

Disclosure Brochure

March 28, 2011

Bruton Financial Advisors, LLC

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Bruton Financial Advisors, LLC (hereinafter "Bruton Financial"). If you have any questions about the contents of this brochure, please contact James Bruton at (610) 518-3900. 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 Bruton Financial Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Bruton Financial Advisors, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This Item discusses only the material changes that have occurred since Bruton Financial's last annual update dated April 5, 2010.

Bruton Financial does not have any material changes to disclose in this Item.

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Supervised Person Brochure Supplements

Item 4. Advisory Business

Bruton Financial is an investment adviser providing financial planning, consulting, and investment management services. Prior to engaging Bruton Financial to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Bruton Financial setting forth the terms and conditions under which Bruton Financial renders its services (collectively the "*Agreement*"). Neither Bruton Financial nor the client may assign the *Agreement* without the consent of the other party. A transaction that does not result in a change of actual control or management of Bruton Financial is not considered an assignment.

Bruton Financial has been in business as a registered investment adviser since June 2004. Charles "Bud" Bruton is the principal owner of Bruton Financial. Bruton Financial has \$182,851,000 of assets under management as of January 31, 2011, all of which are managed on a discretionary basis.

This disclosure brochure describes the business of Bruton Financial. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Bruton Financial's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Bruton Financial's behalf and is subject to Bruton Financial's supervision or control.

Financial Planning and Consulting Services

Bruton Financial may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include non-investment related matters). These services are tailored to the individual needs of the client.

In performing its services, Bruton Financial is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Bruton Financial may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Bruton Financial recommends its own services. The client is under no obligation to act upon any of the recommendations made by Bruton Financial under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Bruton Financial itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Bruton Financial's recommendations. Clients are advised that it remains their responsibility to promptly notify Bruton Financial if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Bruton Financial's previous recommendations and/or services.

Investment Management Services

Clients can engage Bruton Financial to manage all or a portion of their assets on a discretionary or non-discretionary basis.

Bruton Financial primarily allocates clients' investment management assets among *Independent Managers* (as defined below) and mutual funds, and to a lesser extent among exchange-traded funds ("ETFs"), individual debt and equity securities as well as the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of the client. Bruton Financial also provides advice about any type of investment held in clients' portfolios.

Bruton Financial also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, Bruton Financial either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

Bruton Financial tailors its advisory services to the individual needs of clients. Bruton Financial consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. Bruton Financial ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Bruton Financial if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Bruton Financial's management services.

Use of Independent Managers

As mentioned above, Bruton Financial recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between Bruton Financial or the client and the designated *Independent Managers*. Bruton Financial renders services to the client relative to the discretionary and/or non-discretionary selection or recommendation of *Independent Managers*. Bruton Financial also monitors and reviews the account performance and the client's investment objectives. Bruton Financial receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When recommending or selecting an *Independent Manager* for a client, Bruton Financial reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by

the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that Bruton Financial considers in recommending an *Independent Manager* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, Bruton Financial's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by Bruton Financial, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to Bruton Financial's written disclosure brochure, the client also receives the written disclosure brochure of the designated *Independent Managers*. Certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than Bruton Financial. In such instances, Bruton Financial may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Additions and Withdrawals to Accounts

Clients may make additions to and withdrawals from their account at any time, subject to Bruton Financial's right to terminate an account. Clients may withdraw account assets on notice to Bruton Financial, subject to the usual and customary securities settlement procedures. However, Bruton Financial designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

Item 5. Fees and Compensation

Bruton Financial offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management. Alternatively, certain of Bruton Financial's *Supervised Persons* may offer securities brokerage services under a commission arrangement.

Financial Planning and Consulting Fees

Bruton Financial may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$500 to \$2,500 on a fixed fee basis and/or from \$100 to \$250 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. These services are only available after an initial consultation for which Bruton Financial usually charges a fixed fee of \$500. If the client engages or has previously engaged Bruton Financial for additional investment advisory services, Bruton Financial may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging Bruton Financial to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Bruton Financial setting forth the terms and conditions of the engagement. Generally, Bruton Financial requires one-half of the financial planning / consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

Investment Management Fee

Bruton Financial provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by Bruton Financial. Bruton Financial's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Bruton Financial does not, however, receive any portion of these commissions, fees, and costs. Bruton Financial's annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Bruton Financial on the last day of the previous quarter/month. The annual fee varies depending upon the market value of the assets under management, as follows:

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
up to \$1,000,000	1.00%
\$1,000,001 - \$3,000,000	0.80%
\$3,000,001 - \$5,000,000	0.60%
Above \$5,000,000	negotiable

Bruton Financial, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), Bruton Financial generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") and/or Charles Schwab & Co., Inc ("*Schwab*") or investment management accounts.

Bruton Financial may only implement its investment management recommendations after the client has arranged for and furnished Bruton Financial with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, *Schwab*, any other broker-dealer recommended by Bruton Financial, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers* (as defined below), custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Bruton Financial's fee.

Bruton Financial's *Agreement* and the separate agreement with any *Financial Institutions* may authorize Bruton Financial or *Independent Managers* to debit the client's account for the amount of Bruton Financial's fee and to directly remit that management fee to Bruton Financial or the *Independent Managers*. Any *Financial Institutions* recommended by Bruton Financial have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Bruton Financial. Alternatively, clients may elect to have Bruton Financial send an invoice for payment.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between Bruton Financial and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Bruton Financial's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that Bruton Financial reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Bruton Financial may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter that exceed \$100,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

Commissions or Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with Bruton Financial (but not Bruton Financial) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Bruton Financial. Under this arrangement, clients may implement securities transactions through certain of Bruton Financial's *Supervised Persons* in their respective individual capacities as registered representatives of Valmark Securities, Inc. ("Valmark"), an SEC registered broker-dealer and member of FINRA. Valmark may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by Valmark to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with Valmark. The brokerage commissions charged by Valmark may be higher or lower than those charged by other broker-dealers. In addition, certain of Bruton Financial's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

A conflict of interest exists to the extent that Bruton Financial recommends the purchase of securities where Bruton Financial's *Supervised Persons* receive commissions or other additional compensation as a result of Bruton Financial's recommendations. Bruton Financial has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that Bruton Financial, in its sole discretion deems appropriate), Bruton Financial provides its investment advisory services on a fee-offset basis. In this scenario, Bruton Financial may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by Bruton Financial's *Supervised Persons* in their individual capacities as registered representatives of Valmark.

Item 6. Performance-Based Fees and Side-by-Side Management

Bruton Financial does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

Bruton Financial provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Fee

As a condition for starting and maintaining a relationship, Bruton Financial generally imposes a minimum annual fee of \$5,000. This minimum fee may have the effect of making Bruton Financial's services impractical for certain clients, particularly those with portfolios less than \$500,000 under Bruton Financial's management. Bruton Financial, in its sole discretion, may waive its minimum annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities.

Additionally, certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than Bruton Financial. In such instances, Bruton Financial may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Bruton Financial's primary method of analysis is fundamental.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. Bruton Financial will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Bruton Financial meets with the client to determine their individual risk tolerance and develop an asset allocation plan that is tailored to the investment objectives of the client. In designing the asset allocation, Bruton Financial primarily utilizes no-load mutual funds, but may also use the types of securities discussed above in Item 4. Bruton Financial reviews the asset allocation with the client prior to implementing it. Bruton Financial then meets with the client on at least an annual basis to review the current allocation and suggest necessary changes.

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual funds and ETFs are subject to secondary market trading risks. Shares of mutual funds and ETFs will be listed for trading on an exchange, however, there can be no guarantee that an active trading market for such shares will develop or continue. There can be no guarantee that a mutual funds' and ETFs' exchange listing or ability to trade its shares will continue or remain unchanged. Shares of the mutual fund or ETF may trade on an exchange at prices at, above or below their most recent net asset valuation (NAV), which is the price that an investor would buy or sell the mutual fund or ETF at. The per share NAV of a mutual fund or ETF is calculated at the end of each business day, and fluctuates with changes in the market value of the mutual fund's or ETF's holdings. The trading prices of a mutual fund's or ETF's shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's ETF's shares trading at a premium or discount to NAV.

Market Risks

The profitability of a certain of Bruton Financial's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Bruton Financial will be able to predict those price movements accurately.

Use of Independent Managers

Bruton Financial may recommend the use of *Independent Managers* for certain clients. Bruton Financial will continue to do ongoing due diligence of such managers, but the such recommendations relies, to a

great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, Bruton Financial does not have the ability to supervise the *Independent Managers* on a day-to-day basis, if at all.

Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

Bruton Financial is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Bruton Financial does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Bruton Financial is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

Registered Representatives of Broker Dealer

As discussed above in Item 5, certain of Bruton Financial's *Supervised Persons* are registered representatives of *Valmark*.

Additional Business Relationships with Independent Managers

As discussed above, Bruton Financial recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain *Independent Managers*. One of these *Independent Managers* may include *Valmark* through its registered investment adviser. Bruton Financial recommends *Valmark* because of the program that it offers and not due to the firm's other business relationship with *Valmark*.

Item 11. Code of Ethics

Bruton Financial and persons associated with Bruton Financial ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Bruton Financial's policies and procedures.

Bruton Financial has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Bruton Financial or any of its associated persons. The *Code of Ethics* also requires that certain of Bruton Financial's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in Bruton Financial's *Code of Ethics*, none of Bruton Financial's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Bruton Financial's clients.

When Bruton Financial is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Bruton Financial is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Bruton Financial to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

As discussed above, in Item 5, Bruton Financial generally recommends that clients utilize the brokerage and clearing services of *Fidelity* and/or *Schwab*.

Factors which Bruton Financial considers in recommending *Fidelity*, *Schwab*, or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* and *Schwab* enable Bruton Financial to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* and/or *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Bruton Financial's clients comply with Bruton Financial's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Bruton Financial determines that the commissions are 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 *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Bruton Financial seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Bruton Financial periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Bruton Financial in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Bruton Financial will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Bruton Financial (as described below). As a result, the 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. Subject to its duty of best execution, Bruton Financial may decline a client's request to direct brokerage if, in Bruton Financial's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless Bruton Financial decides to purchase or sell the same securities for several clients at approximately the same time. Bruton Financial may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Bruton Financial's 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 generally be averaged as to price and allocated among Bruton Financial's clients pro rata to the purchase and sale orders placed for each client on any

given day. To the extent that Bruton Financial determines to aggregate client orders for the purchase or sale of securities, including securities in which Bruton Financial's *Supervised Persons* may invest, Bruton Financial generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Bruton Financial does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Bruton Financial determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Bruton Financial may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Bruton Financial in its investment decision-making process. Such research generally will be used to service all of Bruton Financial's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Bruton Financial does not have to produce or pay for the products or services.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of *Valmark*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *Valmark* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through *Valmark* unless they first secure written consent from *Valmark* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *Valmark*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *Valmark* under *Valmark's* internal supervisory policies.

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Bruton Financial is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Software and Support Provided by Financial Institutions

Bruton Financial may receive from *Fidelity* and/or *Schwab*, without cost to Bruton Financial, computer software and related systems support, which allow Bruton Financial to better monitor client accounts maintained at *Fidelity* and *Schwab*. Bruton Financial may receive the software and related support without cost because Bruton Financial renders investment management services to clients that maintain assets at *Fidelity* and *Schwab*. The software and related systems support may benefit Bruton Financial, but not its clients directly. In fulfilling its duties to its clients, Bruton Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Bruton Financial's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Bruton Financial's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Bruton Financial may receive the following benefits from *Fidelity* through the Fidelity Registered Investment Advisor Group and *Schwab* through the *Schwab* Institutional Division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the respective investment adviser group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

For those clients to whom Bruton Financial provides investment management services, Bruton Financial monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Bruton Financial provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of Bruton Financial’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Bruton Financial and to keep Bruton Financial informed of any changes thereto. Bruton Financial contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Bruton Financial provides investment advisory services will also receive a report from Bruton Financial that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis or as clients may request. Clients should compare the account statements they receive from their custodian with those they receive from Bruton Financial.

Those clients to whom Bruton Financial provides financial planning and/or consulting services will receive reports from Bruton Financial summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Bruton Financial.

Item 14. Client Referrals and Other Compensation

Bruton Financial is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Bruton Financial is required to disclose any direct or indirect compensation that it provides for client referrals.

Bruton Financial may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 10, above.

Item 15. Custody

Bruton Financial's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Bruton Financial through such *Financial Institution* to debit the client's account for the amount of Bruton Financial's fee and to directly remit that management fee to Bruton Financial in accordance with applicable custody rules.

The *Financial Institutions* recommended by Bruton Financial have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Bruton Financial. In addition, as discussed in Item 13, Bruton Financial also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Bruton Financial.

Item 16. Investment Discretion

Bruton Financial may be given the authority to exercise discretion on behalf of clients. Bruton Financial is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Bruton Financial is given this authority through a power-of-attorney included in the agreement between Bruton Financial and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Bruton Financial takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

Item 17. Voting Client Securities

Bruton Financial may vote client securities (proxies) on behalf of its clients. When Bruton Financial accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully- described in Bruton Financial's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Bruton Financial's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Bruton Financial to request information about how Bruton Financial voted proxies for that client's securities or to get a copy of Bruton Financial's Proxy Voting Policies and Procedures. A brief summary of Bruton Financial's Proxy Voting Policies and Procedures is as follows:

- Bruton Financial has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to Bruton Financial's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, Bruton Financial devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Bruton Financial's vote on a particular solicitation but can revoke Bruton Financial's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Bruton Financial maintains with persons having an interest in the outcome of certain votes, Bruton Financial takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

Item 18. Financial Information

Bruton Financial does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Bruton Financial is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Bruton Financial has no disclosures pursuant to this Item.

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Prepared by:



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