

## FORM CRS DISCLOSURE FOR INVESTMENT ADVISERS

March 31, 2021

WILLIS INVESTMENT COUNSEL, INC.

GEORGIA

Willis Investment Counsel, Inc. (WIC) is not a brokerage firm. Investment Advisory Firms' (like WIC) fees often differ from brokerage firm fees and it is important to understand the differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS) which also provides educational materials about investment advisers, broker-dealers, and investing.

### **WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?**

WIC has been providing investment advisory services to investors, including individuals, since 1981. Our principal services include i) designing, managing, and on-going monitoring of investment portfolios using a combination of our proprietary strategies<sup>1</sup> which could include stocks, bonds, stock options, mutual funds, and cash, ii) assisting clients in developing their specific investment goals, objectives and needs, while considering their tolerance for possible investment losses and market volatility, and iii) providing other financial advice as necessary. The scope of our advisory services varies among clients depending on their goals, objectives, risk tolerance, and requirements.

WIC's average managed portfolio is roughly \$12 million which includes both individual and institutional portfolios. Our average individual client has approximately \$2 million invested. Our minimum account size varies based on facts and circumstances but generally exceeds \$250,000. For our limited partnerships, additional limitations exist<sup>2</sup>.

Discretionary accounts are those client accounts for which WIC generally has responsibility for investment decisions, including purchase and sale decisions on behalf of our clients. Non-discretionary accounts are those client accounts for which the ultimate decision-making power resides with the client, not WIC.

For more information about our investment advisory services, please refer to Items 4 and 7 of our Form ADV, Part 2A Brochure.

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 these qualifications mean?

### **WHAT FEES WILL I PAY?**

WIC's fee schedule for separately managed accounts is as follows: 1.0% on the first \$2 million and 0.50% on all assets over \$2 million. Our fees are charged either monthly or quarterly, in arrears, and are deducted from our clients' accounts. Other expenses could include custodian fees, account maintenance fees, wire and electronic fund processing fees, transaction fees, exchange fees, and fees associated with trading. WIC does not participate in these fees. WIC has no other fees, including but not limited to wrap fee programs or other fee arrangements. Investment management and advisory fees, which are calculated based on assets under management, are WIC's sole means of compensation. More assets equate to more fees, which can be considered an incentive for WIC to encourage clients to increase their assets in WIC-managed account(s). For WIC's limited partnerships in which WIC is the general partner, a different fee structure applies, which can be found in the fund prospectus and WIC's ADV Part 2A Brochure Item 5.

<sup>1</sup> WIC's proprietary strategies include our Fixed Income Strategy, Managed Volatility and Income Strategy, Core Equity Strategy, and Small Cap Value Strategy. WIC also acts as the investment adviser and is the General Partner to four limited partnerships (the WIC Value Fund, L.P., the Small Cap Value Fund, L.P., the Managed Volatility and Income Fund, L.P., and the Managed Volatility and Income Fund, QP, L.P.).

<sup>2</sup> See our Form ADV Part 2A Brochure items 5 and 10 for details on the limitations associated with our limited partnerships.

*You will pay fees and costs whether you make or lose money on your WIC investments. Fees and costs will reduce any amount of money you make on your WIC investments over time. Please make sure you understand what fees and costs you are paying.*

For more information about our fee structure, please refer to Item 5 of our Form ADV, Part 2A Brochure.

Help me understand how these fees and costs might 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 WIC acts as your investment adviser, we have 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. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

WIC recommends our proprietary strategies to our clients. The fees on these strategies are often higher than other investment vehicles such as exchange traded funds (ETF) and mutual funds. If one chose not to use WIC's advisory services, ETFs or mutual funds could be utilized which in most cases will cost less than WIC's advisory fee. In addition, WIC is paid an investment management fee from the four limited partnerships managed by WIC. We recommend these limited partnership investments for client portfolios when we believe the investment aligns with the client's investment goals. Depending on the value of the portfolio, investing in the limited partnerships could increase a client's fees. We do not receive monetary compensation from third parties for recommending or selling certain investments, revenue sharing arrangements, or principal trading. Occasionally, our trading partners and custodians give us access to proprietary research.

WIC has adopted a Code of Ethics with high standards of business conduct and a fiduciary duty to our clients. For more information about our legal obligations and conflicts of interest, please refer to our Form ADV, Part 2A Brochure.

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

***HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?***

Our financial professionals and employees are compensated primarily through salaries. In addition to their salary, they may also be compensated through bonuses or through profit sharing arrangements. Their compensation is not based on factors such as amount of client assets they service or time and complexity required to meet a client's needs. We sell no products and receive no commissions or incentive fees. Generally, the more client assets we manage, the more money we make.

***DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?***

No. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research WIC and our financial professionals.

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

For more information about WIC, you can review our Form ADV Part 2A Brochure here: <https://wicinvest.com/investments/our-performance/sec-registration-and-disclosures/>. You can also contact Kelli Wright, CCO, for a copy of our Form ADV Part 2A Brochure ([kwright@wicinvest.com](mailto:kwright@wicinvest.com), 770-718-0706).

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?