

Name of Investment Adviser: Wales Investments Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code Telephone Number
2055 Junction Ave. Suite 100	San Jose	CA	95131	408 944-9176

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Wales Investments Inc.	SEC File Number: 801- 67886	Date: 3/19/2010
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1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | |
|---|---------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services | 60 % |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services | _____ % |
| <input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above | 20 % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription | _____ % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above | _____ % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | 20 % |
| <input type="checkbox"/> (8) Provides a timing service | _____ % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☒ ☐

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients -- Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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3. Types of Investments Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <p>A. Equity securities</p> <p><input type="checkbox"/> (1) exchange-listed securities</p> <p><input type="checkbox"/> (2) securities traded over-the-counter</p> <p><input type="checkbox"/> (3) foreign issuers</p> <p><input type="checkbox"/> B. Warrants</p> <p><input type="checkbox"/> C. Corporate debt securities
(other than commercial paper)</p> <p><input type="checkbox"/> D. Commercial paper</p> <p><input type="checkbox"/> E. Certificates of deposit</p> <p><input type="checkbox"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input type="checkbox"/> (1) variable life insurance</p> <p><input type="checkbox"/> (2) variable annuities</p> <p><input type="checkbox"/> (3) mutual fund shares</p> | <p><input type="checkbox"/> H. United States governmental securities</p> <p>I. Options contracts on:</p> <p><input type="checkbox"/> (1) securities</p> <p><input type="checkbox"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="checkbox"/> (1) tangibles</p> <p><input type="checkbox"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input type="checkbox"/> (1) real estate</p> <p><input type="checkbox"/> (2) oil and gas interests</p> <p><input type="checkbox"/> (3) other (explain on Schedule F)</p> <p><input type="checkbox"/> L. Other (explain on Schedule F)</p> |
|--|--|

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|--|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|--|--|
| (1) <input type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options, or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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5. Education and Business Standards.

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

☐ ☒

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|---|---|
| <input type="radio"/> (1) broker-dealer | <input type="radio"/> (7) accounting firm |
| <input type="radio"/> (2) investment company | <input type="radio"/> (8) law firm |
| <input type="radio"/> (3) other investment adviser | <input type="radio"/> (9) insurance company or agency |
| <input type="radio"/> (4) financial planning firm | <input type="radio"/> (10) pension consultant |
| <input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="radio"/> (11) real estate broker or dealer |
| <input type="radio"/> (6) banking or thrift institution | <input type="radio"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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9. Participation of Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services <i>and</i> impose a minimum dollar value of assets or other conditions for starting or maintaining an account?	Yes	No
	<input checked="" type="radio"/>	<input type="radio"/>

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Reviewers: President/CCO conduct account reviews

Reviews: For clients of investment supervisory services, position and performance reports are prepared at least once per year and reviewed annually. Reviews will also be performed if there is a significant change either in the client's circumstances or changes in a security held in the portfolio. Reviews may also be done at client's request.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Investments Supervisory Services: Clients receive brokerage and mutual fund statements monthly unless there has been no activity, in which case quarterly statements are generated. Performance reports are prepared quarterly and forwarded to client.

Other Services: Clients who engage for financial planning services only may receive plan and one-time performance analysis, rather than regular reports. All clients may receive reviews on request.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ☐ Yes ☐ No

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Wales Investments Inc.	SEC File Number: 801- 67886	Date: 03/19/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Wales Investments Inc.	IRS Empl. Ident. No.: 03-0471709
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Item of Form (identify)	Answer
Part II, Item D	<p>Wales Investments Inc. provides investment advice and management to individually managed accounts, and provides financial planning and analysis services. The Adviser holds a limited power of attorney giving Wales Investments Inc. full discretion as to all investment decisions and authorization to instruct our custodian with respect to the purchase, sale, exchange and delivery of securities for our accounts. Client funds are deposited in a brokerage firm, bank or other custodian.</p> <p>Services</p> <p>Investment Supervisory Services</p> <p>Wales Investments Inc. provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, Wales Investments Inc. develops a client's personal investment policy and creates and manages a portfolio based on that policy. Wales Investments Inc. provides this service to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. Wales Investments Inc. will manage advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciations, growth, income, or growth and income).</p> <p>Managed portfolios may include investments in real estate in addition to securities investments.</p> <p>Financial Planning</p> <p>Wales Investments Inc. also provides advice in the form of a Financial Plan. Clients purchasing this service will receive a written report, providing the client with a detailed financial plan designed to achieve their stated financial goals and objectives.</p> <p>In general, the financial plan will address any or all of the following areas of concern:</p> <ul style="list-style-type: none"> • Personal: Family records, budgeting, personal liability, estate information and financial goals. • Tax and Cash Flow: Income tax and spending analysis and planning for past,

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 1

**Schedule F of
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Applicant: Wales Investments Inc.	SEC File Number: 801- 67886	Date: 03/19/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Wales Investments Inc.	IRS Empl. Ident. No.: 03-0471709
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Item of Form (identify)	Answer
	<p>current and future years. Wales Investments Inc. will illustrate the impact of various investments on a client's current income tax and future tax liability.</p> <ul style="list-style-type: none"> • Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis. • Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals. • Investments: Analysis of investment alternatives and their effect on a client's portfolio. <p>Wales Investments Inc. gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, Wales Investments Inc. suggests the client work closely with his/her attorney. Implementation of financial plan recommendations is entirely at the client's discretion.</p> <p>Consulting</p> <p>Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. Wales Investments Inc. also provides specific consultation and administrative services regarding investment and financial concerns of the client. Additionally, Wales Investments Inc. provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, real estate, and/or annuity advice.</p> <p>Corporate Plans</p> <p>Wales Investments Inc. assists corporate clients with evaluating and optimizing existing company-sponsored retirement plans, and in establishing new plans. Wales Investments Inc. develops an Investment Policy Statement to protect the interests of the employer as Plan Sponsor, as well as the participants. In addition, Wales Investments Inc. offers their client's employees customized education tailored to the company's culture, including seminars, one-on-one meetings and e-mail support.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 2

**Schedule F of
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Wales Investments Inc.	IRS Empl. Ident. No.: 03-0471709
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Item of Form (identify)	Answer
	<p>Financial plan recommendations are not limited to any specific product or service offered by a broker dealer or insurance company.</p> <p>Compensation</p> <p>For individually managed accounts, the Adviser typically charges a percentage of the assets under management, payable in quarterly installments in advance at the beginning of each calendar quarter, based on the net market value of the assets in the client's account at the close of the market on the last day of the previous quarter.</p> <p>Wales Investments Inc. generally requires a minimum of \$100,000 to open an individually managed account, but reserves the right to waive this minimum. A client may terminate an individually managed account at any time by giving written notice. If the client terminates prior to the end of a calendar quarter, the quarterly fee will be pro-rated. Depending on the level of assets under management, fees may be negotiable on a case-by-case basis. The applicable percentage varies according to the type and amount of assets as set forth in the following schedule:</p> <p>Assets under management (fee includes general planning services for assets under management):</p> <ul style="list-style-type: none"> - A fee of 1% is charged for the first \$1,000,000 of assets - For accounts exceeding \$1,000,000, a fee of .05% is charged on the portion over \$1,000,000. <p>Comprehensive Financial Planning: \$2,500-\$5,000.</p> <p>Hourly advisory services: \$250-\$350 per hour. The Adviser may negotiate fees in certain cases.</p> <p>Fixed Fees: Wales Investments Inc. accepts some clients on a retainer basis. The amount of retainer is based on the extent and nature of services rendered, but typically ranges from \$2,000-10,000 annually. Retainer fees are payable in quarterly installments at the end of each calendar quarter. Services to be provided on a retainer basis are negotiated with each client, and may include quarterly investment performance reports, investment recommendations and general financial advice.</p>

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Continuation Sheet for Form ADV
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Applicant: Wales Investments Inc.	SEC File Number: 801- 67886	Date: 03/19/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Wales Investments Inc.		IRS Empl. Ident. No.: 03-0471709
Item of Form (identify)	Answer	
	<p>The Adviser's activities include general financial and business consulting.</p> <p>The adviser recommends any type of investment transaction that is deemed appropriate for clients, pursuant to the terms of the account agreement (or other agreement), and Investment Policy Statement. The Adviser may advise clients on real estate investments.</p>	
Part II, Item 3L	Residential Capital Mortgage Income Fund, LLC	
Part II, Item 6	<p>Sandra Wales, President, (1955)</p> <p>CFP® - Certified Financial Planner MBA - Finance, Santa Clara University 1996 CMA - Certified Management Accountant 1996 B. Mus. - Bachelor's degree in Music History - with honours - University of Western Ontario Passed NASD series 6, 7 and 63 (not current) and Series 65 Registered Insurance Agent with the State of California Real Estate Association Licenses – Florida and California</p> <p>Tax preparer - 2009</p> <p>Business Background: Principal and Chief Investments Officer of Wales Investments Inc. since March 2003. From 1999 to 2003, Sandra was employed as a financial advisor in various brokerage and private advisory firms. She served as CFO of Framfab USA, Director of Finance and Real Estate for GAP, Inc. and Manager of General Accounting for Silicon Graphics.</p> <p>The Adviser provides a broad spectrum of financial planning services including the development of retirement plans and other financial goals, tax and budget planning, review of insurance policies and benefit plans, trust/estate planning and investment planning. Wales Investments Inc. also provides comprehensive financial planning and general accounting services and consulting for small businesses. The Adviser spends 95% of time on financial planning and asset management, with 5% of time spent on general accounting services for small businesses. The Adviser includes real estate as part of the analysis for comprehensive financial planning. Ms. Wales has served as CFO of several small private client-owned firms, and also teaches retirement planning at the UC Santa Cruz Extension in the Personal Financial Planning certification program.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 4

**Schedule F of
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Applicant: Wales Investments Inc.	SEC File Number: 801- 67886	Date: 03/19/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Item of Form (identify)	Answer
Part II, Item 7A, B	Wales Investments Inc. utilizes the services of brokerage firms to custody clients' assets. At present those firms include Fidelity Investments, TD Ameritrade, and Charles Schwab.
Part II, Item 8C	When consistent with its fiduciary duty to the client, Wales Investments Inc. may refer a client in need of mortgage services to one or more mortgage brokers or to a real estate agent. The principal officer of Wales Investments Inc., in her separate capacity as a real estate agent, may receive separate and typical compensation from the mortgage broker or real estate agent for making such a referral. The principal officer may also receive commissions for real estate or insurance transactions. Clients should be aware that the opportunity to receive such compensation creates a potential conflict of interest. Wales Investments Inc. has not and will not recommend that a client obtain any of these services for the purpose of funding an advisory account with Wales Investments Inc.
Part II, Item 9D	<p>The interests of the clients of Wales Investments Inc. come before the interests of the company or any of its employees. Employees may personally invest in the same securities as clients. Permission will not be granted for any employee trade that breaches fiduciary obligations to clients, or creates an appearance of impropriety. If clients and employees trade securities of the same class on the same day, either they will receive the same price, or the client will receive the more favorable price. Trade errors, when they occur, will be resolved in favor of the client whenever possible, in such a way that does not favor the Adviser's interest over the client's interest.</p> <p>Wales Investments Inc. may recommend a custodian to the client based on suitability for the client's anticipated investment needs. Custodians are chosen based on many factors, including reputation, financial strength, stability, efficiency of execution and error resolution, willingness to execute difficult transactions, online capability and other factors involved in the receipt of brokerage services generally. The Adviser negotiates for the lowest possible rates for clients, and reviews the quality of trade execution at least annually.</p> <p>Occasionally, employees of Wales Investments Inc are invited to participate in educational events sponsored by custodians or other companies whose services or products we may recommend to clients. Such invitations may be accepted, including transportation and accommodations when offered, if the research obtained is expected to be of benefit to our clients by improving our overall investment strategy. Wales Investments Inc. does not enter into any quid pro quo arrangements in conjunction with such invitations, nor agree to bring the sponsors' information to the attention of clients, nor apply any benefit obtained in</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 5

**Schedule F of
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1. Full name of applicant exactly as stated in Item 1A of Form ADV: Wales Investments Inc.	IRS Empl. Ident. No.: 03-0471709
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Item of Form (identify)	Answer
Part II, Item 9E	<p>such a way as to favor one client over another. Any such invitations will be evaluated for conflicts of interest prior to acceptance. Wales Investments also makes use of research that is purchased, when we expect it to advance our clients' interests.</p> <p>Block trades: Aggregate orders are sometimes executed. For mutual funds, since all orders are settled at net asset value (NAV) at the end of the day, and trading costs are not shared, the allocation of such trades does not favor the interests of one client over another. When block trades are placed for stocks or exchange-traded funds, the custodian's allocation procedures are employed to ensure that the allocation of shares does not favor the interests of any other client.</p> <p>Privacy Policy: Wales Investments Inc. does not disclose non-public client information, except as necessary to complete a transaction authorized by the client, to prevent actual or potential fraud, identity theft or unauthorized transactions; to resolve client disputes or inquiries, or as required by law.</p> <p>Gift Policy: Officers and employees of Wales Investments Inc. do not give or accept gifts of more than nominal value (\$200/year) from clients, custodians, or other firms with whom we do business.</p> <p>Code of Ethics</p> <p>Wales Investments Inc. has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Wales Investments Inc.'s Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth Wales Investments Inc.'s practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with Wales Investments Inc. may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of Wales Investments that no person employed by Wales Investments Inc. shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.</p> <p>To supervise compliance with its Code of Ethics, Wales Investments Inc. requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. Wales</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 6

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Item of Form (identify)	Answer
Part II, Item 10	<p>Investments Inc. requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).</p> <p>Wales Investments Inc. requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Wales Investments Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.</p> <p>Wales Investments Inc. will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer at Wales Investments Inc.'s principal address.</p> <p>Wales Investments Inc. generally requires a minimum investment of \$100,000 to open an individually managed account. This minimum may be waived at the Adviser's discretion.</p>
Part II, Item 12A-B	<p>Wales Investments Inc. has a relationship with specific custodians who hold client assets for investment. All assets under management are managed through these custodians, which at present include Fidelity Investments, TD Ameritrade, and Charles Schwab. The business is fee-based. The Adviser has discretion over the clients' assets as to securities purchased or sold, amounts purchased or sold, and timing of transactions, according to risk, tolerance and investment objectives as agreed upon in the Investment Policy Statement signed by each client.</p> <p>Wales Investments Inc. will endeavor to select those custodians which will provide the best services at the lowest commission rates possible. The reasonableness of transaction fees are based on the custodian's ability to provide professional services, competitive transaction rates and other services which will help Wales Investments Inc. in providing investment management services to clients. Wales Investments Inc. may, therefore recommend (or use) a custodian who provides useful research and securities transaction services even though a lower transaction fees may be charged by a custodian who offers minimal securities transaction assistance.</p> <p>Many clients, when undertaking an advisory relationship, already have a pre-established relationship with a custodian and they will instruct Wales Investments Inc. to execute all transactions through that custodian.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 7

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Wales Investments Inc.	SEC File Number: 801- 67886	Date: 03/19/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Wales Investments Inc.	IRS Empl. Ident. No.: 03-0471709
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Item of Form (identify)	Answer
Part II, Item 13A	<p>Wales Investments Inc. participates in services programs offered to independent investment advisers by Charles Schwab & Company, Inc. ("Schwab"), Fidelity Brokerage Services, Inc. ("Fidelity"), and TD Ameritrade (collectively, "the Programs").</p> <p>Wales Investments Inc. will recommend Schwab, Fidelity and/or TD Ameritrade to clients in need of custodial services. As part of the Independent Advisor program, Wales Investments Inc. receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 13A. of this Schedule F narrative).</p> <p>As noted in Item 12B. above, Wales Investments Inc. participates in services programs offered to independent investment advisers by Charles Schwab & Company, Inc. ("Schwab"), Fidelity Brokerage Services, Inc. ("Fidelity"), and TD Ameritrade (collectively, "the Programs"). While there is no direct linkage between the investment advice given and participation in the Programs, economic benefits are received which would not be received if Wales Investments Inc. did not give investment advice to clients. Depending on the particular program, these benefits may include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving Program participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the Program may or may not depend upon the amount of transactions directed to, or amount of assets custodied by, Schwab, Fidelity or TD Ameritrade.</p> <p>Schwab, Fidelity, and/or TD Ameritrade also make available to Wales Investments Inc. other products and services that benefit Wales Investments Inc. but may not benefit its clients' accounts. Some of these other products and services assist Wales Investments Inc. in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Wales Investments Inc.'s fees from its clients' accounts, and assist with back-office functions, record keeping and client reporting. Many</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 8

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Wales Investments Inc.	SEC File Number: 801- 67886	Date: 03/19/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Wales Investments Inc.	IRS Empl. Ident. No.: 03-0471709
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Item of Form (identify)	Answer
CA Code 260.235.2	<p>of these services generally may be used to service all or substantial number of Wales Investments Inc.'s accounts, including accounts not maintained at Schwab, Fidelity and/or TD Ameritrade. These firms also make available to Wales Investments Inc. and other services intend to help Wales Investments Inc. manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab, Fidelity and/or TD Ameritrade may make available, arrange and/or pay parties. Schwab, Fidelity and/or TD Ameritrade may discount or waive fees they would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to Wales Investments Inc.. While as a fiduciary, Wales Investments Inc. endeavors to act in its clients' best interests, Wales Investments Inc.'s recommendation that clients maintain their assets in accounts at Schwab, Fidelity and/or TD Ameritrade may be based in part on the benefit to Wales Investments Inc. of the availability of some of the foregoing products and services provided by Schwab, fidelity and/or TD Ameritrade, which may create a potential conflict of interest.</p> <p>Wales Investments Inc. offers both asset management and financial planning services. Clients are not obligated to follow the Advisers advice, nor to execute transactions through the Adviser. Wales Investments Inc. offers financial planning as a separate service, with no obligation concerning asset management.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 9