

Bhirud Associates, Inc.

Client Brochure

This brochure provides information about the qualifications and business practices of Bhirud Associates, Inc. If you have any questions about the contents of this brochure, please contact us at 203.662.6659 or by email at: suresh@bhirud.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.

Additional information about Bhirud Associates is also available on the SEC's website at www.adviserinfo.sec.gov. Bhirud Associate's CRD number is: 30339

6 Thorndal Circle, Suite 205
Darien, CT 06820
203.662.6659
suresh@bhirud.com

Registration does not imply a certain level of skill or training.
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Item 2: Material Changes

There are no major material changes from our prior ADV Part 2. In this updated version we describe changes in clearing firm for retail advisory clients and also describe changes to our soft dollar policy.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

Bhirud Associates, Inc. (BAI) is a corporation incorporated in the state of New York. BAI has been in business since 1991. Its fiscal year ends on December 31. Suresh L. Bhirud is the principal and the majority owner, with 100% of the equity in the firm.

B. Types of Advisory Services

Money management services: BAI is the sole investment advisor to Apex Mid Cap Growth Fund, which is currently the principal business in the asset management area. BAI intends to manage money for high net worth individuals and for various pension funds with a focus on managing a diversified portfolio of equity securities.

Macroeconomic and equity market analysis research services: BAI currently markets research services that focus on in-depth analysis of macroeconomic trends that affect the outlook for equity markets. The research service includes publication of economic indicators, and analysis of the correlation between stock market indices and various economic, fundamental, and technical indicators. The research product also focuses on extensive analysis of various equity valuation indicators. The service also includes topical and timely short, as well as in-depth, reports on the outlook for the equity market and the economy. These research services are marketed to institutional clients only.

Equity securities analysis: BAI uses its expertise in technical and money flow analysis models for analyzing individual equity securities. These models are used for offering informal views on specific securities to institutional clients; however BAI does not publish research reports on individual equity securities.

C. Client-Tailored Services and Client-Imposed Restrictions

BAI currently is advisor to one equity mutual fund and has a very limited base of individual clients. BAI takes into account clients' objectives and preferences for risk in managing portfolios for individual retail clients. Our money management business currently is limited to investing in diversified portfolios of equity securities. We are willing to tailor a portfolio for a client's preferences, but have no formal plan in place to address restrictions on investing in any particular securities.

D. Wrap Fee Programs

We currently have no wrap fee programs.

E. Amounts Under Management

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$600,000	0	1/31/2012

Item 5: Fees and Compensation

A. Fee Schedule

Fee Schedule:

Money management:

For high net worth individuals, fees are as follows:
1% of assets, with no minimum threshold.

For pension fund clients, BAI will set fees as negotiated by the client.

Fees for research services: The equity research service is marketed only to institutional investors and there is no specific annual subscription price. It is expected that BAI will get compensated by brokerage commissions or soft dollars, at the discretion of the institutional client.

Brokerage commissions for retail clients: Effective as of this filing, retail advisory clients for BAI have their accounts at Interactive Brokers LLC (IB). Commissions charged by IB are at their highly discounted rates.

All fees are negotiable.

B. Payment of Fees

We normally deduct advisory fees from clients' assets and inform the client of any fees charged. Normally, we deduct the fees annually for retail clients. For institutional clients, we are subject to the billing and fees policy of the client.

C. Clients Are Responsible For Third-Party Fees

We currently have no individual institutional clients. In most cases, institutional clients pay for custodial fees. We are the advisor to Apex Mid Cap Growth Fund. The Fund pays third parties for custodial, shareholder, and accounting services. Clients are responsible for brokerage costs; see Items 5.A and 12.

D. Prepayment of Fees

We do not charge fees in advance for any of our services.

E. Outside Compensation for the Sale of Securities to Clients

BAI currently does not engage in selling securities or investment products for which it receives outside compensation. BAI is advisor to one mutual fund, Apex Mid Cap Growth Fund. BAI receives 12b-1 fees in connection with the marketing of the fund, which are fully disclosed in the prospectus. We do not invest clients' assets in the fund that we advise.

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

We currently do not charge performance-based fees to any of our money management clients.

Item 7: Types of Clients

For types of clients, see Item 4.B. Typical clients are high net worth individuals, pension funds, institutional investors, and Apex Mid Cap Growth Fund. There are no special requirements for opening or maintaining an account, or a minimum size.

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

A. Methods of Analysis and Investment Strategies

We mainly focus on running equity portfolios with a goal of maximizing returns. Unless the client specifies otherwise, the investment objective is normally to seek growth of capital. The portfolio construction takes into account the client's investment objective. The portfolio is diversified to the extent possible within the context of the total size (market value) of the client's portfolio. Generally speaking, all portfolios more or less hold the same securities. Some securities may be in a few portfolios and not in others due to the client's risk profile or other constraints.

BAI intends to achieve the investment objectives by investing primarily in a diversified portfolio of common stocks. Normally, BAI invests in the equity securities of companies that BAI believes have growth potential for revenues and earnings, as well as earnings-multiple expansion, based on fundamental research.

Our fundamental research includes analysis of recent earnings reports along with various news releases by the company. Some factors BAI may consider when selecting stocks include:

- Potential for future growth in revenues and earnings
- The value relative to the other investment alternatives
- The potential of a new product
- The potential for the company to be taken over
- Management capability and practices
- The economic and political outlook.

The decision to sell a security is based upon many factors. BAI will not necessarily dispose of a security just because its value decreases, unless we determine that the security is inconsistent with the client's investment objectives. Factors considered include:

- Increases in the price level of the security which the Manager believes reflect earnings growth too far in advance
- Changes in the relative opportunities offered by various securities
- Actual or potential deterioration of the issuer's earning power that the Manager believes may adversely affect the price of its securities
- Computer models for stock selection developed by the Advisor.

Clients should be investors who seek long-term capital growth and are willing to tolerate short-term fluctuations in price in order to achieve this objective. As with all equity investments, it is possible to lose money by investing in stocks. The securities held can decline in value.

Quantitative Strategies. For a certain group of clients who are willing to participate, BAI may offer quantitative fundamental screens for investment strategies, stock selection and portfolio construction. For clients who choose this method of investing, securities are bought and sold based on how they rank in the

quantitative modeling. There is no guarantee that this strategy will result in superior long-term or short-term performance. There is also a likelihood that this strategy will result in higher than normal turnover.

B. Material Risks Involved

Equity Risk. As with all equity investments, it is possible to lose money by investing in stocks. The securities held can decline in value. Investments in individual companies may not perform as anticipated. There is no guarantee that the stocks will generate income (e.g., dividends); companies are not obligated to pay dividends. Additionally, common stocks of any given issuer generally expose the stockholder to greater risk than preferred stocks or debt obligations of the same issuer, especially if the issuer were to declare bankruptcy. That is because common stockholders generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders and other creditors of such issuers.

Stock Market Risk. Since assets are primarily invested in a diversified portfolio of common stocks, an investment should be made with an understanding of the risks inherent in an investment in common stocks, including a susceptibility to general stock market movements and volatile changes in value.

Turnover. We may engage in short-term trading to try to achieve your investment objectives and thus portfolios may have a high annual portfolio turnover rate (over 100%). Frequent trading may result in higher transaction costs. Frequent trading may also result in higher taxes when shares are held in a taxable account. These costs affect the performance of the portfolio.

C. Risks of Specific Securities Utilized

Assets are invested in securities of small to large capitalization companies; however portfolios are adequately diversified based on each client's risk preference and the size of the portfolio.

Item 9: Disciplinary Information

There are no legal or disciplinary events against BAI or its principal officer.

A. Criminal or Civil Action

There are no criminal or civil actions against BAI or its principal officer, nor have there been any of these events for the entire history of BAI since its founding in 1991.

B. Administrative Proceeding before the SEC, Any Other Federal Regulatory Agency, or Any State Regulatory Agency

There are not any administrative proceedings before the SEC or any other Federal or state regulatory agency for BAI or its principal officer, nor have there been any of these events for the entire history of BAI since its founding in 1991.

C. Proceeding Before a Self-regulatory Organization (SRO)

There are not any proceedings before any SRO against BAI or its principal officer, nor have there been any of these events for the entire history of BAI since its founding in 1991.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

BAI is a registered investment advisor and a registered broker dealer with the SEC and is a member of FINRA and SIPC.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Not applicable.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

BAI is a broker-dealer. BAI is also advisor to the Apex Mid Cap Growth Fund. For information on possible conflicts of interest and how BAI addresses them, see Items 5.E, 11, and 12.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

Not applicable.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

We have a code of ethics on file, which is available to any client on request.

B. Recommendations Involving Material Financial Interests

We do not buy or sell securities where BAI principals or related persons have any financial interest. We only trade publicly listed securities on behalf of the client.

C. Investing Personal Money in the Same Securities as Clients

BAI trades securities for its retail money management clients.

BAI also buys and sells securities that it recommends to clients for the benefit of its principal officers. In such case, a transaction for the firm's account or the account of a principal is not given preferential treatment.

To avoid conflicts of interest with clients and to maintain high ethical standards:

- Trades for all clients and principals are entered at the same time and the average price of the trade is allocated across the board.
- We have a written Trade Allocation Policy, Insider Trading Policy, and Code of Ethics.
- In any transaction, if there is any conflict in allocating a trade, it is resolved in the clients' favor.
- BAI insures these procedures are followed by constantly monitoring its trades. We also keep hard copies of trade tickets where allocations to clients are clearly marked. These trade tickets are available for regulatory review. In addition, BAI'S clearing firm maintains an electronic version of the trade allocation for each trade. We download this information daily and save it with adequate normal backups.

The firm has on file as a part of its operations and its internal controls a description of its code of ethics, insider trading policy, and trade allocation policy. The Trade Allocation Policy is copied below.

Trade Allocation Policy

Trades for all clients and principals are entered at the same time, where feasible, as a block, and the average price of the trade is allocated across the board for all participants. This approach may not work when we are executing trades through different brokerage firms, depending on the client. In any case, care is taken to give client trades preference over the trades of BAI and its principals.

BAI uses a "bottom up" approach to block trading. Generally, we buy the same security for all clients, with some exceptions, and for our personal account. In some cases, we may not buy a security for a particular client, as it may not be appropriate for that particular client due to the client's investment objectives, risk profile, limited cash reserves, or other constraints. All investment opportunities are allocated in all clients' accounts, subject to size limitations and client objectives. Once we determine which accounts should purchase a particular security, we execute one block trade, and then allocate the shares amongst the different accounts at the average price of the trade.

We mainly focus on running equity portfolios with a goal of maximizing returns. The portfolio construction takes into account the client's investment objective. The portfolio is diversified to the extent possible within the context of the total size (market value) of the client's portfolio. Generally speaking, all portfolios more or less hold the same securities. Some securities may be in a few portfolios and not in others due to the client's risk profile or other constraints. All investment opportunities are allocated in all clients' accounts subject to size limitations or client objectives.

D. Trading Securities At/Around the Same Time as Clients' Securities

See response to Item 11.C.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

See Item 12.A.3.

1. Research and Other Soft-Dollar Benefits

Effective as of this filing, BAI intends to use soft dollars to pay for the data services provided by various vendors and for exchange fees paid for data feeds. Use of soft dollars to pay for these services may benefit one group of clients more than others.

2. Brokerage for Client Referrals

We do not recommend or direct client transactions to any broker-dealer in return for client referrals.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Effective as of this filing, retail advisory clients for BAI have their accounts at Interactive Brokers, LLC (IB). Commissions charged by IB are at highly discounted rates. IB was selected for its highly discounted commission schedule and modern technological platform for execution.

If BAI were to manage money for institutional clients, it would go by the directive of clients regarding selection of custodian, as well as advisory fees and commissions charged on brokerage trades. In the case of these clients, BAI may recommend to clients that they use the brokerage arm of BAI to effect transactions. The primary factors considered in selection of the brokerage firm are services provided by the brokerage firm – e.g., research for selecting stocks for investment. These research services can include technical and fundamental analysis. Another important factor is ease of execution; this includes technology-based trade execution platforms. Reasonableness of commissions charged is also taken into account. Another important consideration is computer systems offered by the broker to keep historical backups of trade confirms as well as maintaining a trade history for each client, which can be accessed by Excel programs.

The firm also discloses that all commissions are negotiable and that normally it charges discounted or institutional commission rates of 3 to 10 cents per share, but sometimes even lower commissions as negotiated by the clients. BAI is an advisor to a mutual fund and may start other mutual funds.

Our evaluation of the reasonableness of our commissions is available on request.

Clients who direct BAI to execute trades through a broker dealer other than BAI should be aware that they might have to pay higher commission rates or suffer from quality of execution.

B. Aggregating (Block) Trading for Multiple Client Accounts

See response to item 11C.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

The president of BAI frequently reviews the holdings of each client. Typically, the account review takes place at least once a month. All holdings are monitored on a daily basis through a real-time live quote system as well as through a chart package that monitors technical characteristics of each security in the portfolio. The primary purpose of the charting software package is to determine if the security in question is at risk of declining in absolute terms or if the security is underperforming meaningfully relative to the overall equity market.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

See response to Item 13A.

C. Content and Frequency of Regular Reports Provided to Clients

Clients receive month-end or quarterly statements directly from our clearing firm. BAI does not provide account statements directly to clients. For our retail money management clients, we do not provide formal regular reports on their accounts. However we are willing to provide a written report to a client if requested by the client.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

We currently do not use third parties for investment advice. All decisions made for clients' portfolios are based on our in-house expertise.

B. Compensation to Non-Advisory Personnel for Client Referrals

We currently do not have any arrangement to compensate a non-supervised person for client referrals.

Item 15: Custody

BAI does not have custody of client funds. BAI does not provide account statements directly to the clients. The client will receive month-end or quarterly statements directly from our clearing firm. The client is expected to review the month-end statements and also compare them against the trade confirmations the client receives from the clearing firm.

Item 16: Investment Discretion

Clients sign a formal advisory agreement that grants BAI discretionary authority to manage securities on behalf of clients. BAI takes into account clients' objectives and preferences for risk in managing portfolios for individual retail clients. Our money-management business currently is limited to investing in a diversified portfolio of equity securities.

Clients may place any limitation they want to place on BAI as to its exercise of discretionary authority, as long as the client informs BAI in writing and it is included in the formal advisory agreement that BAI requires the client to sign and authorize.

Item 17: Voting Client Securities (Proxy Voting)

BAI has authority to vote for securities held in the APEX Mid Cap Growth Fund. The policies and procedures are disclosed in the Statement of Additional Information for the fund, which is on file with the SEC.

For our current base of retail clients, we do not have authority for proxy voting. The clients are directly responsible for proxy voting. The clients receive their proxies directly from their custodian or our clearing firm.

Item 18: Financial Information

A. Balance Sheet

We do not solicit advance prepayments from any clients, so a balance sheet for BAI is not provided here.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

We do not have custody of client funds or securities nor do we solicit advance prepayments from any clients, so our financial condition does not impair our ability to meet contractual commitments to clients. Furthermore, our contractual commitment is limited to having discretionary authority to invest clients' funds in a diversified portfolio of equity securities.

C. Bankruptcy Petitions in Previous Ten Years

There have not been any bankruptcy petitions against BAI for the last ten years.

Item 19: Requirements for State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

Suresh L. Bhirud

Education:

Regional Engineering College, Durgapur, India - B.E. in Mechanical Engineering.

Columbia University, New York, NY - M.B.A. in Finance and Security Analysis.

Business Experience:

Bhirud Associates, Inc., President and CIO, 1991- present.

Dean Witter Reynolds, Chief Investment Strategist from 12/1990 to 4/1991.

Oppenheimer & Co., N.Y., NY, Chief Investment Strategist from 9/1987 to 11/1990.

Chemical Bank/Quantum, N.Y., NY, Exe. V.P. and Portfolio manager from 6/1987 to 9/1987.

First Boston Corporation, N.Y., NY - Chief Investment Strategist 7/1982 to 6/1987

- Quantitative Analyst 6/1972 to 7/1982.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

None.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

BAI does not charge performance-based fees.

D. Material Disciplinary Disclosures for Management Persons of this Firm

BAI has not been involved in any such disciplinary events, nor has any management person of BAI.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

None.