

**Item 1 – Cover Page**

**Beechwood Investment Management Inc.**

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Norfolk, MA 02056

508-520-2270

February 22, 2011

**This Brochure provides information about the qualifications and business practices of Beechwood Investment Management Inc. If you should have any questions about the contents of this Brochure, please contact us at 508-520-2270. 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.**

**Beechwood Investment Management Inc. is a registered investment adviser. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.**

*Additional information about Beechwood Investment Management is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This brochure dated February 22, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this item will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new brochure upon request based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting Francis M. Burke - President at 508-520-2270.

Additional information about Beechwood Investment Management Inc. is also available via the SEC’s web site **[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**. The SEC’s web site also provides information about any persons affiliated with Beechwood Investment Management Inc. who are registered, or are required to be registered, as investment adviser representatives of Beechwood Investment Management Inc.

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#### **Item 4 – Advisory Business**

Beechwood Investment Management Inc. was founded in 1996. Francis M. Burke has 100% ownership of the firm and provides all Investment Supervisory Services.

Beechwood Investment Management provides portfolio management services and utilizes stocks, bonds, mutual funds and ETF's to structure an asset allocation appropriate for each client. Services that are not provided include financial planning, tax and estate preparation, and sale of insurance products.

Beechwood Investment Management provides Investment Supervisory Services based on the individual needs of the client. Through personal discussions, in which goals and objectives based on a client's particular circumstances are established, Beechwood develops a personalized Investment Policy and manages the overall portfolio based on that policy. Clients may impose certain restrictions on certain securities or types of securities.

The advisor and client will each sign an Investment Policy Statement at the outset of the management relationship. The goals and objectives of the client are reviewed, at least annually, to ensure applicability to the current investment policy. It is the client's responsibility to notify Beechwood Investment Management if their goals and objectives change.

All client assets are managed on a discretionary basis through the use of a Limited Power of Attorney, which is included in each account application initiated with the custodian. This allows the advisor to make investment decisions within each account. Also included in the account application is the agreement to allow the advisor to debit the account for management fees. Other than that one exception, the client must initiate all deposits or withdrawals from the account directly with the custodian.

Discretionary assets managed by Beechwood Investment Management, as of February 22, 2011 were \$31,500,000.

## Item 5 – Fees and Compensation

Annual management fees are calculated as a percentage of assets under management and are based on the target asset allocation as stated in the client Investment Policy Statement. All fees are subject to negotiation.

	<u>Equity Portion</u>	<u>Bonds/Cash Portion</u>
\$0 - \$2MM	1.00%	.30%
Over \$2MM	.85%	.15%

The specific manner in which Beechwood Investment Management charges fees is established in the client's written fee agreement with Beechwood Investment Management. Fees are invoiced quarterly in arrears. The Investment Advisor will use end of month market values of all relevant accounts based on valuations provided by the custodian. The average of the three months will be calculated by the Advisor to determine the assets under management for the period.

Clients may elect to be billed directly for fees or to authorize Beechwood Investment Management to directly debit fees from client accounts. The Advisor will mail an invoice to the client detailing all fee calculations. After a reasonable time to review the invoice, the client's account at Schwab will be debited for the fee amount, unless the client prefers to pay the invoice directly.

Accounts initiated or terminated during a calendar year will be charged a prorated fee. Termination policy is based on receipt of written notification from client. Upon termination of any account, any earned, unpaid fees will be due and payable.

Beechwood Investment Management's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which the client shall incur. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Beechwood Investment Management's fee. Beechwood Investment Management does not receive any portion of these commissions, fees and costs. "No-Load" mutual funds are used whenever possible.

Item 12 further describes the factors that Beechwood Investment Management considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Beechwood Investment Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Beechwood Investment Management provides portfolio management services to individuals, high net worth individuals, and foundations.

Minimum account size is \$1,000,000. Exceptions are made in unusual circumstances.

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

### *Methods of Analysis*

Various research and analytical methods are utilized to enhance the decision making process and provide the optimal asset allocation utilizing equities, bonds and/or mutual funds and ETF's. Beechwood Investment Management methods of analysis include fundamental analysis, technical analysis, and cyclical analysis.

Fundamental analysis includes reviewing and/or researching annual reports, prospectuses and other investment periodicals and research reports. We also utilize equity and mutual fund rating services as well as other computer databases.

Technical analysis involves the analysis of historical price and volume data.

Cyclical analysis involves the research of business cycles to identify favorable conditions for purchase and/or sale of a fund or security.

**\*\* Investing in securities involves risk of loss that you, as a client, should be prepared to bear.**

### *Investment Strategy*

Beechwood Investment Management designs individual investment portfolios for each client based on their goals and objectives and their risk profile. We utilize fundamental analysis to rate the quality of investments and technical and cyclical analysis to determine entry and exit prices.

Mutual funds and ETF's, both domestic and international, make up the majority of each client portfolio. In some cases, individual stocks and bonds are included as part of the overall strategy.

Under normal circumstances, investments are held for at least one year. Investment holdings are sold when actual information contradicts our initial assumptions, or when the portfolio requires re-balancing to reflect the target allocation.



*Risk of Loss*

Market Risk – the value of all holdings in the portfolio change daily due to economic and other events that affect particular companies and other issuers. These price movements sometimes called volatility, may be greater or lesser depending on the types of securities owned and the markets in which they trade.

Interest Rate Risk – an investment in fixed income securities and money market instruments is subject to interest rate risk. For example, when market interest rates rise, yields on the existing bonds become less attractive as their market values decline.

Currency Risk – overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country.

Reinvestment Risk – future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Liquidity Risk - liquidity is the ability to convert an investment into cash. There is a possibility, under extreme volatile market conditions, where liquidation could be delayed until market conditions normalize.

## **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Beechwood Investment Management or the integrity of Beechwood Investment's management.

Beechwood Investment Management has no information applicable to this item.

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

Beechwood Investment Management and its representatives are not engaged in any other business other than providing investment advisory services. The firm is not registered to provide any other financial industry activities and has no affiliations as such.

The firm has no arrangements, where it is paid cash or some other economic benefit in connection with providing investment advisory services to clients. We do not accept any compensation, directly or indirectly, for client referrals.

## **Item 11 – Code of Ethics**

Beechwood Investment Management has adopted a Code of Ethics for all supervised personnel describing its high standards of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading procedures. All supervised persons at Beechwood Investment Management must acknowledge the terms of the Code of Ethics annually, or as amended.

Beechwood Investment Management anticipates recommending to clients, the purchase or sale of securities in which advisory personnel have a position of interest. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Beechwood Investment Management will not interfere with making decisions in the best interest of advisory clients. Under the Code, certain classes of securities, mutual funds and ETF's, have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interests of the client.

Beechwood Investment Management's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Francis M. Burke.

## **Item 12 – Brokerage Practices**

Beechwood Investment Management utilizes the services of Schwab Advisor Services for custody of client accounts. Beechwood Investment Management receives no direct benefits as a result of any transactions executed through Schwab. By having the client custody their accounts at Schwab, Beechwood Investment Management and the client receive the following indirect benefits:

*Back office support in establishing and maintaining all client accounts.*

*Discount commissions for the client based on a sliding scale relative to assets under custody. Additional discounts available if online reporting utilized. Commissions are deemed to be reasonable and are reviewed regularly by the advisor to ensure competitiveness.*

*Daily revaluation of all accounts. Confirmations of all transactions, monthly account reports, and on-line access to account information are available to all clients.*

*Advanced technology platform to execute trades, monitor positions and offsite server storage of client statements and tax reporting history.*

*Independent research provided on individual companies, mutual funds and economic trends.*

*Industry specific resources including compliance newsletters, business development seminars, and knowledge based webcasts.*

All benefits listed above are available to Beechwood Investment Management regardless of the commissions generated from client accounts. We do not pay for any products, research or services with client brokerage. We do not receive compensation from Schwab Advisor Services for accounts our clients open with them.

Beechwood Investment Management does not consider referrals when recommending broker-dealers to clients.

Beechwood Investment Management attempts to aggregate the purchase or sale of securities for client accounts whenever possible. Any block trade initiated by the advisor, involving an individual security, will be proportioned as a percentage of each client's portfolio asset size.

### **Item 13 – Review of Accounts**

Beechwood Investment Management periodically reviews client accounts. All reviews are performed by Francis M. Burke, who's primary function is overall management of the firm together with providing investment supervisory services.

Detailed reviews are performed on a quarterly basis and include return calculations for the portfolio and relevant benchmarks. All valuations are based on end-of-quarter account balances generated from the custodian. Ad hoc reviews of client portfolios are performed throughout the quarter and include calculation of returns and current portfolio allocation.

The custodian delivers confirmations of all transactions and monthly statements to all clients.

Beechwood Investment Management delivers a consolidated summary report, at least annually, to the client. It is noted in each report that monthly reporting from the custodian should be considered the actual valuation of each account. The report from Beechwood Investment Management includes the following:

*Summary page, which highlights consolidated value of the portfolio versus prior period, portfolio performance compared to a benchmark portfolio, and current consolidated portfolio allocation.*

*Consolidated account appraisal page, which includes market value and cost basis of each investment.*

*Mutual fund/ETF performance table, which highlights annual performance of holdings relative to their peer group average.*

Beechwood Investment Management delivers a fee notice or invoice if the account pays by check, on a quarterly basis. Under rare circumstances clients are billed annually. Our Privacy Policy is included with the third quarter mailing.

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

Beechwood Investment Management and its employees do not receive any economic benefit, sales awards or other prizes from outside parties for providing investment advisory services to our clients.

Beechwood Investment Management does not compensate any outside party for client referrals.

## **Item 15 – Custody**

Beechwood Investment Management has authority to debit fees directly from client accounts. For this reason only, we are deemed to have custody of client funds. Clients receive monthly account statements from their custodian. These statements should be reviewed carefully. Beechwood Investment Management sends a report to clients, at least annually as described in Item 13 above. We urge you to compare the official custodial records to the account statements we may provide you. The consolidated portfolio report you receive from us will have a reminder notice similar to the following: *Please compare this report to the statement sent by your custodian.*



## **Item 16 – Investment Discretion**

Beechwood Investment Management usually receives discretionary authority from the client at the outset of the advisory relationship to select the identity and amount of securities to be bought or sold. The client executing a Limited Power of Attorney as part of the custodian account application grants this authority. This discretionary authority is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Any investment guidelines and restrictions must be provided to Beechwood Investment Management in writing.

## **Item 17 – Voting Client Securities**

Whether Beechwood Investment Management or the client votes proxies is at the client's determination. When voting proxies, Beechwood Investment Management's utmost concern is that all decisions be made solely in the best interest of the client.

Most proxy votes do not change the structure, bylaws, or operations of the corporation to the detriment of the shareholders. Traditionally these issues include election of auditors recommended by management, date and place of annual meeting, and ratification of director's actions on routine matters since the previous annual meeting. Given the routine nature of these proposals, typical voting procedures are to submit a proxy vote only when a vote does not coincide with the recommendation of management. The non-submittal of the proxy vote will act as an affirmative vote with the board of director's recommendation.

Beechwood Investment Management generally votes against any management proposal that is not deemed to be in the shareholder's best interests. Proposals in this category include issues regarding the issuer's Board entrenchment, anti-takeover measures, and providing cumulative voting rights. These proxies will be voted via phone and record will be noted as to the specifics of the vote.

If the client does not grant Beechwood Investment Management proxy voting authority, then the client will receive proxies and other solicitation directly from the custodian or transfer agent. Beechwood Investment Management is available to discuss any proposal, which the client is voting on.

Clients may obtain a copy of Beechwood Investment Management's complete proxy voting policies and procedures upon request. Clients may also obtain information from Beechwood Investment Management about how Beechwood Investment Management voted any proxies on behalf of their account(s). The client may also contact us if they want to direct the vote of a specific proposal for their account(s). The request must be received in writing and will only apply to their account(s). If Beechwood Investment Management determines the client request is in conflict with other clients' best interest, the remaining clients will be voted in their best interest.

## **Item 18 – Financial Information**

Registered investment advisors are required to provide their clients certain financial information or disclosures about Beechwood Investment Management's financial condition.

Beechwood Investment Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Beechwood Investment Management does not require prepayment of any fees and has not been the subject of a bankruptcy petition.

