

# SALEM INVESTMENT COUNSELORS

*Registered with the Securities and Exchange Commission as an Investment Advisor*

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Salem Investment Counselors is a registered investment advisor with the Securities and Exchange Commission (SEC). The services provided and fees charged by **investment advisory** and **brokerage** firms differ, and it is important that investors understand these differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS), which also provides educational materials about investment advisors, broker-dealers and investing.

## What investment services and advice can you provide me?

We are an **investment advisory firm** that provides asset management for individuals and institutions. We seek to learn each client's goals and objectives, risk tolerance and circumstances in order to determine an appropriate investment model/allocation. Clients then give us authority to invest their assets on a discretionary basis in accordance with their objectives. Client portfolios may include: Equities, Certificates of Deposit, Mutual Funds, Exchange Traded Funds, Corporate Debt Securities, Municipal Debt Securities, Investment Company Securities and U.S. Government Securities.

Client portfolios are monitored and reviewed regularly for ongoing suitability and appropriateness. Our discretionary authority allows us to choose investments on behalf of our clients, in their individual accounts, based on the information they have provided to us.

More detailed information regarding our services is provided in our Form ADV, Part 2 Brochure.

*"Given my financial situation, should I choose an investment advisory service? Why or why not?"*

*"How will you choose investments to recommend to me?"*

*"What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?"*

## What fees will I pay?

Salem's discretionary investment advisory services are provided on a "fee only" basis, which means we charge a fee based on the amount of assets we manage for you. We do not charge commissions or other transaction-based fees.

We charge a percentage of assets under management for portfolio management and financial planning services. These fees are assessed on a quarterly basis, in arrears and partial periods may be prorated. Management fees are debited directly from the client's account unless other acceptable arrangements are requested. You should be aware that the more assets there are in your account, the more you will pay in fees.

We may invest your account in mutual funds, exchange traded funds (ETFs) and other registered investment companies that charge their own management fees and have their own operating costs and expenses (such as administrative, custodial, legal and trading costs and expenses), and may charge redemption fees or 12b-1 fees, all of which will be in addition to our management fees (but none of which are paid to us). These fees and expenses are typically described in the particular fund's prospectus. Our management fees also do not cover transfer taxes, wire transfer and electronic fund fees, other taxes on brokerage accounts and securities transactions or spreads that are built into the price of fixed income securities.

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.

More detailed information regarding fees and costs is provided in our Form ADV, Part 2 Brochure.

*“Help me understand how these fees and costs might affect my investments. If I give you \$100,000 to invest, how much will go to fees and costs, and how much will be invested for me?”*

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

When we act as your investment advisor, we are a fiduciary to you. As a fiduciary we act in your best interest and never put our interest ahead of yours. At the same time, the way we make money creates certain conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. For example, because we charge an asset-based fee, the total fees you pay us will increase with the size of your account (even though higher asset tiers are charged lower fees). This creates an incentive for us to recommend that you increase the assets in your account through growth of the assets or new deposits.

More detailed information regarding conflicts of interest is provided in our Form ADV, Part 2 Brochure.

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

## **How do your financial professionals make money?**

Our financial professionals (investment advisor representatives) are paid a salary based on the amount of investor assets they service. Our financial professionals do not earn sales commissions or other transaction-based compensation, and they are not paid based on client account performance or activity.

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

No, we do not have any legal or disciplinary history. For a free and simple search tool to research Salem and its financial professionals please go to <http://www.investor.gov/CRS>.

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

## **Additional Information**

For additional information regarding Salem (including an up-to-date copy of this statement), please contact us by telephone at (336) 768-7230 or visit our website at <http://www.saleminvestment.com>.

*“Who is my primary contact person?”*

*“Is he or she a representative of an investment advisor or a broker-dealer?”*

*“Who can I talk to if I have concerns about how this person is treating me?”*