

March 15, 2011

Canon Capital Investment Advisory

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[www.canoncapital.com](http://www.canoncapital.com)

This brochure provides information about the qualifications and business practices of Canon Capital Investment Advisory. If you have any questions about the contents of this brochure, please contact us at the above telephone number or mailing address. 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 Canon Capital Investment Advisory is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Material Changes**

Since this is the initial issue of the revised Part 2 of Form ADV, there are no revisions at this time.

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## **Advisory Business**

Canon Capital Investment Advisory, (the “firm”), was incorporated on January 12, 1989 with the purpose of serving the investment management needs of clients. The firm was initially registered with the Pennsylvania Securities Commission, and as a result of the assets under management growth, is currently registered with the federal Securities and Exchange Commission (SEC). As of January 31, 2011, the firm managed approximately \$100 million on a discretionary basis. A clients’ non-discretionary assets may be considered. The principal owner of the firm is Peter J. Roland.

The firm is responsible for managing clients’ overall investment strategy, which may include deciding on the client’s asset allocation, developing the client’s investment strategy, implementing the strategy with appropriate investment managers, and monitoring the strategy on a one-time or ongoing basis. The firms’ investment management services are tailored to clients’ unique needs and any restrictions communicated by clients.

The firms’ investment advisory services are based on a Fiduciary Quality Management System which contains steps that are consistent with the global ISO 9000 Quality Management System standard. The firm has been certified by the Center for Fiduciary Excellence (CEFEX) for adherence and conformity to investment fiduciary best practices. In addition, all management employees meet the requirements of the Employee Retirement Income Security Act of 1974 to serve in a fiduciary capacity.

## **Fees and Compensation**

For managed accounts, Canon Capital Investment Advisory will be compensated for its investment supervising service based on a percentage of assets under management. That annual percentage is as follows.

| <b><u>Investment Portfolio Size</u></b> | <b><u>Managed</u></b> | <b><u>Not For Profit</u></b> |
|---|-----------------------|------------------------------|
| \$0 - \$199,000                         | 1.25%                 | .75%                         |
| \$200,000 - \$999,000                   | 1.00%                 | .75%                         |
| \$1,000,000 - \$4,999,999               | .90%                  | .50%                         |
| \$5,000,000 +                           | Negotiable            |                              |

Fees are prorated and electronically deducted from client accounts on a quarterly basis. Clients may elect to have all fees deducted from a specific account or be directly billed.

Although we primarily use no transaction fee mutual funds, on occasion ETF or transaction fee funds may be purchased. In addition, each mutual fund has internal administrative and management fees, as disclosed in their prospectus.

## **Performance Based Fees and Side by Side Management**

For investment accounts as stated in the Investment Monitor Service Agreement paragraph 11, "Canon Capital Investment Advisory shall not be compensated on the basis of a share of capital gains upon, or capital appreciation of, the funds or any portion of the funds of the client."

## **Types of Clients**

Canon Capital Investment Advisory primarily serves retirement plans, high net worth individuals, Trustees, and Institutions (For Profit and Not-For-Profit).

## **Methods of Analysis, Investment Strategies, and Risk of Loss**

A spectrum of investment allocations from Aggressive (higher return, higher risk) to Conservative (lower return, lower risk) are selected using portfolio optimization which is based on the re-sampled efficient frontier. Each allocation has an estimated average five year return and an estimated 2.5% probability worst loss. An estimated one sigma range of returns is also specified. Within each allocation is a list of diversified asset classes with a specified percentage for each type of investment.

We use a proprietary method to rate, choose, and monitor investments for each category.

While all investments have a measure of risk, Canon Capital uses mutual funds and ETF's (Exchange Traded Funds) to spread client risk. In meetings with clients, the downside risks are noted for each allocation and clients are counseled not exceed the risk to which they can safely accommodate.

**Investing in securities involves a risk of loss which clients must be prepared to bear.**

## **Disciplinary Information**

Canon Capital Investment Advisory maintains a compliance department which ensures adherence to all regulatory agency requirements.

Canon Capital Investment Advisory and its officers and advisors have never been the subject of a disciplinary action of either the SEC or the Pennsylvania Securities Commission.

## **Other Financial Industry Activities and Affiliations**

Canon Capital Investment Advisory is affiliated with Canon Capital Management Group. The group is comprised of a Certified Public Accounting firm, an Investment Advisory firm, a Computer Solutions firm, a Payroll Processing firm, and an Insurance Services firm.

All of these services augment but do not conflict in any way with the management of client portfolios.

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

The firm has adopted a written Code of Ethics in compliance with SEC rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

It is further noted that applicant is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, applicant has adopted a firm wide policy statement outlining insider trading compliance by applicant and its associated persons and other employees of applicant and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, applicant has adopted a written supervisory procedure statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of applicant, are signed, dated and filed with the insider trading compliance materials. These are provisions adopted for (1) restricting access to files, (2) providing continuing education, and (3) restricting and/or monitoring trading on those securities of which applicant's employees may have non-public information, (4) requiring all of applicant's employees to conduct their trading through a specified broker or reporting all transactions promptly to applicant, and (5) monitoring the securities trading of the firm and its employees and associated persons.

Applicant or individuals associated with applicant may buy or sell securities identical to those recommended to clients for their personal account.

It is the expressed policy of applicant that no person employed by applicant may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

Applicant or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations may represent a conflict of interest, applicant has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of applicant shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of applicant shall prefer his or her own interest to that of the advisory client.
- 2) Applicant maintains a list of all securities holdings for itself, and anyone associated with this advisory practice. These holdings are reviewed on a regular basis by the Chief Compliance Officer and the President.
- 3) Applicant requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- 4) An individual not in observance of the above may be subject to termination.



## Brokerage Practices

When we initially enroll the client, we do determine the broker to register as account custodian based upon the need of the client and cost i.e. best execution, equities and funds available, and level of trading fees. Canon Capital Investment Advisory in no way receives any material benefit from this choice nor do we receive any soft dollar remuneration.

The following paragraph describes the standard services to all advisors of Charles Schwab.

TD Ameritrade provides similar services to all of their clients.

Canon Capital Investment Advisory may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC/NYSE, to maintain custody of clients' assets and to effect trades for their accounts. Schwab Institutional provides Canon Capital Investment Advisory with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor's clients' accounts assets are maintained at Schwab Institutional. Schwab Institutional services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab Institutional also makes available to Canon Capital Investment Advisory other products and services that benefit Canon Capital Investment Advisory but may not benefit its clients' accounts. Some of these other products and services assist Canon Capital Investment Advisory in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of Canon Capital Investment Advisory's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Canon Capital Investment Advisory accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide Canon Capital Investment Advisory with other services intended to help Canon Capital manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to Canon Capital Investment Advisory by independent third-parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Canon Capital Investment Advisory. The availability to Canon Capital Investment Advisory of the foregoing products and services is not contingent upon Canon Capital Investment Advisory committing to Schwab Institutional any specific amount of business (assets in custody or trading).]

## **Review of Accounts**

For the managed account investment monitor service, accounts are reviewed, at a minimum quarterly. These reviews determine if current recommended funds are in the account and if accounts are properly allocated. Inquiry calls from clients, as well as significant deposits and withdrawals, will also be cause for a review. All reviews are conducted by affiliated persons of Canon Capital Investment Advisory.

For the non investment-monitor service clients, whose investments are not in Canon Capital Investment Advisory master accounts with custodians, an ongoing review is not part of the engagement unless specifically stated in an engagement letter.

Clients participating in the investment monitoring service receive periodic reports from the independent brokerage house showing the activity in the account. Clients participating in the investment monitoring service receive quarterly performance reports prepared by Canon Capital Investment Advisory.

## **Client Referrals and Other Compensation**

Canon Capital Investment Advisory does not use solicitors or other outside parties for acquiring client accounts.

## **Custody**

We do not take custody of client funds. All client assets are held by nationally recognized custodians, independent of Canon Capital, who send a monthly statement to the client. Canon Capital sends a detailed statement to the client on a quarterly basis.

Clients are notified in writing to compare the Canon Capital quarterly statement with that received from the custodian as a way to verify that everything is in order.

## **Investment Discretion**

The primary service of Canon Capital Investment Advisory is Discretionary Asset Management. This means that the client gives Canon Capital financial Limited Power of Attorney to manage the funds entrusted to Canon Capital governed by an Investment Policy Statement which the client completed and signed. In this statement the client restricts the advisor to a definite allocation of their assets together with any other restrictions (i.e. no real estate, no mutual funds that hold tobacco stocks, etc.) that the client may specify.

## **Voting Proxies for Client Securities**

Canon Capital accepts the authority to vote proxies for client securities and mutual funds held at Schwab and TD Ameritrade. A copy of the Canon Capital Proxy Voting Policy is given to a client when they become a client.

If a client wishes to decline this service and vote their own proxies, the custodian of their holdings will be notified and all information will be sent directly to them for action.

It is emphasized to the client that they can obtain a record of their proxy voting history at any time upon request.

Canon Capital votes all proxies for any client in a manner solely in the interests of the client. The company considers only those factors related to the client's investment. Proxy votes generally will be cast in favor of the proposals that increase shareholder value.

## **Financial Information**

**No financial reporting is required since the firm does not receive or require fees more than six months in advance.**

Peter J. Roland

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This brochure supplement provides information about Peter J. Roland that supplements the Canon Capital Investment Advisory Brochure. You should have received a copy of that brochure. Please contact Roger Small, Chief Compliance Officer, if you did not receive Canon Capital's brochure or if you have any questions about the contents of this supplement.

Additional information about Peter J. Roland is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov)

## Educational Background and Business Experience

### Peter J. Roland

Peter was born in 1960 in Allentown, PA. He holds a B.S. Degree in Business from Elizabethtown College, a M.S. Degree in Taxation from Drexel University, and has completed post-graduate work at both Temple University and Penn State. Peter is currently a Doctorate candidate at Northcentral University in their Financial Management program.

Peter Roland began his financial work experience in private accounting working in industry while attending graduate school. Peter has been in public accounting since 1983, gaining experience with both a local accounting firm and Deloitte, an international accounting firm. In 1987, he was one of the founders of what is now known as Canon Capital Management Group CPA's. In 1989, he formed P. J. Roland, Ltd., to provide investment management services, which currently conducts business under the name Canon Capital Investment Advisory. Peter serves as an instructor in DeSales University's Graduate Master of Business, (MBA) program.

In addition to being a licensed Certified Public Accountant in Pennsylvania, Peter has earned the Accredited Personal Financial Specialist designation from the American Institute of Certified Public Accountants. He earned the Chartered Financial Consultant designation from the American College (having received the Huebner Scholarship). He earned the Certified Financial Planner designation from the College for Financial Planning. He has passed the Series 7 and Series 65 security exams. Peter is a Certified Management Accountant, earned through the National Association of Accountants. Peter also has earned the AIFA designation, an Accredited Investment Fiduciary Analyst through the Center for Fiduciary Studies in Association with the University Of Pittsburgh Katz Graduate School Of Business. Peter has met the requirements of the Employee Retirement Income Security Act of 1974 to serve in a fiduciary capacity.

**AIFA® (Accredited Investment Fiduciary Analyst™) -**

The AIFA designation certifies that the recipient has advanced knowledge of fiduciary standards of care, their application to the investment management process, and procedures for assessing conformance by third parties to fiduciary standards. To be eligible to receive the AIFA designation, individuals must have already completed the AIF training program and passed the AIF exam and meet a minimum prerequisite score based on the candidate's educational background and professional training and experience in investing, financial services and auditing. To receive the AIFA designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIFA Code of Ethics. In order to maintain the AIFA designation, the individual must annually renew their affirmation of the AIFA Code of Ethics and complete ten hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary 360 (fi360) company).

**CPA (Certified Public Accountant) –**

The CPA designation is awarded by the American Institute of Certified Public Accountants (AICPA) to accountants who pass the AICPA's Uniform CPA examination and satisfy the work experience and statutory and licensing requirements of the state(s) in which they practice. CPAs are independent auditors, financial consultants, and tax advisors who serve a diverse client list, including individuals, businesses, financial firms, non-profit organizations and government agencies. CPAs handle a wide variety of responsibilities regarding financial affairs, such as taxes and financial planning for personal and business customers.

**PFS (Personal Financial Specialist) –**

The PFS credential is a financial planning designation awarded by the American Institute of Certified Public Accountants (AICPA). CPAs who have earned the PFS designation have demonstrated their ability to guide their clients through the confusing financial environment. These highly individualized professional services will help clients to manage cash flow, build retirement savings, develop an estate plan, minimize tax liability, maximize the return on investments, manage financial risk, determine insurance needs, build education funds, plan for the care of elderly parents, purchase a vacation home, and make the most of real estate investments.

**CFP (Certified Financial Planner) –**

The CFP certification is a financial planning credential awarded by the Certified Financial Planner Board of Standards Inc. to individuals who meet education, examination, experience and ethics requirements. The CFP professional is able to provide value to clients in major planning areas, such as insurance planning, employee benefits planning, investment and securities planning, state and federal income tax planning, estate tax, gift tax, and transfer tax planning, asset protection planning, retirement planning and estate planning.

**ChFC (Chartered Financial Consultant) –**

The ChFC credential is a financial planning designation awarded by the American College. ChFCs gain in-depth coverage of the key financial planning disciplines, including insurance, income taxation, retirement planning, investments and estate planning. The ChFC designation focuses on the comprehensive financial planning process as an organized way to collect and analyze information on a client's total financial situation; to identify and establish specific financial goals; and to formulate, implement, and monitor comprehensive plan to achieve those goals. The ChFC program provides financial planners and others in the financial services industry with in-depth knowledge of the skills needed to perform comprehensive financial planning for their clients.

Patricia A. Webb

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This brochure supplement provides information about Patricia A. Webb that supplements the Canon Capital Investment Advisory Brochure. You should have received a copy of that brochure. Please contact Roger Small, Chief Compliance Officer, if you did not receive Canon Capital's brochure or if you have any questions about the contents of this supplement.

Additional information about Patricia A. Webb is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov)

## Educational Background and Business Experience

### Patricia A. Webb

Patricia was born in 1957 in Bryn Mawr, Pennsylvania.

She joined Canon Capital Management Group in 1997. She received the AAMS (Accredited Asset Management Specialist) designation from the College for Financial Planning, became life, accident and health licensed, passed the Series 7 General Securities and Series 66 Regulatory license exams, and has earned the Accredited Investment Fiduciary (AIF®) designation. Patricia has met the requirements of the Employee Retirement Income Security Act of 1974 to serve in a fiduciary capacity.

#### **AIF® (Accredited Investment Fiduciary®) -**

The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF Code of Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation of the AIF Code of Ethics and complete six hours of continuing education credits. The certificate is administered by the Center for Fiduciary Studies, LLC (a Fiduciary 360 (fi360) company).

#### **AAMS (Accredited Asset Management Specialist) –**

This designation is awarded by the College for Financial Planning to investment professionals who complete its 12-module AAMS® Professional Education Program, pass an examination, commit to a code of ethics and agree to pursue continuing education. The program covers the asset management process; investors, policy and change; risk, return and investment performance; asset allocation and selection; investment strategies; taxation of investment products; investment opportunities for individual retirement; investment considerations for small business owners; executive compensation and benefit plans; insurance products for investment clients; estate planning; and regulatory and ethical issues. Individuals with the AAMS designation may work as financial advisors registered investment advisors, registered representatives, client relationship managers, financial consultants, or investment advisors.



Roger R. Small

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This brochure supplement provides information about Roger R. Small that supplements the Canon Capital Investment Advisory Brochure. You should have received a copy of that brochure. Please contact Roger Small, Chief Compliance Officer, if you did not receive Canon Capital's brochure or if you have any questions about the contents of this supplement.

Additional information about Roger R. Small is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov)

## Educational Background and Business Experience

### Roger R. Small

Roger was born in Ayer, Mass, in 1936. He holds a B.M.E. Degree from Rensselaer and an MBA from Harvard University.

Roger Small began his financial work experience as a financial analyst for the Ford Motor Company, before moving into a Marketing career with several large industrial firms. Prior to joining Canon Capital Investment Advisory, he was the Philadelphia Area Director for American Family Services, a firm engaged in helping families with instruction in finance and in other areas. In 1995, he joined Canon Capital Investment Advisory. He has passed the Series 2 and Series 65 exams and has earned the Accredited Investment Fiduciary (AIF®) designation.

#### **AIF® (Accredited Investment Fiduciary®) -**

The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF Code of Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation of the AIF Code of Ethics and complete six hours of continuing education credits. The certificate is administered by the Center for Fiduciary Studies, LLC (a Fiduciary 360 (fi360) company).

Charles K. Porter

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March 15, 2011

This brochure supplement provides information about Charles K. Porter that supplements the Canon Capital Investment Advisory Brochure. You should have received a copy of that brochure. Please contact Roger Small, Chief Compliance Officer, if you did not receive Canon Capital's brochure or if you have any questions about the contents of this supplement.

Additional information about Charles K. Porter is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov)

## Educational Background and Business Experience

### Charles K. Porter

Charles K. Porter was born in 1983. He earned a Bachelor's Degree in Business Administration from Widener University.

Prior to joining Canon Capital Investment Advisory in 2006, Charles worked with a major regional bank as a licensed financial sales consultant.

He passed the series 7 General Securities and Series 66 Regulatory license exams became life, accident, and health licensed, and has earned the Accredited Investment Fiduciary (AIF®) designation.

#### **AIF® (Accredited Investment Fiduciary®) -**

The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF Code of Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation of the AIF Code of Ethics and complete six hours of continuing education credits. The certificate is administered by the Center for Fiduciary Studies, LLC (a Fiduciary 360 (fi360) company).

Matthew P. Witter

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March 1, 2012

This brochure supplement provides information about Matthew P. Witter that supplements the Canon Capital Investment Advisory Brochure. You should have received a copy of that brochure. Please contact Roger Small, Chief Compliance Officer, if you did not receive Canon Capital's brochure or if you have any questions about the contents of this supplement.

Additional information about Matthew P. Witter is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov)

## Educational Background and Business Experience

### Matthew P. Witter

Matthew was born in 1986. He graduated from West Chester University with a B.S. in Finance and with an Accounting Minor.

Prior to joining Canon Capital Investment Advisory, Matthew was a management trainee and financial analyst at a regional bank.

In 2011, he joined Canon Capital Investment Advisory and successfully passed the Series 65 exam. He is currently working on obtaining the Accredited Investment Fiduciary (AIF) designation.