

Form ADV Part 2A and 2B
**Investment Advisor Brochure
and
Brochure Supplement**

Cover Page

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Date of Last Revision	March 14, 2012

This Form ADV Part 2A (Investment Advisor Brochure) gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm is available on the SEC's website at: www.adviserinfo.sec.gov.

Material Changes

The purpose of this section is to discuss only material changes since the last annual update of Dorsey, Wright & Associates, LLC ("Dorsey, Wright") Investment Advisor Brochure. The date of the last annual update was March 31, 2011.

Summary of Material Changes:

1. Dorsey, Wright has changed its legal entity structure from a Corporation to a Limited Liability Company. Principal owners of Dorsey, Wright are PFCI, LLC, a Delaware limited liability company, and DWA Legacy Holdings, Inc., a Virginia Corporation. Watson Wright, a co-founder, has retired and will be serving as a consultant to the Company. Sara F. Giegerich has replaced Watson Wright in his role as Chief Compliance Officer.

2. The minimum portfolio size was adjusted on the Balanced Account from \$250,000 to \$200,000.

Delivery:

Within 120 days of our fiscal year end we will deliver our annual Summary of Material Changes if there have been material changes since the last annual updating amendment.

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Advisory Business (Advisory Firm and Services)

Advisory Firm

Dorsey, Wright has been providing investment advisory services since 1987. The Company was previously owned by Thomas J. Dorsey, Watson H. Wright, Tammy F. DeRosier, Susan L. Morrison, and James C. Ball. Pursuant to the sale noted on the Page 1 Summary, Dorsey, Wright's current principal owners are:

- PFCI, LLC, a Delaware limited liability company
 - PFCI, LLC is controlled by Falfurrias Capital Partners, LP, a Delaware limited partnership.
- DWA Legacy Holdings, Inc., a Virginia Corporation
 - DWA Legacy Holdings, Inc. is owned by Thomas J. Dorsey, Watson H. Wright, Tammy F. DeRosier, Susan L. Morrison, and James C. Ball.

Dorsey, Wright offers various types of advisory services as described in more detail below the list.

- ① Investment Management provides personal investment advisory services for individual investors. All of the Investment Management activity takes place from the Money Management division in the California office.
- ② Research and subscription services directed primarily to institutional clients (including mutual funds, unit investment trusts ("UITs"), exchange traded funds ("ETFs"), and some individual investors. These impersonal advisory services are generated from the home office in Virginia.
- ③ Seminars, Webinars, and Broker Institute.
- ④ Hourly special services.
- ⑤ Advisory, sub-advisory, licensing, or consultant services are provided to mutual funds, UIT providers, providers of ETFs, and variable insurance trusts.

Advisory Services

① Investment Management

The Money Management arm of Dorsey Wright provides investment supervisory services ("Investment Management"). These personalized services are provided to individual investors, who in turn are clients of several unaffiliated broker/dealer or investment advisory firms. Our goal for Investment Management services is to attain meaningful investment results with emphasis on meeting the particular needs and investment goals of each client.

As of December 31, 2011, Dorsey, Wright has \$836,575,779 of assets under management on a discretionary basis. This includes our separately managed accounts as well as our advisory and sub-advisory arrangements.

Investment Management uses the same technical analysis that drives our research reports. Investment Management provides the value-added service that the investment account is monitored and that the advice is implemented by a qualified investment IA Representative of Dorsey Wright. Individual advice is afforded the Investment Management clients. Advice and action taken on behalf of any client is likely to be similar to, but may be different from published research of a generic nature. Dorsey Wright prepares quarterly portfolio reports for its Investment Management clients.

A data gathering questionnaire is reviewed to determine the client's financial situation and investment objectives, and to give the client the opportunity to impose reasonable restrictions on the management of

the account. Clients have the ability to leave standing instructions with the Dorsey, Wright IA Rep (or designee) to refrain from investing in particular securities or types of securities, or invest in limited amounts of securities. Annually the IA Rep (or designee) will notify the client in writing to contact the IA Rep (or designee) if there have been any changes in the client's financial situation or investment objectives, or to impose or modify account restrictions. The IA Rep (or designee) will contact or attempt to contact the client annually on these matters. It is the client's responsibility to notify the IA Rep (or designee) at any time there are changes. In the case where a client is referred by an unaffiliated broker/dealer or investment advisory firm ("sponsor firm"), the agent of the sponsor firm may be acting as the designee for Dorsey, Wright.

Clients may call in at any time during normal business hours to discuss directly with the IA Rep their account, financial situation, or investment needs. Clients will receive from the custodian/brokerage firm timely confirmations [unless they have elected to have their confirmations suppressed] and at least quarterly statements containing a description of all transactions and all account activity. The client will retain the indicia of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program.

② Research and Subscription Services

Dorsey Wright publishes a number of periodicals, research reports, charting services, model portfolios, and other impersonal advisory services. This research is marketed to broker/dealers, other institutions, and certain research to individual investors. Dorsey Wright strives to supply the tools and support necessary for a stockbroker, money manager, or individual investor to become a true craftsman in investing. The goal of Dorsey Wright is to provide the resources and technology needed for an investor or investment professional to become well educated. Research subscriptions are available via the Dorsey Wright web site.

Research is conducted along technical lines, adhering to the relationship between supply and demand. Fundamental research tells us what ought to happen, while technical research tells us what is happening with indications of future probabilities. There is no guarantee that technical analysis can accurately predict the market, and there is potential for loss with any investment strategy. Technical analysis gives us the discipline to take timely action.

Many sites on the Internet may provide charts of stocks, but Dorsey Wright is one of the only sites that provides such a comprehensive charting site. Value-added tools include ETF Manager model portfolios. Although certain of these tools are interactive, they do not provide personalized investment advice. Some research is available only to investment professionals and is restricted from access by individual investors.

• *Research Reports* •

Dorsey, Wright publishes research reports. Subscriptions are available on a month-to-month basis. The fee is paid in advance. Clients may cancel at any time and refunds will be on a pro-rata basis, if required.

1. DAILY EQUITY REPORT

This report is a daily technical research report to broker-dealers and institutions. The report covers a large universe of securities, which are updated on a daily basis using Point & Figure charts. Each week we review our market indicators, highlighting any changes that may occur. The basic fee for this service is \$375 per month and this amount may be billed monthly, quarterly or semi-annually. Fees are due by the end of month, or the end of the first month of the quarter or semi-annual period.

2. MARKET-STOCK REVIEW

This report also uses technical research and is published daily. It is designed for branch offices of broker/dealers and generates stock and selected option ideas for the branch. The cost is \$125 per month and is billed monthly, quarterly or semi-annually. Fees are due by the end of the month, or the end of the first month of the quarter or semi-annual period.

3. PHILADELPHIA REPORT

This is a weekly report done on a contract basis with the Philadelphia Stock Exchange. Each week a brief market comment based on our technical indicators, an educational article, and a stock and option strategy is covered. This report is free of charge to clients and is not available to individuals.

• *Special Reports* •

Dorsey, Wright has issued special reports from time-to-time on the market and/or individual stocks for other research firms and was compensated for this research. In the future, Dorsey, Wright may do such reports for other firms, receiving compensation for such research. Reports on such a service would not be seen in the Daily Equity Report though there may be comments on the same stock. Should there be comments on the same stock, these comments will be different though the recommendation could be the same. In the event that Dorsey, Wright does enter into such an agreement, Dorsey, Wright does not plan to recommend the stock of that firm if it is publicly traded.

Dorsey, Wright also issues other special reports on stocks periodically. These reports are then sent to our clients on a timely basis. There is no charge for this service.

• *Chart Services* •

Equity Chart Services:

1. EQUITY CHART DATABASE SERVICE

The Equity Chart Database Service is only available to clients of the Daily Equity Report and is an add-on service. This chart service offers point and figure charts, relative strength charts, a number of ETF (Exchange Traded Funds) models, our Dynamic Asset Level Investing (D.A.L.I.) allocation program, momentum and moving average figures, a portfolio capability as well as a database search/sort feature. The cost of this service is \$50 per month.

Dorsey, Wright currently provides approximately 21 managed ETF Model Portfolios on its website. The purpose of these tools is to provide a guideline for managing a piece of a portfolio. The basis of the allocations in the models is point and figure relative strength tools (technical analysis). No risk-management tools or suitability considerations are factored into the models. The models are provided as impersonal research services. Investment professionals must make the final decisions as to allocations in investment portfolios when utilizing the research. These ETF Model Portfolios are included in subscriptions to the Equity Chart Database Service mentioned in the preceding paragraph. Dorsey, Wright provides these models for ETF providers, such as iShares, Vanguard, Invesco PowerShares, Currency Shares, WisdomTree, First Trust, Guggenheim, Revenue Shares and State Street, on a fee basis.

Dorsey, Wright also makes certain ETF Manager Model Portfolios available through other websites. Dorsey, Wright has a contractual relationship with each of these companies to provide ETF models to their representatives. The fee paid to Dorsey, Wright is based on the assets under management in the program.

2. CHARTS PLUS CHART SERVICE

Charts Plus is the name of the second chart service and gives subscribers up to 35 portfolios, adds a limited search/sort feature, and also gives the subscriber the ability to get an automatic, computer generated comment on a stock. "From The Analyst" is included here as is the Dorsey, Wright Sector Bell Curve. Charts Plus has a cost of \$35 per month.

Mutual Fund Chart Services:

Dorsey, Wright also offers two different Mutual Fund Charting Services for \$50 and \$25 each, per month. These are comparable to the Equity Chart Services but charting the mutual fund universe. Prices for these services can be reduced if these mutual fund chart services are taken in conjunction with one of the abovementioned equity chart services. Subscribers to the Mutual Fund Database Service (\$50 per month) are eligible to subscribe to the Mutual Fund Teambuilder service, which costs \$25 per month. Teambuilder aids in portfolio construction regarding mutual funds, ETFs and stocks.

Another service offered is the Matrix. This service evaluates a portfolio on a relative strength basis by creating a relative strength chart of each member of the portfolio versus every other member. This allows us to rank the portfolio by relative strength buy signals and columns. This service is priced at \$25 per month for subscribers to the Equity Chart Database Service and \$50 per month to subscribers to the Charts Plus Service.

For any of the above Charting Services, billing is done either monthly, quarterly or semi-annually in advance and payment is due by the end of the month, or the end of the first month of the quarter or semiannual period. Clients may cancel at any time and refunds, if required, will be on a prorata basis.

③ Seminars, Webinars, and Broker Institute

Dorsey, Wright offers seminars to its subscription clients. These seminars are based on point and figure charting and designed to educate our clients on point and figure charting, its origin, the basics of this charting method, specific chart formations, relative strength, sector analysis, Exchange Traded Funds (ETF's) and our technical indicators. These seminars are approximately 1-3 hours in length. The charge for these seminars is \$6,500 for cities east of the Mississippi River, including Houston. The charge for west of the Mississippi River is \$8,000. Dorsey, Wright also offers intense, comprehensive one-day, a day and a half, and two day point and figure seminars for its subscription clients. The cost of the one-day seminar, which requires two people, is \$24,500 for those cities east of the Mississippi River and \$28,500 for areas west of the Mississippi. Specialized seminars are also available at negotiated prices.

Dorsey, Wright also offers webinars for clients. The charge for the webinars is \$900 for a 45-60 minute session. Webinar series and specialized webinars are also available at negotiated prices.

Dorsey, Wright offers a two-day broker institute in Richmond, Virginia as well. The cost of these seminars varies but is approximately \$1800 per person. These broker institutes are held as the need arises but have typically been held in the spring and fall of each year. Dorsey, Wright on occasion also offers advanced broker institutes.

Dorsey, Wright also offers consulting services as part of its seminar services. This entails a visit to the office of a client to advise him or her on how to better implement our service and some of the features of our service. This service would include doing branch seminars as well as client seminars. The cost of this service is typically \$2000 per day, though this fee can be negotiated.

④ Hourly Special Services

Dorsey Wright may periodically offer services where charges are on an hourly basis. This could include such services as portfolio evaluation or conference calls. The hourly charges for these services may vary depending on the task.

⑤ Advisory, Sub-Advisory, Licensing, and Consultant Services to Mutual Funds, UITs, and ETFs

♦ *Invesco PowerShares* ♦

Dorsey, Wright has created the Technical Leaders Index ("the Index") that includes 100 high relative strength stocks. The Index is constructed mechanically, using objective criteria from our proprietary ranking system. Dorsey, Wright licenses the Index to Invesco PowerShares for the DWA Technical Leaders Exchange Traded Fund (ticker symbol PDP).

Dorsey, Wright has created two other Technical Leaders indices, one for emerging markets and another for developed markets. These indices are also constructed mechanically, using our proprietary ranking system. Dorsey, Wright licenses these indices to Invesco PowerShares for the DWA Emerging Market Technical Leaders ETF (PIE) and the DWA Developed Market Technical Leaders ETF (PIZ).

♦ *Arrow Funds* ♦

Dorsey, Wright acts as a sub-advisor to Arrow Funds for the Arrow Funds DWA Balanced Fund (DWAFFX). This mutual fund invests in five (5) areas: Sector Rotation, Style Rotation, International Rotation, Fixed Income Rotation and an Alternative Rotation. Investments will typically be in ETFs or ETNs. The Fund will rely primarily on relative strength when making the allocation decisions but other technical indicators may be used.

Dorsey, Wright also acts as the sub-advisor to Arrow Funds for another fund, the Arrow DWA Tactical Fund (DWTAFX). This mutual fund provides broad diversification across markets, sectors, styles, long and inverse domestic and international equities, fixed income, currencies and commodities primarily using Exchange Traded Fund (ETFs) instruments. This fund holds approximately ten (10) ETFs or ETNs that have strong relative strength characteristics. The fund is constructed pursuant to our proprietary ranking and rotation methodology.

• *Rydex-SGI* •

Dorsey, Wright licenses exchange-traded fund models to Rydex-SGI Global Investors for two variable insurance trusts. One product is a global sector rotation fund, the DWA Sector Rotation Fund, while the other portfolio allows flexible allocation among a broad universe of global asset classes, the DWA Flexible Allocation Fund. Both are implemented primarily through Exchange-Traded Funds. Dorsey, Wright's proprietary relative strength rankings are used for asset selection.

• *First Trust* •

Dorsey, Wright acts as a consultant to First Trust Portfolios L.P. in connection with the First Trust Dorsey, Wright Relative Strength Top 50 unit investment trust series as well as the First Trust Dorsey, Wright Relative Strength Dividend unit investment trust series. The securities selected for inclusion within a series of the First Trust Dorsey Wright Relative Strength Top 50 are selected based on relative strength. The securities selected for inclusion within each series of the First Trust Dorsey Wright Relative Strength Dividend are selected based on a combination of relative strength and dividend yield. Each series of the unit investment trust is designed to be held over the fixed 15-month term of the trust.

Fees and Compensation

The fees for Research, Seminars, and Special Services are disclosed above with the description of the service. The fees for personal advisory services and general fee/compensation disclosures are described below.

• *Investment Management* •

Fees for Investment Management are computed at an annualized percentage of assets under management on a sliding scale.

Equity - Growth, Aggressive Growth,
Growth & Income, Index Plus
First \$ 500,000 1.25%
Next \$ 500,000 1.00%
Over \$1,000,000 0.75%
(Minimum Annual Fee: \$1,250)

Balanced Account
First \$1,000,000 1.00%
Next \$1,000,000 0.85%
Over \$2,000,000 0.75%
(Minimum Annual Fee: \$2,500)

Systematic Relative Strength -
Balanced, Global Macro
First \$1,000,000 1.00%
Next \$1,000,000 0.85%
Over \$2,000,000 0.75%
(Minimum Annual Fee: \$2,000)

Systematic Relative Strength –
Aggressive, Core, International Core
First \$ 500,000 1.25%
Next \$ 500,000 1.00%
Over \$1,000,000 0.75%
(Minimum Annual Fee: \$2,500)

These fees are for Dorsey, Wright advisory services only and do not include any transaction fees or commissions. The fee is based on the total market value, including cash. Lower or higher fees for comparable services may be available from other sources. Exceptions may be made to the base fee schedule and minimum account size at the discretion of Dorsey, Wright.

In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients pay additional fees on the mutual fund investment because the mutual funds also pay advisory and/or management fees to an investment advisor.

Generally Dorsey, Wright does not share these advisory fees with an unaffiliated sponsor firm that refers clients. Please refer to Client Referrals section for more information. The sponsor firms will be compensated under arrangements made directly with their clients, which may be commission-based and/or fee-based. Clients referred by sponsor firms should read carefully the section on Brokerage Practices (Brokerage for Client Referrals and Trade Aggregation).

The fee will be payable quarterly in advance. The first payment is due and payable upon execution of the Agreement, and will be assessed pro-rata in the event the Agreement is executed other than the first day of the new calendar quarter. Subsequent payments are calculated on the first day of each calendar quarter based on the value of the account assets under management as of the close of business on the last business day of the preceding quarter.

Payment of fees may be paid direct by the client, or client may authorize the custodian holding client funds and securities to deduct advisory fees direct from the client account in accordance with statements prepared and submitted to the custodian by Dorsey, Wright. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by Dorsey, Wright. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

Investment Management services will continue until either party terminates the agreement on thirty (30) calendar days written notice. If termination occurs prior to the end of a calendar quarter, a pro-rata refund of unearned fees will be made to the client.

Upon termination, all assets will be held at the custodian and it will be Client's responsibility to instruct the custodian as to the final disposition of assets, unless Client specifically notifies Dorsey, Wright to liquidate or take other action. As of the date of termination, Dorsey, Wright will no longer be the investment advisor of record, and it will be Client's responsibility to monitor the timely disposition of the account and take all future actions in regards to the management of the account.

• *General Service and Fee Disclosures* •

Fees are not collected from any client more than six months in advance.

Dorsey, Wright is an investment advisory firm that receives fees as compensation for research, investment management, and seminars. Neither the firm nor any of its IA Reps receive commissions or any compensation for the implementation of investments for advisory services.

Dorsey, Wright is compensated for licensing certain products to other firms, such as the Technical Leaders Indices to Invesco PowerShares. Dorsey, Wright's fee is based on the assets under management.

Dorsey, Wright is compensated by Arrow Funds for its sub-advisory work based on the assets under management.

The Investment Management Agreement contains a pre-dispute arbitration clause. Client understands that the agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws. Arbitration is final and binding on the parties.

Performance-Based Fees and Side-By-Side Management

Dorsey, Wright does not charge performance-based fees, which are based on capital gains in the client account.

Types of Clients and Account Minimums

Types of Clients

Dorsey, Wright provides personal and impersonal advisory services to individuals, banking institutions, pension and profit sharing plans and other ERISA accounts, trusts, estates, and business entities.

Dorsey, Wright acts as an investment advisor or sub-advisor to mutual funds (investment companies), a licensor to providers of Exchange Traded Funds (ETFs) and variable insurance trusts, and a consultant to providers of unit investment trusts.

Dorsey, Wright licenses an Index product to one or more Registered Investment Advisers.

Dorsey, Wright may have arrangements with other investment advisors to act as sub-advisor for the purpose of providing investment research, making investment recommendations or trading. Clients would sign an advisory agreement for the other investment advisor and would not be clients of Dorsey, Wright. When we act as sub-advisor, the client's primary investment advisor may offer within its Investment Advisor Brochure to provide Dorsey, Wright's Investment Advisor Brochure.

Account Minimums

Dorsey, Wright has minimum conditions for account size and fees, subject to exceptions.

	<u>Minimum Size</u>	<u>Minimum Fee</u>
• Equity Account (Growth, Aggressive Growth, Growth & Income, Index Plus)	\$100,000	\$1,250
• Balanced Account (Balanced Account)	\$200,000	\$ 2,500
• Systematic Relative Strength (Aggressive, Core, International Core)	\$200,000	\$ 2,500
• Systematic Relative Strength (Balanced, Global Macro)	\$200,000	\$ 2,000

Methods of Analysis, Investment Strategies, and Risk of Loss

We at Dorsey Wright understand there is uncertainty and risk in investing – this will never be totally eliminated, but we believe this can be reduced and controlled. The cornerstone of Dorsey Wright Money Management is identifying, measuring, and attempting to control this risk by adhering to our principles of research.

There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. For those investments sold by prospectus, clients should read the prospectus in full.

Dorsey, Wright uses internally generated charts (proprietary relative strength methods) based on technical security analysis as a main source of information for our research reports and money management services.

Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Technicians use various methods and tools – the study of price charts is but one. Technical analysis holds that prices already reflect all trends before investors are aware of them. Uncovering trends is what technical indicators are designed to do, imperfect as they may be.

Technical analysis does not take into consideration fundamental analysis, which looks at how well the company is operating and its competitive advantages.

Dorsey, Wright is disclosing those risks and opportunities for the types of securities used:

- Stock represents ownership in a company. If the company prospers and grows, the value of the stock may increase. Even if a company is profitable, the stock prices are subject to “market risk” which is attributable to investor attitudes, and/or the performance of the broad economy. Stock ownership in more established companies tends to be more conservative, while younger companies typically provide the most risk and reward opportunities.
- Debt Securities (corporate or municipal bonds) are basically promissory notes that pay interest and the return of principal at the end of a specified term. Credit risk is the chance the issuer will fail to pay the interest payments on the security or to pay the principal at maturity. Interest rate risk is that the market value of the bonds will go down when interest rates go up. Prepayment risk is the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off its debt. When this happens, the investor may not be able to reinvest the proceeds in an investment with as high a return or yield.
- Mutual Fund is an investment pool, which may include money market instruments, stocks, bonds, or other investment vehicles. Professional money managers research, select, and monitor the performance of the securities the fund purchases. It is often easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds. Even with no-load or load-waived funds, there are mutual fund expenses paid to the fund company. Investors may have to pay taxes on capital gains distribution received by the fund, but not distributed to the investor. Mutual funds redeem shares at net asset value (“NAV”) at the end of the trading day.
- Unit Investment Trust (“UIT”) is similar to a mutual fund, but once the UIT selects the securities it will hold them. The portfolio is not actively managed and does not sell securities in response to ordinary market fluctuations. There may be special risks if a portfolio is concentrated within a specific sector of the market.
- Exchange Traded Fund (“ETF”) holds securities to match the price performance of a certain market index or commodity. ETFs can track stock indexes and sectors, bonds, precious metals, or other assets. ETFs are subject to the same market risks as the index or sector they are designed to track. ETFs can be bought and sold throughout the day like stocks. ETFs may be an index fund or a fully transparent actively managed fund.

- Futures contract is a standardized contract between two parties to buy or sell a specified asset (e.g. oranges, oil, gold) of standardized quantity and quality at a specified future date at a price agreed today (the futures price). The contracts are traded on a futures exchange. Futures contracts are not “direct” securities like stocks or bonds. They are still securities, however, although they are a type of derivative contract. The underlying asset to a futures contract may not be traditional “commodities” – that is, for financial futures, the underlying asset or item can be currencies, securities or financial instruments and intangible assets or referenced items such as stock indexes and interest rates. Futures traders are traditionally placed in one of two groups: hedgers, who have an interest in the underlying asset, and are seeking to hedge out the risk of price changes; and speculators, who seek to make a profit by predicting market moves and opening a derivative contract related to the asset “on paper,” while they have no practical use for or intent to actually take or make delivery of the underlying asset. Trading security futures contracts may not be suitable for all investors. You may lose a substantial amount of money in a very short period of time. The amount you may lose is potentially unlimited and can exceed the amount you originally deposit with your broker. This is because futures trading is highly leveraged, with a relatively small amount of money used to establish a position in assets having a much greater value. If you are uncomfortable with this level of risk, you should not trade security futures contracts.

Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client’s evaluation of the advisory business or of the integrity of its management personnel. Dorsey, Wright does not have any disclosure items.

Other Financial Industry Activities and Affiliations

Dorsey, Wright is registered as a Commodities Trading Adviser and buys and sells futures contracts. Dorsey, Wright makes no commissions from implementing commodities advice. Dorsey, Wright does not currently advise any outside clients on commodities transactions.

Code of Ethics, Participation or Interest In Client Transactions, and Personal Trading

Code of Ethics

Dorsey, Wright maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with Federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Clients may request a copy of the Code of Ethics.

Participation or Interest in Client Transactions

Dorsey, Wright licenses ETF models for two variable insurance trusts offered by Rydex-SGI Global Investors. Dorsey, Wright is under contract with and paid a fee by Rydex-SGI.

Dorsey, Wright may from time to time recommend the Rydex family of funds in research reports and/or implement Rydex Funds in the managed portfolios. This would be when the recommendation is suitable, and for managed portfolios that would meet the clients' investment objectives. Clients may request to refrain from investing in these funds.

Dorsey, Wright may at various times hold an equity position in selected stocks as compensation for research reports done for that company. In the future, Dorsey, Wright may participate in a comparable

agreement with another client. In such an event, Dorsey, Wright may want to recommend this particular stock to its clients and in research reports. Should this happen, Dorsey, Wright will disclose to its investment management account clients and in the research report that Dorsey, Wright holds an equity position in the stock, if in fact that is true. Dorsey, Wright will be able to sell this stock upon its receipt. DWA will not liquidate this stock while there is a buy recommendation on the stock.

Personal Trading

At times Dorsey, Wright and/or its access persons may take positions in the same securities as clients, and we will try to avoid conflicts with clients. Dorsey, Wright and its access persons will generally be ‘last in’ and ‘last out’ for the trading day when trading occurs in close proximity to client trades. We will not violate the Advisor's fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. If a security is prudent for an investment management portfolio and/or a recommendation is made in a research report we generate, we shall give clients adequate opportunity to act before acting on our own behalf.

DWA does not offer clients investments in initial public offerings (“IPOs,”) private placements, or thinly traded securities because that is not the investment philosophy of the Investment Management Accounts. However, DWA and/or its IA Reps may have different investment objectives and/or risk tolerance than that of the managed accounts, and thus at times may invest in these types of securities that are not offered to clients.

Should a conflict with clients occur because of materiality (i.e. the access person or firm has an existing position in a thinly traded stock), disclosure will be made to the client(s) at the time of trading or the research report is released. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading if the access person or firm has an existing position.

Dorsey, Wright licenses several Index products to Invesco PowerShares. These currently include the PowerShares DWA Technical Leaders ETF (PDP), PowerShares DWA Emerging Leaders ETF (PIE) and the PowerShares DWA Developed Markets Technical Leaders ETF (PIZ). Dorsey, Wright may promote and provide research reports on these PowerShares ETFs. Dorsey, Wright wishes to avoid the potential or even the appearance of front-running or conflict of interest that such an Index might have in regard to our Money Management business.

These indices are reconstituted and rebalanced only quarterly. Dorsey, Wright will impose and document a 2-day trading blackout on any securities included in these indices on the day prior to and the day of the rebalancing trades in the Index. In this way, Money Management accounts will not be competing for the same securities in the market the same day as the DWA Technical Leaders ETF investors. Dorsey, Wright will not use identical methodology for the Money Management accounts. Instead, only selected output of the proprietary ranking system, applied subjectively, will be used in the Money Management accounts. The 2-day trading blackout will not negatively impact the obligation to the Money Management clients, as those accounts are normally traded only on a weekly schedule.

Agency Cross Transactions

Dorsey, Wright does not engage in agency cross transactions for investment management clients. Dorsey, Wright does act as advisor or sub-advisor to mutual fund companies. On rare occasion there may be an instance where one fund in the family is buying while another is selling a particular security, which may be done as an agency cross to save transaction costs. In these instances Dorsey, Wright will abide with procedures established by the mutual fund company under Rule 17a-7 of the Investment Company Act of

1940. Dorsey, Wright does not act as broker and receives no compensation (other than its advisory fee) for effecting the agency cross.

Brokerage Practices

Client Referrals From Brokers

Dorsey, Wright & Associates will generally maintain an existing broker/dealer relationship when the client is referred to Dorsey, Wright. In maintaining the existing broker/dealer relationship, a conflict of interest may exist in obtaining best execution by Dorsey, Wright on behalf of the client. A conflict of interest may exist in obtaining future referrals from a broker/dealer if Dorsey, Wright did not maintain these existing relationships.

Directed Brokerage

Client may direct brokerage to a particular broker/dealer other than the referring broker/dealer. In both these instances, it is up to the client to negotiate the commission rate, as Dorsey, Wright does not. The client may not be able to negotiate the most competitive rate. As a result, clients may pay materially disparate commissions. In these instances, the client may not be able to participate in aggregated (“blocked”) trades, which may help reduce the cost of execution.

Recommendation of Broker/Dealers

Where the client is not referred by an existing broker/dealer and/or the client does not otherwise designate a broker/dealer, Dorsey Wright recommends a broker/dealer with competitive commission rates.

Dorsey, Wright generally does not recommend the firm of Western International Securities (“WIS”) but may at times. Existing clients of WIS may open accounts with Dorsey, Wright. In these instances a potential conflict of interest exists and the following disclosures are applicable:

1. One or more IA Reps of Dorsey, Wright are Registered Representatives of WIS, a broker/dealer and a member of the Financial Industry Regulatory Authority.
2. In providing services to Client, IA Reps (in their capacity as Registered Representatives) may recommend to Client the purchase of securities through WIS outside the scope of the Investment Management services. In each such instance, WIS and its Registered Representatives would be entitled to receive a commission on the sale or purchase of any of those products. Dorsey, Wright would be entitled to receive a fee to the extent that advisory services are rendered for the Investment Management account. The firms and its Registered Representatives will not “double dip” in that any securities purchased through WIS will not be included in the assets being managed. None-the-less, under such circumstances, Dorsey, Wright IA Reps would have a financial interest in the transaction and may therefore have a conflict of interest in furnishing advice to the extent that such recommendations are implemented.
3. These individuals and entities receive fees on advisory services or commissions on any transactions in securities, if and when implemented by these individuals and entities in their respective capacities for Client.

4. The client is under no obligation to implement any investment transaction through Dorsey, Wright, its IA Reps, or WIS, and may implement securities recommendations through other brokers, dealers, or agents.

Soft Dollar Practices

Dorsey, Wright does not receive any “soft dollar” compensation from a brokerage firm. Soft dollars means products and services (anything other than trade execution) that an investment advisor receives from (or through) a broker/dealer in exchange for commissions paid by a client. Soft dollars is a rebate of client commissions to the advisor in the form of goods or services.

Trade Aggregation

Dorsey, Wright may execute block trades when there are a number of accounts using the same broker/dealer. When a client is referred to Dorsey, Wright, and the client already has an existing brokerage relationship, we will maintain this relationship using the broker/dealer’s commission or fee schedule. This practice results in Dorsey, Wright utilizing many different firms and limits block trading capabilities. When placing trades at various firms, the order of phone calls is random so that no client is disadvantaged relative to another client.

Block trading is subject to the ability of the broker/dealer to accept block trades. While generally not the case, some brokerage firms may require Dorsey, Wright to call trades to the various branch offices and not to a central desk, thus delaying timely trading and the ability to seek best execution.

Individual investment advice and treatment will be accorded to each advisory client within a block trade. All trades within a block will be aggregated and done in the name of the Advisor. The executing broker will be informed that the trades are for the account of the Advisor's clients and not for the Advisor itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and commissions will be applied on the same basis (or lower) as if the trade had been entered on an individual basis. The Advisor will not aggregate a client's order if in a particular instance the Advisor believes that aggregation would cause the client's cost of execution to be increased. The Custodian will be notified of the amount of each trade for each account.

Review of Accounts and Reports on Accounts

Reviews

Investment management services include the continuous review of underlying assets to determine what, if any, action is necessary and timely. Comprehensive reviews are done on a monthly basis with the receipt of the individual client’s brokerage statements. These statements are reviewed to determine accuracy, performance, portfolio positions, exposure and possible changes in the portfolio.

The account reviews are performed by Michael J. Moody, Harold B. Parker, Jr., and John G. Lewis. Mr. Parker and Mr. Moody are Senior Vice Presidents and Senior Portfolio Managers. Mr. Lewis is a Vice President and Portfolio Manager.

Reports

The client receives a copy of each confirmation (unless the client has chosen to suppress the confirmations) as well as a copy of the standard account statement from the qualified custodian of their

respective brokerage firm. Dorsey, Wright also sends quarterly statements that show the portfolio, value, and basis for fees charged.

Client Referrals & Other Compensation

Referral Fees Paid

Dorsey, Wright may compensate for client referrals. All solicitors agreements are in compliance with the Investment Advisors Act of 1940. In addition, all applicable federal and state laws will also be observed. All clients procured by solicitors for personal advisory services will be given full written disclosures describing the terms and fee arrangements between the advisor and the solicitor prior to or at the time of entering into the advisory agreement. All clients procured by solicitors for impersonal advisory services (subscriptions) will be offered Form ADV 2A.

Dorsey, Wright attempts to get competitive commission rates for its clients, subject to existing relationships. At times, a registered representative of a broker/dealer may have referred a client to Dorsey, Wright, with instructions to direct brokerage to the firm. Dorsey, Wright does not pay a referral fee. Generally the broker/dealer and its registered representative will be compensated by commissions, or other agreed upon arrangements. Dorsey, Wright reserves the right to execute trades at other broker/dealers if Dorsey, Wright believes the client will not receive best execution. In requesting directed brokerage, the client should satisfy him or herself that they are receiving best execution, which includes price, commissions, transaction fees, timeliness of execution, research, and other factors.

Custody

Dorsey, Wright is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Client is urged to compare custodial account statements against statements prepared by Dorsey, Wright for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Investment Discretion

The Dorsey, Wright Money Management division maintains full discretion under a limited power of attorney as to the securities and amount of securities. On occasion the firm may make non-discretionary trades at a client's request.

Dorsey, Wright will not have authority to withdraw funds or to take custody of client funds or securities, other than under the terms of the Fee Payment Authorization clause in the Agreement with the client.

Voting Client Securities

Dorsey, Wright has the authority to vote proxies, unless the client otherwise specifically directs. Clients may contact us direct at the phone number or address listed on the first page of this document to obtain information on how we voted on behalf of the client. Dorsey, Wright votes proxies in the best economic interest of the client, and not in the interest of our firm. While it is unlikely that we will have a material conflict when voting client proxies, a conflict could arise from time to time. We can resolve such conflicts

to include but not limited to documenting that votes were cast in the interest of the client. As a secondary option, we can resolve more material conflicts by obtaining client's informed consent to vote a proxy in a specific manner. When seeking a client's consent, we will provide the client with sufficient information regarding the matter and the nature of the conflict to enable the client to make an informed decision. There may be times when refraining from voting a proxy is in the client's best interest, such as when the cost of voting exceeds the expected benefit to the client. Clients may request a complete a copy of our proxy voting policy.

Financial Information

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. Dorsey, Wright does not have any disclosure items in this section.

Form ADV Part 2B
Brochure Supplement

Form ADV Part 2B Group Brochure Supplement

This Brochure Supplement provides information about the following IA Reps that supplements the Dorsey, Wright brochure.

- Harold B. Parker, Jr.
- Michael J. Moody
- John G. Lewis

Additional information about IA Reps is available on the SEC's website at: www.adviserinfo.sec.gov

Educational Background and Business Experience

Education and Business Background

Harold B. Parker, Jr., CMT - Senior Vice President, Senior Portfolio Manager

- Investment industry experience since 1978 including:
 - Dorsey, Wright & Associates 1994 to present
 - Western International Securities 1994 to 2009 (was United California Securities)
- Born 1954
- Graduated 1976 BS in Agricultural Science & Management, University of California, Davis

Michael J. Moody, CMT - Senior Vice President, Senior Portfolio Manager

- Investment industry experience since 1984 including:
 - Dorsey, Wright & Associates 1994 to present
 - Western International Securities 1994 to present (was United California Securities)
- Born 1958
- Graduated 1980 BA in Psychology & English, Pitzer College

John G. Lewis, CMT - Vice President, Portfolio Manager

- Investment industry experience since 1993 including:
 - Dorsey, Wright & Associates 2002 to the present
- Born 1971
- Graduated 1993 B.S. in Business Administration, University of San Diego
- Graduated 2002 Masters in Business Administration, University of Southern California

Professional Designations Qualifications

CMT - Chartered Market Technician, conferred by Market Technicians Association.

Candidates must meet the following requirements:

- Successful completion of all 3 levels of the CMT Exam.
- Gainfully employed in a professional analytical or investment management capacity for a minimum period of 3 years and regularly engaged in this capacity at the time of successfully passing all exams.

Disciplinary Information

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the IA Rep. The IA Reps do not have any disclosure items.

Other Business Activities

Dorsey, Wright is registered as a Commodities Trading Adviser and buys and sells futures contracts. Dorsey, Wright and its IA Reps make no commissions from implementing commodities advice.

Dorsey, Wright does not sell securities products or services. However, Michael J. Moody is Series 7 licensed and registered to sell securities for commissions. Time spent on this endeavor is less than 5%.

Michael J. Moody is associated with Western International Securities ("WIS") as a registered representative. WIS is headquartered in Pasadena, California. Mr. Moody may recommend securities, asset management, or insurance products offered by WIS, or its affiliates. If his clients purchase these products through Mr. Moody at WIS, he will receive the normal commissions or fees. Thus, a potential conflict exists between his interests and those of Dorsey, Wright advisory clients. The client is under no obligation to purchase products recommended, or to purchase products through WIS.

Any retail accounts and activities through WIS are separate from the investment management accounts. Neither Dorsey, Wright nor its IA Reps will earn a fee and commission from any investment management portfolio. However, a client could have a separate retail account and also have an investment management portfolio.

Additional Compensation

As disclosed above, when Mr. Moody is acting as a registered representative of WIS for accounts outside of Dorsey, Wright advisory accounts, he will be compensated on the normal commission schedule.

Harold Parker holds a minority interest (less than 1%) in San Pasqual Holding Corporation (a privately traded company), the parent of San Pasqual Fiduciary Trust Company. Although no formal solicitor relationship is established, and no compensation will be paid by one party to the other, referrals may be made to each other. Mr. Parker or others at DWA may recommend clients establish trust accounts with San Pasqual. Mr. Parker has an incentive to keep San Pasqual as a viable concern. Furthermore, stock ownership by Mr. Parker may create an incentive for San Pasqual to select DWA as an investment manager for its trust clients and/or may create a conflict of interest for San Pasqual when performing its due diligence of third party money managers. However San Pasqual has been built on the concept of receiving referrals from a number of independent investment management firms. Because of the minority interest, we believe these conflicts to be non-material events, but disclose this so that the client may

evaluate the situation. Clients of DWA may request to refrain from establishing a trust account with San Pasqual. Clients of San Pasqual may refrain from opening an account with DWA.

Supervision

The Dorsey, Wright Money Management division formulates their own investment advice, primarily based on Dorsey, Wright research. The Money Management team reviews all portfolio activity.

Sara F. Giegerich, Chief Compliance Officer, monitors portfolios for investment objectives and other supervisory reviews. The Chief Compliance Officer may be contacted at the phone number of the main office as shown on the cover page.