

Bell Strategic Investments

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This Brochure provides information about the qualifications and business practices of Bell Strategic Investments, herein known as “BSI.” If you have any questions about the contents of this Brochure, please contact us at (760)489-8509 or richard@bells.com. The information in this Brochure has not been approved or verified by any state securities authority.

BSI is an investment adviser registered with the State of California. 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 BSI is also available on the IAPD (Investment Adviser Public Disclosure) website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

BSI is changing registration jurisdiction from the SEC to the State of California. This Form ADV Part 2 reflects this change.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

We will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further 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 Richard Bell at (760)489-8509. Additional information about BSI is also available on the IAPD (Investment Adviser Public Disclosure) website at www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

Bell Strategic Investments, Inc. (“BSI”) is a registered investment adviser, incepted June 1, 2006.

As a client’s adviser, BSI is appointed as attorney-in-fact and is granted limited power-of-attorney with discretionary trading authority over the client’s account, in accordance with the client’s investment needs, goals and objectives set forth in the BSI Investment Agreement. BSI may provide investment management and consulting services to buy, sell, and trade in stocks, bonds, mutual funds, index funds, exchange traded funds, and other securities and/or contracts, and on margin (when granted with a separate written margin authorization.)

As of February 29, 2012, BSI manages client assets of \$32 million on a discretionary basis, and \$10 million on a non-discretionary basis.

BSI’s principal owners are Richard Bell, President and Portfolio Manager, and Dawn Bell, Vice President. Richard’s business background is:

Bell Strategic Investments, President: 06/01/2006 – Present
Wachovia Securities, Sr. Vice President: 6/1/2000 – 5/31/2006
Smith Barney / Citigroup Inc.: 10/1/1988 – 5/31/2000
Engler Budd Securities: 6/1/1986 – 9/30/1988
IRI Securities: 1/30/1985 – 5/31/1986

Item 5 – Fees and Compensation

The specific manner in which fees are charged by BSI is established in a client’s written agreement with BSI. BSI bills its fees in advance on a quarterly basis. As directed by BSI each quarter, the custodian debits fees from the client accounts. If an advisory agreement is terminated prior to the end of the billing period, the client may request a prorated refund of that period’s pre-paid management fee.

BSI’s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. 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 BSI's fee, and BSI shall not receive any portion of these commissions, fees, and costs.

All fees are subject to negotiation. Additionally, BSI may be willing to be compensated in hourly charges and/or fixed fees.

Item 12 further describes the factors that BSI considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

BSI Fee Schedule

<u>Account Balance</u>	<u>Annual Fee</u>
Less than \$250,000	2.00%
\$250,000 - \$499,999	1.75%
\$500,000 - \$999,999	1.50%
\$1,000,000 - \$4,999,999	1.375%
\$5,000,000 or more	1.00%

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

BSI does not charge any performance-based fees, (i.e. fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

BSI may provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

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

BSI's investment process is dependant on economic, global and specific market analysis. The evaluation of specific markets is determined by the macro economic situation followed by fundamental corporate outlook. The process is then further refined to current market outlooks both on a fundamental and technical assessment. Due to the speed of economic changes in the market, this process is fluid, requiring an ever evolving understanding.

BSI does not guarantee the future performance of client accounts, any specific level of performance, the success of any investment decision or strategy that BSI may use, or the success of our overall management of the account. The client must understand that BSI's investment decisions made for client accounts are subject to various market, currency, economic, political and business risks. The investment decisions will not always be profitable. Additionally, due to these risks and possible unforeseen events, investments in all securities may have a risk of total loss.

Except as otherwise provided by law, neither BSI nor any of our employees, affiliates, representatives or agents shall be liable for (a) any loss that the client may suffer by reason of any investment decision made or other action taken or omitted in good faith by BSI with that degree of care, skill, prudence, and diligence under the circumstances that a person acting in a fiduciary capacity would use, (b) any loss arising from BSI's adherence to the client's written or oral instructions, or (c) any act or failure to act by the custodian, any broker-dealer to which BSI directs transactions for accounts, or by any other non-party. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing presented in this document will waive or limit any rights that you may have under those laws.

If a client's account managed by BSI contains only a portion of a client's total assets, BSI shall not be responsible for any assets not included in the BSI Management Agreement. BSI shall also not be responsible for diversification of all of the assets.

BSI designs its portfolios as long-term investments. The client may withdraw account assets on notice to BSI, subject to the usual and customary securities settlement procedures. However, the client must understand that asset withdrawals may impair BSI's achievement of the client's investment objectives.

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 the adviser or the

integrity of adviser's management. BSI has not experienced any legal or disciplinary events and therefore has nothing to disclose regarding this item.

Item 10 – Other Financial Industry Activities and Affiliations

BSI is an independent advisory firm registered with the State of California. BSI has an arrangement with Charles Schwab & Co., Inc. for which Schwab provides broker-dealer and custodial services for BSI client accounts. BSI and its management persons do not participate in other activities, nor have any other affiliations associated with the advisory industry.

Item 11 – Code of Ethics

BSI has adopted a Code of Ethics, pursuant to SEC rule 204A-1, 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 BSI must acknowledge the terms of the Code of Ethics annually, or as amended.

BSI anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will recommend to clients, the purchase or sale of securities in which BSI employees, directly or indirectly, have a position of interest. BSI employees and persons associated with BSI are required to follow BSI's Code of Ethics. Subject to satisfying this policy and applicable laws, BSI employees may trade for their own accounts in securities which are recommended to and/or purchased for BSI clients. The Code of Ethics is designed to assure that the personal securities transactions of BSI employees will not interfere with making decisions in the best interest of clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between BSI and its clients.

Specifically, BSI's procedure for this is to allow the employee or related person to submit the trade for their personal account, using the average purchase price for the day. An employee or related person may sell the same security on the same day only when the sell price is less than or equal to the price the client received. Assuring the client always gets an equal or better price avoids any conflict of interest.

It is BSI's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. BSI also will not cross trades between client accounts.

BSI will provide a copy of the firm's Code of Ethics to any client or prospective client upon request. To request a copy, they may contact Richard Bell.

Item 12 – Brokerage Practices

Unless directed otherwise, BSI will arrange for the execution of securities brokerage transactions for client assets through a broker-dealer that BSI reasonably believes will provide "best execution." In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution. This takes into consideration the full range of the broker-dealer's services including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although BSI will seek competitive commission rates, we may not necessarily obtain the lowest possible commission rates for account transactions. BSI does not receive any portion of the brokerage commissions and/or transaction fees charged to you by the broker-dealer.

Consistent with obtaining best execution, transactions for client accounts may be directed to registered broker-dealers in return for research products and/or services that benefit BSI by assisting in our investment decision-making process. Such research generally will be used to service all of BSI's clients, but brokerage commissions paid by the client may be used to pay for research that is not used in managing the client's account. Thus, the client may pay the broker-dealer a greater commission than another qualified broker-dealer might charge to effect the same transaction where BSI determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. This additional value may act as an incentive to select or recommend a particular broker-dealer, rather than choosing one solely for most favorable execution. However, the value from these services benefits all client accounts equally for all managed client holdings, whether or not the client's commissions helped pay for them. This information is outlined in the Discretionary Management Agreement given to the client at the inception of the advisory relationship.

Transactions for each client account will be effected independently or by combining ("batching") such orders. When BSI purchases or sells the same securities for several clients at the same time, batching may be used. This method enables BSI to obtain best execution, negotiate more favorable commission rates, or allocate equitably among clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions

will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that we aggregate client orders for the purchase or sale of securities, we shall do so in accordance with applicable state rules. We shall not receive any additional compensation or remuneration as a result of the aggregation. We shall endeavor to process all account transactions in a timely manner, but shall neither represent nor warrant that any such transaction shall be processed or effected by the Broker-Dealer on the same day as requested.

Clients may direct BSI in writing to use a particular broker-dealer (“directed broker”) to execute some or all transactions for an account. In that case, the client will have the sole responsibility to negotiate terms and arrangements for the account with the directed broker and BSI will not seek better execution services or prices from other broker-dealers or be able to “batch” transactions for execution through other broker-dealers with orders for other accounts BSI manages. As a result, the client may pay higher commissions or other transaction costs, greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case.

Item 13 – Review of Accounts

BSI, specifically Richard Bell, reviews client accounts on a continuous basis. Reviews may be more in depth during periods of market change. A client may also request an account review by contacting Richard.

Clients do not receive regular reports from BSI. However, they receive written statements from the custodian on a monthly basis.

Item 14 – Client Referrals and Other Compensation

If a client is introduced to BSI through a solicitor, BSI may pay that solicitor a referral fee in accordance with Rule 206(4)-3 of the Advisers Act and applicable state securities laws. The referral fee shall be paid solely from the management fee paid by the client, and shall not result in any additional charge to the client. If the client is introduced to BSI through a solicitor, the client will receive a copy of the written Solicitor Disclosure Statement disclosing the terms of the solicitation arrangement between BSI and the solicitor, including the compensation to be received by the solicitor from BSI.

Item 15 – Custody

BSI shall not maintain physical custody of client assets; instead they will be held in the custody of a custodian meeting the requirements of a “qualified custodian” under Rule 206(4)-2 of the Advisers Act. BSI is authorized to give instructions to the custodian with respect to all investment decisions regarding the assets and the custodian is hereby authorized and directed to effect transactions, deliver securities, make payments and otherwise take such actions as we shall direct in connection with the performance of our obligations with respect to the assets. The fees charged to you by the custodian are exclusive of, and in addition to, BSI’s management fee.

Clients should receive at least quarterly statements from the custodian that holds and maintains the client’s investment assets. BSI urges the client to carefully review such statements.

Item 16 – Investment Discretion

BSI 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. Investment guidelines and restrictions must be provided to BSI in writing. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When a client completes an account application, the “Authorizations” section outlines how the client gives BSI limited power of attorney to manage the client’s account. In addition, BSI provides the client with a Discretionary Management Agreement, which further describes the scope of this authority by appointing BSI as attorney-in-fact. This agreement is reviewed and signed by the client.

Item 17 – Voting Client Securities

Unless BSI and the client agree otherwise in writing, as a matter of firm policy and practice BSI does not accept authority to vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. BSI may provide advice to clients regarding the clients’ voting of proxies.

In cases where BSI does vote for the client, the proxy material is reviewed and votes are cast based on what BSI feels is in the best interest of the client.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about BSI's financial condition. BSI 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.

Item 19 – Requirements for State-Registered Advisers

All requirements for the State of California are already included, where applicable, in other items contained within this Form ADV Part 2A.