

# Wulff Capital Management

A Division of Wulff, Hansen & Co.

351 California Street

San Francisco, CA 94104

415-421-8900

This Brochure is required by regulation and provides information about the investment advisory services, qualifications and business practices of Wulff Capital Management, a division of Wulff, Hansen & Co. Regulations require that we provide Information about each item number addressed in it. Wulff, Hansen & Co. is a registered investment adviser. Being registered as an Investment Adviser means that we have met the legal requirements for registration with the regulatory authorities, but such registration does not imply any particular level of skill or training, nor does it guarantee successful investment results. Additional information about us is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), and on our own website at [www.wulffhansen.com](http://www.wulffhansen.com). If you have any questions about the contents of this Brochure, please contact us at the telephone number above.. 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.

The date of this brochure is April 30, 2012

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules or State requirements. Our original Brochure dated March 31, 2011 was a new document prepared according to the SEC’s new requirements and rules. As such, that Document was materially different in structure and required certain new information that our previous Form ADV Part II did not require.

This Item 2 (Material Changes) discusses only specific material changes that are made to the Brochure since the last version was produced and will provide you with a summary of such changes. We will also reference the date of our last annual update of our brochure. We may provide this Item 2 in a separate document accompanying the brochure.

The only material change to the Brochure since the original version dated March 31, 2011, is an update concerning the timing of our transition from SEC registration to State registration, which is now expected to take place during 2012. Any other changes are not material in nature.

In the past we have offered and/or delivered a copy of our SEC Form ADV Part II on at least an annual basis. Pursuant to new SEC Rules, we will in future ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at 415-421-8900.

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## **Item 4 – Advisory Business**

Wulff, Hansen & Co. is an investment advisor and is also a registered securities broker/dealer. We were established in 1931 and have been active in both of these businesses for nearly 80 years. We are a privately owned firm based in San Francisco and are owned by some of our employees. The only person owning or controlling more than 25% of our stock is Mr. Christopher Charles.

Our advisory business consists largely of providing investment management or supervisory services to our clients on a continuing basis. We may also, where appropriate, provide investment advice or consultation in specific non-recurring situations where ongoing advice or supervision are not required by the client. Our advice is directed toward the management of investment portfolios consisting of securities. We do not provide the services commonly referred to as ‘financial planning’, nor do we manage portfolios including investments such as directly owned real estate, insurance, collectibles, or other non-securities investments. These limitations on the services we offer do not reduce risk and may add to it.

Our investment decisions take into consideration the individual needs, objectives, and circumstances of our individual clients, and as a result our clients’ portfolios may differ from one to the next. In general, our clients do not themselves impose restrictions on investing in certain securities or types of securities, but if this is important to a client we ask that the client let us know so that we can discuss the matter with him or her.

We do not offer or participate in ‘wrap fee’ programs or manage investment advisory accounts on any basis other than those described in this Brochure. As of March 31, 2012, our client assets under discretionary management were \$57.5 million and client assets managed on a non-discretionary basis were \$1.6 million .

## Item 5 – Fees and Compensation

When we provide continuous investment management or supervisory services we are compensated by an asset-based fee. When our services are limited to providing investment advice or consultation in specific non-recurring situations where ongoing advice or supervision are not required by the client, we may charge an hourly or a fixed-rate fee for the particular task completed. Such fees are determined by the nature of the task involved.

Basic asset-based fees appear at right. Fees are billed quarterly in advance, and are refundable upon cancellation on a pro-rata basis in accordance with terms of the advisory contract.	Percent		Net Asset Value
	1.25	Of the first	\$500,000
	1.00	Of the next	\$750,000
	0.75	Of the next	\$2,750,000
	0.50	Above	\$4,000,000

Fees are generally not negotiable except in unusual circumstances. Such circumstances may occur when a client is a non-profit entity where the firm or its employees have a special interest in supporting its work and thus want to offer it a contractual discount. Clients with significant assets in multiple accounts under the same or similar ownership may negotiate for account values to be combined for billing purposes, but we may or may not agree to such an arrangement. Whether we are willing to do this will depend on the size of the combined accounts, other business relationships with the client, the nature and longevity of our relationship with the client, and on other facts and circumstances pertaining to the particular situation. A non-contractual discount may, in our discretion, be offered, but not negotiated for, where special circumstances make such an offer appropriate during a period during which the special circumstances prevail. Examples might include, but are not limited to, a portfolio whose objective severely constrains the amount of management required (such as one where substantially all positions are inherently restricted to high-grade short-term debt securities, or where a client chooses to make many of the investment decisions himself), during a transition period for a new client, where a personal or family relationship exists with an employee, or where a long-time client encounters temporary financial difficulty. Should the unusual circumstances leading us to offer the discount cease to exist, or if we should no longer be willing to offer it, the fee would revert to the contractual rate.

The specific manner in which our fees are charged is established in a client's written agreement with us. We will generally bill fees on a quarterly basis in advance. Clients may elect to be billed directly for fees or to authorize us to directly debit fees from client accounts. Management fees are not prorated for each capital contribution and withdrawal made during the applicable calendar; they are calculated based on the assets in the account at quarter-end. This means that a client who withdraws a substantial portion of his account early in the quarter has paid fees on the assets which have been withdrawn and thus will have spent more, as a percentage of the remaining assets, than would one who made no withdrawals or who delayed withdrawals until the end of the quarter. Conversely, a client who deposits a substantial amount shortly after a quarter begins will receive our management services on the deposited amount despite the fact that he or she has not paid any fees for those additional services for that quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee, although if the account is initiated late in the quarter we may, in our sole discretion, choose to waive some or all fees for that initial period. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client in his managed account. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by third-party managers, custodial fees, deferred sales charges on certain securities, odd-lot differentials, 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 our fee, and we do not receive any portion of these commissions, fees, and costs should they exist.

Item 12 further describes the factors that we consider if we recommend broker-dealers to provide service to our clients and in determining the reasonableness of their compensation (*e.g.*, commissions).

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

We do not charge 'performance fees' based on a specified share of capital gains on or capital appreciation of the assets of a client rather than those based simply on the value of the client's assets under management. This is true because we believe that such 'performance fee' arrangements may create an incentive for an adviser to recommend

investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor 'performance fee' paying accounts over other accounts in the allocation of investment opportunities. Although our existing asset-based fee structure also suffers a conflict of interest in that our fees will increase if our clients' accounts grow in value, we believe that this conflict may be less than that applying to 'performance-fee' arrangements.

## **Item 7 – Types of Clients**

Wulff Capital Management provides portfolio management services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, and charitable institutions, foundations, endowments, and private investment and other entities. While we have no fixed minimum account size or requirement, it would be unusual for us to accept a client with less than \$250,000.

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

The investments we recommend to our clients are publicly traded securities and may include equity and fixed-income securities issued by corporations, governments, and business entities such as limited partnerships, investment trusts, American Depositary Receipts (ADRs) or mutual funds. We may also have occasion to invest in types of securities not listed here. Investing in securities involves risk of loss that clients should be prepared to bear.

The specific investments we recommend to a client will vary depending on the client's investment objective, tolerance for risk, and market conditions. We recommend securities which we believe may have desirable potential returns because their current market price is not consistent with our perception of their underlying economic value, their growth prospects, income stream, or other factors such as the strength of management or anticipated changes in the industry.

We generally take a long-term view of investments, and only rarely engage in short-term trading for client accounts. During unusually volatile market conditions client accounts may have more transactions than in calmer times, and when market conditions make it difficult to identify securities which we believe are both attractively priced and suitable for our clients, client accounts may have little or no turnover for extended periods of time. During such periods client accounts may hold larger amounts of cash or short-term liquid investments, which may have a lower return than more risky securities.

All investment programs involve risk. Investing in securities is inherently risky, although during long bull markets many investors tend to forget this. Prices of securities change due to general market and economic conditions, interest rates and inflation, perceptions regarding the security's industry or market, and a company's particular circumstances. During volatile times prices can change very rapidly, sometimes so fast that we may not be able to act on an investment decision at a desirable price. In addition to these general risks, our own approach, like any other, has risks of its own. A security which we have identified as undervalued may continue to be undervalued for an extended period of time, thus failing to generate the returns we thought possible at the time of purchase. It may not have been undervalued at all; we may have misjudged it. A company which we believed to have superior growth prospects may not grow as we believed it would. A fixed-income security may suffer from an unanticipated decline in credit quality or a change in interest rates. We may be wrong in many possible ways: Sometimes, despite our best efforts, things don't work out as we had anticipated. We believe that all investment managers make investment mistakes from time to time, and we are no different.

There are many risks involved with investments in general, with our investment approach, and with any individual security. We are prepared to discuss these risks with our clients at any time, and encourage each client to be aware of them.

## **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 us or of the integrity of our management. We have concluded that we have no reportable information applicable to this Item.

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

As noted above, Wulff, Hansen & Co. is also engaged in businesses other than giving investment advice. Our principal business is that of a securities broker/dealer and in that capacity we sell investment products and services to our brokerage clients and to issuers of securities. In connection with our broker/dealer activities we are also registered as an insurance agent. It is important to note that the investment advisory relationships to which this brochure applies are managed separately from the business of our broker/dealer and other activities, and we do not act as a broker/dealer or insurance agent, charge brokerage fees, hold assets in custody, or receive any remuneration as a broker/dealer with regard to



any transactions, assets, or monies in a managed account which is subject to an investment advisory fee.

In addition to the above, we are also registered with the SEC and the Municipal Securities Rulemaking Board as a Municipal Financial Advisor, in which role we provide public entities with advice on the issuance of municipal securities and related matters.

## **Item 11 – Code of Ethics**

Wulff Capital Management 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 includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Wulff Capital Management must acknowledge the terms of the Code of Ethics annually, or as amended.

We anticipate that, in appropriate circumstances, consistent with clients' investment objectives, we will cause accounts over which we have management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which we, our affiliates and/or clients, directly or indirectly, have a position or interest. Our employees and persons associated with us are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, our officers, directors and employees may trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. We monitor our employee trading under the Code of Ethics and various securities regulations in order to reasonably prevent conflicts of interest between ourselves and our clients.

Our clients or prospective clients may request a copy of the firm's Code of Ethics by contacting our San Francisco main office.

It is our policy that the firm will not affect any principal or agency cross securities transactions for client accounts being managed under an investment advisory agreement. We will also not cross trades between unrelated client accounts, and will do so between related accounts only after discussion with the clients. 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. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. 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.

## **Item 12 – Brokerage Practices**

We do not select the broker/dealer chosen to hold a client's managed account, nor do we control or set the commissions or other fees that the selected broker/dealer will charge. We do not receive any part of the broker/dealer's revenue.

Each client has full authority to select the broker/dealer carrying his account, although we reserve the right to decline to manage an account if we believe that the client's chosen broker/dealer may prove unwilling or unable to provide satisfactory pricing or services or otherwise meet the needs of the client's account. We may suggest one or more unaffiliated broker/dealers for a client's consideration but we receive no compensation, from any source, for so doing. In suggesting an unaffiliated broker/dealer to a client, we will consider a firm's reputation, history and standing in the industry, its financial condition, its physical locations, its commissions and other charges, the general level of service provided, and such other factors as may be considered relevant at a particular time or for a particular account.

We do not receive investment research, recommendations, or other similar services from the broker/dealers carrying our client accounts. We do receive online or paper access to trade confirmations, statements, tax reports, compliance-related information, publicly available market data and statistical information, and other similar items. We are not charged for this information or for general online access to information about our client

accounts and their activity. We do not believe that our receipt of these services represents a conflict of interest with our clients, as they are standard in the industry and available at no charge from many different brokerage firms.

As part of our duty to seek best execution of all client orders, when more than one client is purchasing or selling the same security at the same time on the same day we may aggregate these individual trades into one larger order in the interest of maximizing fairness and equal treatment. We believe that if such individual orders were entered separately some clients would likely receive more favorable execution prices than would others. By 'bundling' such contemporaneous orders into a single large transaction, each client is expected to receive the same execution price and no client is likely to be unfairly advantaged or disadvantaged by the sequence in which individual transactions are entered or executed.

### **Item 13 – Review of Accounts**

Investment advisory account reviews are performed by our staff. Stock market or industry performance, economic conditions, or a change in the investment objective or financial circumstances of a client are among the factors that may trigger a review. Generally, the supervised assets in our fee-based managed accounts are under ongoing surveillance. Clients may request a review or analysis of their account or a consultation at any time.

Clients receive monthly or quarterly statements from the broker/dealer having custody of the assets, and also receive additional information following the end of the calendar year. Clients also receive, at no charge, interim and annual reports from us which contain information about their holdings, income and dividends, capital gains and losses, and other tax-related data which they may share with their tax adviser.

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

We do not accept any payments, other compensation, or economic benefits from any third party in connection with providing advisory services to our clients except as disclosed in this Brochure under 'Brokerage Practices', where we describe certain information and other services that we may receive from broker/dealers having custody of client accounts.

No one other than our own staff is authorized to solicit prospective clients on our behalf, and we do not compensate any third parties for referring prospective clients to us.

## **Item 15 – Custody**

Clients normally receive monthly statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. If there is no activity during a particular period the statements are still to be sent at least quarterly. We urge clients to carefully review such statements and compare these official custodial records to any reports or statements that we may provide to them. Our reports may occasionally vary from custodial statements based on accounting procedures, reporting dates, the existence of executed but as yet unsettled trades, or valuation methodologies used in pricing certain securities. If a client notes such a variance he should take steps to investigate the reasons for it.

## **Item 16 – Investment Discretion**

We usually receive discretionary authority from the client at the outset of an advisory relationship to select the identity, timing, and amount of securities to be bought or sold. In all cases, however, we are to exercise this discretion in a manner consistent with the stated investment objectives for the particular client account.

In certain limited circumstances a client's managed accounts may contain specified unsupervised assets which are not under our ongoing management or subject to our investment advisory contract and regarding which we do not provide investment advice. A client wishing to make such an arrangement for a particular asset or assets should discuss the matter with us, and any resulting agreement will be made in writing.

When selecting securities and determining amounts to be bought or sold, we attempt to observe the investment objectives, limitations and restrictions of the client. If a client desires any specific limitations or restrictions beyond those appearing in the investment advisory contract he should discuss them with us and then, if we have agreed to manage the account on that basis, he must provide those instructions to us in writing.

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

As a matter of firm policy and practice, we do not generally accept any authority to vote proxies on behalf of advisory clients. Clients retain the responsibility for considering and voting proxies for any and all securities maintained in client portfolios. We may, however, provide opinions or advice to clients regarding the clients' voting of a particular proxy should a client make a specific request for such an opinion or advice. We may also, in temporary or unusual circumstances, make an exception to this policy upon the specific request of a client. Any such arrangement must be documented in writing and may be terminated by us at any time without notice. Our policy on proxy voting is intended to encourage our clients to better understand their investments by reading the proxy and other mailings sent directly to them by the various issuers prior to a vote.

## **Item 18 – Financial Information**

We do not require prepayment of management fees six months or more in advance, and we have no financial condition that impairs our ability to meet contractual commitments to clients, nor have we been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements for State-Registered Advisers**

We are presently registered with the United States Securities and Exchange Commission, which is our primary regulator. Changes to Federal law made in during the financial reforms of 2010 mean that during 2012 we are required to de-register with the SEC and register instead as a state-regulated entity. When this occurs we will update this brochure and inform our clients of the change and the date it became effective.

# Wulff Capital Management

A Division of Wulff, Hansen & Co.

351 California Street

San Francisco, CA 94104

415-421-8900

## Brochure Supplement

This Brochure Supplement contains information about the supervised persons who formulate investment advice for our clients and have direct client contact, or who have discretionary authority over a client's assets even if they have no direct client contact. It supplements our Brochure. You should have received a copy of that brochure. Please contact us at the number above if you did not receive our brochure or if you have any questions about the contents of this supplement. Additional information about all of these persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The Wulff Capital Management staff members meeting the description above are Mr. Christopher Charles, Mr. Dennis Steinkamp, and Mr. Richard Romano. Mr. Charles and Mr. Romano are located in our San Francisco main office at the address and telephone number above. Mr. Steinkamp is located in our Lodi, California office at 1300 West Lodi Avenue, Lodi, CA 95242. The telephone number of that office is 209-333-7700.

The date of this Supplement is March 31, 2011.

## Information About Our Staff

This table contains background and business information about the supervised persons who formulate investment advice for our clients and have direct client contact, or who have discretionary authority over a client's assets even if they have no direct client contact. It does not include other persons who, although they may perform work related to our investment advisory activities requiring client contact or access to client account information, do not meet the description set forth above.

	Christopher Charles	Dennis Steinkamp	Richard Romano
Educational background and business experience	Mr. Charles was born in 1956 and attended the University of Iowa and entered the investment business in 1979. He holds the Series 7 (Registered Representative), 24 (General Securities Principal), 53 (Municipal Securities Principal), 55 (NASDAQ Trader), and Series 79 (Investment Banking) securities licenses issued by FINRA. Mr. Charles has served since 2002 as Chairman and President of Wulff, Hansen & Co. He also oversees the firm's investment advisory division, Wulff Capital Management, which he founded in 1985. Mr. Charles joined the firm in 1979.	Mr. Steinkamp was born in 1960, attended Oregon State University, and entered the investment business in 1984. He holds the Series 7 (Registered Representative) and Series 63 securities licenses issued by FINRA and is the holder of a California insurance license. Mr. Steinkamp is a Vice President of Wulff, Hansen & Co. and has been with the firm since 1984.	Mr. Romano was born in 1960, attended the University of San Francisco, and entered the investment business in 1993. He holds the Series 7 (Registered Representative), 24 (General Securities Principal), 53 (Municipal Securities Principal) and Series 63 securities licenses issued by FINRA. Mr. Romano is a Vice President of Wulff, Hansen & Co. and has been with the firm since 1995.
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 our staff. We have no reportable information applicable to this Item.		

Other Business Activities	<p>Mr. Charles, Mr. Steinkamp, and Mr. Romano are all employed by and engaged in the business of Wulff, Hansen &amp; Co., which is both an investment advisor and a registered broker/dealer (see Brochure for more information). We have concluded that their association with both the broker/dealer and the investment advisory divisions of Wulff, Hansen does not appear to create a material conflict of interest with advisory clients. Both they and Wulff, Hansen itself receive compensation in connection with broker/dealer activities but such broker/dealer compensation is not received in connection with investment advisory accounts.</p>	
Additional Compensation	<p>Mr. Charles and Mr. Steinkamp are stockholders of Wulff, Hansen &amp; Co. and consequently have an economic interest in the firm's overall financial results.</p>	<p>Mr. Romano receives no compensation other than fees in connection with our investment advisory activities.</p>
Supervision	<p>Mr. Charles is the Chief Compliance Officer for both our broker/dealer business and our investment advisory activities. Mr. Romano is a Supervisory Principal. Mr. Charles has overall supervisory authority for both our broker/dealer and investment advisory activities and staff (including Mr. Romano and Mr. Steinkamp), shares some of his supervisory duties regarding Mr. Steinkamp with Mr. Romano, and is himself supervised by Mr. Romano. Supervision of our investment advisory business takes place through supervisory reviews of transactions, email and written correspondence, personal trading, office inspections, and many other means. Questions regarding the supervision of Messrs. Steinkamp or Romano should be directed to Mr. Charles at 415-421-8900; those regarding Mr. Charles should be directed to Mr. Romano at the same telephone number.</p>	