional Conduct.

Successful candidates report they spend an average of about 300 hours preparing for each exam level.

Certified Financial Planner (CFP)

The CFP® certification is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Education: Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

Examination: Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

Experience: Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

Ethics: Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

Individuals who become certified must complete 30 hours of continuing education hours training every two years.

Certified Private Wealth Advisor (CPWA)

The CPWA designation signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for the professional designation, which is centered on private wealth management topics and strategies for high-net-worth clients.

Prerequisites for the CPWA designation are: a Bachelor's degree from an accredited college or university or one of the following designations or licenses: CIMA®, CIMC®, CFA®, CFP®, ChFC®, or CPA license; have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements and five years of experience in financial services or delivering services to high-net-worth clients.

CPWA designees have completed a rigorous educational process that includes self-study requirements, an in-class education component, and successful completion of a comprehensive examination. CPWA designees are required to adhere to IMCA's Code of Professional Responsibility and Rules and Guidelines for Use of the Marks.

CPWA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designation is administered through Investment Management Consultants Association (IMCA).

Qualified Plan Financial Consultant (QPFC)

The QPFC designation certifies that the recipient has knowledge of retirement planning concepts, terminology, distinctive features of qualified plans and the role of retirement plan professionals. The QPFC designation is not an entry-level credential. QPFC designees are expected to demonstrate a general proficiency of plan administration, compliance, investment, fiduciary and ethics issues.

To earn the designation a candidate must pass four examinations: Retirement Plan Fundamentals Parts 1 and 2 and Plan Financial Consulting Part 1 and 2. In addition to the examinations, a candidate must have two letters of reference demonstrating years of related retirement plan experience.

All credentialed members must acquire 40 hours of continuing professional education credits (two of these must be in ethics) in a two-year cycle. The designation is administered by the American Association of Pension Professionals and Actuaries (ASPPA).

Item 3 - Disciplinary Information

Gregory A. Johnston possesses no disciplinary history required to be disclosed.

Item 4 - Other Business Activities

Mr. Johnston is a member of many industry related groups including the CFA Institute, CFA Society of Chicago, American Society of Pension Professionals,

FI360, National Association of Personal Financial Advisors (NAPFA), the Investments and Wealth Institute (formerly the Investment Management Consultants Association), and American Institute of Certified Public Accountants.

Item 5 - Additional Compensation

Mr. Johnston receives no other compensation except from his clients.

Item 6 – Supervision

As sole owner and President of Johnston Investment Counsel, Mr. Johnston is responsible for his own supervision. Mr. Johnston is subject to Johnston Investment Counsel's compliance program policies and procedures, including Johnston Investment Counsel's Code of Ethics