

# Seiffert Ltd.

SEC File Number: 801 – 64100

## Perry Seiffert Investment Management, a division of Seiffert Ltd.

**Brochure**  
**Dated 3/31/2011**

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**This Brochure provides information about the qualifications and business practices of Seiffert Ltd. (the “Registrant”, “we”, or “us”). If you have any questions about the contents of this brochure, please contact us at (301)951-1588 or [seiffertco@covad.net](mailto:seiffertco@covad.net). 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 Seiffert Ltd. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Seiffert Ltd. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes made to Seiffert Ltd.'s disclosure statement since last year's Annual Amendment filing on March 25, 2010.

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#### **Item 4            Advisory Business**

- A. Seiffert Ltd. (the “Registrant”) is a corporation formed on January 1, 1996 in the state of Maryland. It became registered as an Investment Adviser Firm in 1996. Seiffert Ltd. is owned Perry Seiffert and Dianne Seiffert.

On January 1, 1996, the form of business changed from two sole proprietorships to one corporation. The two sole proprietorships were Perry Seiffert, a Registered Investment Advisor, and Dianne Seiffert Landscape Design. In late 1995 they created a family corporation, which they solely own. As of January 1, 1996, the corporation took over the two sole proprietorships, each of which is a division of Seiffert Ltd. In every other respect, the two businesses have continued independent operations, just as they had been operating. When a client engages Seiffert Ltd. for investment advisory services, those services are provided by Perry Seiffert Investment Management. However, for simplicity, in this Brochure, we say that investment advisory services are provided by “Seiffert Ltd.”

- B. As discussed below, Seiffert Ltd. offers to its clients investment advisory services, and, to the extent specifically requested by a client, limited consulting services on investment and non-investment related matters. Seiffert Ltd.’s business is principally investment advice, and nearly all of its revenues are from investment advisory fees, so its fee structure is important to persons considering engaging Seiffert Ltd. See Item 5 of this Brochure for more detail on our compensation arrangements. In particular, you should be aware that different compensation structures offer different incentives to advisors. Also, refer to Item 7 of this Brochure for more detail on the types of clients we serve. Seiffert Ltd. does not hold itself out as specializing in a particular type of advisory service, so a review of the existing client base can help determine if our business model may be a good fit for you. More information on how Seiffert Ltd. performs these services is in Item 8. There are issues specific to the financial services industry that bear special consideration and are addressed in Items 9-18.

#### **INVESTMENT ADVISORY SERVICES**

The client can engage Seiffert Ltd. to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis. Most clients have granted us discretionary authority to select securities and execute trades on their behalf without prior reference or approval. Clients that engage us on a non-discretionary investment advisory basis must be willing to accept that Seiffert Ltd. cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event of a market drop during which the client is unavailable, we will be unable to effect any account transactions without first obtaining the client’s consent. Account transactions (i.e. trading) are not how Seiffert Ltd. is paid for its services, however, but rather we are compensated based upon a percentage of the market value of the assets placed under our management. Seiffert Ltd.’s advice is tailored to the client, and we rely on the client to provide critical information for each client’s Investment Plan. As this information changes, our advice may change, so it remains the client’s responsibility to promptly notify us if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Seiffert Ltd.'s direction and strategy of investment services are developed through what we call the Investment Plan. The Investment Plan is an ongoing process of outlining objectives, constraints, expectations, and risks on a client-by-client basis. Typically, clients go through an initial stage of developing the Investment Plan, where we gather information, then an analysis of the client's current position and choices for achieving goals, then implementation of various choices, and ongoing monitoring of the client's financial position. The client does not have to engage Seiffert Ltd. for each of these stages, but most clients follow our recommended trajectory of advice. Seiffert Ltd.'s advice may include recommendations on international stock and bond funds, as well as investment sectors and alternative investments. Sectors that we commonly use include science and technology, real estate, precious metals, and energy, normally through mutual funds, closed-end funds or exchange-traded funds (ETFs). For some clients, alternative investments, such as oil and gas working interests or limited partnerships are considered, if suitable. Some aspects of the client's financial position are beyond the scope of investment advice (see below).

#### **LIMITED CONSULTING/IMPLEMENTATION SERVICES**

To the extent specifically requested by the client, Seiffert Ltd. may provide **limited** consultation services to its investment management clients on investment and non-investment related matters, on a stand-alone separate fee basis. For example, a client might want advice on or about his or her investments or other assets, or on charitable giving plans. Also, investment advice is often not the only financial planning service that clients need, but Seiffert Ltd. is not an expert in all financial areas. Neither Seiffert Ltd., nor any of its representatives, serves as an accountant or licensed insurance agent, and no portion of our services should be construed as same. Seiffert Ltd. Representative Perry Seiffert is licensed to practice law. However, Mr. Seiffert does not provide legal services to any of Seiffert Ltd.'s clients and no corresponding attorney-client relationship is established. No portion of Seiffert Ltd.'s services shall be construed as legal services. To the extent requested by a client, Seiffert Ltd. may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute right to accept or reject the recommendation from Seiffert Ltd. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Disclosure Statement** A copy of this Brochure (Part 2A of Form ADV) shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*. Any client who has not received a copy of Seiffert Ltd.'s written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement or Financial Planning and Consulting Agreement* shall have five business days subsequent to executing the agreement to terminate our services without penalty.

- C. Seiffert Ltd. shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Seiffert Ltd. shall allocate, and/or recommend that the client allocate, investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Seiffert Ltd.'s services. It remains the client's

responsibility to promptly notify Seiffert Ltd. if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. In performing its services, Seiffert Ltd. shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely on the provided information.

- D. Seiffert Ltd. does not participate in a wrap fee program. A wrap fee program charges a single fee for a bundle of services that usually includes portfolio management, execution of trades, asset allocation, and investment advice. It is possible that a wrap fee could lower client costs if the client makes frequent trades. Seiffert Ltd. doesn't recommend frequent trading.
- E. As of December 31, 2010, Seiffert Ltd. had \$ 47,705,077 in assets under management on a discretionary basis and \$ 556 in assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

- A. The client can engage Seiffert Ltd. to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis. A fee-only basis is in contrast with a commission-basis, or a combination of fees and commissions. Fee-only means Seiffert Ltd.'s compensation is based on a percentage of assets under management, and not on transactions. By contrast, commission-based compensation is derived from transactions, like the sale or purchase of a security, and not on assets under management.

### INVESTMENT ADVISORY SERVICES

The client can engage Seiffert Ltd. to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis. Seiffert Ltd.'s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Seiffert Ltd.'s management (between 0.5% and 1.50 %) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$100,000.00	1.50%
Next \$100,000 to \$1,000,000.00	1.00%
Next 1,000,000.00 to \$2,000,000.00	0.75%
Amounts over \$2,000,000.00	0.50%

- Seiffert Ltd. requires a deposit of \$500.00 for new clients, which is credited against the initial management fees.
- This schedule is negotiable at the onset of our *Investment Advisory Agreement*, for example, clients who have over \$5 million in assets under management may be offered an additional breakpoint in the fee schedule, down to 0.40% of assets for amounts over \$ 5 million.

**Limited Consulting/Implementation Services** To the extent specifically requested by the client, Seiffert Ltd. may provide **limited** consultation services to its investment management clients on investment and non-investment related matters, on a stand-alone

separate fee basis, which may be in addition to, or in lieu of, fees as a percentage of assets described above. Seiffert Ltd.'s fees are negotiable, but generally range from \$5,000.00 to \$30,000.00 per year on a fixed fee basis, and from \$300.00 to \$500.00 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have Seiffert Ltd.'s advisory fees deducted from one of their custodial accounts. Both Seiffert Ltd.'s *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Seiffert Ltd.'s investment advisory fee and to directly remit that management fee to Seiffert Ltd. in compliance with regulatory procedures. See Items 5.C and 12 for more information on the custodial relationship. In the limited event that Seiffert Ltd. bills the client directly, payment is due upon receipt of our invoice.
- C. Unless the client directs otherwise or an individual client's circumstances require, Seiffert Ltd. shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. This is discussed further in Item 12. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Seiffert Ltd.'s investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Seiffert Ltd. and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by *Schwab*).
- D. Seiffert Ltd.'s annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The *Investment Advisory Agreement* between Seiffert Ltd. and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Seiffert Ltd. shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter. However, there shall be no refund of the first quarterly fee if the client cancels before the end of the first calendar quarter the contract is in effect because of start-up expenses incurred for the account.
- E. Neither Seiffert Ltd., nor its representatives accept compensation from the sale of securities or other investment products.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither Seiffert Ltd. nor any supervised person of Seiffert Ltd. accepts performance-based fees.

## **Item 7            Types of Clients**

Seiffert Ltd.'s clients shall generally include individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations.

- Individuals make up the majority of our clients. Approximately a third of the individuals we serve are high net worth individuals, with over \$ 1 million in investable assets.
- The business entities we serve typically are limited liability vehicles for individuals.
- Pension and profit sharing plans that receive investment advisory services from us typically are connected to individual clients. If our individual client is self-employed or is a family business owner, their business may have a tax-qualified plan which we advise.
- Trust clients typically are part of an individual client's estate planning arrangements, or the result of an inheritance arrangement for an individual client.
- When an individual client dies or is appointed administrator of an estate, we offer investment advisory service for the estate. However these services are not legal, tax, or accounting services.
- Charitable organization clients receive advice and assistance for donations of securities, and investment advisory services or consulting services related to endowment funds.

Seiffert Ltd. does not generally require an annual minimum fee for investment advisory services. We do generally require a minimum asset level of \$1 million for investment advisory services. However, Seiffert Ltd, in its sole discretion, may charge a lesser investment management fee and/or waive or modify its minimum asset requirement based upon certain criteria (e.g. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

## **Item 8            Methods of Analysis, Investment Strategies and Risk of Loss**

- A. In formulating investment advice to manage assets, we at Seiffert Ltd. recognize there are inherent risks in holding any financial asset, and in trades into or out of those assets. We believe that the most typical investment goals are increase of principal, income, and stability of principal, but these goals may be mutually incompatible.

We believe that the rate of return is commensurate with the risk. Thus if we attempt to grow a portfolio more aggressively, the risk that the portfolio will lose money also

increases, and, at the margins, adding a unit of risk improves the potential returns by less than a unit.

We are most comfortable with clients who want to participate in financial markets, but do not want to take much risk. Therefore, market-beating investment performance is not our goal. If your interest in investment advice is primarily the pursuit of high returns, we may not be a good fit for you. We may determine that your investment objectives and/or constraints are inconsistent with an aggressive growth strategy, and recommend pursuing modest return expectations.

You must be comfortable with the tradeoffs between risks and rewards to implement our advice since it is possible for you to lose money.

Seiffert Ltd. may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of determining that an investment vehicle seems to have a risk/reward profile suitable to our clients).
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Seiffert Ltd. may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Seiffert Ltd.) will be profitable or equal any specific performance level(s).

- B. Seiffert Ltd.'s methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis, Seiffert Ltd. must have access to current/new market information. We have no control over the dissemination rate of market information; therefore, unbeknownst to us, certain analyses may be compiled with outdated market information, severely limiting the value of our analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Seiffert Ltd.'s primary investment strategies - Long Term Purchases and Short Term Purchases- are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.



- C. Currently, Seiffert Ltd. primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or option contracts on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s). Seiffert Ltd. frequently uses pooled investment vehicles, like mutual funds, closed-end funds, and exchange traded funds to satisfy asset allocation requirements. These funds are themselves subject to numerous risks that are outlined in each fund's prospectus and/or annual reports.

## **Item 9            Disciplinary Information**

Seiffert Ltd. has not been the subject of any disciplinary actions.

## **Item 10          Other Financial Industry Activities and Affiliations**

This Item is included in Investment Advisor Brochures because there are issues specific to Seiffert Ltd.'s industry that bear special consideration. One of these issues is the complexity of inter-related financial services relationships. These relationships can be a source of conflicts of interest.

- A. Neither Seiffert Ltd., nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Seiffert Ltd., nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Seiffert Ltd. does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.
- D. Seiffert Ltd. does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

## **Item 11          Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

This Item is included in Investment Advisor Brochures because there are issues specific to Seiffert Ltd.'s industry that bear special consideration. Investment Advisors are bound by a fiduciary standard, which means that we must act in the best interest of clients, and put the client's needs ahead of Seiffert Ltd.'s.

- A. Seiffert Ltd. maintains an investment policy relative to personal securities transactions. This investment policy is part of Seiffert Ltd.'s overall Code of Ethics, which serves to establish a standard of business conduct for all of Seiffert Ltd.'s Representatives that is based upon fundamental principles of openness, integrity, honesty and trust. A copy of our Code of Ethics is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Seiffert Ltd. also maintains and enforces written policies reasonably designed to prevent the misuse of

material non-public information by Seiffert Ltd. or any person associated with Seiffert Ltd.

- B. Neither Seiffert Ltd. nor any related person of Seiffert Ltd. recommends, buys, or sells for client accounts, securities in which Seiffert Ltd. or any related person of Seiffert Ltd. has a material financial interest.
- C. Seiffert Ltd. and/or representatives of Seiffert Ltd. *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Seiffert Ltd. and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Seiffert Ltd. did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of our clients) and other potentially abusive practices.

Seiffert Ltd. has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Seiffert Ltd.’s “Access Persons”. Seiffert Ltd.’s securities transaction policy requires that Access Persons must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Seiffert Ltd. selects; provided, however that at any time that Seiffert Ltd. has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Seiffert Ltd. and/or representatives of Seiffert Ltd. *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Seiffert Ltd. and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, Seiffert Ltd. has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Seiffert Ltd.’s Access Persons.

## **Item 12      Brokerage Practices**

This Item is included in Investment Advisor Brochures because there are issues specific to Seiffert Ltd.’s industry that bear special consideration. One of these issues is the complexity of inter-related financial services. These relationships can be a source of conflicts of interest.

- A. In the event that the client requests that Seiffert Ltd. recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Seiffert Ltd. to use a specific broker-dealer/custodian), Seiffert Ltd. generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Seiffert Ltd. to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Seiffert Ltd. setting forth the terms and conditions under which Seiffert Ltd. shall manage the client’s assets,

and a separate custodial/clearing agreement, or account application, with each designated broker-dealer/custodian.

Factors that Seiffert Ltd. considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Seiffert Ltd., financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Seiffert Ltd.'s clients shall comply with Seiffert Ltd.'s duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Seiffert Ltd. determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Seiffert Ltd will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Seiffert Ltd.'s investment management fee. Seiffert Ltd's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Seiffert Ltd. may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Seiffert Ltd. to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Seiffert Ltd. may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Seiffert Ltd. in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Seiffert Ltd. to manage and further develop its business enterprise.

Seiffert Ltd.'s clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Seiffert Ltd. to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. Seiffert Ltd. does not receive referrals from broker-dealers.
3. Seiffert Ltd. does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements

for their account with that broker-dealer, and Seiffert Ltd. will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Seiffert Ltd. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Seiffert Ltd. to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Seiffert Ltd.

**Seiffert Ltd.'s Chief Compliance Officer, Perry Seiffert, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.**

- B. To the extent that Seiffert Ltd. provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Seiffert Ltd. decides to purchase or sell the same securities for several clients at approximately the same time. Seiffert Ltd. may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Seiffert Ltd. shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13      Review of Accounts**

This Item is included in Investment Advisor Brochures because there are issues specific to Seiffert Ltd.'s industry that bear special consideration. One of these issues is the extent of an advisor's ongoing monitoring of client assets.

- A. For those clients to whom Seiffert Ltd. provides investment supervisory services, account reviews are conducted on an ongoing basis by our Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Seiffert Ltd. of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives, and account performance with Seiffert Ltd. on an annual basis.
- B. Seiffert Ltd. *may* conduct account reviews on other than on a periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Seiffert Ltd. may also provide a written periodic report summarizing account activity and performance.

#### **Item 14      Client Referrals and Other Compensation**

This Item is included in Investment Advisor Brochures because there are issues specific to Seiffert Ltd.'s industry that bear special consideration. One of these issues is compensation arrangements that are not directly with the client. These arrangements can be a source of conflicts of interest.

- A. As referenced in Item 12.A.1 above, Seiffert Ltd. may receive an indirect economic benefit from *Schwab*. Seiffert Ltd., without cost (and/or at a discount), may receive support services and/or products from *Schwab*.

Seiffert Ltd.'s clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Seiffert Ltd. to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Seiffert Ltd.'s Chief Compliance Officer, Perry Seiffert, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Neither Seiffert Ltd. nor any supervised person of Seiffert Ltd. compensates any non-supervised person for client referrals.

#### **Item 15      Custody**

This Item is included in Investment Advisor Brochures because there are issues specific to Seiffert Ltd.'s industry that bear special consideration. One of these issues is that an advisor can obtain authority to take possession of client assets ("have custody").

Seiffert Ltd. shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Seiffert Ltd. may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that Seiffert Ltd. provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Seiffert Ltd. with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Seiffert Ltd.'s advisory fee calculation.

## Item 16 Investment Discretion

This Item is included in Investment Advisor Brochures because there are issues specific to Seiffert Ltd.'s industry that bear special consideration. One of these issues is that an advisor can obtain authority to make transactions in client accounts that the client doesn't verify or approve beforehand. In such circumstances the advisor is said to have discretion.

The client can engage Seiffert Ltd. to provide investment advisory services on a discretionary basis. Prior to Seiffert Ltd. assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Seiffert Ltd. as the client's attorney and agent in fact, granting Seiffert Ltd. full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Seiffert Ltd. on a discretionary basis may, at anytime, impose restrictions, in writing, on Seiffert Ltd.'s discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Seiffert Ltd.'s use of margin, etc.).

## Item 17 Voting Client Securities

This Item is included in Investment Advisor Brochures because there are issues specific to Seiffert Ltd.'s industry that bear special consideration. One of these issues is that an advisor can recommend and purchase securities that have their own corporate governance structures. Participation in a given security's corporate governance is a right and a privilege for the security's owner. The advisor's power to act on behalf of the security's owner can be a source of conflicts of interest.

- A. Unless the client directs otherwise in writing, Seiffert Ltd. is responsible for voting client proxies (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). Seiffert Ltd. shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Seiffert Ltd. shall monitor corporate actions of individual issuers and investment companies consistent with Seiffert Ltd.'s fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Seiffert Ltd. will consider when determining how it will vote differ on a case by case basis, they may, but are not be limited to, include the following:
- a review of recommendations from issuer management
  - shareholder proposals
  - cost effects of such proposals
  - effect on employees and executive and director compensation

With respect to individual issuers, Seiffert Ltd. may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility.

With respect to investment companies (e.g., mutual funds), Seiffert Ltd. may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers.

Seiffert Ltd. shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Seiffert Ltd. voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Seiffert Ltd.'s Chief Compliance Officer, Perry Seiffert.

- B. As set forth in Section 17A, the Registrant votes client proxies.

## **Item 18      Financial Information**

This Item is included in Investment Advisor Brochures because there are issues specific to Seiffert Ltd.'s industry that bear special consideration. One of these issues is the possibility that a client could become a creditor to an advisor. Seiffert Ltd. maintains that its clients do not bear this risk.

- A. Seiffert Ltd. does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Seiffert Ltd. is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Seiffert Ltd. has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Seiffert Ltd.'s Chief Compliance Officer, Perry Seiffert, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**