
Burnham Asset Management Corp.
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March 30, 2012

This brochure provides information about the qualifications and business practices of Burnham Asset Management Corp. (“Burnham Asset Management” or “BAM”). If you have any questions about the contents of this brochure, please contact us at 212-262-3100. 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.

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

Additional information about Burnham Asset Management also is available on the SEC’s website at www.adviserinfo.sec.gov.

Material Changes

This brochure dated March 30, 2012 is a document prepared according to the SEC's requirements and rules.

This Item discusses only specific material changes that were made to the brochure and provides clients with a summary of such changes since the last annual update of our brochure on March 30, 2011.

Pursuant to 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.

There were no material changes to Burnham Asset Management's business in 2011 other than the closing of our office in Northbrook Illinois in January 2012.

Currently, our brochure may be requested by contacting Thomas Calabria, our Chief Compliance Officer, at 212-262-3100.

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Advisory Business

Burnham Asset Management (“BAM” or the “Adviser”) is a registered investment advisor founded in 1989. We are wholly owned by Burnham Financial Group, a privately owned, independent holding company. Burnham Financial Group also wholly owns Burnham Securities Inc. (or “BSI”), a broker-dealer and member of FINRA, therefore BSI is an affiliate of BAM. BAM also serves as an investment adviser to Burnham Investors Trust, a family of registered mutual funds (the “Funds”).

BAM provides investment advisory and related services that are grounded in distinct long-term strategies that we believe match a client’s to specific investment objectives. BAM remains attentive to day-to-day market shifts, striving to manage risk in your portfolio. As your advisor, BAM is available to counsel you on the complex issues associated with growing, preserving and transferring wealth to create a legacy that reflects your personal goals. Investments may include, without limitation, exchange-listed, over-the-counter, domestic and foreign equity securities; warrants; commercial paper and other corporate debt securities; certificates of deposit; municipal securities; mutual fund shares; US government securities; options on securities and investments in private funds.

BAM offers discretionary and non-discretionary accounts to individuals and institutions. Accounts are individually managed. Each client selects the BAM portfolio manager that the client desires to manage their account. Partnering with our clients, we develop and act on ideas and strategies for creating value and building wealth while respecting any restrictions you might impose with respect to investing in particular securities or types of securities. Clients typically give BAM complete and sole investment discretion and authority to manage their account to the fullest extent permitted by law, including the purchase and sale of any securities or other financial instruments, the borrowing and lending of such securities and instruments and any other transactions in such securities and instruments, unless the client specifically directs otherwise by notice to BAM, provided, however, that transactions in client accounts shall be made in accordance with the written investment objectives, policies and guidelines as may be provided from time to time by a client by notice to us.

BAM offers a separately managed account program, or wrap fee program, that includes the costs of brokerage commissions and certain other fees, including the account advisory fee, all of which is paid to BAM. The separately managed account program is designed for individuals; pension and profit sharing plans; trusts, estates and charitable organizations; and corporations and other business entities. Accounts in this program are managed by our portfolio managers. Accounts in this program may be managed by the portfolio managers in the same manner as accounts that are not part of the wrap fee program and have a different fee structure.

As of January 31, 2012 BAM had 217 discretionary accounts valued at \$474,238,857 and 1 non-discretionary account valued at \$2,893,661.

Fees and Compensation

Wrap Fees. BAM generally charges new separately managed accounts a "wrap fee". Appendix 1 further describes BAM's wrap fee program, and a copy of Appendix 1 is provided to wrap fee clients. BAM's standard fee for equity accounts is 1.25% annually. This fee, however, is negotiable. For instance, if an account classified as an equity account has a significant exposure to fixed income securities, a reduced rate may be applied to the fixed income portion of the account. Depending on a client's circumstances, actual fees may be higher than, or discounted from, this standard fee or may be set at a flat amount, and there may be minimum fee requirements. Fees for other types of accounts – e.g., balanced or fixed income accounts -- are individually negotiated and are generally less for fixed income accounts than for equity accounts. Each portfolio manager negotiates the exact fee for each of the portfolio manager's client accounts. BAM may allocate a portion of the advisory fee it receives to the portfolio managers. The client's account is charged fees quarterly in advance, based on the quarter end value of the account (unless BAM and the client otherwise agree). The method of valuation for purposes of fee calculations will be set forth in the client's investment advisory agreement. The client may authorize the Adviser by separate memorandum to direct the Custodian to deduct such fees directly from the account and to pay such fees to the Adviser. In the case of any client who has not directed that fees be deducted from the account, such fees will be due and payable upon receipt of an invoice. If the Adviser's management of the account commences at any time other than the beginning of a calendar quarter or terminates at any time other than the end of a calendar quarter, the fee will be prorated on the number of days the Agreement was in force. Contracts with clients other than investment companies are generally terminable by clients upon notice to BAM and generally provide that termination is effective after a specified period after notice.

The fees described above (the "Separate Account Fees") generally include brokerage commissions for transactions executed through BAM's affiliate or through an unaffiliated broker-dealer selected by BAM; custodial costs for accounts for which J.P. Morgan Clearing Corp. or its successors or assigns ("JPMCC") acts as custodian ("JPMCC Custodial Costs"), and nominal ticket charges and administrative or service fees. Clients may direct BAM to use a broker of the client's choice; however commissions would not be covered by the wrap fee and, as a result, your brokerage costs will be higher than a client that uses BAM's affiliated broker. The Separate Account Fees do not include brokerage commissions for transactions executed through other broker-dealers as directed by the client; custodial costs that are not JPMCC Custodial Costs; margin costs and costs associated with unsolicited short sales; mark-ups, mark-downs and spreads; wire transfer fees; US treasury auction fees; SEC fees in connection with trades; mutual fund distribution, shareholder servicing or administrative fees; IRA fees; extraordinary fees and other fees that BAM may disclose as excluded from time to time. BAM

also has an incentive to use BSI for execution of transactions for clients in the wrap fee program so that the BAM can avoid absorbing commissions charged by other broker-dealers. This incentive creates a conflict of interest for BAM. More information about brokerage commissions can be found in “Brokerage Practices” below.

Because the Separate Account Fees encompass both advisory services and brokerage commissions, it is possible that the separately managed account program could cost more or less than separate charges for advisory services and brokerage commissions. For accounts that trade more frequently and/or in markets with relatively higher commissions, the Separate Account Fees may be less than if fees were charged separately. For accounts that trade less frequently and/or in markets with relatively lower commissions, the Separate Account Fees may cost more than if fees were charged separately.

Mutual Fund Fees. BAM serves as an investment adviser to Burnham Investors Trust, a family of registered mutual funds (the "Funds"). Applicant charges each Fund an advisory fee, payable monthly at the following annual rates: Burnham Fund 0.60%, Burnham Financial Services Fund 0.75% and Burnham Financial Industries Fund 0.90% (base fee), as a percentage of the Fund's average daily net asset value. The advisory contracts provide that they may be terminated by either party, without penalty, upon 60 days prior written notice and must be terminated upon assignment. BAM's advisory contract, including advisory fees, with the Funds is subject to annual review and approval by the Funds' Board of Trustees. The advisory fee on the Burnham Financial Industries Fund can increase or decrease by a maximum 0.10% of average daily net assets, depending on the performance of the Fund relative to the KBW Bank Index. The performance period consists of the current month and prior 35 months or such shorter period since commencement of the Fund's operations ("performance period"). Any performance-based fee increase or decrease correspondingly increases or decreases the sub-advisory fees paid by BAM to the Fund's sub-adviser as described below.

For administrative services, BAM receives an administrative fee, under a separate contract, payable monthly from each Fund at the following rates: 0.15% on the first \$150,000,000, 0.125% on the next \$150,000,000 and 0.10% on the amount over \$300,000,000.

BAM has contracted with Mendon Capital Advisors Corp., a registered investment adviser, to provide day-to-day portfolio management services for Burnham Financial Services Fund and Burnham Financial Industries Fund, subject to BAM's oversight. BAM pays Mendon Capital sub-advisory fees based on a percentage of the Fund's average daily net assets. The sub-advisory fees BAM pays Mendon Capital with respect to the Burnham Financial Industries Fund are subject to increase or decrease based on the Fund's performance as described above.

BAM or a sub-adviser may execute Fund trades through BAM's affiliated broker, BSI. This practice creates a conflict of interest that may give BAM an incentive to place trades through BSI. BSI will receive commissions and fees for executing securities transactions for the Funds.

In addition, BSI receives Rule 12b-1 distribution fees from the Funds in the amount of 0.25% for Class A shares and 1.00% for Class C shares. We address these conflicts through, among other things, compliance with Rules 12b-1 and 17e-1 under the Investment Company Act of 1940 (the “1940 Act”). Pursuant to Rule 17e-1 under the 1940 Act, the Board of Trustees of Burnham Investors Trust has adopted a policy whereby all agency trades placed through BSI will be executed at rates that compare favorably with rates charged by unaffiliated brokers in comparable transactions.

Managed Account Fees – Non Wrap Accounts. In the case of clients who do not wish to participate in the Adviser's wrap fee program, fees are generally within a range of 0.5% to 2.00% per annum of the assets under management, based on a number of factors, such as size of the account, its investment objective and commissions paid by the account, if any. The following information is for accounts that are NOT part of BAM's wrap fee program:

Fees are generally charged quarterly in advance, based upon the value of the portfolio at the end of the preceding quarter. Clients may also elect to be billed directly for fees or to authorize BAM to directly debit fees from client accounts. Contracts with clients other than investment companies are generally terminable by clients upon notice to BAM and generally provide that termination is effective a specified period after notice, and in the event of the termination prior to the end of any calendar quarter, fees payable thereunder are to be prorated based on the portion of the calendar quarter during which the contract remained in effect. Each portfolio manager negotiates the exact fee for each of the portfolio manager's client accounts. BAM may allocate a portion of the advisory fee it receives to the portfolio managers. Due to these negotiations with each client, variations in billing among BAM's managed accounts exist. For example, some accounts are charged a flat quarterly fee, some are not charged on accrued interest, and some portfolio managers exclude specific positions. BAM's fees on accounts that are not in the wrap program are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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.

There are also variations in commission rates. Separately managed accounts that are not part of BAM's wrap fee program generally pay commissions in addition to advisory fees. When transactions are executed through BSI, the broker-dealer affiliated with BAM, commissions and service fees for those transactions are paid to BSI in addition to the advisory fees paid to BAM. Clients may direct BAM to execute trades with a broker other than BSI and pay commissions to that broker for those trades or may elect to purchase securities that BAM recommends through other brokers or agents that are not affiliated with BAM.

BAM has a conflict of interest when BSI executes transactions for this limited category of clients not participating in BAM's wrap fee program because BSI's receipt of commissions from these transactions creates an incentive for BAM to use BSI as broker, rather than other broker-dealers that may be more cost effective for a particular transaction. The commissions advisory clients pay to BSI may be, and in many cases are, higher than the commissions BAM would negotiate with a third party broker-dealer. In the case of over the counter ("OTC") securities, if BAM went directly to a market maker instead of BSI, the client would pay a mark-up (down) on the transaction; however, since BAM uses BSI to execute OTC trades, the advisory client pays a commission to BSI in addition to any mark-up (down) that goes to the market maker. **As a result, advisory clients may pay higher commissions than could be negotiated with third party broker-dealers or pay commissions that could be avoided by going directly to market makers.** However, the use of BSI provides other efficiencies, including minimizing the chances of trading errors otherwise associated with a large number of individual orders and instructions, facilitating the purchase and allocation or aggregation and sale of blocks of securities and generally offering, we believe, greater opportunity for price improvements.

In addition, BAM's portfolio managers who are also registered representatives of BSI generally receive a portion of commissions generated on client's transactions executed by BSI, in addition to any portion of the advisory fee they receive. Accordingly, these payments create a conflict of interest for the portfolio managers. BAM monitors accounts to watch for active trading. The Compliance Department review includes reports for excessive trading in your account.

If the Adviser invests its **wrap or non-wrap clients** in a Burnham Investors Trust fund, the client will not incur advisory fees twice. This means that when calculating the advisory fee for clients that are invested in an affiliated Fund, BAM deducts the client's investment in the Fund from the overall market value of your assets managed by BAM. If BAM makes an investment in a non-affiliated mutual fund in your account, the non-affiliated mutual fund is not deducted from the overall market value of your assets included in the calculation of your advisory fee to BAM. As a result, the client incurs two separate advisory fees on those assets because the mutual fund also charges an advisory fee.

For accounts not in the wrap program, the section "Brokerage Practices" below further describes the factors that Burnham Asset Management considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Performance-Based Fees and Side-By-Side Management

BAM charges a performance-based advisory fee on the Burnham Financial Industries Fund. The fee can increase or decrease by a maximum 0.10% of average daily net assets, depending on the performance of the Fund relative to the KBW Bank Index. The performance period consists of the current month and prior 35 months or such shorter period since commencement of the Fund's

operations ("performance period"). Any performance-based fee increase or decrease correspondingly increases or decreases the sub-advisory fees paid by BAM to the Fund's sub-adviser. In addition, BAM does not manage other accounts in the same style as the Fund.

Employees of BAM that advise separately managed accounts also provide investment advice to private investment funds or separately managed accounts that are not products of BAM. These employees accept performance based fees from the private investment funds. BAM has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent conflicts in trading between the managed accounts and the private investment funds.

See "Other Financial Industry Activities and Affiliations" below.

Types of Clients

Burnham Asset Management provides portfolio management services to individuals (including trusts, estates, 401(k) plans and IRAs), high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, corporations and other business entities, and registered mutual funds.

BAM generally does not have a minimum investment requirement for separately managed accounts.

Employees of BAM also provide investment advice to private investment funds and separately managed accounts that are not products of BAM. See "Other Financial Industry Activities and Affiliations" below.

Methods of Analysis, Investment Strategies and Risk of Loss

Investment Philosophy

Our approach to active asset management is based on a thorough discovery of your needs and aspirations. We begin by understanding your cash flow and liquidity requirements, tax situation, portfolio constraints and risk tolerance. Then, we nurture a relationship that allows us to really know you, your goals and dreams for your family and your passions for your business and life. With these insights at the forefront, we develop a comprehensive strategy for growing and seeking to preserve your assets that is as unique as you are. This may include consulting with you about your social and environmental values, mission or estate/philanthropic goals and spending guidelines as appropriate.

Based on your needs, goals and risk-tolerance, assets in managed account portfolios can be allocated among stocks, bonds and cash as appropriate to meeting your long-term goals and tolerance for risk. Your portfolio is continually monitored and adjusted as we believe is needed.

All accounts are individually managed. Securities selection is based on client objectives, risk tolerance and income requirements.

Investment Strategy

Our investment decisions are driven by the search for what we believe are the best in sector equities: those with an attractive business model, valuations and, where appropriate, dividend growth.

In fixed income investments, we take into account the quality of the issuer of the securities, duration, yield to maturity, the potential for ratings upgrade and refinancing, the industry outlook and we match the criteria with the client's preferences. We apply similar criteria to municipal bonds taking into account the quality of the credit and the borrower's ability to pay principal and interest.

The selection of securities will be based on the client's objectives, needs, assets and personal and family obligations and plans. Our portfolio managers will consider the asset mix and types of investments to help the client achieve his/her objectives. Attention will also be paid to the client's tax situation (for example, if the client is a tax-exempt entity) in determining whether to recommend tax-free securities and/or whether to recognize short or long-term gains and losses. Tax considerations, however, will not be the main reason for selection of securities and tax advice will not be given.

Methods of Analysis, Sources of Information & Investment Strategies

BAM portfolio managers use a variety of methods of analysis, sources of information and investment strategies. Each BAM portfolio manager determines his or her investment strategy to seek to achieve the client's investment objective in accordance with applicable investment guidelines. These objectives may include, for example, capital preservation, total return, after-tax total return, current income, after-tax income, balanced, growth, growth and income or capital appreciation. Guidelines may focus investments on specific categories of investments – e.g., specific industries, capitalization, indexes or regions. Security analysis methods used by BAM portfolio managers may include charting and fundamental, technical or cyclical analysis. Sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by third parties, corporate rating services, timing services, filings with the Securities and Exchange Commission (“SEC”), corporate press releases, US government statistical reports and other information published by the US government. Portfolio managers may engage in a variety of types of transactions, such as short-term trading, short term purchases, long term purchases, short sales, margin transactions and option writing to implement their strategies.

We generally recommend the long-term purchase of securities. However, a security may be sold within a year or even a few days if the portfolio manager believes a gain could be realized sooner

in order to prevent or limit a loss in case of adverse changes in the security's or market's outlook.

In some accounts, purchases of covered puts or covered calls on stocks may be made, but generally not for speculative purposes. Rather, they would be utilized to protect against a loss should the market be expected to decline or as a method of participating more fully in a possible market advance if the portfolio were not committed fully enough in equities. It is not expected that any purchase of these securities would be a significant strategy in an account. This type of activity is not expected to be a major part of the Adviser's strategy.

Risks

Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is no guarantee of future results.

All investments are subject to the following principal risks:

The value of securities in the portfolio will go up and down. Consequently the overall valuation of the account may decline and you could lose money. The stock market is subject to significant fluctuations in value as a result of political, economic, and market developments. If the stock market declines in value, the portfolio is likely to decline in value. Because of changes in the financial condition or prospects of specific companies, the individual stocks selected by BAM may decline in value, causing the account to decline in value. Investments are not deposits in a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. The Adviser's investment approach may be out of favor at times, causing the strategy to underperform other strategies or funds that use different approaches to securities selection.

Because BAM purchases equity securities primarily or exclusively in all of its investment strategies, clients are subject to the risk that stock prices will fall over short or extended periods of time, and clients could lose all, or a substantial portion, of the value of their investments. Historically, the equity markets have moved in cycles, and the value of equity securities may fluctuate significantly from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of these companies' securities may decline in response. These factors contribute to price volatility, which is a principal risk of equity investing. In addition, many of the equity securities purchased by BAM are common stocks. Common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of a liquidation.

BAM may invest in fixed income securities, typically bonds. The principal risks of investing in fixed income may include interest rate risk, credit risk, prepayment risk and price fluctuation.

Interest Rate Risk. Bonds may decline in value because of changes in interest rates. If interest rates rise, bond prices usually decline. If interest rates decline, bond prices usually increase. If a bond is not held until maturity, you may experience a gain or loss when you sell your bond.

Credit Risk. An issuer could default in the payment of principal and/or interest on a bond.

Prepayment Risk. Some bonds are subject to prepayment risk, or the risk that the issuer of a security will repay principal prior to the bond's maturity date, thereby changing the expected payment schedule of the bond.

Price Fluctuation. Most importantly, you should be aware that bond prices may fluctuate, as the securities are affected by economic and other factors. As a result, the value of your investment may increase or decrease.

Bonds held to maturity will return the full principal amount to the bondholder upon maturity. However, those sold prior to maturity are subject to gain or loss depending on the market price at the time of sale.

The investments made by BAM will generate taxable income and realized capital gains or losses, so investors should consult with their tax advisors about the tax consequences of their investments.

Certain of BAM's investment strategies may focus their investments from time to time on one or more economic sectors, such as the financial sector. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the strategies investment return. A strategy's concentration in securities of a particular sector may subject it to more volatile price movements than a securities portfolio diversified across multiple sectors.

Certain of BAM's investment strategies are more concentrated, which means that they may invest in the securities of fewer issuers than a more diversified investment strategy. As a result, it may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, and may experience increased volatility.

Options Risks –Investments in covered call options involve certain risks. These risks include limited gains and lack of liquidity of the underlying stock. Investments in covered put options involve certain risks. These risks include the risk of loss if fair value of the underlying securities declines and limited gains. There is no guarantee that a liquid market for options will exist for any option or at any particular time. If we are unable to effect a closing purchase transaction with respect to covered options we have sold, we will not be able to sell the underlying securities or

collateral until the options expire or are exercised. Similarly, if we are unable to effect a closing sale transaction with respect to options we have purchased, we would have to exercise the options in order to realize any profit.

Risk of Margin Accounts. Margin exposes investors to the potential for higher losses. You can lose more money than you have invested; you may have to deposit additional cash or securities in your account on short notice to cover market losses; you may be forced to sell some or all of your securities when falling stock prices reduce the value of your securities; and your brokerage firm may sell some or all of your securities without consulting you to pay off the loan it made to you.

Security analysis methods, including charting and fundamental, technical or cyclical analysis offer no guarantee of positive performance and are each subject to the risk that they could be misinterpreted.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Burnham Asset Management or the integrity of Burnham Asset Management's management. Burnham Asset Management has no information applicable to this Item.

Other Financial Industry Activities and Affiliations

Burnham Asset Management is investment advisor to each Fund in Burnham Investors Trust.

BSI, a broker-dealer affiliated with BAM, generally executes securities transactions for BAM's advisory clients, subject to BAM's duty to seek best execution. See "Advisory Business" and "Fees and Compensation" above and "Brokerage Practices" below. BSI also acts as principal distributor of shares of each Fund in Burnham Investors Trust.

BAM obtains client consent to execute brokerage transactions with BSI, consistent with regulatory requirements, and clients may revoke this consent at any time. To the extent permissible under applicable law, BAM, with minimal exceptions, executes all securities transactions for advisory clients with BSI, including without limitation securities traded in the over-the-counter market.

J.P. Morgan Clearing Corp. serves as the clearing broker for securities transactions executed by BSI. In addition to the advisory fees that BAM receives, BSI receives brokerage commissions and transaction service fees from transactions for BAM clients that are not in the Wrap Program when trades are executed by BSI, and the rate and amount of these commissions vary from client

to client. Pursuant to the clearing arrangements between BSI and J.P. Morgan Clearing Corp., for accounts held through BSI at J.P. Morgan Clearing Corp., BSI is entitled to receive payments from J.P. Morgan Clearing Corp. on the average credit balance for BAM advisory clients that are invested in money market funds affiliated with J.P. Morgan Clearing Corp. (the payments currently range from 0.001% to 0.009% depending on the fund used and could increase in the future) and the average balance of uninvested cash in the BAM's client's brokerage accounts at BSI (payment is based on a percentage of the difference between the Fed funds rate and the interest rate paid to customers).

Paul Elliot, an employee at BAM, is the Managing Member of Elco Management Company LLC. Elco Management Company is a registered investment advisor and manages an energy-related hedge fund, a long/short hedge fund and separately managed accounts. BAM and/or BSI are reimbursed for certain expenses resulting from the sharing of office space with Elco Management Company. On occasion, Elco Management Company may execute trades through BSI, in which case BSI will receive a commission. In addition, BSI and employees of BAM and BSI may receive compensation for placement of shareholders in the Elco hedge funds. See "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" below.

A portfolio manager may recommend that a client purchase shares of a mutual fund. BSI, the affiliated broker-dealer, may receive a 12b-1 fee or a sales load from the sale of certain mutual funds or BAM may receive servicing or other payments in connection with its clients' investments in such funds. The portfolio manager, who is also a registered representative and dual employee of BSI, may receive a portion of that revenue which results in a conflict of interest for the portfolio manager. BAM reviews investment activity in all managed accounts to make sure the investments are appropriate.

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

BAM has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics provides standards of business conduct reflecting the fiduciary obligations of the supervised persons and requires that supervised persons comply with applicable securities laws. The Code of Ethics contains provisions designed to prevent access to material non-public information about securities recommendations and client securities holdings by persons that do not need such information to perform their duties. The Code of Ethics requires access persons to report all personal securities transactions and holdings on a periodic basis, to be reviewed by a compliance officer. All supervised persons at BAM must acknowledge the terms of the Code of Ethics annually, or as amended. BAM will provide a copy of the Code of Ethics to any client or prospective client upon request by calling 212-262-3100.

BAM may, from time to time, recommend that certain clients purchase shares of a Fund for which BAM serves as an investment adviser. Prior to the client's investment in the Fund, BAM

will provide such client with the Fund's current prospectus, which discloses the nature of BAM's affiliation with the Fund and the fee which BAM receives as a result.

BAM employees may recommend that clients may invest in the funds described in “Other Financial Industry Activities and Affiliations” above, other private funds or similar products (which may or may not be affiliated with BAM or its employees). In connection with a client’s investment in such a fund, the client will be provided with an offering document, which discloses the nature of BAM’s and any portfolio manager’s affiliation with the fund and any one time or on-going solicitation, referral, servicing or other fees payable to BAM or the portfolio managers. A portion of such amounts may be paid to the portfolio manager. These payments create a conflict of interest for BAM and/or its portfolio managers and other employees. BAM routinely reviews the trades in the private funds that are not offered by BAM but are managed by BAM employees and compares them to trades in BAM accounts to determine whether BAM clients are receiving fair treatment.

In addition to client accounts, BAM manages money for the accounts of related persons. Officers and employees of BAM may, from time to time, purchase or sell securities that are recommended to clients. In order to avoid conflicts with trades for clients, BAM has adopted restrictions on personal securities trading by personnel of BAM, as discussed above. If a client account and a BAM employee trade in the same security on the same day, the employee will not receive a more favorable price. Because all accounts individually managed, it is possible that a portfolio manager may be buying a security for some accounts while a different portfolio manager may be selling the security for other accounts.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with BAM's obligation of best execution. In such circumstances, the affiliated accounts will pay commission costs while client accounts in the wrap program will not, and all accounts receive securities at a total average price. BAM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Exceptions to this policy may be approved by the Chief Compliance Officer. Any exceptions will be explained on the Order.

Principal and Related Transactions. BAM generally does not engage in principal transactions with its separately managed account clients – i.e., it does not buy securities for its own account from, or sell securities from its own account to, its separately managed account clients. Client securities are not generally sold to or bought from one BAM account to another or to or from BSI customers (agency cross transactions). However, if BAM deems a principal or agency cross transaction in the best interest of its client, it may engage, or cause its client to engage, in the transaction, provided that the conditions to such transaction prescribed pursuant to the

Investment Advisers Act of 1940 are satisfied. The conditions include obtaining client consent and providing appropriate disclosure of such transactions to the client and the transaction must be consistent with the investment policies of each participating client account.

BAM recognizes the importance of protecting the non-public personal information of its clients when providing advisory and other services. Please contact BAM or visit its website at <http://www.burnhamfinancial.com> for more information on, or for a copy of, its privacy policies. BAM does not sell or provide non-public personal information of its clients for marketing purposes to others.

Brokerage Practices

Except for certain non-discretionary clients and advice-only clients, clients have given discretionary authority in writing to BAM to determine the securities to be bought and sold and the broker or dealer to be used. See “Advisory Business” above. In the case of separate accounts that are not part of BAM's wrap fee program, trades executed with the affiliated broker-dealer, BSI, pay a commission rate of up to \$0.05 per share or a flat per trade ticket charge as individually negotiated.

BAM recognizes its duty to seek best execution for its clients. Clients generally are asked to consent to the use of BSI to execute their transactions, and BAM expects generally to execute transactions through BSI. BAM may, however, from time to time execute transactions through unaffiliated broker-dealers. Unless the client has given a “Directed Brokerage Instruction” (written notice to BAM specifying a broker for use), the client will not incur commission costs for transactions. If the client has given a Directed Brokerage Instruction, the client will incur commission costs. Unless a wrap program client has given a Directed Brokerage Instruction, the client authorizes BSI or any other affiliates of the Adviser to execute securities transactions for the account on an exchange of which BSI or such affiliates are members, or elsewhere, and to perform or cause to be performed clearance, settlement, custodial and other functions incidental to such transactions. BAM executes advisory client transactions with BSI with minimal exceptions. BAM believes that this benefits clients because, among other things, it minimizes the chances of error otherwise associated with a large number of individual orders and instructions, facilitates the purchase and allocation or aggregation and sale of blocks of securities and generally offers greater opportunity for price improvements. BAM's clients in the wrap fee program do not incur any BSI commissions to offset these benefits. In the case of the limited category of clients who do not participate in the wrap fee program, clients will incur brokerage commissions. The mutual funds managed by BAM also may use BSI for trades subject to Rule 17e-1 under the 1940 Act, which set forth review and recordkeeping requirements designed to insure the reasonableness and fairness of compensation received by BSI.

Soft Dollars. From time to time, BAM may consider the provisions of research and statistical information in its selection of broker-dealers, to the extent such services qualify for the safe harbor in Section 28(e) of the Securities Exchange Act of 1934. For accounts not in the Wrap Program, such selection may result in a higher fee than that charged by a broker-dealer who does not provide research. Such selection may be made if BAM determines that the commissions paid are reasonable in relation to the value of brokerage and research services provided, viewed in terms of the particular transaction or BAM's overall responsibility. Portfolio managers receive reports on individual securities and industries and economic overviews and they participate in research conference calls. Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations may be generated by particular clients or groups of clients.

Aggregated Orders. In seeking best execution, a portfolio manager may aggregate orders on behalf of his or her discretionary client accounts (each such account, for purposes of this discussion of aggregated orders, a "Participating Account"). BAM will allocate the securities purchased or sold in aggregated orders among Participating Accounts in a fair and equitable manner according to the following policy:

Before placing an aggregated order with a broker-dealer, BAM will produce a written aggregation statement that specifies the participating accounts and the amount of the order allocable to each ("Written Aggregation Statement").

If the order is completely filled, the purchases or sales will be allocated among Participating Accounts in the amounts reflected in the Written Aggregation Statement. If the order is partially filled, the purchases or sales will be allocated pro rata among Participating Accounts based on the amounts reflected in the Written Aggregation Statement. Notwithstanding the foregoing, if BAM must depart from the Written Aggregation Statement (e.g. to avoid odd lots or to avoid allocating too small numbers of shares to an account), BAM's Chief Compliance Officer is consulted and the order is allocated in a documented manner among the Participating Accounts in a fair and equitable manner. Each Participating Account will receive the securities purchased or sold in an aggregated order at the average share price for the entire aggregated order.

IPO Allocations. BAM allocates initial public offerings ("IPOs") only to accounts that have suitability and other characteristics as described below that make the IPO an appropriate and feasible investment ("Participating Accounts"). In making the determination of Participating Accounts, BAM takes into account, to the extent permitted by applicable law, whether a client has an account with the broker through which the shares are being purchased, the amount of trading the account has done with such broker and similar factors relevant to the operational feasibility of allocating shares to the client's account. Since separately managed accounts generally only have brokerage accounts with BSI and BSI rarely participates in IPOs, while the mutual fund managed by BAM has trading accounts with third party brokers and these brokers

from time to time may offer IPOs to such mutual fund, **it is likely that IPOs will be allocated entirely to such mutual fund and not to any separately managed accounts with similar investment objectives.** In the event that more than one account were to participate in an IPO, BAM would allocate the IPO investment among Participating Accounts on a pro rata basis according to the relative sizes of the orders determined for each Participating Account, provided that such allocations may be adjusted to avoid odd lots or allocating too small a number of shares to any account. Analogous procedures are followed in the event that BAM purchases any other security and the available supply is less than the number for which it would otherwise have placed orders.

BAM's Insider Trading policy prohibits any director, officer or employee from personally trading on non-public information, including confidential client information. BAM's Compliance Manual and Code of Ethics require all employees to comply with the federal securities laws, protect material non-public information, and report to BAM's Chief Compliance Officer any code of ethics violations. Violations of BAM's Code of Ethics can result in serious sanctions, up to and including dismissal from employment.

BAM employees are prohibited from accepting gifts of greater than \$100.00 from business contacts. All gifts, regardless of their value, must be reported promptly to BAM's Chief Compliance Officer. Reasonable entertainment of employees is permitted if not conditioned on sales of shares of BAM or BSI products or services, and if it is neither so frequent nor so extensive as to raise any question of propriety. BAM's Chief Compliance Officer and BSI's Chief Compliance Officer actively monitor compliance with these policies.

Leverage. Certain separately managed accounts may have margin accounts, which can result in leverage as permitted by client guidelines.

Review of Accounts

Each portfolio manager has primary responsibility for review of accounts that he or she manages. Therefore, the number of accounts assigned to each reviewer varies. Accounts are under continuous review to enable implementation of any changes in investment policy or in the fundamentals of a security held. Accounts are reviewed so that investments continue to meet client objectives.

The Chief Compliance Officer and Executive Vice President –Portfolio Management (“EVP-PM”) review client accounts for compliance with clients’ investment objectives, guidelines or restrictions, if any, and the reasonableness of the portfolio composition in light of objectives/guidelines. The Chief Compliance Officer and EVP-PM will consult with the Portfolio Manager if there are any questions or concerns resulting from their reviews. The Chief Compliance Officer and/or EVP-PM reviews portfolio turnover in client accounts for

appropriateness in consideration of all of the surrounding circumstances, including client investment objectives, cash flow into or out of the account, and market conditions. The EVP-PM monitors the performance of client accounts for potential issues, including but not limited to favoritism. The EVP-PM reviews performance dispersion among client accounts of each Portfolio Manager with the same investment objectives.

The Chief Compliance Officer is responsible for the review and approval of the opening of any new investment advisory account and the prompt review of any advisory client complaints.

BAM's Controller is responsible for reviewing the appropriate calculation of BAM's fees. The Controller calculates the fees due for each account at the beginning of each billing period, or as otherwise specified in the applicable client agreement, and sends the calculation to the Portfolio Managers of the respective accounts. Each Portfolio Manager is responsible for reviewing and approving the fee calculation for his or her client accounts.

Clients are furnished with scheduled reports of investment portfolios at least quarterly. Clients receive confirmation of transactions. The Board of Trustees of Burnham Investors Trust receives reports quarterly, or more frequently, if requested.

Client Referrals and Other Compensation

Not Applicable.

Custody

BAM does not retain physical custody of any client assets. Your funds and securities will be held with a broker-dealer, bank or other qualified custodian. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. BAM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Any statements we may send you may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you have any questions, please contact us.

Investment Discretion

BAM usually receives discretionary authority from a client in an advisory agreement signed at the outset of an advisory relationship. The agreement gives BAM the discretion to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives, limitations and restrictions for the account as set forth in the advisory agreement or otherwise in writing by the

client. BAM may also enter into non-discretionary arrangements under which all securities transactions are approved by the client prior to execution or BAM may enter into arrangements under which only advice is provided and all execution of our recommendations is the responsibility of the client.

For registered investment companies, BAM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Voting Client Securities

It is BAM's general policy not to accept proxy voting authority for separately managed accounts, as provided in its form of Investment Advisory Agreement. BAM does vote proxies for Burnham Investors Trust. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive proxy materials directly from their custodian or a transfer agent. BAM may provide advice to clients regarding the clients' voting of proxies.

Clients of Burnham Investors Trust may obtain a copy of BAM's complete proxy voting policies and procedures used for Burnham Investors Trust upon request. Clients may also obtain information from the affiliated mutual fund's website, <http://www.burnhamfunds.com> about how proxies were voted on behalf of the funds.

Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Burnham Asset Management's financial condition. Burnham Asset Management has no financial commitment that impairs its ability to meet its contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.