

**ITEM 1 - COVER PAGE – PART 2A of FORM ADV**



**ZWJ Investment Counsel, Inc.**

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This brochure provides information about the qualifications and business practices of ZWJ Investment Counsel, Inc., ("ZWJ"). If you have any questions about the contents of this brochure, please contact us at 404-873-2211. 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 ZWJ also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

ZWJ is registered with the SEC. However, this registration, while required by law, does not indicate any established or set level of skill or training on our part.

## **ITEM 2 - MATERIAL CHANGES**

The Material Changes section of this brochure lists the material changes made since the last release of this brochure. Since the March 30, 2024 annual updated amendment filing, there has been no material change to this brochure.

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## ITEM 4 - ADVISORY BUSINESS

Tracing its beginnings to 1982, ZWJ provides clients with investment counseling services consisting primarily of discretionary asset management through the use of equity, fixed income and balanced (between equity securities such as stocks and fixed income securities such as municipal, corporate, government agency, or government bonds) portfolios. Our services and processes are designed to determine and address each client's specific investment needs, circumstances, objectives, time horizon expectations, past investment experience, and risk tolerance. Based upon this information, we prepare and provide a written investment policy statement for each client.

We also provide financial planning and advisory services, including reporting and performance measurement on other money managers, as part of our consulting arrangements with certain clients. We do not provide legal, tax, or accounting advice or services.

The Directors of ZWJ are Charles Abney, Casey Flanagan, and Clay Jackson, each of whom is also a principal owner of the firm. Clay Jackson is Chairman and Chief Executive Officer. Charles Abney and Casey Flanagan are Senior Vice Presidents, and the Chief Compliance Officer ("CCO") is Krista Cosgrove. The CCO is supervised by the Directors of the firm.

The amount of client assets we managed on a discretionary basis as of December 31, 2024 was \$3,554,410,598 and the amount of client assets we managed on a non-discretionary basis as of December 31, 2024 was \$301,674,354 for a total of assets under management of \$3,856,084,952.

Wrap-Fee Programs: ZWJ has a wrap fee arrangement with Envestnet which is not affiliated with ZWJ. In these instances, we provide investment advice under a wrap fee program where the wrap fee sponsor recommends us to a client, pays our management fees for the client, executes the client's trades without commission charges, monitors our performance and acts as a custodian, or provides some combination of these or other services, all for a single fee.

Under a wrap fee arrangement, client assets are managed by us in the same manner as assets managed by us for our clients not in a wrap fee arrangement although this would be subject to individual client investment needs and objectives. In some situations, we have limited or minimal contact with wrap fee

clients, where the brokerage firm or other company maintains the direct and primary client relationship. Depending upon the amount of the wrap fee the brokerage firm or other company charges, the number of securities transactions, and the value of custodial or other services provided, the amount of the wrap fee may or may not be less than the total cost for such services added together if obtained separately. Such arrangements may not be suitable for all clients based on the client's individual financial circumstances and investment goals. More specific information on our wrap fee arrangements can be found in the brochures provided by the wrap fee program sponsors. ZWJ does not act as a sponsor of any wrap fee arrangements.

Mutual Funds Legacy Holdings: Our investment strategies do not involve the active use or management of mutual funds. However, on occasion clients will transfer mutual fund holdings into a managed account. Because we do not include mutual funds in our managed strategies, a mutual fund holding will generally be sold unless the client wishes to avoid a taxable gain or directs us to hold the position. If it is requested that we hold a mutual fund position, the position is typically held as an unmanaged asset. There may be occasions where the mutual fund position is held as a managed asset and in those cases the portfolio manager may use discretion to conduct an analysis and move to a more advantageous share class. We do not receive 12b-1 fees from mutual fund holdings.

ERISA and Retirement Accounts: We are deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts ("IRAs") pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 ("the Code"), respectively. As such, we are subject to specific duties and obligations under ERISA and the Code that include, among other things, restrictions concerning certain forms of compensation.

We may assist you with retirement accounts and this assistance may present a conflict of interest. When you leave an employer there are typically four options regarding an existing retirement account and you may use a combination of these options; 1) if permitted, leave the funds in your former employer's plan, 2) if rollovers are permitted and you have a new employer with a plan available, roll over the funds to your new employer's plan, 3) change to roll over to an Individual Retirement Account ("IRA"), or 4) withdraw or cash out your funds from the plan which may have adverse tax consequences depending on your age. When we

recommend that you roll over your retirement assets into an account to be managed by us, such recommendation creates a conflict (benefit to us) when we earn an advisory fee on your rolled over funds. You are under no obligation to roll over retirement assets to an account managed by us.

Private Placements: ZWJ may also recommend to certain qualified clients an investment in a private fund or offering. ZWJ will provide initial due diligence on recommended private investment funds and perform ongoing due diligence and investment monitoring services. Each prospective private fund investor will be required to complete a subscription agreement or similar application that will confirm the investor's qualification for investment in the fund and acknowledge the various risk factors that are associated with such an investment. ZWJ's clients are under no obligation to consider or make an investment in a private investment fund. Please see Item 8 for more information on the risks associated with this type of investment.

## **ITEM 5 - FEES AND COMPENSATION**

ZWJ charges a management fee for its investment advisory services based on the market value of client assets under our management. The standard fee schedule for our investment management services is as follows:

1% on first \$1,000,000

.75% on next \$2,000,000

.50% on next \$7,000,000

Negotiable on amounts in excess of \$10,000,000

Fees are negotiable depending on the individual client or account circumstances; for example, certain non-discretionary assets and accounts may be excluded from fee calculations. The fee schedule for our consulting arrangements and reporting of private placements is customized based on the assets we are monitoring, and the scope of services provided.

ZWJ's management fees are billed quarterly in advance based upon the market value of the assets at the end of the preceding quarter. For new accounts, fees are based on a pro rata calculation based on ninety days in the billing cycle. Clients agree to our fee schedule as part of our written client agreement, which

may be terminated by either party at any time with thirty days' written notice. In the event of termination, ZWJ will refund to the client any prepaid, unearned portion of the management fee based on the pro-rata effective termination date and the actual number of days in the billing period.

Our clients have the option to pay our fees to us directly upon receipt of our invoice or authorize the account custodian to directly debit our fee from the client account. If the client chooses the latter method, the account custodian will not confirm our fee but will pay ZWJ a fee from the client account based on the fee amount that we communicate to the custodian. Clients receive an invoice each quarter for our services as part of their ZWJ account statement. Clients also receive a separate statement from the account custodian that shows the amount of the fee sent to us and should confirm the accuracy of our fee calculation.

Our management fees do not include brokerage commissions or other fees, or charges associated with securities transactions implemented with or through a brokerage firm such as mark-ups or mark-downs in principal transactions, deferred sales charges, stock exchange fees, wire transfer or related processing fees, transfer taxes or other charges mandated by law or regulation. We do not receive any portion of any of the foregoing expenses or fees. More information regarding how we select or recommend brokerage firms for securities transactions in client accounts can be found in the Brokerage Practices section of this brochure. Also not included in our fees are those fees and expenses related to mutual funds and exchange traded funds. Information regarding these separate fees and expenses are described in each fund's prospectus.

As discussed in the section on Advisory Business in this brochure, some of our clients are retained under a wrap fee arrangement with Envestnet, where clients pay an agreed upon fee for our investment management services, brokerage commissions, custodial services and possibly consulting services. We receive a portion of the wrap fee charged by the brokerage firm for our services. Our portion of the fee generally ranges from 0.15% to 0.70% of the assets managed by us depending upon our arrangement with the wrap fee sponsor.

Clients should be aware that other firms, including other investment management firms, may charge a higher or lower fee for similar or comparable services.

## **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

This section does not apply to ZWJ Investment Counsel, Inc.

## **ITEM 7 - TYPES OF CLIENTS**

Our clients include individual persons, pension and profit-sharing plans, trusts, estates, charitable organizations and corporations or similar business entities. Generally, our minimum account size is \$1,000,000 although this may be waived based on other considerations such as the account's relationship to established clients or other factors.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

We use several methods of investment analysis to provide services to our clients. Our methods of investment analysis include fundamental analysis, which is the analysis of a company's financial statements, its management, competitive advantages, markets, etc. and financial analysis which involves the buying and selling of investments when certain financial ratios are low or high. Our investment strategy includes long-term purchases (securities generally held for at least a year) and short-term purchases (securities generally held for less than a year). The securities we use in our investment strategies and investment advice include equity securities such as exchange listed securities, securities traded over the counter and foreign issues; debt securities of corporations and similar entities; certificates of deposit; municipal and government securities. While our investment strategies are composed primarily of individual securities, we do on occasion purchase and manage Exchange Traded Funds (ETFs) for smaller client portfolios or for clients who specifically request this investment strategy.

When appropriate for a client's objective, risk tolerance and qualifications, ZWJ may recommend the client participate in private issues, such as single purpose vehicles, funds of funds, private equity, and hedge funds. Typically, these investment vehicles are structured as limited partnerships with differing minimum investments, liquidity, fees and expenses, and investment objectives. The relevant details of the investment are found in the applicable offering documents and

should be reviewed before subscribing.

Investing in the types of securities used by us in managing client assets or providing investment advice involves the potential risk of loss in the value of the securities both in the amount invested in the securities as well as any profits which have not been realized by selling the securities. Clients should be prepared to bear the risk of such losses. The degree of risk depends upon the type of security or strategy involved.

#### **ITEM 9 - DISCIPLINARY INFORMATION**

This section does not apply to ZWJ Investment Counsel, Inc. or any of its employees.

#### **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

This section does not apply to ZWJ Investment Counsel, Inc. or any of its employees.

#### **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

ZWJ has adopted a written Code of Ethics under which all employees are restricted from trading in certain securities for their personal accounts absent pre-approval. This process seeks to avoid conflicts of interest with transactions being affected in client accounts. Because our employees can buy or sell the same securities that we recommend for purchase or sale in client accounts, there is a potential conflict of interest between our employees' own financial interest and the best interest of our clients. We have addressed this conflict of interest by requiring pre-clearance and monitoring of our employees' personal transactions in publicly traded securities. On occasion employees of our firm, and in some instances certain clients, participate in private offerings that are not part of our firm's recommendations or strategies. Our Code of Ethics requires employees to disclose personal private offering investments.

Our employees are required to submit quarterly reports relating to their personal transactions and an annual report of their personal securities holdings to us. Our Code of Ethics also contains policies and procedures which are intended to prevent the misuse of material nonpublic information. A copy of our Code of Ethics is available upon request at no cost by contacting us through the contact information provided on the Cover Page of this brochure.

## **ITEM 12 - BROKERAGE PRACTICES**

Client assets must be maintained in an account at a “qualified custodian,” generally a broker dealer or bank. We seek to select a custodian or broker that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Commission charged by the brokerage firm;
- Promptness and quality of overall execution services provided by the brokerage firm;
- Financial condition, creditworthiness and business reputation of the brokerage firm;
- Promptness and accuracy of oral, hard copy or electronic reports of execution;
- Ability and willingness to correct errors;
- Promptness and accuracy of confirmation statements;
- Ability to access various market centers;
- The brokerage firm's facilities, including software or hardware provided to the adviser;
- The market in which a security trades;
- Broker-dealer expertise in executing trades for the particular type of security;
- Reliability of the brokerage firm; and
- Operational capabilities of the brokerage firm.

Charles Schwab & Co., Inc.: We may recommend that our clients use Charles Schwab & Co., Inc., a registered broker-dealer, member SIPC, as the qualified

custodian. Although we may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. ZWJ is independently owned and operated and not affiliated with Schwab.

For our client accounts that Schwab maintains, Schwab generally does not charge separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the client account. In addition to commissions and these fees, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client Schwab account. These fees are in addition to the commissions or other compensation that you pay the executing broker dealer. Because of this and to minimize client trading costs, Schwab executes most trades for those client accounts held at Schwab. Schwab and its affiliate Charles Schwab Bank also receive compensation as a result of cash awaiting investment in client accounts.

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like ZWJ. They provide us and our clients with access to their institutional brokerage services (such as trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services that benefit us but may not directly benefit our clients' accounts. These products and services assist us in managing and administering our clients' accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at Schwab. Schwab's products and services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from our clients' accounts; and (v) assist with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may

provide some of these services or in some cases will arrange for third-party vendors to provide these services to us. Schwab may discount or waive fees for some of these services or pay all or a part of the fees of a third-party providing these services to us. Schwab may also provide other benefits to our employees such as educational events or occasional business entertainment. In evaluating whether to recommend that our clients custody their assets at Schwab, we take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which can create a conflict of interest since our recommendation that our clients maintain accounts at Schwab may be based in part on the availability to ZWJ of all or some of the products or services described above.

Directed Brokerage: We will execute transactions through a particular brokerage firm if a client directs us to do so or if the client decides to participate in a wrap fee arrangement in which case trades are generally executed through the brokerage firm sponsoring the wrap fee arrangement. In these situations, the client, not ZWJ, is responsible for negotiating the commission rates. These clients should be aware that because of our inability to negotiate commissions and obtain volume discounts, best execution may not be achieved for transactions in these accounts. As a result, transactions in these directed brokerage accounts can result in higher commissions, greater spreads, or less favorable net prices than would be the case if we were authorized to choose the brokerage firm for trade execution.

In client accounts where we have been instructed by the client, or by the brokerage firm or other company in the event of a wrap fee arrangement, to direct transactions to a specified brokerage firm, those transactions may be placed subsequent to transactions we enter for client accounts where we determine the brokerage firm for trade execution. This may result in less favorable execution. Clients should be aware that there are brokerage options to consider, possibly at a lower commission cost, other than instructing us to direct transactions to a specific brokerage firm.

Block Transactions: In discretionary accounts, we may group or block orders for the same security for more than one client account to more effectively execute the orders. This is known as a block transaction. This process can create trading efficiencies, prompt attention to the order and improve price execution since the block transaction may be executed at various prices but averaged. Therefore,

clients whose transactions are part of the block transaction will receive the same average price. Personal transactions of our employees may be included in such block transactions. When such block transactions are not fully executed by the market close, we will seek to allocate the executed portion of the block transaction on a basis which we consider fair to our clients over time. Generally, this will mean a random allocation process.

ZWJ does not participate in agency cross transactions, principal transactions, or cross transactions.

Trade Errors: Errors can occur when executing client transactions. We will seek to correct errors in a timely manner so that clients do not incur a loss or other costs as a result of any such errors. Any loss or costs incurred as a result of the correction of such errors will be borne by us or by the broker/custodian.

Soft Dollars Practices: ZWJ does not receive soft dollar benefits from custodians.

## **ITEM 13 - REVIEW OF ACCOUNTS**

Our clients' accounts are reviewed periodically by members of our Investment Committee, according to the specific needs and objectives of each client and the account characteristics. Asset allocation and economic reviews, as well as industry and individual security analysis, are conducted on a weekly basis by our Investment Committee. Client accounts are also reviewed by the Portfolio Manager on a periodic basis. Changes in individual client considerations can result in more frequent reviews, due to such reasons as a change in client investment objectives or circumstances such as retirement or a large contribution or withdrawal to or from an account. Also, significant developments or events specific to a particular security held in client accounts, or significant market, economic or political developments can necessitate additional client and portfolio reviews.

We offer quarterly portfolio reports which include details of the cost basis, market value and income for each security. Clients involved in a wrap fee arrangement as described in the section on Advisory Business may also receive a report directly from the brokerage firm which created the wrap fee arrangement for those assets under our management. Clients also receive written reports directly from the account custodian containing information relating to all transactions and other

account activity. Clients are encouraged to carefully review these statements and compare these statements to statements received from ZWJ.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

We receive referrals from existing clients and other professionals. These existing client and professional referrals have served as a basis for adding new clients.

We have written agreements with several people and companies, some of whom are also clients of ZWJ, who refer potential clients to us in exchange for a referral or solicitor fee which is a percentage of the fee we receive from the referred client for our services. This means that the people and companies who refer potential clients to us have a financial interest in selecting us to provide our services. Potential clients who are referred to us through an arrangement like this will receive a written document which discloses our arrangement with the solicitor, any affiliation between us and the solicitor, and a description of the compensation the solicitor will receive from us if an account is established with us. The investment management fee we charge referred clients is not higher as a result of these referral arrangements.

We may also compensate our employees, including our Portfolio Managers, who refer potential clients to us for our services. Thus, the employee will have a financial interest in the selection of ZWJ by the client for investment management services. Please refer to the section on Brokerage Practices in our brochure for information on other economic benefits we may receive for providing services to you.

#### **ITEM 15 - CUSTODY**

Client assets must be maintained at a “qualified custodian” which is typically a brokerage firm or a bank. In addition to our account statements, clients also receive account statements directly from the account custodian on at least a quarterly basis. Clients are encouraged to carefully review their custodian statements and compare them to our statements for any discrepancies.

Statements from the custodian are the official record of accounts and assets for tax purposes.

Although client assets are held at a qualified custodian, there are limited circumstances under which we may be legally considered to have custody of a client's assets. These reasons involve our authority to directly debit the client's account to collect our investment management fee, third party standing letters of authorization, or due to special relationships. These relationships include acting as a trustee, agent, or executor for a client and would require us to undergo an independent surprise custody exam.

#### **ITEM 16 - INVESTMENT DISCRETION**

We exercise discretionary investment authority over client assets through the execution of a limited trading authority or similar written authority contained in the client agreement signed by the client. Similar discretionary authority is contained in wrap fee arrangements executed with the brokerage firm which established the wrap fee arrangement. Clients can limit the extent of discretionary investment authority granted to us although this may impact the level of services we can provide.

#### **ITEM 17 - VOTING CLIENT SECURITIES**

We do not vote proxies nor render any advice on proxies related to client accounts except as otherwise required by or negotiated with a client for a specific account. In such cases, proxy voting will be determined by the majority decision of the Investment Committee.

Class Action Claims: ZWJ has engaged a third-party provider, Chicago Clearing Corporation ("CCC"), to monitor and file class action securities claims on our clients' behalf. CCC expedites the distribution of settlement proceeds in compliance with SEC guidelines. CCC's filing fee is 20% of the client's share of the settlement proceeds and is contingent upon the successful completion and distribution of those settlement proceeds. ZWJ does not receive any portion of this contingency fee. Clients are automatically included in CCC's service and have the option to opt-out or decline this service by notifying us in writing. If a client

opts out of this service, neither CCC nor ZWJ has an obligation to advise, monitor or take any action on behalf of a client regarding class action litigation involving securities held in a client's account.

## **ITEM 18 - FINANCIAL INFORMATION**

This section does not apply to ZWJ Investment Counsel, Inc. as we have never filed for bankruptcy, nor are we subject to any financial conditions which could impair our ability to meet our obligations to clients.