

March 14, 2023

Introduction

WaterStone Investment Counsel, LLC. (“WaterStone”), is an investment advisor registered with the Securities and Exchange Commission. We feel it is important for you to understand how advisory and brokerage services and fees differ in order to determine which type of account is right for you. There are free and simple tools available to research firms and financial professionals at investor.gov/crs which also provides educational materials about investment advisors, broker-dealers and investing.

What investment services and advice can you provide me?

As an SEC registered investment advisor, WaterStone offers its investment advisory services to retail investors for an ongoing asset-based fee based on the value of cash and investments in your account. Our advisory services include Financial Planning, Investment Management, Estate Planning, and Tax Planning services. If you open an account with our firm, we will meet with you to understand your current financial situation, existing resources, goals, and risk tolerance. Based on what we learn, we will recommend a portfolio of investments that is monitored on an ongoing basis, and if necessary, rebalanced to meet your changing needs, stated goals, and objectives.

Our accounts are managed on a discretionary basis which means we do not need to call you when buying or selling in your account. You will sign an investment management agreement giving us this authority. This agreement will remain in place until you or we terminate the relationship. WaterStone also has a limited number of non-discretionary accounts where the client makes the ultimate decision regarding the purchase or sale of investments. Additional information about our advisory services is located on page 1 of our [Firm Brochure](#).

Questions to ask us:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do those qualifications mean?

What fees will I pay?

Fees and costs affect the value of your account over time. Please ask your advisor to give you personalized information on the fees and costs that you will pay. You will be charged an ongoing fee that is calculated quarterly based on the value of the investments in your account on the last business day of each calendar quarter (March, June, September, and December). Our fee schedule ranges from 0.50% to 1.25% per year depending on the value of the investments in your account. Our fees vary and are negotiable.

Our incentive is to increase the value of your account over time which will increase our fees over time. The quarterly fees will be automatically deducted from your account. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

The custodian, such as Fidelity Investments or Charles Schwab & Co., that holds your assets can charge you a transaction fee when we buy or sell an investment for you. The custodian’s transaction fees are in addition to our advisory fee for our investment advisory services. You could also pay charges imposed by the custodian holding your accounts for certain investments and maintaining your account. Some investments, such as mutual funds and exchange traded funds, charge additional fees that will reduce the value of your investments over time.

Additional information about our fees is located on pages 2-3, under Fees and Compensation, of our [Firm Brochure](#).

Questions to Ask Us:

- Help me understand how these fees and costs will affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment advisor, we have a fiduciary duty to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. Conflicts may arise when financial professionals recommend insurance to clients where the financial professionals have an insurance license. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Additional information about our conflicts of interest can be found on pages 5-6 of our [Firm Brochure](#).

The firm's revenue is derived from the advisory fees we collect from your accounts each quarter. Neither WaterStone nor any of its employees receives compensation for the sale of securities to our clients. WaterStone receives no compensation from any mutual fund manager or other third-party for the investments that it selects for client accounts.

Questions to ask us:

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Our financial professionals are compensated based on the revenue the firm earns from the financial professional's advisory services, the amount of client assets they service, and overall service to clients of the firm.

Do you or your financial professionals have legal or disciplinary history?

Yes. Visit investor.gov/crs for a free and simple search tool to research our firm and our financial professionals.

Questions to ask us:

- As a financial professional, do you have any disciplinary history?
- For what type of conduct?

Additional information

You can find additional information about our firm's investment advisory services on the SEC's website at adviserinfo.sec.gov by clicking on the FIRM tab and then searching WaterStone Investment Counsel. If you would like additional, up-to-date information or a copy of this disclosure, please call (513) 573-0440.

Questions to ask us:

- Who is my primary contact person?
- Is he or she a representative of an investment advisor or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?