

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?

FIRM BROCHURE

April 21, 2023



SFE Investment Counsel Inc.

801 South Figueroa Street
Suite 610
Los Angeles, CA 90017

(213) 612-0220
www.sfeic.com

This brochure provides information about the qualifications and business practices of SFE Investment Counsel Inc. (SFE). If you have any questions about the contents of this brochure, please contact us at (213) 612-0220 or tmccasland@sfeic.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about SFE also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of SFE as "registered" does not imply a certain level of skill or training. You are encouraged to review this brochure and brochure supplements for information on the qualifications of our firm and its employees.

Item 2 – Material Changes

Since our last annual updating amendment on December 23, 2022, we have the following material changes to disclose.

We have added disclosure language to Item 8 below pertinent to our Environmental, Social Governance model (Pathways).

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Item 4 – Advisory Business

Firm Description

SFE Investment Counsel (SFE) is an independent investment advisory firm located in downtown Los Angeles. We have been providing investment advice and portfolio management services to individuals, families, trusts, charitable organizations, retirement plans, businesses and institutional investors since 1977. SFE is a California corporation and operates as an SEC Registered Investment Advisor (RIA).

Principal Owner

Jon M. Kmett, president of SFE, is the only principal owner with more than 25 percent.

Advisory Services

SFE specializes in offering investment supervisory services with a personal touch. We provide investment advice to clients, and make investments for clients, based upon the individual needs of the client. These needs include the nature of other client assets and their personal and family obligations. We design and execute strategies to meet client financial objectives and actively manage the investment portfolio within those guidelines. We emphasize continuous and regular account supervision with some incidental planning and consultations.

A successful financial strategy often requires a team of trusted advisors including accountants, attorneys, administrators, and consultants, working in concert on behalf of the client. Client priorities and relationships determine which of these leads the effort. SFE has extensive experience in this collaborative model. We often take the lead role – managing all of the client's assets and coordinating with other trusted professionals. In the institutional market, SFE is comfortable in a supporting role – managing a portfolio in accordance with a specific mandate.

SFE's investment philosophy is founded upon our belief that asset allocation is the single most important determinant of portfolio performance. Accordingly, we adjust equities, fixed income, and cash positions in response to market and economic conditions to fulfill client objectives. Generally, we are not market timers and prefer to invest for the long term. Through our disciplined investment approach, SFE seeks to produce equity returns that consistently outperform the S&P 500 Index while taking less-than-market risk. We strive to preserve capital and achieve long term appreciation by employing an opportunistic, total return approach to managing client accounts.

For equity investments, we seek companies of quality and value – the best in their fields. SFE focuses on companies that have established a competitive advantage in their industries, and/or have strong global franchises and generate significant revenue from their international operations. To aid in our selections, we subscribe to many sources of

independent research and perform our own fundamental and technical security analysis. Many of our equity selections are chosen for their dividend yield to enhance total return. Fixed income allocations are primarily comprised of United States (US) government and agency securities, corporate bonds, exchange traded funds (ETFs), and tax-exempt municipal bonds (as appropriate), with maturities ranging from 2-10 years. These allocations typically reduce portfolio volatility and risk. Maturities are adjusted as needed to capture the sweet spot on the yield curve. Selected securities will be readily marketable and diversified by issuer.

SFE's core strength is the management of concentrated portfolios of US equities, frequently with a fixed income allocation. Portfolios are customized to meet specific client objectives. We typically construct a portfolio of 20-25 equity positions from our "*Merit Monitor*". The Merit Monitor is a list of stocks that have been approved for purchase by the SFE Investment Committee. This committee, comprised of SFE investment-adviser owners, meets regularly to review and update the list. As part of its asset allocation target, a portfolio may consist of individual stocks, bonds, ETFs, mutual funds, bank deposit programs and other public and private securities or investments.

SFE provides four types of advisory services more fully described below: separately managed accounts; dual-contract relationships; model portfolio services; and third-party separate account manager programs.

Separately Managed Account (SMA)

SMAs are managed on an individualized basis according to the client's investment objectives, financial condition and risk tolerance. A client's investment strategy is tailored to their specific needs and may include some or all of the security types mentioned above. Each portfolio will be initially designed to meet particular investment goals, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been created, our portfolio management team strives to review the portfolio twice each quarter, and if necessary, rebalances the portfolio based upon the client's individual needs, stated goals and objectives.

Dual-Contract Relationship

SFE may also be retained by other RIAs to provide investment advisory services under a dual-contract relationship. These services primarily consist of portfolio management for assets of the clients of these RIAs and are not considered investment supervisory services. SFE will have exclusive authority to direct and manage the investment and reinvestment of all client assets on a fully discretionary basis, based upon client information and investment objectives as provided by the RIAs. Such discretionary authority shall include, without limitation, the right to purchase, sell, exchange and engage in other transactions with respect to all client assets under management. We will not have authority to select a custodian or negotiate commissions. These clients do not have access to the same level of personal service as clients who invest directly with SFE.

Further description of the programs, fees and services available will be provided to clients upon receipt and review of the RIA's disclosure brochures, investment management agreements, and account opening documents. Clients will sign an advisory agreement with the RIA and a discretionary portfolio management agreement with SFE.

Model Portfolio Service

SFE designs and manages model portfolios that are available to other advisor firms and investment professionals through select technology platforms. These model portfolios present specific investment strategies for turn-key use by subscribers on behalf of their clients. SFE is engaged and compensated through contractual agreements with the platform providers. Fees are calculated at a negotiated rate and remitted quarterly to SFE by the providers based upon their determination of the aggregate market value of assets utilizing the strategies through their platforms. These clients do not have access to the same level of personal service as clients who invest directly with SFE.

Third Party Separate Account Manager Program

Our firm participates as a separate account manager in various programs ("SAM Program") offered by certain third-party retail and institutional advisers. Under such programs, the third-party adviser enters into an account agreement with the SAM Program client. As part of the account agreement, the SAM Program client authorizes SFE to provide investment portfolio management services to the client on a discretionary basis.

Under the terms of a SAM Program, the third-party adviser representative determines the suitability of SFE's investment strategies for the client. The adviser also provides custodial, brokerage, reporting, performance review and related services to SAM Program clients.

Once we accept a SAM Program client, the third-party adviser will forward a copy of the program client's account agreement to us. This agreement includes suitability information and client account information. The adviser provides us with electronic access to view the program client's account holdings, values and transactions. We will manage such accounts according to the SFE investment strategies that have been approved by the adviser under the terms of the SAM Program. SFE also provides proxy voting where authority has been granted.

The third-party adviser pays SFE for the portfolio management services we provide to SAM Program clients. Our fees are calculated by the adviser and paid to us monthly in arrears. Fees are calculated as a percentage of the total assets managed by SFE under the program and vary depending upon the amount of assets. Our minimum client account size for third party separate account programs is \$100,000.

A SAM Program client may terminate our designation as separate account manager at any time by written notice to the third-party adviser. SFE may terminate our relationship with the client upon thirty (30) days' notice to the adviser.

Client Assets

SFE manages \$363,935,844 on a discretionary basis and \$24,877,833 on a non-discretionary basis. Total assets under management are \$388,813,677 as of September 30, 2022.

Item 5 – Fees and Compensation

SMA Advisory Fees

SFE provides investment advisory services to separately managed accounts for a fee based upon a percentage of assets under management. This fee is negotiable and will be indicated in the executed client agreement. Annualized rates will not exceed:

<u>Account Assets</u>	<u>Annualized Rate</u>
First \$250,000	2.00%
Next \$1 million	1.75%
Next \$2 million	1.50%
Next \$5 million	1.25%
Next \$10 million	1.00%

Other Advisory Fees

SFE receives compensation for portfolio management services under a *Dual-Contract Relationship* pursuant to separate agreements with both the RIAs and their clients. SFE charges a quarterly management fee calculated as a percentage of the market value of such assets under management, as described in the Investment Management Agreement with client. The annualized rate is 0.50%, subject to a minimum annual fee of \$500. This fee is negotiable in select circumstances. Clients will compensate RIAs for both advisory and brokerage services provided by the RIAs and portfolio management services provided to them by SFE. As compensation for SFE's services, RIAs shall pay directly to SFE the amount of fees invoiced by SFE quarterly in advance as calculated based upon aggregate market value of client assets.

For our *Model Portfolio Service*, fees are negotiated separately with each platform provider. Fees are remitted quarterly to SFE by the providers based upon negotiated rates and their determination of the aggregate market value of assets utilizing the strategies through their platforms.

Billing Practices

Fees are billed and payable quarterly in advance according to the investment management agreement. In the event that you wish to terminate our services before the end of a billing period, you must notify us, preferably in writing, 30 days beforehand. SFE would provide clients with 30 days' notice to move or liquidate their account in the event SFE decides to terminate its relationship with the client. Any advisory fee paid in advance will be pro-rated to the date of termination and any balance will be promptly refunded to you.

Fees are automatically deducted from client assets each quarter in advance. Fees are withdrawn from the managed account, or another designated account, and paid to us by the client's custodian. As part of this process, you understand and acknowledge the following:

- a) Your custodian sends statements to you at least quarterly that show all disbursements from your account, including the amount of the advisory fees paid to us; and
- b) You provide authorization that permits us to be directly paid by these terms.

Services provided under a dual-contract relationship are billed directly for fees incurred in advance. In certain limited circumstances, SMA clients may also be billed directly. Fees are calculated at the end of each calendar quarter as a percentage of the market value of the assets under management. Assets that are received into an account prior to a quarter billing date may be charged a pro-rata fee in arrears based upon value of assets at time of receipt. Such fees are included with the next quarterly billing. SFE's fees are billed and deducted from accounts quarterly, usually within 30 days following quarter end.

Other Fees and Expenses

Clients may pay charges indirectly assessed by a mutual fund, index fund, exchange traded fund, or bank deposit program, such as fund management fees, distribution fees and other costs. These expenses are disclosed in the fund's prospectus or offering memorandum. Other charges that the client may be responsible for include custodian fees, service fees, wire transfer fees, foreign taxes and IRA fees. Schwab does not charge transaction fees for U.S. listed equities and exchange traded funds.

Compensation for Securities Sales

Our firm and representatives do not receive commissions for securities transactions.

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

SFE does not accept performance-based fees and has no side-by-side management conflicts of interest.

Item 7 – Types of Clients and Account Requirements

SFE generally provides investment advice to individuals, retirement plans, charitable organizations, trusts, estates, corporations and other business entities. For our *separately managed account* portfolios, we generally have a minimum charge of \$500 per quarter. Our *dual-contract relationships* are subject to an annual minimum fee of \$500. Please see Items 4 and 5 above for additional information on these programs and fees.

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

SFE uses a disciplined approach when we formulate investment advice and manage assets. We strive to produce returns that consistently outperform our benchmarks while taking less-than-market risk. Our goal is to achieve long term growth and preserve capital by employing an opportunistic, total return approach to managing client accounts.

Methods of Analysis

SFE's core competence is managing concentrated portfolios of US listed equities, often with fixed income components. These portfolios are customized to meet specific client needs, risk tolerances and objectives. We use fundamental, technical and cyclical methods of analysis to identify potential investments.

Our equity analysis begins with a top-down evaluation of industry sectors to identify macro-economic trends and market cycles. This means we analyze the economy and various industries to make informed decisions as to which industry sectors are attractive, or unattractive, for investment. We then conduct a bottom-up analysis of select companies that will be affected by these trends. Our goal is to further identify companies that are the most attractive in each industry sector for inclusion in client portfolios.

Prior to purchase, we employ fundamental analysis tools to evaluate a company's characteristics in order to estimate and measure its intrinsic value. We want to understand a company's strengths and weaknesses, historical performance, growth potential, competitors, and management team. In addition, we also utilize technical analysis techniques as a means to reduce price and timing risk.

Fixed income securities are selected for portfolios based upon the client's investment objective and risk tolerance. We review and assess the tax aspects, credit quality, maturity, interest rate, liquidity and diversification of the securities to make sure they are

appropriate for an account. The economic cycles and current market interest rates are also considered in our fixed income decisions.

Investment Strategies

SFE's investment philosophy is founded upon our belief that asset allocation is the single most important determinant of portfolio performance. Accordingly, we adjust equities, fixed income, and cash positions in response to market and economic conditions to fulfill client objectives. Through our disciplined investment approach, we seek to produce equity returns that consistently outperform the S&P 500 Index while taking less-than-market risk. We strive to preserve capital and achieve long term appreciation by employing an opportunistic, total return approach to managing client accounts.

Generally, we invest for the long term through the purchase of securities we expect to hold for more than a year. This strategy usually increases the after-tax performance of taxable accounts due to lower tax rates on long term capital gains. On occasion, we will modify our strategy to reflect a client's needs or take advantage of an opportunity we have identified. This may result in short term purchases where securities are sold within a year, or even trading where securities are sold within 30 days. In taxable accounts, sales of long-term holdings typically have tax advantages over short term and trading positions.

For equity investments, we seek companies of quality and value – the best in their fields. We focus on domestic companies that have established a competitive advantage in their industries. Many have strong global franchises and generate significant revenue from their international operations. Our portfolios typically contain 20-30 equity positions. In picking stocks, we seek value in fundamentally sound businesses, regardless of size. To aid in our selections, we subscribe to many sources of independent research and perform our own fundamental and technical security analysis. Many of our equity selections are chosen for their meaningful dividend yield. We feel that dividends are an important component of total return. They contribute significantly to the performance of our accounts and lower the risk profile.

Fixed income allocations are primarily comprised of US government and agency securities, corporate bonds, exchange traded funds, and tax-exempt municipal bonds, with maturities ranging from 2-10 years. These allocations typically reduce portfolio volatility and risk. Selected securities will be readily marketable and diversified by issuer. Maturities are often laddered so that portfolios hold a number of fixed income securities with staggered maturity dates. This strategy offers more consistent returns when interest rates are volatile, or the yield curve is steep. We generally prefer to hold fixed rate securities until maturity. We target maturities to capture the best rates available with shorter durations. This strategy helps reduce interest rate risk from holding longer maturities.

Environmental, Social and Governance (ESG) Considerations (Pathways):

What types of stocks are considered for the sustainability strategy?

SFE's Pathways strategy is primarily based on the promotion of "Ideal World" sustainability themes. Generally, these include corporate activities that make positive contributions towards a Healthy Planet, a Healthy Populace and Widespread Prosperity. We believe that sustainability is ultimately the enlightened use of resources in consideration of future needs, and as such, is an investable theme as an indication efficient use of shareholder funds.

Measuring contributions to these positive themes is a subjective process that includes inputs from many sources including corporate sustainability reports and industry impact studies as well as global sustainability rankings and 3rd-party sustainability expert opinions. Generally, we look for corporate governance to be attuned towards all stakeholders of a firm including shareholders, employees, customers, suppliers, neighbors and communities in which companies preside. We place special importance on the environmental impact of corporate activities as we recognize the potentially lasting negative impact of corporate irresponsibility in this area.

We generally favor companies who have adopted accepted frameworks with respect to sustainability reporting such as the Global Reporting Initiative. Many progressive companies have already amassed a documented history which can be reviewed to track progress on many sustainability issues. We favor companies who have already demonstrated a commitment towards reaching future stretch goals with respect to sustainability issues.

Finally, we tend to favor companies that offer something special with respect to our "Ideal World" themes. For example, healthcare companies that offer lifesaving products or services rank especially high. We also recognize that alternative energy firms providing efficient power solutions without the need for fossil fuels have a particularly positive impact on the environment. We also admire firms whose technologies serve to level the economic playing field by expanding opportunities across much broader populations.

Our universe of stocks for inclusion in our sustainability strategy includes all US listed equities. This is the same universe that SFE's other strategy, "SFE Growth and Income", also uses. There is quite a bit of overlap in terms of approved companies for each of these strategies. The investment criteria for inclusion in each strategy is similar, generally defined as growth at a reasonable price. Our qualitative analysis of companies has always included a tendency to view progressive companies more favorably so there are synergies with respect to our research activities and a historical knowledge of many companies which are leaders in sustainability.

What sustainability criteria are considered?

Our "Ideal World" sustainability themes of Healthy Planet, Healthy People, and Widespread Prosperity were originally based on our view of the positive contributions to the global community that we would like to see from corporate players. These themes can be further categorized and defined as follows:

Environment - Energy Efficiency - Alternative Energy - Remediation - Conservation - Resource Management

Wellness - Medical Technology - Preventative Medicine - Vaccinations - Clean Water - Nutrition/Fitness

Communications - Individual Empowerment - Affordability - Transparency - Global Reach

People - Fair Labor Practices - Community Relations - Diversity - Human Rights - Employee Benefits

We established the main focus of our sustainability strategy as one of positive contributions and impact through actions by the underlying companies in the strategy. We have also further refined our sustainability analysis overall sustainability by including outside expert opinions to verify the sustainability rankings of the individual firms we have identified.

What investment criteria are considered?

We have always focused our investment research on companies which have already demonstrated operating and management success. We believe that a strong management team is one of the most significant factors determining the long term success of a firm. We look for evidence of management expertise by evaluating revenue and return on invested capital trends. We believe that great companies will typically have strong balance sheets and will commit to future shareholder returns in the form of dividend growth.

We look at financial risk measures such as debt-to-cash flow multiples as well as levels of free cash generation. Balance sheet risk typically is the largest source of downside risk over time so we are especially sensitive to negative changes in balance sheet trends.

Long term capital appreciation requires growth over time so we focus on secular growth trends, revenue growth trends, pricing and margins, industry competition and health, as well as valuation. Market share leaders have greater pricing strength as well as greater flexibility on new product and service offerings. We look for companies that have established market share leadership which they have held over time and through multiple generations of product innovations.

Generally, our investment decisions are based on long term assumptions and estimates. We believe valuation analysis at time of purchase is an important long term performance criterion. As such, we would prefer not to overpay for a company; however, we would rather pay full price for a good company than buy a poor company at a discount.

There may be exceptions to the general investment criterion above. Specifically, if we find an early stage company particularly attractive from both a sustainability perspective and

with respect to long term market opportunities, we may choose to invest in the firm even though its current fundamentals may differ from our normal investment criteria. Similarly, if we believe that we have useful insight into a particular firm's turnaround situation, we may invest in that particular situation based on its risk reward.

How are stocks approved to be included for the sustainability strategy on the Merit Monitor?

Once a stock has been determined to adhere to our sustainability criteria, and the analyst has decided that the company's investment potential has an attractive risk reward, the analyst then provides an analysis and presentation to the investment committee. The investment committee meets weekly to review the existing Merit Monitor buylist. At this time, new ideas are thoroughly vetted and discussed. Typically, decisions may be tabled so that further review can be completed. Once a stock recommendation is presented to the group for approval, a majority vote of investment committee members is required before a stock can be added to the Merit Monitor. All stocks must be approved and included on the Merit Monitor before they can be added to the strategy.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. It is important that you understand the risks associated with investing in securities. Your portfolio should be appropriately diversified to match your risk tolerance and investment time horizon. We strongly encourage you to ask us any questions you may have.

Both equity and fixed income investments are subject to risk of loss. Even an investment in a money market fund is not insured or guaranteed. Although a money market fund seeks to preserve the value of your investment, it is possible to lose money by investing in such a fund.

While investment risk does refer to the general risk of loss, it can be broken down into more specific classifications.

Market Risk

Also known as systematic risk, market risk is the likelihood that the value of a security will move in tandem with its overall market. For example, if the stock market is experiencing a decline, the stocks in your portfolio may decline as well. Or if bond prices are rising, the value of your bonds could go up.

Interest-Rate Risk

Most often associated with fixed income investments, this is the risk that the price of a bond will fall with rising interest rates. The value of bonds with long maturities will typically fluctuate by a larger amount than bonds with shorter maturities. Equity securities may also be negatively affected by a rise in rates.

Inflation Risk

This risk is that the real value of your portfolio will be eroded by a decline in the purchasing power of your savings as a result of inflation. Inflation risk needs to be considered when evaluating conservative investments, such as bonds and money market funds, as long-term investments. While your investment may post gains over time, it may actually be losing real value if it does not at least keep pace with the rate of inflation.

Credit Risk

It refers to a bond issuer's ability to repay its debt as promised when the bond matures. Bonds are given credit ratings by such agencies as Moody's and Standard & Poor's. In general, the higher the rating, the lower the credit risk. Investors who seek higher yields typically must accept a higher credit risk. Lower rated bonds are more volatile and less liquid.

Other Risks

Stocks and bonds may decline significantly in value due to economic and political events, both domestically and globally. In addition, international investments involve such risks as fluctuating currency values (currency risk) as well as the potential for social, political, and economic upheavals that may affect a country's markets.

Item 9 – Disciplinary Information

Advisors are required to disclose legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management. SFE does not have any events to report.

Item 10 – Other Financial Industry Activities and Affiliations

We act as the adviser and manager for two private placement investments, SFE Alternative Investment Fund I LLC and SFE Alternative Investment Fund II LLC. Our duties include (1) advisory tasks such as carrying out due diligence on underlying funds, verifying the qualifications of prospects and recommending allocations to funds on the part of investors; and (2) administrative tasks such as responding to capital calls, allocating distributions from the underlying investments, preparing reports and billing as well as answering investor questions.

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

Code of Ethics

We believe in holding our employees to the highest possible ethical and regulatory standards and subject all employees to our Code of Ethics ("Code"). Our Code is based on the principle that all employees of SFE have a fiduciary duty to place the interest of clients ahead of their own and the firm. Employees must not engage in activities, interests, and relationships that might interfere with making decisions in the best interests of SFE's advisory clients. SFE's Code states general principles that cover the following standards of business conduct:

1. Compliance with Laws and Regulations
2. Conflicts of Interest
3. Insider Trading
4. Personal Securities Transactions
5. Gifts and Entertainment
6. Confidentiality
7. Other Outside Activities

The Code also addresses compliance procedures, record-keeping, and administration and enforcement of the Code. We require our personnel to conduct business with the highest level of ethical standards and to comply with federal and state securities laws at all times. Upon employment and annually thereafter, all employees will sign an acknowledgement that they have read, understand, and agree to comply with our Code. Our firm and all employees must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. Upon request, we will provide a copy of the Code to any client or prospective client.

Personal Trading

SFE employees may own some of the same securities that we recommend to clients. These securities are usually widely-held stocks or exchange-traded funds. Our personal trades are immaterial in size and therefore do not impact the trading volume or price of such securities. These securities may have been purchased either before or after the same stock is purchased for a client. We recognize that the personal investment transactions of members of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members of our firm, it is logical and even desirable that there be common ownership of some securities. We feel common ownership aligns our interest with that of our clients' and does not present a conflict.

Occasionally, SFE or a related person buys or sells securities for itself that are also recommended to clients. We take steps to ensure that advisory clients obtain transaction benefits that are no less favorable than our own. If an SFE employee buys or sells a security for client accounts at or about the same time the security is bought or sold for their own account, such transactions will be accomplished as a block trade (aggregate orders) in order to ensure execution at the same price. If client transactions have been

executed during such trading day and an employee's trade was not included therein as a block trade, trades will be executed on behalf of employee only at the close of such trading day at prices no more favorable than those obtained for clients during such day. All trades executed in the same security during any one trading day shall be reviewed and, if necessary, prices may be adjusted to assure that SFE or a related person does not receive a more favorable price than any advisory client.

In order to eliminate possible conflicts of interest and ensure that client interests are placed ahead of those of SFE and its personnel, our Personal Trading Policy also requires all related person transaction orders and executions be reviewed daily by management to verify that such trades conform to these criteria. In addition, the Chief Compliance Officer reviews employee holdings on a quarterly basis for any potential conflicts.

Item 12 – Brokerage Practices

Selecting a Brokerage Firm

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation

With the aforementioned in consideration, we utilize the services of Charles Schwab & Co., Inc. ("Schwab") a FINRA-registered broker-dealer, member SIPC, as a qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions.

Products and Services Available to Us from Schwab

Schwab services independent investment advisory firms like SFE through their Schwab Advisor division. They provide us and our clients with access to their institutional brokerage platform which offers trading, custody, reporting and related services – many features of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our client accounts while others help us manage and grow our business. Here is a more detailed description of Schwab's support services:

Services that Directly Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some that might not otherwise be available to us or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Indirectly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our client accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Our Firm

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefit providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

We do not receive or direct client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving these services, we may have an incentive to continue to use or expand the use of Schwab services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Schwab and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Schwab no longer charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain mutual funds (ClassF2 shares)).

In seeking best execution, the determinative factor is not 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.

Soft Dollars

Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

Brokerage for Client Referrals

Our firm does not receive brokerage for client referrals.

Directed Brokerage

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, nor the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of Schwab. Each client will be

required to establish their account(s) with Schwab if not already done. Please note that not all advisers have this requirement.

Permissibility of Client-Directed Brokerage

We allow clients to direct brokerage outside our recommendation. However, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may result in higher fees for the client. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices than can be achieved through our institutional relationship with Schwab.

Aggregation of Purchase or Sale

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are executed only when we believe that to do so will be in the best interest of the effected accounts.

Item 13 – Review of Accounts

Advisory accounts are continuously monitored by the individual client's primary investment counselor. In addition, each account is typically reviewed twice each quarter by the portfolio management team and client manager. Weekly Investment Committee meetings are held to review client portfolio transactions from the prior week. The Investment Committee is comprised of the following: Jon M. Kmetz (President), Charles E. Bohlen, Jr. (Vice President and Chief Investment Officer), Teri M. McCasland (Vice President and Chief Compliance Officer), David J. Thomsen (Vice President/Business Development), James T. Moylan (Vice President/Co-Chief Investment Officer), Mark L. Delgadillo (Senior Financial Adviser) and Gregory Giauque (Investment Adviser).

During these reviews, the Investment Committee looks at specific client account holdings and recent transactions. The review is conducted to verify that the account is in line with the client's investment objectives and risk tolerance and is appropriately positioned based on market conditions. Any changes in client financial status or objectives are noted, as well as recent performance of the account. Such issues as market conditions, industry trends, economic and interest rate forecasts and related tax implications are also considered in the reviews.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, or by client request.

Advisory clients receive monthly brokerage statements from their account custodian. These reports include account holdings, description of activities, current market value and an income summary. In addition, on a quarterly basis, SFE provides a written report that includes an appraisal of the portfolio, a performance report, and our quarterly commentary on the economy and equity market. The portfolio appraisal includes the asset and sector allocations as a percentage of portfolio value, the market value and cost basis of each holding, and the annual income and yield of the securities.

Item 14 – Client Referrals and Other Compensation

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that manage client accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us providing particular investment advice, such as buying particular securities for our clients.

Item 15 – Custody

Because certain clients are investors in SFE Alternative Fund II which is under common control as SFEIC, we are deemed to have custody of client assets. It should be noted that the fund financials are independently audited by a CPA registered with the Public Company Accounting Oversight Board and delivered annually to each investor.

Item 16 – Investment Discretion

We accept discretionary authority to manage securities accounts on behalf of clients. In order to do so, a client must sign our investment management agreement giving us discretionary authority to manage securities on their behalf. That means we can determine the type, quantity and timing of securities to be bought or sold without getting specific client permission in advance. Even so, discretionary investment decisions are based on the client's investment objectives, financial needs, and investment policies and guidelines, which have been pre-determined in communications with the client. On occasion, clients wish to place restrictions on this authority. For example, some clients do not want to invest in certain industries or are prohibited from owning specific stocks by their employer. We are willing and able to accommodate any reasonable restrictions imposed by our clients.

Item 17 – Voting Client Securities

SFE shall only vote client securities when the firm has the authority to vote proxies in respect of securities in client accounts ("Client Securities") over which the Company has voting discretion. In such cases, the Company will cast proxy votes in a manner that is consistent with the best interests of the Company's clients. These policies and

procedures are designed to deal with the complexities which may arise in cases where the Company's interests' conflict or appear to conflict with the interests of its clients and to communicate to clients the methods and rationale whereby the Company exercises proxy authority. This document is available to any client upon request. SFE will also make available the record of the Company's votes promptly upon request.

Unless contractually obligated to vote in a certain manner, the Company will reach its voting decisions independently, after appropriate investigation. It does not generally intend to delegate its decision making or to rely on the recommendations of any third party, although it may take such recommendations into consideration. Where the Company deviates from the guidelines listed below or depends upon a third party to make the decision, the reasons shall be documented. SFE may consult with such other experts, such as CPA's, investment bankers, attorneys, etc., as it regards necessary to help it reach informed decisions.

SFE generally will monitor proposed corporate actions and proxy issues regarding client securities and may take any of the following actions based on the best interests of our clients: (i) determine how to vote the proxies, (ii) abstain, or (iii) follow the recommendations of an independent proxy voting service in voting the proxies.

In general, the Company will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for our clients. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management and maintain or increase the rights of shareholders. Proxy votes generally will be cast against proposals having the opposite effect. However, the Company will consider both sides of each proxy issue.

Item 18 – Financial Information

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Our firm has never been the subject of a bankruptcy proceeding.



INVESTMENT COUNSEL

INSPIRE TRUST. INVEST WELL.

PRIVACY POLICY NOTICE

SFE Investment Counsel Inc. has adopted this privacy policy with recognition that protecting the privacy and security of the personal information we obtain about our customers is an important responsibility. We also know that you expect us to service you in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard that information.

Information We Collect: We collect certain non-public information about you ("Customer Information"). The essential purpose for collecting Customer Information is to allow us to provide advisory services to you. Customer Information we collect may include:

- Information that you provide on applications or other forms. This Customer Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account, and other records concerning your financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Identifying information such as your name, age, address, social security number, etc.
- Information about your transactions with us, or others (e.g., broker-dealers, clearing firms, or other chosen investment sponsors).
- Information we receive from consumer reporting agencies (e.g., credit bureaus), as well as other various materials we may use to provide an appropriate recommendation or to fill a service request.

Security of Your Information: We restrict access to your non-public personal information to those employees who need to know that information to service your account. We maintain physical, electronic and procedural safeguards that comply with applicable federal or state standards to protect your non-public personal information.

Information We Disclose: We do not disclose the non-public personal information we collect about our customers to anyone except: (i) in furtherance of our business relationship with them and then only to those persons necessary to effect the transactions and provide the authorized services (such as broker-dealers, custodians, independent managers etc.); (ii) to persons assessing our compliance with industry standards (e.g., professional licensing authorities, consultants, etc.); (iii) our attorneys, accountants, and auditors; or (iv) as otherwise provided by law.

We are permitted by law to disclose the non-public personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs). These third parties are prohibited to use or share the information for any other purpose.

Your Right to Opt Out: Federal privacy laws give you the right to restrict us from sharing your personal financial information. These laws balance your right to privacy with our Firm's need to provide information for normal business purposes. You have the right to opt out of sharing certain information with affiliated and unaffiliated companies of our firm. You may opt out of the disclosure of non-public personal financial information to non-affiliates by contacting our firm at 213-612-0220.

Former Clients: If you decide to close your account(s) or become an inactive customer, we will adhere to our privacy policies, which may be amended from time to time.

Changes to Our Privacy Policy: In the event there were to be a material change to our privacy policy regarding how we use your confidential information, we will provide written notice to you. Where applicable, you would be given an opportunity to limit or opt-out of such disclosure arrangements.

Questions: If you have questions about this privacy notice or about the privacy of your customer information call our main number 213-612-0220 and ask to speak to the Chief Compliance Officer.

BROCHURE SUPPLEMENT

Charles E. Bohlen, Jr., CFA



SFE Investment Counsel Inc.

801 South Figueroa Street
Suite 610
Los Angeles, CA 90017

(213) 612-0220
www.sfeic.com

April 2022

This brochure supplement provides information about Charles E. Bohlen, Jr. that supplements the SFE Investment Counsel Inc. (SFE) Firm Brochure. Please contact us at (213) 612-0220 or tmccasland@sfeic.com if you did not receive an SFE brochure or if you have any questions about the contents of this supplement. Additional information about Charles E. Bohlen, Jr. is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

CHARLES E. BOHLEN, JR., CFA

Year of Birth: 1947

Formal Education after High School:

- Harvard University, B.S. History and Literature (magna cum laude)
- Yale Law School, J.D.

Business Background for the Preceding Five Years:

- Vice President, Chief Investment Officer, Director and Member of the Investment Committee of SFE Investment Counsel Inc. and its former affiliate Stern Fisher Edwards Inc (2001 to present)
- General Securities Representative (Series 7 and 63) license with Stern Fisher Edwards Inc (2001 to 2016)

Professional Designations:

- Chartered Financial Analyst (CFA)

Minimum Qualifications: The Chartered Financial Analyst (CFA) Program is a graduate level self-study program offered by the CFA Institute (formerly AIMR) to investment and financial professionals. To become a charterholder a candidate must complete the CFA Program (mastery of the current CFA curriculum and passing three six-hour examinations); possess a bachelor's degree (or equivalent) from an accredited institution; have four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute); become a member of the CFA Institute and apply for membership to a local CFA member society; and adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct.

- Member (inactive), Bars of California, Minnesota and District of Columbia

Minimum Qualifications: To become a member of the Bars of California, Minnesota and the District of Columbia eligible to practice law, a candidate must obtain an undergraduate college degree; graduate from an approved ABA (American Bar Association) law school; and pass the California, Minnesota and District of Columbia Bar Exams.

Item 3 – Disciplinary Information

Advisors are required to disclose legal or disciplinary events that are material to a client's or prospective client's evaluation of this supervised person. We do not have any events to report for Charles Bohlen.

Item 4 – Other Business Activities

Charles Bohlen has no reportable outside business activities.

Item 5 – Additional Compensation

There is no arrangement where any supervised person at SFE who provides advisory services receives an economic benefit from someone who is not a client.

Item 6 – Supervision

Teri McCasland, Chief Compliance Officer, and Donna Arnold, Compliance Officer, supervise and monitor Mr. Bohlen's activities on a regular basis to ensure compliance with our firm's Code of Ethics. Please contact Ms. McCasland or Ms. Arnold if you have any questions about Mr. Bohlen's brochure supplement at (213) 612-0220.

BROCHURE SUPPLEMENT

James T. Moylan, CFA



SFE Investment Counsel Inc.

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Suite 610
Los Angeles, CA 90017

(213) 612-0220
www.sfeic.com

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Item 2 – Educational Background and Business Experience

JAMES T. MOYLAN, CFA

Year of Birth: 1961

Formal Education after High School:

- University of California at Los Angeles, B.S. Mathematics--Applied Science
- UCLA Anderson School of Management, MBA

Business Background for the Preceding Five Years:

- Director and Member of the Investment Committee of SFE Investment Counsel Inc. and its former affiliate Stern Fisher Edwards Inc (2007 to present)
- General Securities Representative (Series 7 and 63) license with Stern Fisher Edwards Inc (2007 to 2016)

Professional Designations:

- Chartered Financial Analyst (CFA)

Minimum Qualifications: The Chartered Financial Analyst (CFA) Program is a graduate level self-study program offered by the CFA Institute (formerly AIMR) to investment and financial professionals. To become a charterholder a candidate must complete the CFA Program (mastery of the current CFA curriculum and passing three six-hour examinations); possess a bachelor's degree (or equivalent) from an accredited institution; have four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute); become a member of the CFA Institute and apply for membership to a local CFA member society; and adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Item 3 – Disciplinary Information

Advisors are required to disclose legal or disciplinary events that are material to a client's or prospective client's evaluation of this supervised person. We do not have any events to report for James Moylan.

Item 4 – Other Business Activities

James Moylan has no reportable outside business activities.

Item 5 – Additional Compensation

There is no arrangement where any supervised person at SFE who provides advisory services receives an economic benefit from someone who is not a client.

Item 6 – Supervision

Teri McCasland, Chief Compliance Officer, and Donna Arnold, Compliance Officer, supervise and monitor Mr. Moylan's activities on a regular basis to ensure compliance with our firm's Code of Ethics. Please contact Ms. McCasland or Ms. Arnold if you have any questions about Mr. Moylan's brochure supplement at (213) 612-0220.

BROCHURE SUPPLEMENT

Jon M. Kmett



SFE Investment Counsel Inc.

801 South Figueroa Street
Suite 610
Los Angeles, CA 90017

(213) 612-0220
www.sfeic.com

April 2022

This brochure supplement provides information about Jon M. Kmett that supplements the SFE Investment Counsel Inc. (SFE) Firm Brochure. Please contact us at (213) 612-0220 or tmccasland@sfeic.com if you did not receive an SFE brochure or if you have any questions about the contents of this supplement. Additional information about Jon M. Kmett is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

JON M. KMETT

Year of Birth: 1953

Formal Education after High School:

- University of Southern California, B.S. Business Administration (Accounting)
- Golden Gate University, Graduate Program in Taxation

Business Background for the Preceding Five Years:

- President, Treasurer, Director and Member of the Investment Committee of SFE Investment Counsel Inc. and its former affiliate Stern Fisher Edwards Inc (1989 to present)
- General Securities Representative (Series 7 and 63), General Securities Principal (Series 24), Financial and Operations Principal (Series 27), and Registered Options Principal (Series 4) licenses with Stern Fisher Edwards Inc (1989 to 2016)

Professional Designations:

- Certified Public Accountant (CPA), inactive

Minimum Qualifications: To receive a CPA license from the California Board of Accountancy, individuals are required to demonstrate their knowledge and competence by obtaining a bachelor's degree, including 24 semester units in accounting-related subjects and 24 semester units in business-related subjects (accounting courses beyond the 24 required units may apply toward the business units); passing the Uniform CPA Exam; completing two years of general accounting experience supervised by a CPA with an active license; and passing an ethics course.

Item 3 – Disciplinary Information

Advisors are required to disclose legal or disciplinary events that are material to a client's or prospective client's evaluation of this supervised person. We do not have any events to report for Jon Kmett.

Item 4 – Other Business Activities

Jon Kmett has no reportable outside business activities.

Item 5 – Additional Compensation

There is no arrangement where any supervised person at SFE who provides advisory services receives an economic benefit from someone who is not a client.

Item 6 – Supervision

Teri McCasland, Chief Compliance Officer, and Donna Arnold, Compliance Officer, supervise and monitor Mr. Kmett's activities on a regular basis to ensure compliance with our firm's Code of Ethics. Please contact Ms. McCasland or Ms. Arnold if you have any questions about Mr. Kmett's brochure supplement at (213) 612-0220.

BROCHURE SUPPLEMENT

Teri M. McCasland



SFE Investment Counsel Inc.

801 South Figueroa Street
Suite 610
Los Angeles, CA 90017

(213) 612-0220
www.sfeic.com

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This brochure supplement provides information about Teri M. McCasland that supplements the SFE Investment Counsel Inc. (SFE) Firm Brochure. Please contact us at (213) 612-0220 or tmccasland@sfeic.com if you did not receive an SFE brochure or if you have any questions about the contents of this supplement. Additional information about Teri M. McCasland is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

TERI M. MCCASLAND

Year of Birth: 1949

Formal Education after High School:

- Mansfield University
- University of Connecticut
- Pepperdine University, B.S. Business Management

Business Background for the Preceding Five Years:

- Vice President, Secretary, Chief Compliance Officer and Member of the Investment Committee of SFE Investment Counsel Inc. and its former affiliate Stern Fisher Edwards Inc (1981 to present)
- General Securities Representative (Series 7) and General Securities Principal (Series 24) licenses with Stern Fisher Edwards Inc (1981 to 2016)

Item 3 – Disciplinary Information

Advisors are required to disclose legal or disciplinary events that are material to a client's or prospective client's evaluation of this supervised person. We do not have any events to report for Teri McCasland.

Item 4 – Other Business Activities

Teri McCasland has no reportable outside business activities.

Item 5 – Additional Compensation

There is no arrangement where any supervised person at SFE who provides advisory services receives an economic benefit from someone who is not a client.

Item 6 – Supervision

Jon M. Kmett, President, supervises and monitors Ms. McCasland's activities on a regular basis to ensure compliance with our firm's Code of Ethics. Please contact Ms. McCasland or Ms. Arnold if you have any questions about Ms. McCasland's brochure supplement at (213) 612-0220.

BROCHURE SUPPLEMENT

Gregory Giauque



SFE Investment Counsel Inc.

801 South Figueroa Street
Suite 610
Los Angeles, CA 90017

(213) 612-0220
www.sfeic.com

March 2023

This brochure supplement provides information about Gregory Giauque that supplements the SFE Investment Counsel Inc. (SFE) Firm Brochure. Please contact us at (213) 612-0220 or tmccasland@sfeic.com if you did not receive an SFE brochure or if you have any questions about the contents of this supplement. Additional information about Gregory Giauque is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Gregory Giauque

Year of Birth: 1972

Formal Education after High School:

- University of Colorado Boulder, BA Philosophy

Business Background for the Preceding Five Years:

- Investment Adviser Representative; SFE Investment Counsel Inc. 03/2023 to present)
- Investment Officer; Santa Ynez Band of Chumash Indians (05/2013 to 03/2023)

Securities Licenses:

- Series 65: 03/2023

Item 3 – Disciplinary Information

Advisors are required to disclose legal or disciplinary events that are material to a client's or prospective client's evaluation of this supervised person. We do not have any events to report for Gregory Giauque.

Item 4 – Other Business Activities

Gregory Giauque has no reportable outside business activities.

Item 5 – Additional Compensation

There is no arrangement where any supervised person at SFE who provides advisory services receives an economic benefit from someone who is not a client.

Item 6 – Supervision

Teri McCasland, Chief Compliance Officer, and Donna Arnold, Compliance Officer, supervise and monitor Mr. Giauque's activities on a regular basis to ensure compliance with our firm's Code of Ethics. Please contact Ms. McCasland or Ms. Arnold if you have any questions about Mr. Giauque's brochure supplement at (213) 612-0220.