

Introduction

SFE Investment Counsel Inc. (SFE), is an investment advisor registered with the Securities and Exchange Commission. We feel this 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 www.investor.gov/CRS which also provides educational materials about investment advisers, broker-dealers and investing.

What types of investment services and advice can you provide me?

As an SEC registered investment adviser, SFE 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 Wealth Management, financial planning, consultations on wealth transfer, estate planning, income taxes, retirement planning, education funding and charitable gifting. If you open an account with our firm, we'll meet with you to understand your current financial situation, existing resources, goals, and risk tolerance. Based on what we learn, we'll recommend a portfolio of investments that is regularly monitored (every six weeks), and if necessary, rebalanced to meet your changing needs, stated goals and objectives.

Our accounts are managed on a discretionary basis which means we don't 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. Additional information about our advisory services is located in Item 4 of our Firm Brochure which is available online at www.sfeic.com.

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 and costs will I pay?

Fees and costs affect the value of your account over time. Please ask your adviser to give you personalized information on the fees and costs that you will pay. You will be charged an ongoing fixed fee that is calculated annually and then collected on a quarterly basis based on the value of the investments in your account. Our fee schedule ranges from 1.00% to 2.00% 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.

The broker-dealer (custodian) that holds your assets can charge you a transaction fee when we buy or sell an investment for you. The broker-dealer's transaction fees are in addition to our advisory fee for our investment advisory service.

You could also pay charges imposed by the broker-dealer 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. 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.

Additional information about our fees is located in Item 5 of our Firm Brochure. Our Firm Brochure is available online at www.sfeic.com.

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?
- How do you determine what fee I will be charged?

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

When we act as your investment adviser, we have a fiduciary duty to place the interest of our clients ahead of our own and the firm. Additional information about our conflicts of interest can be found in our Firm Brochure under Item 11 which is available online at www.sfeic.com.

The firm's revenue is from the advisory fees we collect from your accounts each quarter. Our financial professionals are employees of the firm and are paid a fixed monthly salary. They also receive on a quarterly basis a portion of the advisory fees that the firm collects from the accounts each adviser manages.

Questions to Ask Us:

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

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

Yes, our firm and/or financial professionals have legal and disciplinary history. 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 www.adviserinfo.sec.gov by searching CRD #145530. You may also contact our firm at (213) 612-0220 and talk to any one of our investment professionals or support staff.

Questions to Ask Us:

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