

# R. H. DINEL INVESTMENT COUNSEL, INC.

## CLIENT RELATIONSHIP SUMMARY

EFFECTIVE JUNE 30, 2020

### Introduction

R. H. Dinel Investment Counsel, Inc. is registered as an investment advisor with the Securities and Exchange Commission. This document gives you a summary of the service we provide and how you pay for that service.

This document is provided to comply with the SEC's Form CRS requirement. It does not create or modify any agreement, relationship, or obligation between you and R. H. Dinel Investment Counsel, Inc. Materials are available at <https://www.investor.gov/CRS> to research firms and financial professionals.

### Relationships and Services

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

We offer investment advisory services. We will manage your portfolio of securities which you would place in a custody account with a bank. We do not have access to your portfolio but you provide us with discretionary management authority with respect to your portfolio.

Before we commence an investment advisory relationship with you, we will conduct an extensive meeting with you, and your other professional advisors if you wish, to determine what your investment goals are. Your portfolio will be designed to meet those goals, both for the near term and perhaps for the very long term, if you request us to do so.

We then utilize securities appropriate for your goals; these securities might include stocks, taxable bonds, warrants, rights, and municipal tax-exempt bonds. As part of our service we monitor your portfolio regularly and act (buy or sell securities) on your behalf when appropriate. A minimum of \$2 million is required to open an investment advisory account with our firm.

For additional information about our services please see our Form ADV Part 2A *Brochure* at [www.rhdic.com/about](http://www.rhdic.com/about).

#### **Conversation starters:**

##### **Questions you may wish to ask**

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments for my portfolio?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do those qualifications mean?*

### Fees, Costs, Conflicts, and Standard of Conduct

#### *What fees will I pay?*

Our fees are paid in advance each quarter directly from your custody account, and are based on the total value of your portfolio on the last day of the previous quarter. You will receive a copy of each bill with our quarterly report to you. Our fees vary but our standard fees are as follows:

- 1.5% for the first \$1 million under management
- 1.25% for the second \$1 million under management
- 1% for each additional \$1 million under management

Our incentives are aligned with yours. Increasing the value of your portfolio increases our fee.

### **Other costs**

- You will pay a custody fee of up to \$375 per quarter to the bank at which the securities and cash equivalents we manage for you will be held. This fee is automatically deducted from your custody account.
- We purchase and sell securities on your behalf utilizing independent broker-dealers. Broker-dealers are chosen for the quality of execution of transactions and the quality of the research services they provide.
- The usual aggregate commissions paid to unaffiliated broker-dealers for the initial assembly of a common stock portfolio is approximately 0.12% of the value of the common stocks acquired.
- We put our efforts into stock selection rather than attempts to time stock market movements. This greatly reduces the number of buys and sells in established portfolios. Therefore, annual commissions paid to unaffiliated broker-dealers to maintain portfolios range from non-existent in some years to approximately 0.3% of the value of the portfolio.
- If we purchase bonds on your behalf, broker-dealers generally do not disclose commission. However, we try to purchase bonds in the most advantageous manner. For municipal bonds this usually means purchasing the bonds when they are offered to the public by the municipality. This ensures that the price is consistent with the current market.
- You will pay fees and costs whether you make or lose money on your investments. Over time fees and costs will decrease the profit on your investments.

### **Conflicts of interest**

We have no conflicts of interest and receive no compensation for the opening of a new account or the purchase or sale of any securities. Our only source of income is described above and is based on the value of your portfolio.

#### **Conversation starters:**

##### **Questions you may wish to ask**

- *Help me understand how these fees and costs might affect my investments. If I give you \$2 million 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?*

### **Standards of Conduct**

As a registered investment advisor, we act as a fiduciary. (Fiduciaries must act in the best interest of their clients, and never put their interests ahead of the interests of their clients). We will monitor your portfolio regularly. In accord with the investment policy we have agreed upon with you, we will make modifications to the portfolio as we believe appropriate.

### **Disciplinary History**

#### ***Do you have any disciplinary history?***

No. We have had no disciplinary events.

Materials are available at <https://www.investor.gov/CRS> to research firms and financial professionals.

#### **Conversation starters:**

##### **Questions you may wish to ask**

- *Who is my primary contact person?*
- *Who can I talk to if I have concerns about how this person is treating me?*

### **Additional Information**

For more information about our firm please visit <https://adviserinfo.sec.gov/> and [www.rhdic.com](http://www.rhdic.com).

You may print out a copy of this Client Relationship Summary from [www.rhdic.com/about](http://www.rhdic.com/about) or call our firm at (310) 571-7171 to request a copy.