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FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of Kensington Investment Counsel, LLC. If you have any questions about the contents of this brochure, please contact us at (562) 983-6677. 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 Kensington Investment Counsel, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Kensington Investment Counsel, LLC is 108012.

Kensington Investment Counsel, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.



Item 2: Material Changes

This brochure updates the following material changes including:

- **Item 4-** Updated assets under management.



Kensington Investment Counsel
Form ADV Part 2A
Brochure

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Item 4: Advisory Business

Since its inception, Kensington Investment Counsel was structured as a general partnership. December 31, 2014, the general partnership was dissolved and a new entity, Kensington Investment Counsel, LLC was formed.

Kensington Investment Counsel, LLC's ("KIC") principal business is providing investment advisory services for individuals, trusts, corporations, corporate and public employee organizations. KIC does not engage in dealing in any securities. KIC was founded in 1994 by Richard G. Wimbish. Mr. Wimbish owns more than 25% of KIC. KIC has no subsidiaries or related entities.

These services consist of purchasing and selling securities held in the account and the structuring of portfolios with the objective of maximized performance on a discretionary basis or after approval by the client. Portfolio changes are based on investment objectives established with each client after considering economic, securities markets, industry and company factors for each account.

KIC manages each account individually based on the investment objectives established by KIC with the client. Any restrictions to a client account will be written on Schedule A of the KIC Investment Contract. KIC does not participate in a wrap fee program.

As of December 31, 2022, KIC manages \$174,278,513 on a discretionary basis. KIC does not manage non-discretionary assets and does not calculate "assets under management" and "client assets you manage" differently.

Item 5: Fees and Compensation

Clients compensate KIC based on the assets which KIC manages.

Equity, Balanced and Fixed Income fee schedule is as follows:

EQUITY AND BALANCED FIXED INCOME PORTFOLIOS

1.25% of the first \$1 million
1.00% of the next \$4 million
0.75% of the next \$10 million

Fees are negotiated for new Equity, Balanced and Fixed Income accounts above \$15 million. Minimum fees charged, minimum account size and fees charged for existing accounts may differ from the above rates. From time to time, certain accounts may be managed for lower fees. Fees are billed quarterly in arrears and are deducted directly from client accounts, unless other arrangements have been made.

Clients will pay all brokerage commissions and related fees to facilitate trades in each account. KIC does not accept other compensation from any source other than its clients.

Lower fees for comparable services may be available from other sources.



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

KIC does not charge performance-based fees.

Item 7: Types of Clients

KIC either provides, or has provided in the past, investment advice to individuals, personal trusts, personal retirement accounts, corporate trustees, corporate retirement accounts, pension plans and nonprofits. KIC does not have a minimum account size but will consult with prospective clients to make sure KIC's service makes sense for them.

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

KIC uses fundamental and technical analysis to manage its equity and fixed income portfolios. Fundamental analysis consists of analyzing the balance sheet, income and cash flow statements of companies; forecasting 3 to 5-year growth rates; and analyzing market position, management, and other qualitative factors. KIC uses technical analysis to analyze stock and market trends, including relative strength in the context of short-term price evaluation.

KIC manages equity and balanced accounts. Balanced accounts consist of equities and fixed income securities. KIC has four equity strategies: Large Cap Core, Persistent Dividend, Mid Cap, and Equity Income. Large Cap and Persistent Dividend portfolios consist of a diversified portfolio of common stocks of companies primarily over \$10 billion in market capitalization. Mid Cap portfolios consist of a diversified portfolio of common stocks of companies primarily between \$1 billion and \$20 billion in market capitalization. Equity Income portfolios consist of common stocks, mutual funds, bonds, preferred stocks, REITs and exchange traded funds, which generate cash flows to the investor. Investing in equity securities, fixed income securities, mutual funds, and exchange traded funds carries principal and income risk. Investors can lose principal in these investments and the investor should be prepared to bear losses.

Each relationship with a client begins with the establishment of a specific investment objective for the account. These objectives are for a minimum of three to five years. KIC will use its discretion to build a compliant portfolio. There is no attempt at market timing in the investment process, although many variables must be considered in portfolio construction: such as cost basis of securities deposited, tax ramifications of sales, orderly disposition of large holdings, and trading execution of thinly traded issues with a significant spread between the bid and ask price.

All portfolios with similar investment objectives are managed as closely alike as circumstances will allow. Conflicting circumstances include but are not limited to: tax consequences; timing of initial deposits as well as future deposits and/or withdrawals, income requirements whether from interest, dividends, or principal; age and health can also have a bearing on timing of sales and investments as well as the amount of cash and short-term investments held. All clients are reminded that securities markets are dynamic and unpredictable with prices changing moment to moment. This leaves room for the cost of securities to vary from portfolio to portfolio.

Large Cap Core

For the Large Cap Core strategy, the material risks involved center around a decline in market value



of the companies which we own for our clients. The decline in market value can be due to overall market conditions or individual company fundamental deterioration. This strategy does not incorporate high volume trading. Historically the average portfolio has less than 20% turnover. This minimizes taxes and trading costs.

Persistent Dividend

For the Persistent Dividend strategy, the material risks involved center around a decline in market value of the companies which we own for our clients. The decline in market value can be due to overall market conditions or individual company fundamental deterioration. This strategy does not incorporate high volume trading. Historically, the average portfolio has less than 20% turnover. This minimizes taxes and trading costs.

Mid Cap

For the Mid Cap strategy, the material risks involved center around a decline in market value of the companies which we own for our clients. The decline in market value can be due to overall market conditions or individual company fundamental deterioration. The individual securities in this strategy generally have more volatility than the components of the Large Cap Core strategy. Our strategy does not incorporate high volume trading. Historically, the average portfolio has approximately 15% turnover. This minimizes taxes and trading costs.

Income Equity

For the Income Equity strategy, the material risks involved differ from the other strategies. The equity investments have market value risks like the other strategies. The fixed income and preferred stock investments have interest rate risk and default risk. Interest rate risk includes a rise in interest rates which would decrease the market value of these investments. Default risk is the notion that the obligor can default on their obligations, which would cause our clients to become creditors of the obligor and result in principal loss. This strategy also carries risk that the dividends of certain companies or funds could be cut, reducing the cash distributions available to the client on a periodic basis. Historically, the average portfolio has less than 20% turnover. This minimizes taxes and trading costs.

Balanced

Balanced accounts contain one of the above equity strategies along with fixed income investments and/or a significant cash position. The risks involved are discussed above for each equity strategy. Fixed income investments carry interest rate and default risk.

Item 9: Disciplinary Information

KIC is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. KIC does not have any required disclosures to this Item.

Item 10: Other Financial Industry Activities and Affiliations

KIC is required to disclose all relationships with affiliates which would affect its business or clients. KIC does not have any affiliates.



Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

With discretionary investment management/portfolio management comes the potential for conflicts of interest in the services provided at KIC, we have adopted a manual of Policies and Procedures which includes a Code of Ethics to eliminate or minimize these conflicts.

All supervisory personnel and employees of KIC must accept a broad range of responsibilities on behalf of all current and prospective clients. We are bound to act in a professional and ethical manner at all times using independence and objectivity to benefit our clients. KIC's Code of Ethics emphasizes that employees have a duty to place the interests of our clients first. KIC's Code of Ethics is available to any client or prospective client upon request.

KIC purchases securities for its clients whom it also purchases for its supervisory personnel and employees. KIC manages its supervisory personnel and employee accounts similarly, with respect to style and securities, to its client accounts. This reduces conflicts and aligns company and client interests. Personal trading policies and procedures are defined in the Policies and Procedures Manual. The company Chief Compliance Officer maintains current and accurate records of all transactions made by a supervisory person or employee. The documentation of trades is designed to prevent conflicts of interest.

KIC has in the past, and currently manages portfolios for its supervisory personnel and employees. Securities markets are changing constantly and as such trades for the above listed affiliated persons may be grouped (blocked) with similar trades to ensure that no advantage is received by affiliated persons. All clients are reminded that securities markets are dynamic and unpredictable with prices changing moment to moment. This leaves room for the cost of securities to vary from portfolio to portfolio.

At KIC every effort has been made through the adoption of applicable policies and procedures to eliminate or minimize the conflicts of interest which might arise as a result of providing "fully discretionary" investment management services.

Item 12: Brokerage Practices

KIC considers best execution to encompass the most favorable overall cost or proceeds that can be reasonably obtained for a transaction under current circumstances surrounding the trade. KIC generally determines the broker through whom securities transactions are to be affected. In selecting brokers for a portfolio transaction, KIC considers, without limitation, the overall direct net economic results to an account. KIC does not select or recommend broker-dealers in exchange for client referrals. When executing client transactions with unaffiliated broker-dealers, KIC allocates client transactions to such broker-dealers for execution, in its good faith judgment and in the best interest of the client, taking into consideration available prices and brokerage commission rates, as well as other relevant factors. Relevant factors include: 1) execution capabilities and research, 2) custodial and other services expected to enhance the general portfolio management capabilities of KIC, 3) the size of the transaction, 4) the difficulty of execution, 5) the operational facilities of the broker-dealer, 6) the risk in positioning a block of securities, 7) the quality of the overall brokerage and research services provided, 8) the value of an ongoing relationship with such broker-dealers, and 9) access to liquidity.

KIC may recommend that clients establish brokerage accounts with Charles Schwab & Co.



("Schwab"), to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the client. KIC is independently owned and operated and not affiliated with Schwab. Schwab provides KIC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Schwab does not generally charge separately for custody services but is compensated by account holders through commissions or other transaction related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab also makes available to KIC other products and services that benefit KIC but may not benefit its clients' accounts. These benefits may include national, regional or firm specific educational events, software and other technology, back-office training and support, recordkeeping and client reporting.

Aggregation and Allocation

As part of its effort to obtain best execution, KIC may aggregate orders, or "block trade," for several clients. Each client that participates in a block trade receives the average share price and, subject to individually negotiated commission and/or fee arrangements, a pro rata portion of the transaction cost. Because clients have different brokerage relationships, some client accounts may not be eligible to participate in block trades. When directed trades for selected accounts are placed through a brokerage firm other than that which is executing the block trade, those trades may trail the complete block-trading program. The prices of those securities may already have been impacted by the prior block trade, so that the cost or sales price of the securities in the directed account will not necessarily be the same as those executed as part of the block. Therefore, performance of the directed account may differ from that of the non-directed accounts.

Clients should be aware that some types of purchase or sale transactions cannot be included in aggregated orders. For instance, trades resulting from the opening and closing of accounts, from contributions or withdrawals from existing accounts, or accounts with highly particularized investment policies or restrictions. In such cases, clients may not receive as favorable executions as they might otherwise receive from aggregated orders.

In cases where a block trade is partially filled, KIC uses a pro rata method when allocating those shares to the client accounts from which the aggregated order was created. The pro rata methodology generally consists of a weighted allocation based on account size whereby each account will receive a portion of the order based on the account's current market value (measured on all assets under KIC's management) relative to other accounts participating in the transaction, subject to a minimum share amount.

Research and Other Soft Dollar Benefits

KIC must disclose if it participates in soft dollar arrangements. KIC does not participate in soft dollar arrangements with brokers.

Fixed-Income Practices

Fixed-income trade allocations are usually determined prior to the placement of a trade. However, in those circumstances where an order is only partially filled or when a security is acquired prior to determining the allocation, the trader allocates the trade in a manner that is fair and equitable to all affected accounts. Securities for fixed-income discretionary accounts are traded either through competitive bids/offers, by comparison of bids/offers, or through comparison of price level with levels seen in the market. In the case of broker directed trades, every effort is made to bring the trade



price in-line with the institutional market. When purchasing municipal bonds for discretionary accounts, comparisons are made between the bond being offered and bonds with similar characteristics trading in the market at the time. Comparisons are made based on credit name, structure (e.g., coupon, maturity, and call/put options), underlying credit rating, credit enhancement, municipal sector, etc. When selling municipal bonds for broker discretionary accounts, multiple bids are sought. In the case of broker directed trades, every effort is made to bring the trade price in line with the institutional market.

Error Correction

Although KIC takes all reasonable steps to avoid errors in our trading process, occasionally errors may occur. It is our policy that trade errors be identified and resolved promptly and resolved in a manner consistent with KIC's fiduciary duty to its clients. Consistent with this duty, the overriding goal in trade error resolution is to seek to place the client in the same position that the client would have been in had the error not occurred. There is no single method of calculating gains, losses or compensation due as a result of a trade error. The determination of which method is highly dependent on the facts and circumstances of an error. KIC will determine the most appropriate calculation methodology on a case-by-case basis in light of the specific facts and circumstances of each trade error.

Item 13: Review of Accounts

Client accounts are reviewed by Jeffrey Wimbish, Richard Wimbish and/or Jonathan Wimbish, CFA, all Members of KIC, no less than annually. Other factors that trigger a review may include changes in beneficiaries, employment status, income needs, or liquidity events. It is the policy of KIC to provide summary and detailed statements to clients on a monthly basis. The reports outline the classes of investments (equity, fixed income, mutual funds, etc.) along with the industry groups and individual holdings in each account. The statements are reconciled to the custodial statements on a monthly basis. Along with the client statements provided by KIC, management writes a letter to clients reminding them that if there are changes in their investment objectives to please contact KIC at their earliest convenience. Also, in the cover letter are broad investment themes which relate to the current economic environment.

Item 14: Client Referrals and Other Compensation

KIC is required to disclose any and all compensation by anyone but its own clients and compensation to anyone for client referrals. KIC is not compensated by anyone but its own clients. KIC does not compensate anyone for client referrals.

Item 15: Custody

KIC must disclose if it has custody of client assets as defined by the United States Securities and Exchange Commission. In accordance with state regulations KIC does not qualify as having custody of client assets.



Item 16: Investment Discretion

To begin the relationship with each client we have entered into a contract containing a limited power of attorney giving KIC full discretion to make changes in each portfolio in accordance with mutually agreed upon investment objectives and guidelines. This contract sets out the parameters of the relationship including fees for services and collection of those fees. KIC does not take custody of client assets; each client must choose and contract separately with a qualified custodian to hold and account for their assets as discussed in Item 12. The limited power of attorney contained in the service contract allows KIC to work with each custodian to construct and maintain portfolios in compliance with established objectives. The only withdrawals permitted by the contract are management fees collected in arrears after invoices have been sent to clients and their custodian. Verification of the transaction is confirmed by the custodian's statement sent directly to the client.

Item 17: Voting Client Securities

All KIC clients will have the option to vote their own proxies or select KIC to vote for them. If KIC is selected to vote the proxy, it shall be submitted electronically, and a record of the vote will be retained. Should a material conflict of interest arise, the conflicted party will report to the CCO, and then said party will remove themselves from any discussion relating to the conflict.. It is the policy of KIC, as is our fiduciary obligation, to vote all proxies as per the best interests of our clients as shareholders of each company, which includes voting against:

1. When corporate officers, former employees, or other affiliated persons will constitute a majority of the Board of Directors, KIC will withhold votes for all but two of the related directors.
2. When management recommends a vote against declassifying a segmented Board of Directors
3. When management recommends a vote against cumulative voting
4. When management recommends a vote for the maintenance or adoption of a "poison pill" clause in Corporate By-Laws.

While KIC will allow clients to direct voting in particular solicitations; the directive must be submitted in writing prior to the voting deadline. All voting records are maintained by KIC and may be accessed upon written request by any client.

Item 18: Financial Information

KIC does not require or solicit prepayment of more than \$500 in fees six months or more in advance. In addition, KIC is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. KIC has no disclosures pursuant to this item.