

**Form ADV Part 2 Brochure –**  
**Dated March 30, 2021**

**Goelzer Investment Management, Inc.**

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This Form ADV Part 2 (“Brochure”) provides information about the qualifications and business practices of Goelzer Investment Management, Inc. (“Goelzer”) If you have any questions about the contents of this Brochure, please contact us at (317) 264-2600. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any other state securities authority.

Additional information about Goelzer is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Goelzer is a registered investment adviser. However, please note that registration as an investment adviser does not imply any level of skill or training.

## ITEM 2 - Material Changes

The information contained in this section relates only to material changes that have occurred since the last annual update to this Brochure. The following are short summaries of the material changes that have occurred since our last update on March 26, 2020, with regard to our services or business operations. These changes may be material to some clients, but not others. We encourage you to read the full Brochure.

This Brochure reflects Goelzer's annual update of its assets under management and assets under advisement. We have also updated risks inherent in the advisory relationship and provided additional detail about Goelzer's advisory services.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year.

To obtain our firm brochure and brochure supplements (information regarding each of our financial advisors), our Code of Ethics, or our Privacy Policy, please visit our website at [www.Goelzerinc.com](http://www.Goelzerinc.com), e-mail us [JBush@Goelzerinc.com](mailto:JBush@Goelzerinc.com) or simply telephone us at (317) 264-2600.

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## ITEM 4 – Advisory Business

Goelzer Investment Management, Inc. (“Goelzer”) is an investment advisory firm registered with the SEC, whose Principal Officers include Gregory W. Goelzer, Chief Executive Officer, Brett D. McKamey, President, Chris Cotterill, Chief Operating Officer, J. Andrew Concannon, Chief Investment Officer, and Jeffrey A. Bush, General Counsel & Chief Compliance Officer. Goelzer is an employee-owned company, with controlling interest held by the Goelzer family.

Formed in 1969, Goelzer provides investment advisory services to private and institutional clients, which may include discretionary and non-discretionary Asset Management Services as well as Investment Advisory Services, including financial planning. In addition, in certain instances, the firm may provide Portfolio Monitoring & Consulting Services to clients that wish to have Goelzer monitor and report on investments held at a third-party asset manager, adviser, custodian, or trust company. These services are more fully described below, as well as in the advisory contract applicable to each account.

As of 12/31/2020, the firm advises on a total of \$ 2,111,463,357 in assets under management, \$ 66,471,476 in Non-Discretionary assets that it monitors, and \$ 153,736,789 in consulting assets for a total of \$ 2,331,671,622 in assets under advisement.

### Investment Advisory Services:

Goelzer provides investment advisory services to private clients, including high net worth individuals and institutional clients. The investment advisory service provides individualized investment advice to each client tailored to each client’s situation. Each portfolio is structured to conform to the client’s investment objectives and risk tolerances. This service is typically available to persons wishing to invest a minimum of \$1,000,000. The minimum investment amount, however, may be waived at the discretion of Goelzer. The investment objectives and risk tolerances may differ from client to client, and portfolios may differ among clients.

The investment advisory process begins with an in-depth interview conducted by the client’s personal investment adviser representative to establish each client’s unique profile as an investor. All pertinent subjects are covered, including but not limited to:

- Current and future financial assets and liabilities
- Ongoing income and periodic cash needs
- Investment goals and objectives, including time horizons
- Risk tolerance (emotions) and capacity (resources) assessment
- Tax considerations
- Unique needs and preferences

The Investor Profile serves as the basis for determining the allocation of the client’s investment funds among different asset classes such as equities, bonds, and alternative

investments. Goelzer's asset allocation recommendations are a reflection of the fundamental investment philosophy of diversification and risk management. These recommendations are made only after careful consideration of all factors arising from defining the client's Investor Profile.

The client's Investor Profile, together with the recommended investment strategy or strategies, are typically formalized in a written "Personal Investment Plan" or "Investment Policy Statement" prepared by Goelzer and accepted by the client. This document serves two main purposes:

- To confirm a common understanding of the client's relationship
- To provide a point of reference during future client meetings

Each client's Personal Investment Plan or Investment Policy Statement addresses specific aspects of the client's relationship with Goelzer. Included are:

- A clear statement of investment objectives
- Specification of return objective, risk tolerance, and time horizon
- Articulation of income and liquidity needs
- Definition of portfolio risk constraints as well as quality controls
- Identification of portfolio benchmarks
- Identification of any unique needs or preferences

The Personal Investment Plan is the starting point of our ongoing commitment, which also includes client meetings. Goelzer will meet with clients periodically to review their accounts, and this provides an opportunity to assess the client's progress toward the client's stated goals and to discuss any changes in their profile, including their financial circumstances and/or investment objectives. Subjects we will typically discuss include:

- Investment objectives, including any changes in circumstances that may affect those objectives – review and confirmation
- Current asset allocation
- Investment performance versus goals and benchmarks
- Security holdings, purchases, and sales
- Current economic and market trends
- Action items and points of interest

Our meetings additionally serve to further our continuing dialogue with regard to matters such as tax-related issues and any other financial questions or needs that may arise.

The above listed advisory services can be tailored to each client – as such, if any client requires any restrictions on any types of stocks or market segments, the client needs to inform their advisory representative of the restrictions in writing. If, for any reason, the firm is not able to meet the client restrictions, the firm will notify the client of that fact so that the client can determine whether Goelzer's services meet their requirements and needs.

### Financial Planning:

When appropriate for some individual clients, Goelzer provides financial planning services to help the client evaluate their current income, financial condition, and spending by using current known variables and the client's financial goals to assess potential future income, asset values, and withdrawal plans. Goelzer works with the client to understand and identify his or her current financial situation and specific goals. The adviser then analyzes the current course of action and potential alternative courses of action to develop an appropriate and mutually agreed upon financial plan. Goelzer's advisers will then present and discuss the plan in the manner most convenient to the client and implement it based on the client's feedback. Throughout the relationship, Goelzer's advisers will monitor the plan, updating it as necessary. As part of its financial planning services, Goelzer may provide clients advice on various subjects including: education savings, debt management, funding retirement plans, estate planning concepts, charitable giving, business exit strategies, and other relevant subjects.

### Institutional Advisory Services:

Goelzer also provides investment advisory services to institutional clients, including non-profits, foundations, retirement plans, and other corporate clients. Goelzer's investment advisory services can take multiple forms, including a fully outsourced CIO to limited consulting in a specific area. The client process is similar to that of private clients where Goelzer will meet with the client to develop the Investment Policy Statement that serves as a framework for the investment relationship. Goelzer will undertake extensive research into the objectives, goals, and spending needs of every client to better tailor its advisory services.

In these relationships, Goelzer may perform the following services: development of investment policy statements, conduct strategic asset allocation studies, investment manager due diligence, recommend portfolio structures, and provide periodic performance reports. Goelzer may provide additional services depending on the advisory contract.

### Discretionary and Non-Discretionary Asset Management Services:

Goelzer offers asset management services in which Goelzer is appointed as the investment adviser that has either discretionary or non-discretionary trading authorization. Investment advisory portfolios are generally managed with the use of investment research, security analysis and investment strategies, provided by Goelzer's portfolio managers and research analysts, as described in Item 8 of this Brochure. Because Goelzer tailors portfolios to the individual needs of each client, as determined by the nature and amount of other assets, investments, insurance and the nature and extent of personal and family obligations, Goelzer works to meet with each client on a periodic basis, and it is incumbent upon all clients to ensure that Goelzer has up to date information about other investments and assets, and to notify the firm of any changes in personal/financial situations or investment objectives. Similarly, Goelzer meets with each institutional client on a periodic basis to

ensure that the institution's Investment Policy Statement is current and that Goelzer is aware of all material changes in circumstances.

The client and the investment adviser representative will determine which investment strategy or strategies are appropriate to the client's needs. Investment Strategies include:

- Rising Dividends Equity Portfolio
- Core Value Equity Portfolio
- Core Growth Equity Portfolio
- Growth Equity Portfolio
- Environmental, Social and Governance Core Portfolio
- Small Cap Equity Portfolio
- United States Large Cap Equity Funds
- Small and Mid Cap Funds
- International Funds
- Intermediate Term Government Credit Fixed Income
- Intermediate Term Municipal Fixed Income
- Short Term Government Credit Fixed Income
- Non-traditional Investments – Equity and Fixed Income
- Sector Allocation Strategy
- Private Equity Funds
- Real Estate Equity Funds

Portfolio Monitoring & Consulting Services:

Goelzer may also provide non-discretionary Portfolio Monitoring & Consulting Services to clients. These services are provided for assets that are held at Fidelity and/or other Investment Advisory or Brokerage firms, but for which the client wants an outside adviser (Goelzer) to assess, assist, and advise on the work performed by such Investment Advisory or Brokerage firm, or by the client themselves. In these relationships, Goelzer may perform due diligence, provide periodic reports, and make recommendations to the client pursuant to the client's written investment objectives depending on the services agreed to the advisory contract.

Custodians:

Any fee-based advisory client has the ability to select any brokerage or custodian of their choice. However, Goelzer may decline to enter into an advisory agreement with a prospective client if the prospective client requires the use of a broker/dealer that, in the opinion of Goelzer, would not permit Goelzer to efficiently and effectively provide investment advice on the prospective client's account.

Unmanaged Assets:

From time to time, clients may ask Goelzer to include assets for which Goelzer does not provide ongoing management or advisory services ("unsupervised assets") in client reports. As Goelzer may include these unsupervised assets in its reports to clients, and may consider these unsupervised assets in making asset allocation decisions or

recommendations for clients, Goelzer may, but typically does not, include these unsupervised assets when determining the total assets under management upon which the client's fee is based.

However, Goelzer does not regularly research, review or otherwise evaluate a client's unsupervised assets. Clients requesting this service should recognize that Goelzer may be unaware of factors that could lead an unsupervised asset to rapidly decline in value and that Goelzer should not be expected to alert the client should such a decline be in progress. The client has the sole responsibility to monitor and request trades in unsupervised assets.

Sub-Adviser Relationships:

For a number of accounts, Goelzer serves as a sub-adviser to another investment adviser. Typically, these are institutional accounts where Goelzer has responded to a Request for Proposal. Additionally, for other clients, Goelzer either contracts with a sub-adviser to manage the account on behalf of Goelzer or recommends other advisers to the client to manage certain aspects of the account.

Co-Adviser Relationships:

For a specific number of clients, Goelzer contracts to work as a co-adviser with another registered investment adviser. With these clients, Goelzer provides the investment management services, and the other investment adviser provides investment advisory services.

G•PRO:

Goelzer markets itself specifically to professional athletes under the name G•PRO. G•PRO offers financial planning, investment advisory, and asset management services that are tailored to the needs and financial situations of professional athletes.

Other:

Goelzer may be engaged to recommend one or more investment advisers to the client. In that circumstance, Goelzer may recommend itself as an investment adviser, and Goelzer may earn an additional advisory fee for those relationships. This is an inherent conflict of interest because Goelzer has an incentive to select itself over other investment advisers in order to increase its fee. Goelzer discloses the potential of additional fees to affected clients prior to entering the relationship.



## ITEM 5 – Fees and Compensation

All clients are required to enter into a written advisory agreement prior to the establishment of an investment advisory relationship. Goelzer will not enter into an investment advisory relationship with any prospective client whose investment objectives may be considered incompatible with Goelzer's basic investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Goelzer offers its investment advisory services for continuous advice to advisory accounts based upon a percentage of assets under management, hourly charges, a fixed fee, or a combination of those forms of compensation (as outlined below). Investment advisory fees are divided into quarterly installments and are payable in advance of each quarter based on market values as of March 31, June 30, September 30, and December 31.

All employees are paid on a salary basis and do not receive transactional compensation or commissions. Employees may receive periodic bonuses based on performance as well as referral compensation for successfully referring and opening accounts with Goelzer.

### Discretionary and Non-Discretionary Asset Management Fees:

Goelzer charges management fees according to a standard fee schedule with standard fees ranging from .5% to 1.5% of assets under management and annual minimums ranging from \$3,000 to \$4,500. In addition, the client will incur costs, such as brokerage, custodial, and ancillary costs charged by their broker and/or custodian as well as transaction costs depending on their broker/dealer. For the client accounts that are invested in mutual funds and ETFs, the client also will bear any direct shareholder charges of the mutual fund and will indirectly bear internal mutual fund expenses.

All advisory fees are negotiable. As such, in certain cases, investment advisory fees may be modified based on a pre-existing or employee relationship, the nature of services to be provided, types of investments, portfolio makeup, size of the account, the complexity of the client's situation, and/or other competitive factors. Investment advisory fees and services to be provided are determined at the time of engagement. Fees will not be based upon a share of capital gains or capital appreciation of the funds of any portion of a client's account (known as "*performance fees*"). Goelzer reserves the right to modify fees with at least 30 days' advance written notice.

The fees associated with Goelzer's services may be higher or lower than at other financial institutions. Clients are encouraged to discuss any questions that may arise regarding services and fees throughout the course of our engagement. Additionally, clients are welcome to utilize a broker/dealer of their choice for execution of securities transactions.

### Portfolio Monitoring & Consulting Services:

Fees for Portfolio Monitoring and Consulting Services may be based upon a percentage of assets under management with a standard fee schedule beginning at 0.50% of the first \$1,000,000 of assets under advisement, hourly charges (\$150 - \$250), a fixed fee (\$500 -

\$6,000 per month), or a combination of those forms of compensation. Portfolio Monitoring & Consulting Services fees are divided into quarterly installments and are payable in advance of each quarter as of March 31, June 30, September 30, and December 31.

Financial Planning Fees:

Goelzer will charge a flat fee to clients who engage Goelzer to prepare a financial plan but who do not utilize any of Goelzer's other services. The fee is determined based on the scope of the financial plan, complexity of the client's financial situation, the length of the engagement, and other factors.

Additional Fee Information and Disclosures:

All advisory fees are negotiable between the firm and clients. Client may choose to have fees deducted directly from their accounts, or clients can choose to be billed directly. The choice of direct billing or automatic deduction of fees is made at the time of new account sign-up, as outlined in the Advisory Agreement or related account opening documentation. A client can choose at any time to change the method of fee deduction/billing for their account. If a client opens an account during a quarter, fees for that quarter are pro-rated to the end of that quarter. Note that the custodian does not verify advisory fees, therefore, clients are encouraged to direct any questions regarding fees to their client advisor representative at Goelzer directly and are advised to carefully review each statement received by the custodian firm to ensure accuracy.

The aforementioned advisory fees do not include fees paid to firms for transaction and brokerage fees which are paid to broker/dealers, fees paid to custodians, and/or service fees (if applicable on accounts). All fees paid to Goelzer for advisory services are separate from the fees and expenses charged to shareholders of mutual funds by the fund companies, or by the investment adviser managing the fund portfolios. A complete explanation of the fees and expenses charged by mutual funds is contained in each fund's prospectus. Investors are strongly encouraged to read any offering document or prospectus for additional information.

Goelzer employs both Chartered Financial Analysts® and Certified Financial Planners®. Goelzer and its employees provide services on a fee-only basis, and neither Goelzer nor any related parties receive sales-related compensation from any source.

Termination of Services:

Advisory Services are continuous and on-going in nature, but either party may terminate the Advisory Agreement with at least 90 days prior written notice to the other party's last known legal address. As fees are levied on a quarterly basis in advance, a pro-rata refund will be made to the client in the event of termination of the Investment Advisory Agreement prior to the end of a calendar quarter.

## ITEM 6 – Performance Based Fees and Side-By-Side Management

Goelzer does not charge any performance-based fees of any kind (those fees that are based upon a share of capital gains or capital appreciation of client assets).

Goelzer does manage client accounts that may pay different fees. This is a conflict of interest in that Goelzer has an incentive to favor accounts that pay higher fees. Goelzer has developed trade allocation policies designed to ensure that clients are treated equitably over time. Goelzer does not trade shares in its own principal accounts along with clients. Goelzer employees may trade individual securities in their personal accounts that are held in client accounts. If a portfolio manager decides to trade a security for a client and for the portfolio manager's own personal account the same day, it is Goelzer's policy that client trades must be completed prior to or along with execution of employee trades. If the employee trades along with clients, the employee's trade will be included in the average price calculation so that the employee will receive the same price as the clients. However, if a portfolio manager trades a security for a client, and another employee without knowing what the portfolio manager has decided to do, trades in the same security, then the employee may receive a better price than the client if that is the result of the trades.

## ITEM 7 – Types of Clients

Advisory services are generally provided to individuals, high net worth individuals, families, institutions, and institutional investors. These may include accounts for retirement plans, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, partnerships, or other business entities.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, ("*ERISA*"), the plan sponsor or investment committee is typically a named fiduciary with respect to the control or advice of the assets in the Account and Goelzer acknowledges that it is a fiduciary within the meaning of the Act. Goelzer requests that the client agrees to obtain and maintain a bond satisfying the requirements of Section 412 of ERISA and to include Goelzer, and Goelzer's principals, agents, and employees under those insured under that bond and will deliver to Goelzer a copy of the governing plan documents. If the account assets for which Goelzer provides services represent only a portion of the assets of an employee benefit plan, the client will remain responsible for determining an appropriate overall diversification policy for the assets of such plan. Goelzer will maintain appropriate bonding and insurance for the types of clients it has.

Goelzer typically requires a minimum investment account size of \$1,000,000. This minimum may be reduced at Goelzer's discretion.

## ITEM 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

Investing in securities of any kind involves risk of loss that clients must be prepared to bear.

Goelzer Investment Management's approach to security analysis is based primarily on fundamental analysis. Goelzer attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

In addition, Goelzer makes occasional but limited use of technical analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movements. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

The principal sources of information that Goelzer uses are: company prepared information (annual reports, proxy materials, prospectuses, press releases, etc.); SEC filings; management interviews and contacts; financial industry related press, newspapers, and magazines; and industry trade research from various sources, including FactSet, Bloomberg, Morningstar, and investment banking firms.

When providing investment advisory services, Goelzer analyzes information provided by the client and evaluates and identifies each individual client's goals, risk tolerances, and time horizon through an extensive due diligence process in an effort to determine an investment objective that is appropriate given the individual client's needs and circumstances. Therefore, the client's active participation in the review and analysis process is crucial. Investment strategies used to implement investment advice are generally long-term in nature, though certain investment strategies may include short-term purchases depending upon the individual needs and objectives of the client.

In a long-term strategy, Goelzer purchases securities with the idea of holding them in the client's account for a year or longer. Goelzer may do this because it believes the securities to be currently undervalued. Goelzer may do this because it wants exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, Goelzer may not take advantages of short-term gains that could be profitable to a client. Moreover, if Goelzer's projections are incorrect, a security may decline sharply in value before Goelzer makes the decision to sell.

In a short-term strategy, Goelzer purchases securities with the idea of selling them within a relatively short time (typically a year or less). Goelzer does this in an attempt to take advantage of conditions that it believes will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, Goelzer is left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Generally, the firm provides advice on the following types of securities: stocks, bonds, mutual funds and exchange traded funds (ETFs), liquid non-traditional assets, government and municipal securities, mortgage securities, corporate bonds, preferred stock, options contracts, and warrants. In limited instances, or at specific client request, Goelzer may also advise on limited partnerships, private placement offerings, or other alternative investments. Limited partnerships, private placement offerings, and alternative investments may involve higher degrees of risk than other investments (including potential liquidity risks).

Upon occasion, unique clients' investment goals and objectives may warrant the use of margin accounts and/or the use of equity options. Because the use of margin accounts and options entail increased risk, they are only recommended when consistent with client's stated risk tolerance and investment objectives.

#### Margin:

To facilitate mandatory distributions or other liquidity needs, Goelzer may advise clients to open a margin account. In a margin account, the securities will serve as collateral for the borrowed funds. A client may at his or her discretion, direct the opening of a margin account to facilitate the purchase additional securities without selling the holdings in the account.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in a client's account minus what the client owes the broker falls below a certain level, the broker will issue a "margin call", and the client will be required to sell the position in the security purchased on margin or add more cash to the account. In some circumstances, the client may lose more money than was originally invested.

Goelzer may recommend, where appropriate, that a client establish a margin account with the client's broker, even though a margin strategy is not being followed. In this situation, if Goelzer is selling one stock and purchasing another stock with the proceeds, Goelzer can use the margin account to make certain that the client is not left out of the purchase if Goelzer has difficulty completing the sale.

### Options:

Goelzer may, from time to time if circumstances warrant, use options as an investment strategy after discussion and mutual agreement with the client. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Goelzer may buy a call based on research indicating that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Goelzer may buy a put if research indicates that the price of the stock will fall before the option expires.

Goelzer may use options to speculate on the possibility of a sharp price swing. Goelzer may also use options to "hedge" a purchase of the underlying security; in other words, Goelzer may use an option purchase to limit the potential downside of a security purchased for a client's portfolio.

Goelzer may use "covered calls", in which Goelzer may sell an option on a security the client owns. In this strategy, the client receives proceeds for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if the client wants to sell the stock prior to the end of the option agreement, the client will have to buy the option back from the option holder, for a possible loss.

Goelzer may use a "spreading strategy", in which Goelzer purchases two or more option contracts (for example, a call option that Goelzer buys and a call option that Goelzer sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Global markets are interconnected, and events like hurricanes, floods, earthquakes, forest fires and similar natural disturbances, war, terrorism or threats of terrorism, civil disorder, public health crises, and similar “Act of God” events have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term and wide-spread effects on world economies and markets generally. Clients may have exposure to countries and markets impacted by such events, which could result in material losses.

## ITEM 9 – Disciplinary Information

Firms are required to report any legal or disciplinary events that are material to a client’s evaluation of our advisory business and the integrity of our management.

As a result of an examination in 2010, the SEC entered a Cease and Desist Order in July 2013 against Goelzer and Greg Goelzer for failure to comply with disclosure and compliance requirements, specifically issues relating to block trading, best execution, and fee negotiation, as well as supervision. After the exam the firm took immediate remedial action on its behalf, including hiring a national compliance consulting firm, hiring a full-time chief compliance officer, and revamping its policies and procedures. The SEC accepted Goelzer’s Offer of Settlement, and Goelzer consented to the entry of the Order by agreeing to pay a penalty of \$100,000, prejudgment interest of \$53,799, and disgorgement of commissions of \$309,994, as well as other remedial measures. Greg Goelzer agreed to a civil penalty of \$35,000.

## ITEM 10 – Other Financial Industry Activities and Affiliations

Neither the firm nor any individual associated with the firm is registered with any other investment adviser, brokerage firm, insurance agency or company, of any kind, and the firm does not permit any individual to maintain outside registrations of any kind (dual registrations) with any other registered firm.

Goelzer also compensates other advisory firms for client referrals to this firm under a Solicitation Fee Arrangement. This Brochure and the related Solicitation documents are provided to solicited clients prior to engaging this firm. This arrangement is more fully described in Item 14.

## ITEM 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

### Code of Ethics:

Goelzer Investment Management has adopted a Code of Ethics that obligates the firm and its related persons to put the interest of the firm's clients before their own interests, and to act honestly and fairly in all aspects of client servicing. Clients or prospective clients can always obtain a copy of the firm's Code of Ethics by contacting Mr. Jeffrey A. Bush, General Counsel & Chief Compliance Officer, at the address or phone number listed on the cover page of this Brochure. Goelzer has adopted the Asset Manager Code of Professional Conduct published by the Chartered Financial Analyst Institute.

### Participation or Interest in Client Transactions and Personal Trading:

Goelzer Investment Management and its related persons may invest in the same or similar types of securities, investment products, or market segments as clients are invested in. As such, at times the interests of Goelzer or related persons' accounts may coincide with, or conflict with, the interests of clients' accounts. Because of this, all employee trades are reviewed on a periodic basis to ensure that front-running and other potential conflicts can be prevented. In addition, the Code requires that all supervised personnel pre-clear all reportable personal securities transactions with the Chief Compliance Officer prior to order execution. Finally, the Code also requires that all outside brokerage accounts be approved by the Chief Compliance Officer prior to opening. The Code also requires covered transactions to be reported quarterly and to be reviewed by the Chief Compliance Officer. Annual holdings reports are also maintained and reviewed by the firm. Goelzer employees may trade in the same securities as clients on the same day. As a matter of policy, Goelzer employees should not receive a better price than clients for the same security on the same day. Some employees choose to aggregate their trades along with clients so that all receive the same average price. However, if an employee makes a trade in a security on the same day as another employee trades on behalf of a client in the same security without the knowledge of the first employee, then that employee may receive a better price.

Goelzer does not conduct 'principal' transactions, does not engage in cross-trades between advisory clients, and does not participate in agency cross transactions.

## ITEM 12 – Brokerage Practices

Typically, clients must direct Goelzer as to the broker/dealer to be used. In directing the use of a particular broker/dealer, clients should understand that Goelzer will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients.



Certain institutional clients may direct Goelzer to select broker/dealers. In these client relationships, Goelzer shall utilize factors included in the advisory agreement with the client. The firm considers the following factors before suggesting a particular brokerage firm to clients: the products offered, the level of service, the quality of trade execution, the record keeping and reporting capabilities, the trading platforms offered, and the ability to meet client needs. In assessing the reasonableness of their commissions, the firm compares various brokerage firm rates.

Each client must evaluate each broker/dealer carefully to determine if the broker/dealer selected provides the client with an optimal blend of cost, clearance and settlement, client service and responsiveness, and other services.

Fidelity Relationship:

If the client does not direct a broker/dealer, Goelzer recommends that clients use the brokerage services of Fidelity Institutional Wealth Services and participates in the institutional adviser program (the “Program”) offered by Fidelity Investments. Fidelity Institutional Wealth Services is a division of Fidelity Investments, member FINRA/SIPC/NFA (“Fidelity”), an unaffiliated SEC-registered broker-dealer and FINRA member. Goelzer generally recommends Fidelity to clients for brokerage and custody services. Goelzer receives some benefits from Fidelity through its participation in the Program. Goelzer receives economic benefits through its participation in the Program that are typically not available to Fidelity retail investors. These benefits include consulting services provided without cost or at a discount as well as monetary assistance in implementing recommendations due to those consulting services. These consulting services may benefit Goelzer but may not directly benefit its client accounts by assisting Goelzer in managing and administering client accounts, including accounts not maintained at Fidelity. The benefits received by Goelzer or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to Fidelity but instead are based on the amount of assets held by Goelzer clients at Fidelity. As part of its fiduciary duties to clients, Goelzer endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Goelzer or its related persons based on the assets held at Fidelity creates a conflict of interest and may indirectly influence Goelzer’s recommendation of Fidelity for custody and brokerage services. Clients who want to use “discount” or other brokerage firms that may charge lower commissions may direct Goelzer to do so.

Additionally, Fidelity receives benefits from its arrangement from Goelzer, including commissions and sundry fees such as wire transfer fees. Depending on the transaction, Fidelity may receive additional compensation from mutual funds held in Goelzer client accounts in the form of 12b-1 fees or other service fees for Goelzer’s purchase or recommendation of certain mutual funds. These mutual funds may or may not have transaction charges for clients, but clients should be aware that Fidelity may be compensated from the mutual fund families based on Goelzer’s discretionary purchase or non-discretionary recommendation of the mutual fund. Goelzer does not receive any

compensation from mutual fund families. Other broker/dealers that a client may utilize for clearing and custody services may receive similar fees as Fidelity.

Goelzer may also receive client referrals from Fidelity, and Clients should be aware that there may be a conflict of interest between Goelzer obtaining best execution and receiving future referrals from Fidelity.

Clients should note, while Goelzer has a reasonable belief that Fidelity is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers on a trade-by-trade basis.

#### Directed Brokerage:

Clients may direct Goelzer to utilize a certain broker/dealer, however, Goelzer reserves the right to refuse to work with any broker/dealer chosen by a client if the broker/dealer does not meet Goelzer's standards as described in Goelzer's Best Execution Policy. If a client directs Goelzer to use a specific broker/dealer, no attempt will generally be made to negotiate commissions on behalf of that client and therefore that client may pay materially disparate commissions depending on the compensation arrangement with that broker/dealer depending on the transaction. Goelzer may aggregate or batch transactions directly for clients who utilize Fidelity, averaging the price over the entire aggregated transaction, and therefore clients who have directed a different broker/dealer may not receive the same price. Similarly, as a result of the batched transactions, Goelzer may be able to negotiate a better commission with Fidelity, and clients who have directed another broker/dealer will not receive the negotiated commission, nor will they receive any negotiated volume discounts. In any transaction where a client has a directed a broker/dealer, Goelzer may not be obtaining best execution on behalf of that client.

#### Soft Dollars:

Our clients may pay a commission to Fidelity, or another broker, that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. Fidelity provides Goelzer with a portion of the commissions that it receives with the amount determined by the amount of assets that Goelzer clients have custodied at Fidelity. The commissions, or soft dollars, are utilized by Goelzer to purchase investment research to benefit clients. Not all research will benefit all clients as the research may be strategy specific.

Research services furnished by broker-dealers may be used in servicing any and all of Goelzer's clients and such research services may not necessarily be used by Goelzer in connection with the accounts that paid commissions to the brokerage dealer providing such services.

When Goelzer uses soft dollars it receives from Fidelity to obtain research or other products or services, Goelzer receives a benefit because it does not have to produce or pay for the research, products or services from its own resources. Accordingly, the use of soft dollars

presents a conflict of interest and Goelzer may be incented to recommend Fidelity or another broker-dealer because of soft dollar services.

To the extent that research services of value are provided by broker-dealers, Goelzer may allocate brokerage or research services that are also available for cash, where appropriate and permitted by law. Goelzer also pays cash for certain research services received from external sources. As a result of receiving research services from certain broker-dealers, Goelzer has an incentive to continue to use such broker-dealers to effect transactions for clients as long as such broker-dealers continue to provide research services to Goelzer.

In seeking best execution, the determinative factor is not solely 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 the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Order Aggregation:

When the same security is bought and sold for many accounts on the same day, certain trades may be aggregated and those clients that have directed the use of Fidelity as the broker/dealer will receive an average price for the trades in securities that were aggregated and executed through Fidelity on that date. When Goelzer chooses to aggregate trades for the purposes of average pricing, Goelzer will identify each client account participating in the order and the proposed allocation of the order, upon completion, to those clients. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts. No client or account will be favored over another when allocating aggregated transactions.

Not all trades may be aggregated due to various reasons and aggregation will only occur when Goelzer deems the aggregation appropriate at the time the trades are executed. Due to this practice, certain client trades may be executed before others, and clients that have directed the use of other brokerage firms apart from Fidelity may receive a different price and/or commission rate. Additionally, Goelzer's clients may not receive volume discounts available through other investment advisers who utilize block trading. However, when executing transactions in the same security for clients at different broker/dealers, Goelzer follows a trade rotation policy to ensure that Goelzer treats clients fairly.

#### Trade Error:

As a fiduciary, Goelzer has the responsibility to effect orders correctly, promptly, and in the best interests of clients. However, during the course of business, errors occur in the handling of client transactions due to the actions or inactions of Goelzer or any of its service providers. Goelzer's policy is to correct these errors as quickly as possible without disadvantaging the client. If the error is due to an action or inaction by Goelzer, then Goelzer will correct the error and will be responsible for any loss as a result of the error. For all clients custodied at Fidelity, Goelzer participates in Fidelity's mandatory trade correction policy where all gains and losses are netted against each other at the end of a certain period. All net losses at the end of the period are the responsibility of Goelzer, and all net gains are donated to charity. Goelzer utilized Fidelity to select the charity, which is the American Red Cross. Any gains from trade errors will be distributed to the American Red Cross on a periodic basis.

### ITEM 13 – Review of Accounts

#### Discretionary & Non-Discretionary Investment Management Accounts:

Reviews: Each investment advisory account is reviewed frequently by the investment adviser representative of Goelzer specifically in charge of that account. This investment adviser representative also keeps a separate inventory of each advisory account under his care. Further, the Investment Management Team reviews each account on a periodic basis, with a focus on asset allocation, sector weights, relative performance and adherence with customer objectives. Goelzer investment adviser representatives also meet at least weekly, and in most cases daily, to discuss market conditions and potential investments.

Reports: The custodial firm will provide investment advisory clients with a monthly statement for any month during which there is trading activity in the client's account. In addition, Goelzer will provide clients with quarterly statements containing a quarterly commentary, account summary, and performance history. Whenever transactions are effected for their account, the client receives confirmation from the broker/dealer or custodian firm. At calendar year end, all taxable client accounts receive a Form 1099 reflecting net tax effects of all transactions during the year from the broker/dealer or custodian firm.

#### Portfolio Monitoring & Consulting Services:

Reviews: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

Reports: Portfolio Monitoring & Consulting Services clients will typically receive reports unless those reports are otherwise excluded through the investment advisory agreement.

## ITEM 14 – Client Referrals and Other Compensation

Other advisory firms may refer suitable potential advisory clients to Goelzer Investment Management. Goelzer in return provides compensation to those firms, in accordance with SEC Rule 206(4)-3 of the Investment Advisers Act of 1940. Written agreements are entered into between Goelzer and solicitors as required by SEC Rule 206(4)-3. Pursuant to such arrangements, Goelzer provides the solicitor with the ADV Disclosure Document and an “Additional Disclosure Statement” which are to be furnished to prospective clients at the time of solicitation by the solicitor.

Solicitors are paid a percentage of the annual fee on assets under management, collected from clients referred to Goelzer by the solicitor, as outlined and disclosed to each client in the Disclosure Statement that all solicited clients receive.

## ITEM 15 – Custody

All funds are held by the broker/dealer or custodian firm. We previously disclosed in the Fees and Compensation section (Item 5) of this brochure that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send reports directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all holdings and values are correct and current.

Due to allowing standing letters of authorization, Goelzer has custody of some client funds. Goelzer follows the conditions described in the SEC's no-action letter of February 21, 2017, and believes that it is not required to have a surprise examination, which is otherwise required for custody.

## ITEM 16 – Investment Discretion

Goelzer Investment Management provides both Discretionary and Non-Discretionary investment advisory services to its clients. Clients choose at the inception of the relationship whether they prefer to grant discretion to Goelzer, or whether their account will be non-discretionary in nature. If a Discretionary account is chosen, clients specifically provide this discretionary authority in the Investment Advisory Agreement that must be signed. Discretionary authority can be revoked at any time in writing to this firm. Discretion is limited discretion, allowing this firm to execute trades, rebalance accounts, and buy and sell investments within client accounts, in accordance with the Advisory Agreement and client investment objectives. As noted in Item 4 of this Brochure, firm advisory services can be tailored to each client – as such, if any client requires any restrictions on any types of investments, stocks, or market segments, the client needs to inform their Advisory Representative of the restrictions in writing. If, for any reason, the firm is not able to meet the client restrictions, the firm will notify the client of that fact so that the client can determine whether Goelzer meets their requirements and needs.

In very limited circumstances, an institutional client may give Goelzer discretion to choose a broker/dealer as discussed in Item 12 above.

## ITEM 17 – Voting Client Securities

In the vast majority of instances, clients retain the authority to vote proxies and will be responsible for ensuring that all proxy materials are sent directly to them. For those clients, Goelzer does not and will not vote proxies on behalf of the client.

However, in very limited instances, an institutional client may delegate proxy voting authority to Goelzer. Those institutional clients work closely with this firm to ensure that the authority and scope of the delegated authority is noted in the client account file. Goelzer will vote proxies according to its Proxy Voting Policy; however clients may contact the firm to direct how it would like its securities voted either generally or for specific votes. For those clients, a copy of the firm's Proxy Voting Policy can be obtained by contacting the firm's Chief Compliance Officer at the address and phone number on the front cover or in Item 2 of this Brochure. Those clients may also contact the Chief Compliance Officer for a copy of how their securities were voted.

## ITEM 18 – Financial Information

Goelzer Investment Management does not require prepayment of more than \$1,200 in fees per client 6 months or more in advance – as such, a Balance Sheet is not required and therefore not attached. There is also no known financial condition that is reasonably likely to impair this firm’s ability to meet contractual commitments to clients, and the firm has not been the subject of a bankruptcy proceeding.