



FIRM BROCHURE AND BROCHURE SUPPLEMENT

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This firm brochure and brochure supplement provides information about the qualifications and business practices of Cannell & Spears LLC. Information about some of its supervised persons is provided in the brochure supplement at the end. If you have any questions about the contents of this firm brochure and brochure supplement, please contact Glenn Goldberg by telephone at (212) 752-5255 or electronic mail at ggoldberg@cannellspears.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cannell & Spears LLC and some of its supervised persons is available on the website maintained by the Securities and Exchange Commission at www.adviserinfo.sec.gov.

January 2024

Material Changes

Material Changes Since Last Annual Amendment

The 2023 annual updating amendment to this firm brochure and brochure supplement was filed on March 30, 2023. An amendment was later filed in March 2023 to correct the figures for assets under management in the section entitled “Advisory Business.” This amendment was filed in January 2024 to reflect the combination of the businesses of Cannell & Co. and Spears Abacus Advisors LLC effective on January 1, 2024.

Full Brochure Available

If at any time you would like to receive a copy of the current firm brochure and brochure supplement, please contact Glenn Goldberg by telephone at (212) 752-5255 or electronic mail at ggoldberg@cannellspears.com. The current firm brochure and brochure supplement is also posted on the Cannell & Spears website at www.cannellspears.com.

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Advisory Business

Firm Description

Cannell & Spears is a combination of two longstanding registered investment advisors, Cannell & Co. and Spears Abacus Advisors LLC. The combination went into effect on January 1, 2024. Cannell & Co. commenced operations in 1973, and Spears Abacus Advisors LLC commenced operations in 2016.

Cannell & Spears was organized as a limited liability company under the laws of the State of Delaware in 2006 and has offices in New York, New York and Jupiter, Florida. Cannell & Spears is registered as an investment advisor with the United States Securities and Exchange Commission. Registration does not imply a certain level of skill or training.

Cannell & Spears is not a broker-dealer, nor does it engage in investment banking. Cannell & Spears is a value investor that takes a long-term perspective to purchasing and selling equity and fixed-income securities. Instead of market timing, Cannell & Spears relies primarily on its own research and on careful investment selection.

Ownership of Cannell & Spears

Cannell & Spears is principally owned by its managers and principals, none of whom individually owns twenty-five percent or more of Cannell & Spears.

Types of Advisory Services

Cannell & Spears services include the management of equity and fixed-income portfolios, as well as other specialty investment portfolios. Cannell & Spears also manages The BeeHive Fund, which is a separate series of Forum Funds, an open-ended investment company registered under the Investment Company Act of 1940. Cannell & Spears generally manages the assets of its clients on a fully discretionary basis and sometimes reviews asset allocation for clients for whom it does not provide portfolio management. In addition, Cannell & Spears offers financial-planning services and advice about retirement-plan rollovers.

Tailored Relationships

Cannell & Spears tailors its investment advice to the particular needs, investment objectives, and investment guidelines of each client. Cannell & Spears meets with each client or his financial advisor to gain an in-depth understanding of the financial circumstances and objectives of the client. Selection of securities, asset allocations, purchase guidelines, and tax sensitivity are driven by this deep understanding. Clients may impose restrictions on investing in particular securities or types of securities.

Assets Under Management

As of January 1, 2024, Cannell & Spears managed approximately \$5,802,100,000 of client assets on a discretionary basis and approximately \$54,400,000 of client assets on a non-discretionary basis. Its total assets under management as of that date was approximately \$5,856,500,000.

Fees and Compensation

Managed Accounts

Cannell & Spears is generally paid an annual fee based on a percentage of the assets under management in a client managed account. This percentage is set forth in the investment management agreement between the client and Cannell & Spears. Because both Cannell & Co. and Spears Abacus Advisors LLC conducted business for many years prior to the combination, there is no single fee schedule for managed accounts.

Cannell & Spears charges fees either quarterly in advance or quarterly in arrears, as agreed upon with the client. In general, Cannell & Spears deducts its investment management fees directly from client accounts. A client may choose to be billed for fees rather than to have fees directly deducted. When Cannell & Spears reviews asset allocation for a client for whom it does not provide portfolio management, it is typically paid a fixed fee.

Fees may be negotiated based on the size of a managed account and the type of investments involved. A variance in fees may be appropriate in cases in which a client requests a special account structure or has atypical objectives. Cannell & Spears has the flexibility to change, reduce, or waive its fees in its sole discretion and to increase or decrease the minimum account size.

Cannell & Spears computes its fees based on the market value of the assets in a managed account or, in the absence of a readily ascertainable market value, based on its good-faith determination of the fair value of the account assets. Cannell & Spears may hold cash in managed accounts for strategic and other purposes.

Investment management agreements for managed accounts generally permit either the client or Cannell & Spears to terminate the advisory relationship at any time. Termination generally becomes effective ten days later, although no new securities transactions are initiated after a termination. If a relationship terminates, Cannell & Spears refunds any unearned fee based on the number of calendar days remaining in the quarter.

The BeeHive Fund

In addition to managed accounts, Cannell & Spears manages a mutual fund called The BeeHive Fund. The advisory fee paid to Cannell & Spears by The BeeHive Fund is 0.75 percent per annum of the average daily net assets of the fund. If not waived in whole or in part, the fee is accrued daily and assessed based on average net assets on the last date of the previous month. The fee is paid monthly in arrears based on average net assets for the prior month. A Cannell & Spears client who owns shares of The BeeHive Fund is not charged an asset-based fee on the value of the shares, since an advisory fee is already being assessed on the shares.

Cannell & Spears has contractually agreed through December 31, 2025 to waive its advisory fee for the fund or to reimburse fund expenses, or both, in order to limit total annual fund operating expenses after fee waiver and expense reimbursement (excluding taxes, interest, portfolio

transaction expenses, and extraordinary expenses) to 0.99 percent. This arrangement may be changed or eliminated with the consent of the board of trustees of Forum Funds.

Investment in Securities with Limited Liquidity

With the consent of a client, Cannell & Spears may from time to time allocate a portion of the assets in his managed account to securities with limited liquidity, such as securities that are not readily marketable or are issued by issuers that are not publicly traded, while bearing in mind the suitability of these securities for the client. These securities may be acquired directly or through unregistered pooled investment vehicles. Restricted or illiquid securities are generally difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. There is no assurance that that an issuer will be able to register the offering or sale of its securities so that the securities will become eligible to trade in the public markets. The fee payable with respect to the management of securities with limited liquidity will be set forth in writing in an instrument other than the investment management agreement, which may include a subscription agreement to participate in an unregistered pooled investment vehicle.

Financial-Planning Services

At no additional fee, Cannell & Spears sometimes provides financial-planning services to clients for whom it manages accounts.

Retirement-Plan Rollovers

Investment advisors that provide fiduciary advice in connection with making a recommendation to roll over an individual retirement account (an “IRA”) or other retirement plan are required to comply with prohibited transaction exemption PTE 2020-02 adopted by the U.S. Department of Labor. Cannell & Spears charges a level investment management fee, either a fee based on assets under management or a flat fee, that does not vary on the basis of the investment advice provided. Consequently, Cannell & Spears understand that it is not engaging in a prohibited transaction. In addition to other investment advisory services provided, Cannell & Spears may receive a level investment management fee from one or more clients in connection with providing advice to roll the assets from (1) a retirement plan into an IRA managed by Cannell & Spears, (2) a retirement plan to another retirement plan, or (3) an IRA to another IRA. Under any of these scenarios, when providing fiduciary investment advice in the context of a rollover recommendation, Cannell & Spears is required to comply with PTE 2020-02.

Pursuant to PTE 2020-02, each client or prospective client to whom Cannell & Spears provides investment advice with respect to his IRA or other retirement plan will confirm that Cannell & Spears has acknowledged its fiduciary status and, in addition, have disclosed the advantages and disadvantages of staying in the existing retirement plan as opposed to transferring the assets to Cannell & Spears for management, to another IRA, or, if permitted and eligible, to the retirement plan of a new employer. In the confirmation, the client or prospective client will specify the reasons why a recommendation to transfer assets from one IRA or retirement plan to another IRA is in his best interests.

Brokerage and Other Fees

Broker-dealers typically charge transaction fees on purchases or sales of securities, and account custodians may charge custodial fees. A client should refer to the custody agreement or contact his custodian to discuss custodial fees. Transaction and custodial fees are usually small in relation to the value of the account. A client has the option to select a brokerage firm of his own choosing to execute transactions in the securities that Cannell & Spears recommends. If a client holds a mutual fund (other than The BeeHive Fund) or an exchange-traded fund in his managed account, the advisory fee charged by the investment manager of the mutual fund or exchange-traded fund is indirectly borne by the client. Cannell & Spears does not reduce its investment management fee by the amount of transaction or custodial fees. Additional information is provided in the section of this firm brochure entitled "Brokerage Practices."

Performance-Based Fees and Side-by-Side Management

As discussed in the section of this firm brochure entitled "Fees and Compensation—Investment in Securities with Limited Liquidity," the fee payable by Cannell & Spears clients with respect to the management of securities held in unregistered pooled investment vehicles may be set forth in a subscription agreement to participate in the pooled investment vehicle. The fee may include either a flat fee or a charge or allocation based on the capital appreciation of the securities over a specified time period, or both. A charge or allocation based on capital appreciation is considered performance-based compensation, and in some cases the manager of the pooled investment vehicle may share a portion of the fee or allocation paid by fund investors with Cannell & Spears. As a result, conflicts of interest may arise because Cannell & Spears has an incentive to favor the pooled investment vehicles over its own managed accounts due to the ability to earn performance-based compensation. Cannell & Spears has adopted written policies and procedures designed to reduce the likelihood of these conflicts. These policies and procedures include but are not limited to (1) the monitoring of performance of the pooled investment vehicles as compared to the performance of managed accounts and (2) the imposition of trading restrictions when needed.

Types of Clients

Description

Cannell & Spears furnishes investment management services to individuals, charitable and non-profit organizations (such as endowments and foundations), tax-exempt funds (such as pension and profit-sharing plans), trusts, estates, corporations, partnerships, a registered investment company, unregistered pooled investment vehicles, and other business entities. Many Cannell & Spears clients are persons and entities controlled or influenced by supervised persons of Cannell & Spears or members of their families.

Minimum Account Size

Cannell & Spears generally requires a minimum of \$1,000,000 for new managed accounts. The minimum initial investment for The BeeHive Fund is \$2,500. Cannell & Spears reserves the right to increase or decrease the minimum account size that it accepts.

Know Your Client

It is Cannell & Spears policy to understand the identities of clients and prospective clients and the business reasons for any transactions in which Cannell & Spears engages on behalf of its clients. Cannell & Spears does not directly or indirectly conduct business with any person or entity whose identity and source of funds have not been verified to the satisfaction of the account custodian.

Methods of Analysis, Investment Strategies, and Risk of Loss

Investment Strategies

With respect to those client accounts over which Cannell & Spears exercises discretionary authority, Cannell & Spears seeks to generate superior long-term capital appreciation through a focused portfolio of companies that Cannell & Spears believes to have dynamic businesses with leading and defensible market positions. Quality management, a proven record, a competitive advantage, sound financials, and the opportunity for growth are the fundamental traits that Cannell & Spears seeks in the issuers in which clients are invested. The management philosophy of Cannell & Spears emphasizes specific security selection rather than asset allocation. Cannell & Spears looks for investments that it believes to offer favorable asymmetric expected-return profiles over the coming three years and to possess catalysts to unlock value.

Cannell & Spears portfolio construction includes the objective of issuer and industry diversification. Generally, clients authorize Cannell & Spears to invest their accounts primarily in publicly traded securities, shares of mutual funds and exchange-traded funds, and securities options contracts. The securities held in client accounts may include, among other things, common stock, preferred stock, partnership interests, limited liability company interests, and fixed-income securities.

Research is conducted primarily within the firm by the portfolio managers and analysts, although the portfolio managers attend industry events and interviews that allow them to meet senior executives from companies in which Cannell & Spears may have an interest. In June 2020, Cannell & Co. entered into an agreement with an expert network service that has allowed the firm to pay a fee to obtain access to subject-matter experts in specific companies and sectors. Under the agreement, the engagement of each individual expert requires upfront and ongoing affirmations that no material non-public information will be discussed during the meetings.

When Cannell & Spears identifies what it believes to be a promising investment, the suitability of the investment for particular clients is individually evaluated. Many managed accounts are heavily invested in common stocks or publicly traded limited partnership interests. Cannell & Spears

believes that investing in these securities is an excellent way to preserve and enhance purchasing power. Cannell & Spears wants its client to own good businesses: businesses that are well understood by the portfolio managers and that are run by dedicated and able people. Other characteristics that the portfolio managers seek out are a low cost of raw materials, a high return on stockholder equity, and a material management stake in the business. The portfolio managers follow evolving industries and new concepts but also seek to identify unduly undervalued securities that appear to provide both an appropriate level of market risk and the potential for substantial appreciation.

Cannell & Spears endeavors to maintain cash or cash equivalents in each portfolio sufficient to permit the portfolio managers to capitalize on new investment opportunities without being forced to sell an existing holding at an inopportune time.

Fundamental Method of Analysis

Cannell & Spears conducts proprietary fundamental research to develop an understanding of a business and its position within its industry. Consideration is also given to technical studies. In the research process, Cannell & Spears analyzes company filings and communicates with company management and industry analysts. Cannell & Spears creates financial models that consider multiple scenarios, including a reasonable worst-case scenario. Portfolio holdings are continually monitored in an effort to ensure that the initial rationale for investment remains. If it is determined that the initial reason for investment is no longer valid, Cannell & Spears may sell the holding. A portfolio holding may also be sold if the valuation exceeds a target, if valuation appears inconsistent with industry peers, or if other investments with higher expected returns become available.

Risk of Loss

Investment in securities always involves risk of loss that clients should be prepared to bear. The investment approach employed by Cannell & Spears keeps the risk of loss in mind. Like other investors, Cannell & Spears clients face the following investment risks, among others:

Dependence on Cannell & Spears: The performance of an investment account at Cannell & Spears is critically dependent on the efforts of Cannell & Spears principals. Biographical information is included in the brochure supplement at the end of this firm brochure. The principals devote the time and effort that they deem necessary to the supervision of Cannell & Spears investment accounts, but they may have other business responsibilities. The past performance of Cannell & Spears and its principals, as well as the past performance of Cannell & Co. and Spears Abacus Advisors LLC, may not be indicative of future results.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. External factors cause this type of risk regardless of the particular circumstances that affect a security. For example, political, economic, and social conditions may influence market conditions.

The market values of securities may decline, at times sharply and unpredictably. Market values of equity securities are affected by a number of different factors, including the

historical and prospective earnings of the issuer, the value of the assets of the issuer, management decisions, decreased demand for the products or services of an issuer, increased production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions, and market liquidity.

Securities of a particular sector (such as energy or financials) or a particular style (such as growth or value) held in a client account may fall out of favor, in which case returns may subsequently trail returns by the capital markets generally. The performance of securities of large-capitalization companies may underperform those of smaller companies, even those that appear to be nimbler and to have better growth prospects. On the other hand, the performance of securities of small-capitalization and mid-capitalization companies may be more volatile than securities of larger companies. There also may be less liquidity in the securities of a smaller company, which means that buy and sell orders in the securities may take longer to complete at attractive prices. Small-capitalization companies often have less predictable earnings, more limited product lines and markets, and more limited financial and management resources than larger companies.

Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, fixed-rate bond coupons tend to become less attractive, which in turn causes the value of fixed-income securities to decline. Equity securities may also be subject to so-called hidden interest-rate risk, as some equity securities may change in value due to fluctuation in interest rates.

Inflation Risk: When inflation is present, a dollar today will not buy as much as a dollar next year, because the purchasing power of the dollar is eroding at the rate of inflation. In recent years, inflation and the threat of further inflation have become important considerations.

Volatility Risk: Volatility refers to the amount of uncertainty or risk about the size of changes in the value of a security. High volatility means that the value of a security may potentially be spread over a larger range of values. High volatility means that the price of the security may change dramatically over a short time period in either direction. Low volatility means that the value of a security does not fluctuate dramatically but instead changes at a relatively steady pace over time. Many securities have experienced high volatility in recent years.

Currency Risk: A security that is not denominated in U.S. dollars is subject to fluctuations in the value of the U.S. dollar as against the currency in which the security is denominated. For example, the value of a security denominated in euros will decrease if the dollar strengthens against the euro. This type of risk is also called exchange-rate risk.

Non-U.S. Risk: Companies that are based outside of the U.S. or domestic companies with significant foreign operations may be subject to risks in addition to those risks borne with respect to companies that principally operate in the U.S. These risks arise due to political, social, and economic developments abroad, different regulatory environments and laws, potential seizure by the government of company assets, higher taxation, withholding taxes on dividends and interest, and limitations on the use or transfer of portfolio assets. Enforcing

legal rights may be difficult, costly, and slow in foreign countries. There also may be special problems in enforcing claims against foreign governments. In addition, foreign companies may not be subject to accounting standards or governmental supervision comparable to those for U.S. companies; there may be less public information about their operations; and foreign markets may be less liquid and more volatile than U.S. markets.

Reinvestment Risk: Future proceeds from investments, particularly in fixed-income securities, may be reinvested at a lower rate of return because yields have generally decreased.

Business Risk: This risk is associated with a particular industry or a particular issuer. For example, an oil production company depends upon a lengthy process of finding, transporting, and then selling oil before the company generates a profit. As a result, an oil production company carries a higher risk of profitability variance than an electric company, which generates income from a relatively stable customer base that must purchase electricity regardless of the economic environment.

Liquidity Risk: Liquidity is the ready ability to convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, U.S. Treasury bills are highly liquid, while real estate is not. Only investors who are financially able to maintain their investment without a need for immediate liquidity should consider investment with Cannell & Spears.

Financial Risk: Excessive borrowing to finance the operations of a business increases the risk of profitability, because the company is required to repay principal and interest in both good and bad economic times. During periods of financial stress, the inability of a company to meet its loan obligations may decrease the value of its securities and, in some cases, force the company to seek bankruptcy protection.

Credit Risk: Fixed-income investments are prone to credit risk. The credit quality of an issuer may fluctuate, depending upon the ability of the issuer to pay its principal and interest obligations.

Risks Related to Public-Health Crises: A public-health crisis, such as the COVID-19 global pandemic, may have unpredictable and adverse impacts on global, national, and local economies, which in turn may negatively impact Cannell & Spears clients and their investment performance. Disruptions to commercial activity (such as the imposition of quarantines and travel restrictions) or, more generally, a failure to contain or effectively manage a public-health crisis may increase financial stress on issuers of securities, which in turn may adversely impact the performance of client investments. In addition, the COVID-19 global pandemic has contributed to volatility in financial markets in recent years. This volatility may adversely affect the ability of Cannell & Spears to dispose of investments and may lead to a significant rise in overall risk, all of which may have a material and adverse impact on client investment performance. The impact of a public-health crisis such as COVID-19 (or any future pandemic, epidemic, or outbreak of a contagious disease) is difficult to

predict and presents material uncertainty and risk with respect to the performance of client investments.

Disciplinary Information

This item is not applicable.

Other Financial Industry Activities and Affiliations

Robert Raich, a manager, a principal, and a portfolio manager at Cannell & Spears, is employed by Abacus & Associates Inc., a multigenerational single-family office that he leads. Cannell & Spears manages a mutual fund called The BeeHive Fund. To facilitate the offering of shares in The BeeHive Fund, Michele Cleary, Alina Miska Carlson, and Aashumi Mody are registered representatives of ACA Foreside, a broker-dealer registered with the Securities and Exchange Commission that serves as the primary distributor of The BeeHive Fund. ACA Foreside is not affiliated with Cannell & Spears. Cannell & Spears believes that these arrangements create no material conflicts of interest.

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

Code of Ethics

The supervised persons of Cannell & Spears have committed to a written code of ethics. The code of ethics is based on the principle that Cannell & Spears has a fiduciary obligation to its clients. In this fiduciary capacity, Cannell & Spears and its supervised persons are required to place the interests of clients before their own interests and the interests of persons and entities that are related to them. The code of ethics also requires Cannell & Spears and its supervised persons to comply with all applicable laws, including federal securities laws, in conducting investment advisory services and related activities. Cannell & Spears seeks to avoid conflicts of interest with its clients and will take appropriate steps consistent with its code of ethics to resolve any conflicts of interest that may arise. To this end, Cannell & Spears has established written policies and procedures concerning, among other things, the treatment of client information, recordkeeping, conflicts of interest, and personal securities transactions. The chief compliance officer is responsible for overseeing strict adherence to the code of ethics. Cannell & Spears will provide the code of ethics to any client or prospective client upon request.

Violations of Law

The code of ethics requires Cannell & Spears to administer discipline to maintain the quality of services that it provides to clients by encouraging legal and appropriate behavior and by deterring illegal and inappropriate behavior. The chief compliance officer conducts or supervises annual compliance reviews and continually monitors for indications of potential violations of law or the

code of ethics. In addition, Cannell & Spears has a written policy that requires supervised persons who become aware of a compliance risk to report the matter promptly to the chief compliance officer or senior management. Cannell & Spears would investigate any report and would not retaliate against someone who makes a report.

Participation or Interest in Client Transactions

Cannell & Spears or one or more of its officers, members, managers, employees, and agents may from time to time have a direct or indirect interest in a security that is purchased, sold, or otherwise traded in client accounts and may effect transactions in the security for client accounts that may be the same as or different from the actions that Cannell & Spears or such a related person may take with respect to his securities accounts. In addition, as agent for a client, Cannell & Spears may effect transactions in securities while also acting as agent for another client who is the counterparty to the transaction.

Cannell & Spears may recommend that some clients purchase shares of The BeeHive Fund. With this exception, Cannell & Spears endeavors not to buy or sell for client accounts securities in which Cannell & Spears itself or one of its supervised persons has a material financial interest.

Cannell & Spears manages many investment accounts or accounts belonging to its supervised persons or in which the supervised persons are deemed to have a beneficial interest. Management of these accounts raises potential conflicts of interest when Cannell & Spears buys or sells a security that is owned by, or considered for purchase or sale for, a client. In addition, Cannell & Spears permits its supervised persons to buy and sell securities that Cannell & Spears is purchasing or selling for client or recommending to clients in aggregated orders. Supervised persons are not permitted to engage in transactions for their personal accounts if they are aware that their actions would be inconsistent with firm recommendations to clients.

Personal Trading

Cannell & Spears permits its supervised persons to purchase and sell securities for their personal accounts and for the accounts of persons and entities related to them, so long as the supervised persons comply with the code of ethics. Because these securities may be among those purchased or sold for client accounts, conflicts of interest between Cannell & Spears and its clients may arise. Transactions in client accounts and the accounts of persons and entities related to Cannell & Spears supervised persons are often aggregated into a single order. Cannell & Spears does not believe that the aggregation of client orders with orders for its supervised persons creates a conflict of interest, since the vast majority of securities involved in the aggregated trades are not thinly traded. The code of ethics requires supervised persons to disclose to the chief compliance officer all reportable personal securities holdings in annual holdings and quarterly transaction reports. Cannell & Spears also has a written insider-trading policy that is designed to prevent the improper use of material nonpublic information.

Brokerage Practices

Selecting Account Custodians

Client assets are maintained in accounts at qualified custodians, which are typically broker-dealers or banks. Cannell & Spears may assist a client in opening an account with a qualified custodian, but the client himself decides whether to open the account. Charles Schwab & Co., Inc., Fidelity Brokerage Services LLC, and Fiduciary Trust Company are the account custodians for most Cannell & Spears client accounts. Both Schwab and Fidelity registered with the Securities and Exchange Commission as broker-dealers and are members of the Securities Industry Protection Corporation. Fiduciary Trust is not a broker-dealer. Cannell & Spears is not affiliated with any of these custodians. Each custodian provides a dedicated service team to Cannell & Spears that supports its operations, including but not limited to assistance with account opening, order settlement, and cash management.

Selecting Broker-Dealers

Cannell & Spears generally has full discretion and authority over its client accounts, including the authority to select the broker-dealer to execute a particular transaction. In some cases, federal and state laws may limit or restrict the selection of broker-dealers. Cannell & Spears determines the allocation of transactions to brokers-dealers and the frequency of transactions in its best judgment and in a manner deemed to be in the best interest of clients, rather than by any formula. Cannell & Spears has a few commission-sharing arrangements with broker-dealers. Most client trades are executed through account custodians, but Cannell & Spears is permitted to use other broker-dealers.

Unless a client directs brokerage, Cannell & Spears seeks best execution, which means the most favorable terms for a securities transaction based on all relevant factors. In so doing, Cannell & Spears takes into account many factors beyond than mere ability to execute, clear, and settle trades. These factors generally include (1) the reputation, financial strength, security, and stability of the broker-dealer, (2) the quality of the services received, particularly in light of the size of the order, the difficulty of execution, and any risk assumed by the broker-dealer, (3) the competitiveness of commissions and spreads and of margin-interest rates, (4) the ability to facilitate client transfers and payments, and (5) the availability of research and other products and services. If a different broker-dealer were used, a client might pay higher or lower transaction costs.

Consistent with best execution, clients may pay higher commissions or spreads to broker-dealers that provide Cannell & Spears with research reports and periodicals, software for trade execution, and meetings with analysts and company executives. These products and services are typically used to manage most client accounts, including accounts not held at the broker-dealer that provides the products and services. Cannell & Spears benefits because it does not have to pay for these products and services or to produce them internally. Cannell & Spears may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research and other products and services, rather than on the interest of clients in receiving the most favorable execution. However, Cannell & Spears believes that the research and other

products and services indirectly benefit clients, since research internally developed by the Cannell & Spears portfolio managers and analysts often begins with a review of research performed or paid for by broker-dealers and distributed to Cannell & Spears and many other investment managers. Cannell & Spears does not reduce its investment management fee because it receives these products and services.

Schwab, Fidelity, and Fiduciary Trust provide institutional brokerage services, many of which are not typically available to retail customers. Following is a description of these support services. Schwab, Fidelity, and Fiduciary Trust have no obligation to continue to provide these services.

Those That Benefit Clients: Institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets, all of which benefit clients. These investment products likely include some to which Cannell & Spears would not otherwise have access or that would require significantly higher minimum initial account balances.

Those That Generally Benefit Only Cannell & Spears: Both Schwab and Fidelity offer other services intended to help Cannell & Spears manage and further develop its business enterprise. These services include educational publications and conferences on practice management and business succession and occasional business entertainment. If clients did not maintain accounts at Schwab and Fidelity, Cannell & Spears would be required to pay for the products and services that it uses from its own resources. These products and services may create a conflict of interest between Cannell & Spears and its clients. Cannell & Spears seeks to mitigate the conflict of interest by describing here which products and services benefit clients and contrasting those that generally benefit only Cannell & Spears.

Directed Brokerage

Cannell & Spears permits a client to direct brokerage, but most clients do not. If a client directs brokerage, Cannell & Spears may be unable to achieve most favorable execution of client transactions. For example, in a directed-brokerage account, the client may pay higher brokerage commissions and spreads because Cannell & Spears is unable to aggregate orders, or the client may receive less favorable prices. Consequently, directing brokerage may cost clients more money.

Conflicts of Interest

Actual or apparent conflicts of interest may arise when a Cannell & Spears principal has day-to-day management responsibilities with respect to multiple client accounts. Specifically, the principal may be presented with the following conflicts:

The principal may devote unequal time and attention to the management of his accounts.

If a principal identifies a limited investment opportunity that may be suitable for multiple accounts, each account may be unable to take full advantage of the opportunity because filled quantities are spread across all participating accounts.

Cannell & Spears typically determines which broker-dealers will execute orders. Cannell & Spears may sometimes place separate, non-simultaneous transactions for different accounts that may temporarily affect the market price of the security or the execution of the transaction, or both, to the detriment of a particular client.

Cannell & Spears has allocation and compliance procedures that are designed to address these types of conflicts. However, there is no guarantee that these procedures will detect every situation in which a conflict may arise.

Trade-Error Policy

On occasion, Cannell & Spears may experience errors with respect to trades made on behalf of client accounts. Cannell & Spears endeavors to detect trade errors prior to settlement and to correct them in an expeditious manner. If a client account suffers a net loss directly due to a trade error attributable to the actions or omissions of supervised persons, Cannell & Spears will reimburse the client account. Frequently, the executing broker-dealer assigns a transaction involving a trade error to the Cannell & Spears error account so that no client account is impacted. In these cases, no reimbursement of the client account occurs because Cannell & Spears pays the broker-dealer directly to resolve the error.

Order Aggregation

Cannell & Spears generally aggregates for block execution multiple orders for the same security for accounts held by a particular account custodian. Cannell & Spears believes that not aggregating orders would generally increase the transaction costs to clients. Securities purchased in an aggregated order generally receive the average price obtained on the order. When aggregating transactions for block execution, Cannell & Spears makes a good-faith determination that the participating accounts will benefit from the aggregation, that aggregation is consistent with the duty of Cannell & Spears to seek best execution, and that aggregation is permitted by the investment management agreement between Cannell and each client whose accounts participate in the aggregation. Transactions for client accounts and accounts of supervised persons and their related persons are often aggregated.

Review of Accounts

Periodic Reviews

The operations team reviews transactions on a daily basis. In addition, each client account is assigned to one of the principals for oversight. Financial-planning clients also receive periodic reviews if they have requested this service. The titles of the those who perform these reviews are identified in the brochure supplement at the end of this firm brochure.

Review Triggers

Client inquiries, changes in the general market outlook, changes in tax laws, new investment information, changes in the financial situation of a client, and changes in the opinions of Cannell

& Spears principals on specific issues may prompt more frequent reviews of some or all client accounts.

Regular Reports

Cannell & Spears generally sends a quarterly letter to each client that discusses market conditions and the investment outlook. Some clients also receive written quarterly reports concerning the performance or market values of their accounts, or both. In addition, Cannell & Spears generally holds a review meeting with each client or his financial advisor at least annually to discuss portfolio performance and to identify any changes in the investment objectives, risk tolerance, or liquidity needs of the client. Clients who have consented to receive reports on a password-protected area of the website at www.cannellspears.com may also view daily portfolio appraisals, weekly gain and loss reports, monthly purchase and sale reports, and annual reports about capital gains and losses.

Client Referrals and Other Compensation

This item is not applicable.

Custody

Constructive Custody

All client funds and securities are held at qualified custodians, which maintain actual custody of client assets. Cannell & Spears is nevertheless deemed to have custody if a client permits Cannell & Spears to deduct its fees or to withdraw assets from his account. Most client permit fees to be deducted directly from their accounts. In addition, Cannell & Spears is often empowered to transfer client securities or cash. Cannell & Spears generally satisfies regulatory requirements related to custody by engaging, if necessary, an accounting firm to perform an independent verification on an annual basis.

Account Statements

Account custodians provide account statements at least quarterly. Account statements are sent directly to each client at his postal mailing address of record or are made available electronically. Clients should carefully review these statements promptly when the statements are received. In addition, clients are urged to compare the statements received from account custodians to the reports provided by Cannell & Spears.

Investment Discretion

Cannell & Spears generally accepts discretionary authority to manage securities accounts on behalf of clients. Cannell & Spears generally has the authority to determine, without obtaining client consent, the securities to be bought or sold and the amount of the securities to be bought

or sold. However, Cannell & Spears consults with the client prior to each trade to obtain concurrence if discretionary authority has not been granted. Discretionary trading authority enables Cannell & Spears to promptly implement its investment strategies. Most clients grant Cannell & Spears a limited power of attorney, which is a trading authorization that gives Cannell & Spears discretionary authority over client accounts.

Voting Client Securities

Proxy Voting

Cannell & Spears has adopted written proxy-voting policies and procedures. Clients, including The BeeHive Fund and the unregistered pooled investment vehicles, generally grant Cannell & Spears the exclusive right to vote proxies on their behalf. Cannell & Spears has delegated the responsibility to vote these proxies to an unaffiliated proxy-voting service provider. The investment management agreement between Cannell & Spears and a client reflects whether the client has retained proxy-voting authority or has specific instructions regarding proxy voting. Cannell & Spears proxy-voting procedures are available upon request by any client or prospective client. A client may also request in writing a record of how Cannell & Spears has voted proxies relating to his securities.

Conflicts of Interest

Because the proxy-voting service provider votes most client proxies based on the recommendations of a neutral third party, it is unlikely that a conflict of interest will arise. If a matter to be voted upon involves a potential conflict of interest, Cannell & Spears contacts the client to describe the conflict presented. Once the client has been consulted, Cannell & Spears requests the proxy-voting service to vote the proxy in accordance with the instructions of the client.

Financial Information

This item is not applicable.

Brochure Supplement

Educational Background and Business Experience

Some of the individuals described in this brochure supplement have earned the following professional designations:

The certified financial planner professional certification, administered by the CFP Board, seeks to identify those individuals who are qualified to help their clients develop and implement plans to achieve their financial goals. CFP® professionals must pass the CFP® examination, meet the experience requirement, submit to a background check, and pass the

CFP Board's fitness standards. To renew the CFP® certification each year, one must pay a certification fee, submit a renewal application, and confirm adherence to the CFP Board's code of ethics and standards of conduct. Continuing education is required every two years.

A certified public accountant holds a license to provide accounting services directly to the public. The minimum standard requirements to become a certified public accountant in the State of New York include passing the certified public accountant examination, 150 semester units of academic credit from an accredited institution, and one year of work experience. Continuing professional education is required to maintain licensure.

The CFA charterholder professional designation is sponsored by CFA Institute. "CFA" is an abbreviation for certified financial analyst. To earn a CFA charter, a candidate must pass the three CFA examinations, achieve qualified professional work experience, submit reference letters, and complete a professional conduct statement. Charterholder membership must be renewed each year.

Following, in alphabetical order, is information about the managers of Cannell & Spears and those who provide investment advice to clients.

James E. Breece

Born 1982
Kenyon College, BA
CFA® Charterholder

Mr. Breece is a manager, a principal, and a portfolio manager at Cannell & Spears. From 2010 to 2023, he was a principal, a portfolio manager, and a manager at Spears Abacus Advisors LLC. From 2005 to 2009, Mr. Breece served as a portfolio manager for Abacus & Associates Inc. After graduating from college, he served as a research consultant for Williams Spears.

Alina M. Carlson

Born 1989
St. Lawrence University, BA
CFP® Professional

Ms. Carlson is financial planning manager at Cannell & Spears. From 2016 to 2023, she was the client service and planning manager at Spears Abacus Advisors LLC. From 2011 to 2016, Ms. Carlson was a client administration associate at The Permal Group, now called EnTrust Global.

Robert C. Eising

Born 1976
Lehigh University, BS
New York University, MBA

Mr. Eising is a manager, a principal, and a portfolio manager at Cannell & Spears. From 2014 to 2023, he was a senior vice president at Cannell & Co. From 2006 to 2013, Mr. Eising was first a

securities analyst and then a vice president at Klingenstein, Fields & Co., L.L.C. From 2004 to 2005, he was a proprietary equity trader at Apogee Asset Management. From 1998 to 2023, Mr. Eising was a trading assistant at Bear Wagner Specialists.

Edward M. Giles

Born 1935

Princeton University, BS

Massachusetts Institute of Technology, SM

Mr. Giles is a principal and a portfolio manager at Cannell & Spears. From 2011 to 2023, he was a senior vice president at Cannell & Co. From 1992 to 2011, Mr. Giles was an investment manager at GME Capital, LLC. From 1989 to 1991, he was vice chairman of Cannell & Co. From 1985 to 1988, Mr. Giles was vice chairman of Eberstadt Fleming, Inc. From 1959 to 1984, he served in key positions at F. Eberstadt & Co., first as a securities analyst, then as director of institutional research, then as executive vice president, and finally as president.

Walter K. Giles

Born 1960

Lehigh University, BA

CFA® Charterholder

Mr. Giles is a principal and a portfolio manager at Cannell & Spears. From 2020 to 2023, he was a senior vice president at Cannell & Co. From 1998 to 2020, Mr. Giles was a member of Beck, Mack & Oliver LLC. From 1993 to 1998, he was a senior securities analyst at Ford Foundation. From 1987 to 1992, Mr. Giles was an analyst at Cannell & Co.

William H. Herrman II

Born 1967

Brown University, BA

Mr. Herrman is a principal and a portfolio manager at Cannell & Spears. From 2018 to 2023, he was a senior vice president at Cannell & Co. From 2002 to 2018, Mr. Herrman was first a vice president and then a principal of Bernstein Private Wealth Management.

Ian B. MacCallum, Jr.

Born 1950

Gettysburg College, BA

Seton Hall University, MBA

Mr. MacCallum is a principal and a portfolio manager at Cannell & Spears. From 2014 to 2023, he was an executive vice president at Cannell & Co. From 1999 to 2013, Mr. MacCallum was a senior vice president at Klingenstein, Fields & Co., L.L.C. From 1995 to 1999, he was a senior vice president at U.S. Trust Co. of New York. From 1987 to 1995, Mr. MacCallum was first a vice president and then a senior vice president at J. & W. Seligman & Co. From 1982 to 1987, he was

a portfolio manager at Cyrus J. Lawrence & Co. From 1976 to 1982, Mr. MacCallum was a securities analyst at Walter N. Frank & Co.

David J. Mazzullo

Born 1970

Boston College, BS

The London School of Economics

Mr. Mazzullo is a manager and a principal at Cannell & Spears. From 2018 to 2023, he served as president of Cannell & Co. From 1995 to 2018, Mr. Mazzullo was president and head of sales at Jones Trading Institutional Services, where he built served on its board of directors. From 1993 to 1995, he was an over-the-counter trading assistant at Cantor Fitzgerald.

Robert P. Morgenthau

Born 1957

Amherst College, BA

Mr. Morgenthau is a principal and a portfolio manager at Cannell & Spears. From 2011 to 2023, he was a principal, a portfolio manager, and a manager at Spears Abacus Advisors LLC. From 2002 to 2011, Mr. Morgenthau was founder and the chief executive officer of NorthRoad Capital Management LLC. From 2001 to 2002, he was the president of private advisory services for Bank of America. From 1990 to 2000, Mr. Morgenthau was a managing director of Lazard LLC and a member of the supervisory board of its parent company. From 1982 to 1990, he worked for Shearson Lehman Hutton, rising to the position of senior vice president.

Paul F. Pfeiffer

Born 1949

New York University Stern School of Business, MBA

University of Washington, BA

Mr. Pfeiffer is a principal and a portfolio manager at Cannell & Spears. From 2009 to 2023, he was a principal, a portfolio manager, and a manager at Spears Abacus Advisors LLC. From 2002 to 2009, Mr. Pfeiffer was a partner and a lead manager at MB Investment Partners, Inc. From 1998 to 2002, he was a partner, an equity analyst, and a portfolio manager at Eagle Growth Investors LLC. From 1977 to 1997, he was a partner, an equity analyst, and a portfolio manager at McCowan Associates Inc., an affiliate of Goldman Sachs & Co. Mr. Pfeiffer began his career in 1972 as an equity analyst at Goldman Sachs.

John V. Raggio

Born 1984

University of Richmond, BA

Certificate in Investment Banking from New York University

CFA® Charterholder

Mr. Raggio is a principal and a portfolio manager at Cannell & Spears. From 2008 to 2023, he was a principal, a portfolio manager, and a manager at Spears Abacus Advisors LLC. From 2006 to 2008, Mr. Raggio was a portfolio associate at Bank of New York Mellon.

Robert M. Raich

Born 1969
Columbia Business School, MBA
Arizona State University, BS with Honors
Certified Public Accountant

Mr. Raich is a manager, a principal, and a portfolio manager at Cannell & Spears. From 2007 to 2023, he was the president, a portfolio manager, and a manager at Spears Abacus Advisors LLC. Since 2001, Mr. Raich has also served as the president and chief investment officer at Abacus & Associates Inc. He began his career at Price Waterhouse LLP and has held several senior positions in public accounting, wealth management, and private industry.

Robert F. Shapiro

Born 1934
Yale University, BA

Mr. Shapiro is a principal and portfolio manager at Cannell & Spears. From 2014 to 2023, he was a senior vice president at Cannell & Co. From 1998 to 2013, Mr. Shapiro was vice chairman of Klingenstein, Fields & Co., L.L.C. From 1997 to 1998, he was vice chairman of Klingenstein, Fields & Co., L.P. From 1992 to 1995, Mr. Shapiro was chairman of New Street Capital Corp. From 1974 to 1997, he was president of RFS & Associates. From 1986 to 1987, Mr. Shapiro was first an executive vice president, then president, then co-chairman of Wertheim Schroder & Co., Inc. From 1956 to 1974, he worked at Lehman Brothers, first as an associate and then as a partner.

William G. Spears

Born 1938
Harvard Business School, MBA
Princeton University, AB with Honors
CFA® Charterholder

Mr. Spears is a principal and a portfolio manager at Cannell & Spears. From 2007 to 2023, he was the chairman, a portfolio manager, and a manager at Spears Abacus Advisors LLC. From 1999 to 2006, Mr. Spears was founder, a principal, and a portfolio manager for Spears Grisanti & Brown LLC.

Ronald C. Thow

Born 1970
University of Central Florida, BS

Mr. Thow is a principal at Cannell & Spears. From 2014 to 2023, he was a principal at Cannell & Co. From 1999 to 2014, Mr. Thow was a vice president and then a senior vice president at

Klingenstein, Fields & Co., L.P. From 1997 to 1999, he was a portfolio associate at E.M. Warburg Pincus & Co. From 1996 to 1997, Mr. Thow started his financial career at McLaughlin, Piven, Vogel Securities.

Paul A. Wartman

Born 1960

Cornell University, BS

New York University Stern School of Business, MBA

Mr. Wartman is a principal and the director of research at Cannell & Spears. From 1992 to 2023, he was a principal and the director of research at Cannell & Co. From 1982 to 1992, Mr. Wartman was a vice president at Union Bank of Switzerland.

Emanuel Weintraub

Born 1965

University of Pennsylvania, BA with Honors

CFA® Charterholder

Mr. Weintraub is a principal and a portfolio manager at Cannell & Spears. From 2020 to 2023, he was a principal and a portfolio manager at Spears Abacus Advisors LLC. From 2004 to 2019, Mr. Weintraub was founder, the president, and the portfolio manager at Integre Asset Management. From 1998 to 2003, he was an analyst and then a portfolio manager at Neuberger Berman LLC.

Joseph B. Werner

Born 1959

Boston University, Questrom School of Business, BS

Pace University, Lubin School of Business, MBA

New York State Bankers Association Trust Investment School, graduate

CFA® Charterholder

Mr. Werner is a manager, a principal, and a portfolio manager at Cannell & Spears. From 1991 to 2023, he served in key positions with Cannell & Co., first as a portfolio manager and securities analyst, later as president, and most recently as chairman and chief executive officer. From 1988 to 1991, Mr. Werner was a vice president, a portfolio manager, and a securities analyst at A.R. Schindler & Co. From 1984 to 1991, he was a securities analyst and assistant portfolio manager in the New York office of Wallenberg Group Sweden. From 1981 to 1984, Mr. Werner was a securities analyst and assistant portfolio manager at Bankers Trust Company.

Daniel Wetchler

Born 1988

University of Michigan, BA in Economics

CFA® Charterholder

Mr. Wetchler is a principal and a portfolio manager at Cannell & Spears. From 2020 to 2023, he was a portfolio manager at Spears Abacus Advisors LLC. From 2014 to 2019, he was a senior analyst at Integre Asset Management, LLC. From 2010 to 2014, Mr. Wetchler was an equity research associate covering the financial-services sector at Evercore Partners.

Disciplinary Information

This item is not applicable.

Other Business Activities

Mr. Raich is employed by Abacus & Associates Inc. Abacus and Associates Holdings, LLC, an entity affiliated with Abacus & Associates Inc., owns a member interest in Cannell & Spears.

Additional Compensation

This item is not applicable.

Supervision

The board of managers of Cannell & Spears supervises all supervised persons of Cannell & Spears. Because the vast majority of clients grant discretionary authority to Cannell & Spears, supervised persons render investment advice primarily by effecting transactions in client accounts rather than by recommending transactions to clients for their approval. Questions relating to supervision may be addressed to Glenn Goldberg, chief compliance officer, at (212) 752-5255.