

## Brent Forrest & Associates

4077 DeZavala Rd., Suite 2  
San Antonio, TX 78249

P.: (210) 530-9599  
F.: (210) 530-9740

[www.brentforrest.com](http://www.brentforrest.com)

July 26, 2011

### Part 2A Brochure

This brochure provides information about the qualifications and business practices of Brent Forrest & Associates. If you have any questions about the contents of this brochure, please contact us at (210) 530-9599. 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. Brent Forrest & Associates is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Brent Forrest & Associates is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Brent Forrest & Associates is 126266.

---

## MATERIAL CHANGES

---

This is our initial filing of what we regard as the “New Part 2” of our Form ADV. As a result, this document, dated July 26, 2011, is completely new. We developed this document in response to new requirements adopted and imposed on investment advisers by the Securities and Exchange Commission and state securities departments. As a result, this document is substantially different from our previous Form ADV Part II, and includes disclosures not specifically required by the previous Form ADV Part II.

This document should be considered materially new although you may recognize that some of the disclosures are similar to our previous Form ADV Part II. New disclosures in this document include those items previously not requested, such as:

- A discussion of our investment philosophy and investment strategy
- Disclosure of any disciplinary information
- Disclosure of material conflicts that may exist
- Disclosure of our policy on voting securities
- Disclosure of financial information concerning Brent Forrest & Associates

In addition, this new Form ADV Part 2A eliminates the check-the-box questions from pages one through six of the previous Form ADV Part II.

In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Brent Forrest at (210) 530-9599 or [brentforrest@me.com](mailto:brentforrest@me.com).

We encourage you to read this document in its entirety.

## TABLE OF CONTENTS

|  | Page |
|--|------|
| Advisory Business -----  | 4    |
| Fees and Compensation -----  | 7    |
| Performance-Based Fees and Side-By-Side Management -----                                       | 11   |
| Types of Clients -----   | 12   |
| Methods of Analysis, Investment Strategies and Risk of Loss -----                              | 13   |
| Disciplinary Information -----   | 16   |
| Other Financial Industry Activities and Affiliations -----                                     | 17   |
| Code of Ethics, Participation or Interest in Client Transactions and<br>Personal Trading ----- | 18   |
| Brokerage Practices -----  | 20   |
| Review of Accounts -----   | 22   |
| Client Referrals and Other Compensation -----  | 23   |
| Custody -----  | 24   |
| Investment Discretion -----  | 25   |
| Voting Client Securities -----   | 26   |
| Financial Information -----  | 27   |

---

## ADVISORY BUSINESS

---

This Disclosure document is being offered to you by Brent Forrest & Associates in connection with the investment advisory services we provide. It discloses information about the services we provide and the manner in which those services are made available to you, the client.

We are a fee-based investment management and financial planning firm located in San Antonio, Texas, specializing in proactive investment advisory and planning services for investors. The firm was established in 1995 by Brent Forrest, the firm's principal owner.

We are committed to help, build, manage, and preserve wealth, and to provide assistance to clients to help achieve their stated financial goals. We may offer an initial complimentary meeting; however, investment advisory services are initiated only after you and Brent Forrest & Associates execute an engagement letter or client agreement.

### **Investment Management and Supervision Services**

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio statements and ongoing monitoring services for the portfolio.

Brent Forrest & Associates determines your portfolio composition based on your needs, portfolio restrictions, if any, and financial goals and risk tolerances. We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio, and allocated them, we will provide ongoing portfolio reviews and management services. This approach requires us to review your portfolio routinely.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We will trade these portfolios and rebalance them on a discretionary basis.

While our advisory services are tailored to your individual needs, our multi-fund manager approach makes it difficult for us to ensure that your portfolio will not invest in a particular industry or security. However, we are happy to discuss your preferences

regarding socially conscious investment concerns and we'll try, as much as possible, to accommodate them.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do not and will not have custody of your funds or securities, except for the limited access to deduct only investment advisory fees via the qualified custodian and only with the appropriate authorization from you.

### **Financial Planning Services**

Financial advisory services provided by us may include the analysis of your situation and assistance in identifying and implementing appropriate financial planning and investment management techniques to help you meet your specific financial objectives. Such services may include a written financial analysis and specific or general investment and/or planning recommendations.

In preparing your financial plan, we may address any or all of the six areas of financial planning established by the National Endowment for Financial Education and endorsed by the Certified Financial Planner Board of Standards, depending on your specific needs. These include: financial position, protection planning, investment planning, income tax planning, retirement planning, and estate planning.

Our specific services in preparing your plan may include:

- Determination of appropriate income planning strategies for both pre- and post-retirement timeframes;
- Review of existing and proposed investment asset mixes to help you meet your overall financial objectives. This would include a review of risk/return issues and a suggested plan of action consistent with your risk tolerance and overall financial objectives;
- Calculation of your pre-retirement savings and investing needs;
- Assessment of your overall financial position including net worth, cash flow, and debt;
- Comprehensive analysis of IRA-related issues including rollover, distribution, and inheritance planning options;
- Evaluation of strategies designed to maximize the utilization and protection of your IRA assets;
- Suggest a plan of action to help meet estate planning objectives;
- Review and determination of your life insurance needs;
- Suggestions for minimizing your federal and state income tax obligations; and
- Development of investment strategies consistent with your business ownership succession and transition planning, if applicable.

### **Investment Consulting Services**

We may also provide portfolio review services to clients for assets that are not part of our discretionary investment advisory services. Our portfolio review service is limited to a periodic review of information pertaining to the certain assets as provided to us by you, the client.

We also provide clients investment advice on a more limited basis on one or more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, the Firm may provide advice on non-securities matters in connection with the rendering of estate planning, insurance, real estate, and/or annuity advice.

### **Wrap Fee Programs**

Our services include a wrap fee program for our portfolio management services. There is no difference between how we manage wrap fee accounts and how we manage other accounts. We will receive a portion of the wrap fee for our services.

### **Assets**

As of July 26, 2011, we have \$134,000,000 assets under the discretionary management. We do not have any non-discretionary assets under management.

---

## FEES AND COMPENSATION

---

### **Investment Management Fees and Compensation**

Brent Forrest & Associates charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities. We do not charge fees for completing transactions within your account. Additionally, we pay all the custodial fees, transaction costs, redemption fees, retirement plan and administrative fees or commissions.

The annual fee for portfolio management services is billed monthly in advance based on the market value of the assets on the last day of the preceding month as reported by the custodian. Fees are not assessed in the month the portfolio management agreement is executed. The fee is billed on the first full month. Fees are assessed on all assets under management, including securities, cash and money market balances. Margin debit balances do not reduce the value of assets under management.

Our investment advisory fees shall not exceed 1.5% annually. The specific advisory fees are set forth in your Investment Advisory Agreement. In certain circumstances, our fees and the timing of the fees may be negotiated.

At our discretion, we may add (aggregate) asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We may do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a reduced advisory fee.

You may provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. You are encouraged to review your account statements for accuracy. We will receive a duplicate copy of the custodian's statement that was delivered to you.

In limited circumstances, we may bill you directly for our management fee. In this case, the payment is due upon receipt of the invoice.

Either Brent Forrest & Associates or you may terminate the management agreement, upon 30 day written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given, and any

unearned fees will be refunded to you. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

### **Additional Fees and Expenses:**

We may invest a portion of your assets in mutual funds, exchange traded funds (ETFs), or variable annuities. These products charge an investment management fee on client's assets invested in these securities. Therefore, you may pay two levels of fees for the management of assets, one directly to Brent Forrest & Associates and one indirectly to the managers of the mutual funds, ETFs or variable annuities held in your portfolios.

### **Financial Planning Fees**

Your fee for the designated financial planning services is an hourly rate agreement, your total cost for financial planning services will be based on the amount of time your advisor and our staff spend developing your financial plan. This includes time spent meeting with you, analyzing your financial objectives, and evaluating and documenting your strategies. Our hourly rate is \$190. The hourly rate will be agreed upon by you and your advisor in advance of services being performed. The fee and the number of hours will be determined based on factors including the complexity of your financial situation and agreed upon deliverables. We reserve the right to waive these fees for those clients participating in our asset management program.

In no case are our financial planning fees based on, or related to, the performance of your funds or investments.

We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you.

When both investment management or plan implementation and financial planning services are offered, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend products or services for which Brent Forrest & Associates, or a related party, may receive compensation. However, as a financial planning client, you are under no obligation to act upon any of our recommendations or effect the transaction(s) through us if you decide to follow the recommendations.

### **Investment Consulting**

Your fee for general consulting services will be determined on an hourly rate agreement, your total cost for consulting services will be based on the amount of time your advisor and our staff spend working with you on your specific project. Our hourly rate is \$190.



You will be billed as services are rendered. We reserve the right to waive these fees for those clients participating in our asset management program.

---

**PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

---

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Our advisory fee compensation is charged only as disclosed above in Fees and Compensation.

---

**TYPES OF CLIENTS**

---

We provide investment advice to individuals. A minimum of \$250,000 is required to open and maintain an account. We may waive account minimums at our sole discretion.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The method of analysis we utilize is both fundamental and technical. We gather our information for investment purposes from financial newspapers, magazines, research prepared by others, corporate rating services, company press releases, annual reports, prospectuses and filings with the Securities and Exchange Commission.

We determine how to allocate assets among the various asset classes based on the investment strategy chosen, prevailing economic conditions and our determination of where we are in the economic cycle. Potential risks and opportunities are weighed to determine to what degree the portfolio should be invested.

Once asset allocations are determined for the general asset classes, we then further refine the investment selection by determining where to place emphasis in the portfolio and what to under-emphasize or to avoid. For equities, this involves the determination of how to allocate funds to U.S. vs. foreign stocks, growth style vs. value style and how much to allocate to the various stock capitalizations (*i.e.* large, midsize, and small companies). For bonds, determination must be made as to the allocation to U.S. vs. foreign, long-term vs. short-term, investment grade vs. high yield, traditional bonds vs. inflation adjusted and taxable vs. tax-free.

From time-to-time, market conditions may cause your account to vary from the established allocation. To remain consistent with the asset allocation guidelines established, your account is monitored on an ongoing basis and rebalanced at least annually to the original allocation, or if deemed beneficial, to a new allocation based on the then prevailing economic conditions and within the guidelines of the chosen investment strategy.

In addition to the annual rebalancing, overall market conditions and microeconomic factors that affect specific holdings in your account may trigger changes in allocation. Your account may also receive informal reviews more frequently.

### **Investment Philosophy**

Prior to making recommendations, we determine your financial status, needs, time horizon, investment objectives, risk tolerance, and tax status. From this, we create an investor profile and general asset allocation target. While we believe asset allocation is a primary factor affecting long-term rate of return, we also believe fundamental research and securities selection are vital as well. To that end, we select from a narrow, refined list of institutional fund managers known for excellence in their respective disciplines. We focus primarily on the people, processes, research, consistency, and culture rather than simply recent “high performance” or “track record”.

As much as reasonably possible, we strive to:

- Diversify strategically with non-correlating assets.
- Balance between growth and value styles.
- Diversify globally.
- Rebalance as markets change.
- Manage for tax efficient returns wherever possible.

## **Risks**

You are advised and are expected to understand that our past performance is not a guarantee of future results and that certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Investing in securities involves risk of loss which you should be prepared to bear.

There are principal and material risks involved which may adversely affect the account value and total return. There are other circumstances (including additional risks that are not described here) which could prevent your portfolios from achieving its investment objective. It is important to read all the disclosure information provided and to understand that you may lose money by investing in the any of our strategies. You should be aware that

Your account is subject to the following risks:

- **Stock Market Risk** – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- **Managed Portfolio Risk** – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- **Industry Risk** – The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- **Non-U.S. Securities Risk** – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- **Emerging Markets Risk** – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Currency Risk** – The value of your portfolio's investments may fall as a result of changes in exchange rates.

- Interest Rate Risk. The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- Credit Risk. Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.
- Inflation Risk. Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.

|                                 |
|---------------------------------|
| <b>DISCIPLINARY INFORMATION</b> |
|---------------------------------|

Brent Forrest & Associates does not have any legal, financial or other “disciplinary” item to report.

---

## OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

---

### **Other Business Activities**

#### **Insurance**

We offer financial and retirement planning services. These services are offered to clients with or without investment advice. We spend a portion of our time providing financial and retirement planning services without investment advice. In addition, we are also licensed insurance agents and can sell various life insurance products, long term care and annuities. As a result, Brent Forrest & Associates or certain associated persons may receive compensation for these activities as insurance agents. A small portion of the time we spend is in connection with these activities.

#### **Broker Dealer**

IARs of Brent Forrest & Associates (“BFA”) are registered representatives of Purshe Caplan Sterling Investments, LLC (“PKS”) a securities broker-dealer, and will be compensated for effecting securities transactions or providing advisory services. A portion of the time of BFA and our IARs is spent in connection with broker/dealer activities.

As a broker-dealer, PKS engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by BFA or its IARs, investments in securities may be recommended for clients. If PKS is selected as the broker-dealer, PKS and its registered representatives, including IARs of BFA, may receive commissions for executing securities transactions. When IARs of BFA receive commissions in connection with the advice given to advisory clients, BFA may reduce a portion of its fees by the amount of the commissions earned by BFA IARs.

You are advised that if PKS is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through IARs of BFA or PKS.

BFA may provide advice regarding investment company securities. You should be aware that, in addition to the advisory fees you pay in connection with any BFA program, each investment company also pays its own separate investment advisory fees and other expenses. Such fees and expenses are disclosed in the mutual fund’s prospectus. In addition, clients should be aware that mutual funds may be purchased separately, independent of the investment management services of BFA.

Moreover, you should note that under the rules and regulations of FINRA, PKS has an obligation to maintain certain client records and perform other functions regarding certain



aspects of the investment advisory activities of its registered representatives. These obligations require PKS to coordinate with, and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than PKS. Accordingly, PKS may limit the use of certain custodial and brokerage arrangements available to clients of BFA and PKS may collect as paying agent of BFA the investment advisory fee remitted to BFA by the account custodian. PKS may retain a portion of the investment advisory fee so remitted as a charge for the functions it performs and such portion may be further re-allowed to other registered representatives of PKS. The charge will not increase the brokerage charges to you or the fee you have agreed to pay BFA.

IARs of BFA may, in their capacity as registered representatives of PKS, or as agents appointed with various life, disability or other insurance companies, receive commissions, 12(b)-1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. As previously noted, when commissions or fees are received by BFA or its IARs in connection with the advice given to advisory clients, BFA may, but is not obligated to, reduce its fee proportionate to the amount of the commission or fee earned by BFA or its IARs. However, clients should note that they are under no obligation to purchase any investment products through BFA or its IARs.

## **CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

We do not as principal buy securities for our own accounts from any client or sell securities we own to any client or as broker or agent effect securities transactions for compensation for any client. Brent Forrest & Associates and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Brent Forrest & Associates, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

All advisory personnel are required to report to the Firm's Chief Compliance Officer initial and annual holdings and quarterly transactions in reportable securities, as defined in the Code and the Chief Compliance Officer is responsible for reviewing such reports. The Code also sets forth general standards of conduct and practices to be followed by all personnel to minimize conflicts of interest, including restrictions on gifts to or from brokers, clients and others, restrictions on service on the boards of other companies, restrictions on participation in investment clubs and policies designed to prevent personal trading conflicts. In addition, the Code (including the Firm's Insider Trading Policy Statement) includes provisions designed to prevent and enforce the Firm's strict policy against the misuse of material non-public information by all personnel. The Firm's Chief Compliance Officer is responsible for the oversight and administration of the Code.

All associated persons sign a letter of acknowledgment that they have read the Personal Trading Policy, fully understand it and will abide by it at all times while under the employ of Brent Forrest & Associates.

Additionally, we have established the following restrictions in order to ensure our firm's fiduciary responsibilities and mitigate any conflicts of interest:

1. A director, officer or employee of Brent Forrest & Associates shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of Brent Forrest & Associates shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Brent Forrest & Associates.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn: Chief Compliance Officer.

---

## BROKERAGE PRACTICES

---

We participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the program. (Please see the disclosure under Item 14 below.)

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at TD Ameritrade. We may recommend that you establish accounts with TD Ameritrade to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We do not select or recommend broker/dealers based upon receiving client referrals from a broker/dealer or third party. We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. We may use broker-dealers other than your custodian to execute trades for your account, but this practice may result in additional costs to you so that we are more likely to place trades through your custodian rather than other broker-dealers. Your custodian's execution quality may be different than other broker-dealers. Additionally, we have outsourced our back-office tasks to AssetBook. AssetBook will handle the task of daily database reconciliation, statement generation and deliver, and advisory fee filling. AssetBook's system will provide us with customized reporting, trade upload creation and pending trade follow-up.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed separately to our existing clients (if any) and the broker-dealer(s) through which such transactions will be placed;

2. We will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our investment advisory agreement with you for which trades are being aggregated;
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation;
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is approved by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account;
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

---

## **REVIEW OF ACCOUNTS**

---

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by Brent Forrest, Chief Investment Officer. An annual review is usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

You are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for your account. In addition to the quarterly statements and confirmation of transactions that you receive from the custodian, Brent Forrest & Associates, through the outside vendor, Asset Book, will be provided detailed quarterly account statements.

Financial planning/Consulting clients will receive no regular reports from the Firm.

---

## **CLIENT REFERRALS AND OTHER COMPENSATION**

---

As disclosed under Brokerage Practices, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by BFA or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by BFA or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

---

## **CUSTODY**

---

All Client account assets are held by a qualified custodian. Brent Forrest & Associates periodically reviews Clients' custody relationships to ascertain their effectiveness, responsiveness and costs. Brent Forrest & Associates, however, is not responsible for the actions of a Client's custodian.

Clients should carefully review account statements received directly from the qualified custodian. We also urge you to compare the account statement you receive from your qualified custodian with the statements provided by us.



---

## INVESTMENT DISCRETION

---

Prior to engaging Brent Forrest & Associates to provide investment advisory services, clients enter into a written Agreement with Brent Forrest & Associates granting the firm the authority to supervise and direct on an on-going basis investments in accordance with the client's investment objective and guidelines. Clients will also execute any and all documents required by the Custodian so as to authorize and enable Brent Forrest & Associates, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your account. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any investment company registered under the Investment Company Act of 1940 and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by Brent Forrest & Associates for you are:

1. For discretionary clients, we require that it be provided with authority to determine which securities and the amounts of securities to be bought or sold, as well as the broker-dealer to be used and the commission rates to be paid.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

In some instance, we may not have discretion. We will discuss all transactions with you prior to execution.

Research products and services received by us from broker-dealers will be used to provide services to all our clients.

---

## **VOTING YOUR SECURITIES**

---

We will not vote proxies under its limited discretionary authority. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Should you have any questions about a particular solicitation, you may contact us.

---

## **FINANCIAL INFORMATION**

---

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to you.