



Form ADV Part 2A

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This Brochure provides information about the qualifications and business practices of Beck, Mack & Oliver LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 661-2640 or z.vlachos@beckmack.com. 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.

Beck, Mack & Oliver LLC 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 Beck, Mack & Oliver LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

On July 28, 2010, the United State Securities and Exchange Commission ("SEC") published "Amendments to Form ADV" which amended the disclosure document that we provide to clients as required by SEC Rules. Thus our Brochure dated March 31, 2011 distributed last year was a new document prepared according to the SEC's new requirements and rules.

Since the last annual update of our Brochure (that dated March 31, 2011) there has been one material change at Beck, Mack & Oliver. Effective December 31, 2011, M. Gerald Sedam, II, partially retired from Beck, Mack & Oliver LLC. Mr. Sedam joined Beck, Mack & Oliver as a member of the partnership in 1986. Mr. Sedam remains an employee of Beck, Mack & Oliver, consulting on various investments and portfolios.

Our Brochure may be requested by contacting your portfolio manager or portfolio administrator at (212) 661-2640. Our Brochure is also available on our web site www.beckmack.com, also free of charge.

Additional information about Beck, Mack & Oliver LLC is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Beck, Mack & Oliver LLC who are registered, or are required to be registered, as investment adviser representatives of Beck, Mack & Oliver LLC.

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Brochure Supplement(s)

Item 4 – Advisory Business

Beck, Mack & Oliver LLC (“BM&O” or the “Firm”) was founded in 1931 by T. Edmund Beck and Lewis Mack, who were joined later that same year by R. Grant Oliver. As a SEC-Registered Investment Adviser, the Firm provides asset management services to individual and institutional clients primarily through separately managed accounts. Since inception, BM&O has been led by a team of veteran equity managers that is dedicated to process-driven investment performance and a sound, value-based investment discipline, and strives to achieve competitive risk-adjusted returns. The Firm today is comprised of approximately 25 professionals including the six members of the Firm (“Members”). As of February 29, 2012, BM&O had approximately \$4.3 billion in assets under management on behalf of individuals, trusts, tax-exempt institutions and corporations for over 670 client relationships.

BM&O has no direct or indirect affiliation with any broker, commercial bank, investment banking house or other organization giving investment advice or soliciting securities orders. The Firm is a limited liability company organized under the laws of New York; Robert C. Beck is the Senior Member of the Firm. Neither BM&O, nor any of its representatives, serve as an attorney, accountant, or insurance agent, and no portion of BM&O's services should be construed as same.

The Firm's central objective is to preserve and grow the purchasing power of client capital. Within the framework of the client's specific requirements, the Firm seeks to fulfill this objective by investing in the securities of corporations with sound, long-term fundamentals. Equity investments are made typically in financially strong companies which appear to have attractive prospects for growth in earnings and dividends. High-quality, fixed-income securities are used to provide a basic return. Portfolios are comprised primarily of publicly traded U.S. domestic securities as well as foreign securities. These securities include: exchange listed shares and shares traded over-the-counter; securities convertible into or exercisable for common stocks; preferred stocks; warrants; fixed, variable and floating rate bonds; U.S. Treasuries; and municipal bonds. Private securities are placed selectively in client portfolios from time to time when such securities are in line with a client's investment objectives and risk profile so long as the client is qualified to participate in such private investments.

Separate account portfolios are customized for taxable and tax-exempt investors. The structure of each portfolio is determined according to the specific objectives and risk tolerance of the client. BM&O manages the investment and reinvestment of the client's assets including making decisions with respect to all purchases and sales and other transactions of securities. Most accounts are discretionary. Having full discretion means that the authority to effect transactions without prior client approval is delegated to the Firm. Consequently, particular emphasis is placed on defining and understanding the client's objectives and needs at the onset of a relationship and thereafter on an ongoing

basis. As of February 29, 2012, the Firm managed \$4.244 billion in assets on a discretionary basis and \$38.6 million on a non-discretionary basis.

Investment strategies for each client are developed only after completing both a thorough examination of the client's financial condition as well as the resulting development of the client's investment objectives. Securities in which an account is invested can be restricted by the client by sector, industry or company or by type of security should a client want or need to do so for any reason. Typically, a taxable account strategy encompasses the purchases of marketable securities for long-term holding. Tax-free accounts, while generally seeking to invest for long range appreciation, can and do become involved with marketable security purchases of short-term potential. The Firm does not make short sales or utilize margin debt (unless specifically directed by the client) or options in any of its investment strategies with the exception of currencies options purchased for the Firm's managed mutual funds (addressed below). The Firm does not employ financial leverage in the management of assets. In as much as the Firm tries to remain current with regard to a client's financial situation, each client is advised that it remains the client's responsibility to promptly notify BM&O if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising BM&O's previous recommendations and/or services.

BM&O acts as investment adviser to two (2) mutual funds, the Beck, Mack & Oliver Global Equity Fund (the "Global Equity Fund") and the Beck, Mack & Oliver Partners Fund (the "Partners Fund"). Each is established as a series of Forum Funds, a registered investment company under the Investment Company Act of 1940, as amended. The Global Equity Fund seeks capital appreciation by investing primarily in equity securities of worldwide issuers. The Partners Fund was converted from the BMO Partners Fund L.P. in December 2009 and seeks long-term capital appreciation consistent with the preservation of capital. The Partners Fund invests in a portfolio primarily of U.S. common stocks and securities convertible into or exercisable for common stocks, but may also invest in preferred stocks and fixed, variable and floating rate fixed income securities. The Global Equity and Partners Funds are administered by independent third parties.

Under certain circumstances the Firm enters into arrangements in which it acts as the sub-adviser for an account. These types of arrangements accounted for approximately 1.1% of BM&O's relationships as of February 29, 2012. A few client accounts, generally testamentary trusts or the equivalent, limit applicant purchases to securities contained on an approved list. Such list is created and maintained by the client and provided to BM&O on a regularly scheduled basis.

BM&O evaluates initial public offering investments in the same manner it assesses other equity investments – portfolio managers look for attractively priced shares of companies with high quality management, finances and business prospects. Shares in initial public offerings are allocated to client accounts with regard to first, each client's risk

tolerance, second, the appropriateness of the investment in a portfolio, and third, the availability of funds to purchase shares in the equity portion of the account. If the Firm anticipates the purchase of shares in an initial public offering may be for less than one year, it may restrict the purchase of shares to tax-exempt accounts to avoid adverse tax treatment of short-term capital gains.

Client relationships can be terminated upon receipt by the Firm of written notification from the client of his/her desire to do so. Any fees that have been pre-paid are refunded for the period beyond the date of termination.

As an investment adviser, the Firm has a duty to protect the privacy of client information. Confidential client information will not be disclosed to third parties except as necessary to provide the service that the client has requested or authorized. A copy of the Firm's privacy policy is sent to existing clients annually and upon request.

BM&O understands the need for business continuity planning and the seriousness of business interruptions. Taking into account that business interruptions can occur in many forms, the Firm has attempted to create a business continuity program that is flexible but robust enough to recover all of our key business functions on a timely basis. BM&O's data is backed-up daily, both electronically at a third-party storage facility located in another state and on manual tapes. In addition, the Firm maintains a business continuity program which includes (i) a strategic recovery plan, (ii) an incident response plan, (iii) a business recovery plan, and (iv) email availability services. The program is comprehensive and includes specific instructions for each segment of the business.

Item 5 – Fees and Compensation

Fees for the Firm's portfolio management services are assessed based on the market value of the portfolio as computed periodically (either quarterly or semi-annually depending on client preference) as of the close of business on the last business day of the relevant previous month. Clients are billed in advance of the relevant period unless otherwise agreed. Clients may elect to be billed directly for fees or to authorize BM&O to directly debit fees from client accounts. Management fees are not pro-rated for capital contributions or withdrawals made during the applicable billing period. Accounts initiated or terminated during a billing period will be charged a pro-rated fee. Upon termination of any account, any pre-paid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The Firm's standard fee schedule is as follows:

INVESTMENT ADVISORY FEE SCHEDULE (ANNUAL RATES)

1% of the first \$5,000,000 of market value, plus
 ¾ of 1% of the next \$5,000,000 of market value, plus
 ½ of 1% of the balance of the market value of the account

The Firm has a minimum fee of \$50,000, which, in accordance with BM&O's standard fee schedule, suggests a minimum account size of \$5 million. The Firm aggregates family and related accounts for fee determination purposes. All fees are subject to negotiation. The Firm retains the right to waive the minimum fee under certain circumstances. If an account's fee totals less than \$25 dollars for a given billing period (which can occur when an account holds only shares of the Global Equity or Partners Funds – see description of the Firm's billing policy on those Funds below), the fee is automatically waived.

Some clients pay differing percentage fees.

- a. Members of family groups enjoy the advantage of pooling family account values for bill calculation purposes.
- b. Clients who became clients of the Firm under earlier fee arrangements may benefit from this longer term relationship, including minimum fee exclusions.
- c. Individual client holdings which are disproportionately larger in size and very low in tax cost are generally valued at below market value rates for bill calculation purposes.

Fees received by the Firm for sub-advisory services will vary depending on the terms agreed upon at the start of the arrangement. Clients are informed that BM&O is acting as a sub-adviser to the respective account.

Pursuant to the investment advisory agreement BM&O has with the Global Equity Fund, BM&O is paid an annual advisory fee by such Fund of 1.50%. The advisory fee is accrued daily and is paid monthly based on the average daily net assets of the Global Equity Fund for the previous month. However, such fee is subject to an overall limitation of the Global Equity Fund's expense ratio of 1.25% so that the advisory fee paid by the Global Equity Fund is reduced to the extent the Global Equity Fund's operating expenses (excluding taxes, interest, portfolio transaction costs and extraordinary expenses) exceed 1.25% of the Global Equity Fund's average daily net assets. In the event assets in a client's account are invested in shares of the Global Equity Fund, no advisory fee is charged to the client with respect to such assets, and BM&O's only compensation with respect to such assets is the advisory fee paid by the Global Equity Fund.

Pursuant to the investment advisory agreement BM&O has with the Partners Fund, BM&O is paid an annual advisory fee by such Fund of 1.00%. The advisory fee is accrued daily and is paid monthly based on the average daily net assets of the Partners Fund for the previous month. However, such fee is subject to an overall limitation of the Partners Fund's expense ratio of 1.00% so that the advisory fee paid by the Partners Fund is reduced to the extent the Partners Fund's operating expenses (excluding taxes, interest, portfolio transaction costs and extraordinary expenses) exceed 1.00% of the Partners Fund's average daily net assets. In the event assets in a client's account are invested in the shares

of the Partners Fund, no advisory fee is charged to the client with respect to such assets, and BM&O's only compensation with respect to such assets is the advisory fee paid by the Partners Fund.

From time to time, the Firm makes investments in non-marketable securities of closely held corporations as well as in partnerships that invest in energy, real estate and venture capital. In 2006, the Firm began charging an administrative expense fee on private investments of 0.50% on the amount of capital committed at the onset of each investment and 0.10% annually on the net contributed capital in each investment.

Some clients of the Firm have interests in properties and corporations on which the Firm has not previously rendered advice but which sometimes require analysis and, resulting therefrom, recommendations by the Firm to the client. On occasion certain clients request that shares in specific initial public offerings be purchased for their account; the Firm may or may not be purchasing shares in the same issue for other clients. When directed by the client to purchase a security that is not directly followed by the Firm, BM&O has the option to classify that security "below-the-line" (meaning as unsupervised) for return and compensation purposes (meaning portfolio management fees are not charged on these assets and the performance of such assets is not factored into the performance of the account).

The Firm has retained third-party vendors to assist in marketing the Global Equity and Partners Funds. These vendors are paid a distribution fee calculated either on the average month-end asset values of the vendor assets on the last business day of each month based on previously agreed rates and timeframes between BM&O and the vendor or on the net profitability of the respective Fund.

BM&O's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that will be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party financial advisers and other third parties such as custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to BM&O's fee, and BM&O shall not receive any portion of these commissions, fees or costs.

Item 12 further describes the factors BM&O considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

BM&O does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

BM&O provides portfolio management services to individuals, high net worth individuals, trusts, estates, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, registered mutual funds, and other U.S. and international institutions. As disclosed above in Item 4, BM&O serves as the investment adviser for the Global Equity Fund and the Partners Fund.

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

BM&O applies the same investment philosophies and processes to its separately managed accounts and the Global Equity and Partners Funds – a long-only, value-based investment discipline where in-depth research is conducted by portfolio managers to assess the soundness of a given company's fundamentals and the conservativeness of the given company's management team and approach. Portfolio managers seek-out companies that are financially strong and possess high quality assets and above average appreciation and/or growth potential. The Firm's portfolio managers look to identify sectors, industries and companies that are out of favor or are experiencing growth but whose growth has not yet been recognized by the market. The Firm aims to purchase portfolio securities at low price levels relative to a company's earnings and the portfolio managers' intrinsic valuations. Market capitalizations of the companies in which the Firm invests on behalf of clients vary from small to large.

Investment research and economic analysis are performed by portfolio managers with extensive and specialized backgrounds in security analysis who discuss their work at regularly scheduled weekly investment committee meetings and more frequently as circumstances suggest or require. The Firm's independent, fundamental research is based on analysis of company, sector and industry data combined with direct company contact either as company visits, phone interviews or webcast meetings. Portfolio managers also study political and economic developments in various countries to determine which countries may offer the best foreign investment opportunities. Factors considered for such evaluations include gross domestic product, interest rate movements, employment costs, currency fluctuations, and laws and taxes relating to foreign investors.

Portfolio construction for the Firm's clients varies according to the given client's needs and objectives as discussed above in Item 4. Accounts range from 100% equity holdings to balanced accounts that hold both equities (stocks) and fixed income (bonds). A small number of the Firm's accounts may hold only fixed income.

There are a number of factors that contribute to the decision to sell all or part of the holdings in a given security from an account. Portfolio managers monitor securities for fundamental changes in a company's financial condition; a decline in such condition or the erosion of a company's profitability, earnings or cash flow may result in a decision to sell the security. Portfolio managers may also sell a security if the value of the security has appreciated to a point where the intrinsic value of the security has been realized (meaning the security is overvalued compared to its fundamentals) or price appreciation has caused the security to be overweight relative to the other securities held in the portfolio. Negative trends in inflation, recession or interest rates may also factor into a decision to sell a security.

Investing in securities involves risk of loss that clients should be prepared to bear. The value of and return on a client's portfolio will fluctuate according to the changes in value of the portfolio's underlying securities. Different types of investments involve varying degrees of risk, and it should not be assumed that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by BM&O) will be profitable or equal any specific performance level(s). The following may contribute to the fluctuation in the value of securities held in a client's portfolio:

- Turbulence in financial markets and reduced liquidity in equity, credit and fixed income markets worldwide will cause account values to fluctuate.
- Movement in stock prices over short or extended periods of time will affect portfolio valuations.
- Securities of companies with large market capitalizations in an industry that has gone out of favor based on market and economic conditions may underperform other market segments.
- Securities of smaller market capitalization companies may be more volatile with the price of smaller companies declining more than other segments of the market in response to selling pressure.
- The value of fixed income securities will fluctuate with movements in interest rates. As interest rates rise, the value of debt securities will generally fall. Issuers of fixed income securities may pre-pay when interest rates fall.
- The value of foreign securities may be affected by international trade, currency, political, regulatory or diplomatic events.

Additional information about the portfolio management and investment risks of the Global Equity and Partners Funds is provided in the Funds' prospectus, a copy of which can be found on the Firm's website.

Private investment funds generally involve various risk factors that include, but are not limited to, the potential for complete loss of principal, liquidity constraints and a lack of transparency, a complete discussion of which is set forth in each private investment fund's

offering documents. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each client that is a prospective investor in private investment funds will be required to complete BM&O's Investor Questionnaire pursuant to which the client shall establish that the client is qualified for investment in private investment funds.

Item 9 – 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 BM&O or the integrity of BM&O's management. BM&O has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

From time to time, Members of the Firm may, as a result of sitting on the Board of publicly traded or privately-held companies, become privy to non-public information. Under such circumstances, the Firm follows its policies described below under Item 11 to manage any conflict of interest that arises and prevent any misuse of such information.

Item 11 – Code of Ethics

BM&O has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics is designed to outline the fundamental expectations that BM&O has for its employees and Members and to serve as a guideline for their conduct. The Code is intended to address potential conflicts, and all employees and Members are expected to adhere not only to the letter, but also to the spirit, of the policies contained therein. The fundamental tenants of the Code include, but are not limited to: duties to the client, avoiding conflicts of interest, avoiding misuse of non-public information, maintaining the confidentiality of client information, proper execution of personal securities transactions, adequate record keeping, and the enforceability of the policies and procedures. The Firm appoints a Chief Compliance Officer to oversee adherence to the Firm's Code of Ethics and compliance policies and procedures.

From time-to-time, various Members or employees of the Firm may gain material non-public information for publicly traded or privately held corporations. In certain circumstances, this could relate to information provided in regard to an upcoming financing. In other cases it could relate to various Members of the Firm becoming insiders at a publicly traded firm through Board membership or in another capacity. The Firm recognizes the potential for a breach of fiduciary trust or abuse of non-public information in such cases and monitors these special relationships very closely. Procedures have been implemented to prevent abuses. The Firm maintains a list of restricted stocks, and the Firm's traders are prohibited from trading in those securities until the security is removed

from the list or a clearance "window" is established in accordance with prescribed procedures.

Before investing a client's assets into either the Partners Fund or the Global Equity Fund, the Firm discloses to clients its role as investment adviser to each Fund. Each portfolio manager is responsible for knowing the suitability of either Fund for his/her clients prior to purchasing Fund interests on behalf of a client. Both the Partners Fund and the Global Equity Fund disclose holdings on a quarterly basis, and the Fund's independent third-party administrator provides a daily NAV (net asset value) for each Fund. The Firm's Chief Compliance Officer reviews client and employee purchases of the Funds on a quarterly basis to detect abuses or conflicts of interests.

Each Member and employee maintains, independently, investment portfolios for himself and/or his family. All investment changes made in each client portfolio as well as changes made by all Members and employees are reported quarterly in writing to the Chief Compliance Officer for review and approval to insure that at all times client investment interests are protected from possible conflict. The interests of the clients are placed ahead of the Firm's Members and employees. Firm Members and employees may make new investments in securities owned by clients only after all current client requirements for specific securities have been satisfied. Similarly, Firm Members and employees may sell securities owned by clients only after all client sales requirements have been met.

It is BM&O's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. BM&O is neither dually registered as a broker-dealer nor does the Firm have an affiliated broker-dealer.

BM&O's clients and prospective clients may request a copy of the Firm's Code of Ethics by contacting their respective portfolio manager or portfolio administrator or contacting the Firm's Chief Compliance Officer.

Item 12 – Brokerage Practices

Whenever possible, the Firm attempts to minimize the cost to clients of brokerage services. The Firm selects broker-dealers to be utilized for its brokerage business with the exception of accounts that are specifically directed to a particular broker-dealer by the

client. Upon opening an account with the Firm, a client may elect to instruct the Firm to trade the account only with a specific broker-dealer (a “directed account”). In the case of a directed account, the Firm may not be able to seek to minimize the cost to clients of brokerage services as the Firm does not select the executing broker-dealer for trades. Under select circumstances and when beneficial to a directed account client, individual equity and/or fixed-income transactions may be effected by BM&O through a broker-dealer other than that to which the directed account is directed, in which event the client generally may incur both the transaction fee charged by the executing broker-dealer and a “trade-away” fee charged by the directed account custodian.

The Firm’s broker-dealers are selected based on a number of factors including: the broker’s execution capabilities; the broker’s level of knowledge about a given security and/or market and the broker’s ability to provide liquidity in a security; the research services and/or soft dollar¹ benefits provided to the Firm by the broker; and, commission charges. On all transactions effected by the Firm for its discretionary accounts that are not directed accounts, commission rates are negotiated to reflect the specifics of each trade. Commission totals are reported monthly for each broker. The Firm’s portfolio managers and traders evaluate these totals in light of the aforementioned factors for broker-dealer selection. In 2011, commissions were generally in the range of 1 cent to 6 cents per share. The amount paid in per share commissions on each trade may be affected by the size of the trade, the number of accounts in the allocation, the price of the stock and the venue (broker) selected.

In the event that BM&O is engaged to provide investment management services as part of an unaffiliated wrap-fee program, BM&O will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately. In the event that BM&O is engaged to provide investment management services as part of an unaffiliated managed account program, BM&O will likewise be unable to negotiate commissions and/or transaction costs. If the program is offered on a non-wrap basis, the program sponsor will determine the broker-dealer through which transactions must be effected and the amount of transaction fees and/or commissions to be charged to the participant investor account.

Orders for securities are aggregated whenever possible to both facilitate their execution and to minimize the per share transaction cost. All accounts participating in an executed block receive the average price on all transactions on any day. In the event an

¹ Soft dollars are defined by the SEC as arrangements under which products or services other than execution of securities transactions are obtained by an adviser from or through a broker-dealer in exchange for the direction by the adviser of client brokerage transactions to the broker-dealer.

aggregated order is not able to be completed on a given day (meaning the order is only partially filled), shares are randomly allocated across those accounts included in the original order. The Firm's head trader may, in consultation with portfolio managers, decide to allocate shares of a partially filled order in a different manner if allocating in a different manner results in more equitable treatment across accounts included in the original order. With respect to directed accounts, BM&O acknowledges that these clients may pay higher commissions than those that may be negotiated by BM&O when it effects securities transactions on behalf of its other clients. When orders for the same security across multiple accounts include both directed accounts and non-directed accounts, the order(s) for the non-directed accounts are executed before those of the directed accounts, which may cause the price received on the order to differ for the directed accounts in comparison to the non-directed accounts.

In limited circumstances, BM&O may engage in a cross transaction pursuant to which BM&O may effect transactions between two of its managed client accounts (i.e., arranging for the clients' securities trades by "crossing" these trades when BM&O believes that such transactions are beneficial to its clients). For all such transactions, neither BM&O nor any affiliate will be acting as a broker, and BM&O will not receive any commission or transaction-based compensation. The client may revoke BM&O's cross transaction authority at any time upon written notice to BM&O. BM&O's Chief Compliance Officer is available to address any questions a client or prospective client may have regarding the above.

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits. Research services provided by brokers generally benefit all Firm clients over a reasonable period of time. However, there is not and cannot reasonably be expected to be a direct connection between brokerage research value received and any given client's brokerage order. Research services received may include both proprietary research (that created or developed by the broker-dealer) and research created or developed by a third party. In 2011, BM&O entered into arrangements with broker-dealers to receive both industry and strategy research services (such as *The Bank Credit Analyst* and Institutional Research Services' reports), security pricing (such as Reuters Trader for Equities) and financial information (such as that provided via Value Line). During 2011, approximately 35-40% of commissions generated by the Firm as a result of trading with brokers generated soft dollar credits for the Firm. When client brokerage commissions are used to obtain research or other products or services, the Firm receives a benefit because the Firm does not have to pay for the research, products or services. The Firm may have an incentive to select or recommend a broker based on receiving research or other products or services, however under no circumstances will any client pay commissions higher than those charged by other brokers in return for soft dollar benefits.

Item 13 – Review of Accounts

Client accounts are generally reviewed by portfolio managers with the client on a quarterly or semi-annual basis, both in person and in writing. Client accounts are reviewed within the Firm by the responsible portfolio manager whenever an investment purchase or sale opportunity is developed by the Firm's investment committee. As a result each client account is generally reviewed at least monthly. The Firm's investment committee currently consists of nine (9) portfolio managers.

Clients usually receive statements monthly from their third-party custodian. The Firm sends appraisals to clients on either a quarterly or semi-annual basis. When a client's needs require, more frequent appraisals are provided. For accounts that are not billed for portfolio management services provided by the Firm, the Firm may provide appraisals less frequently than quarterly if at all.

In the event BM&O references private investment funds owned by a client on any supplemental account reports prepared by BM&O, the value(s) for all such client's interest(s) in private investment funds shall reflect either the initial purchase value of the fund(s) or the difference between the initial purchase value and cumulative distributions received from the respective private investment fund. Whenever possible the most recent valuation provided by the underlying fund sponsor/manager will be provided. Current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price. BM&O's Chief Compliance Officer is available to address any questions a client or prospective client may have regarding the above.

Item 14 – Client Referrals and Other Compensation

In January 2010 BM&O acquired the client accounts of Cedarpoint Capital Management. As a result, the Firm entered into a consulting relationship with an individual who is responsible for introducing the acquired accounts to the Firm and providing transition services regarding the acquired accounts. Said consultant is compensated based on a percent of the client fees earned on those accounts that have been introduced and transitioned by such individual. This agreement will be in effect until December 31, 2013 unless terminated earlier. Relevant clients, and any new clients solicited by said consultant, are aware of this arrangement.

Item 15 – Custody

The Firm does not accept custody of client cash or securities. Client's assets must be maintained at a qualified, third-party custodian (meaning independent financial institutions that are either federally regulated banks or broker-dealers registered with and regulated by the SEC). BM&O will work with any such qualified custodian and can recommend such qualified custodians upon a client's request. Clients should receive at

least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets. BM&O urges its clients to carefully review such statements and compare such official custodial records to the account statements provided by BM&O. BM&O's statements may vary from custodial statements based on accounting procedures, reporting dates and/or valuation methodologies of certain securities.

According to the Investment Advisers Act of 1940, as amended in December 2009, investment advisers are *deemed* under certain circumstances to have custody of clients' assets even though their clients' assets are held at a qualified custodian separate from the investment adviser. If an investment adviser is *deemed* to have custody of clients assets as a result of the certain circumstances, the investment adviser may be required to subject itself to an annual surprise audit by a third-party accounting firm. On this basis, BM&O is *deemed* to have custody of client assets (i) where BM&O is authorized to deduct portfolio management fees directly from client accounts and (ii) where Members or employees of the Firm serve as trustees on clients' accounts. BM&O is required to conduct a surprise audit only on those accounts where Members or employees of the Firm serve as trustees on clients' accounts. Such surprise audit was conducted in 2010 and 2011 by Lally & Co., LLC, an independent public accountant.

BM&O administers various West Virginia general partnerships for the purpose of facilitating access for qualified clients to unaffiliated private investment vehicles. Per the partnership agreements of these West Virginia general partnerships, neither the Firm nor any of its access persons has custody of any partnership's funds or securities within the meaning of Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended. Evidence of each partnership's ownership of any such unaffiliated private investment vehicles is maintained by an independent custodian. BM&O's Chief Compliance Officer is available to address any questions a client or prospective client may have regarding investments in unaffiliated private investment vehicles and the aforementioned West Virginia general partnerships.

Item 16 – Investment Discretion

As discussed above in Item 4, BM&O usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Such discretion is assumed by the Firm through (i) the execution of an investment advisory agreement with BM&O by the client and (ii) by appointment as or power of attorney to be the investment manager for the respective custodial account. In all cases, such discretion is exercised in a manner consistent with the stated investment objectives for the particular client account. Investment guidelines and restrictions must be provided to BM&O or agreed to with BM&O in writing.

When selecting securities and determining amounts, BM&O observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, BM&O'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.

Item 17 – Voting Client Securities

Clients may elect to have the Firm vote proxies on their behalf or otherwise vote proxies themselves for their accounts. The Firm is required to vote proxies for the Global Equity and Partners Funds as well as for common shares held in ERISA accounts. The Firm has created proxy voting policies and procedures to represent the best interest of the client and to comply with applicable law. These policies stipulate that proxies be exercised only in the best interest of the client. BM&O votes and maintains records of how all proxies for companies in which the Firm's clients have an equity interest were voted other than for those clients who have elected to vote proxies themselves. Clients may obtain a copy of BM&O's complete proxy voting policies and procedures upon request. Clients may also obtain information from BM&O about how BM&O voted any proxies on behalf of their account(s) where the client has appointed BM&O to vote proxies for the client's account(s). A client can direct a vote for a specific solicitation only if the client has apprised the Firm of its desire to do so for a particular company in advance. If a client elects to vote proxies for the client's account(s), such proxies will be provided directly to the client by the custodian. Clients voting their own proxies may contact their portfolio manager at the Firm to discuss any specific votes.

Item 18 – Financial Information

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

ANY QUESTIONS: BM&O's Chief Compliance Officer, Zoë Vlachos, remains available to address any questions regarding this Form ADV Part 2A.