



# *Barrington*

Strategic Wealth Management Group LLC

## **FORM ADV PART 2A – Disclosure Brochure March 30, 2012**

This brochure provides information about the qualifications and business practices of Barrington Strategic Wealth Management Group LLC (“BSWMG”). If you have any questions about the contents of this brochure, please contact us at 312-870-1900. 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 Barrington Strategic Wealth Management Group LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*Barrington Strategic Wealth Management Group LLC is a registered investment adviser.  
Registration of an investment adviser does not imply any level of skill or training.*

**190 South LaSalle Street Suite 2160 Chicago, IL 60603  
312-870-1900 [www.bswmg.com](http://www.bswmg.com)**

**Item 2: Material Changes**

This section of the Brochure, dated March 30, 2012, specifically addresses material changes since the last update of Barrington Strategic Wealth Management Group's Brochure. The last update of the Brochure was on May 26, 2011.

There are no materials changes to report.

Our Brochure may be requested by contacting Nicole Becker at 312-870-1900 or [nbecker@bswmg.com](mailto:nbecker@bswmg.com). Our Brochure is also available on our website, [www.bswmg.com](http://www.bswmg.com).

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**Item 4: Advisory Business**

- A. Barrington Strategic Wealth Management Group LLC (“BSWMG”) is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Diana Joseph, BSWMG’s principal owner and Chief Investment Officer, founded the firm in May, 2009.
- B. BSWMG provides investment advisory services, offering individualized portfolio and wealth management, working closely with clients to identify and pursue investment strategies and goals. Our firm offers three equity strategies and various fixed income strategies, the “Diversifier”, and two mutual fund strategies. For many clients, we combine strategies to provide additional diversification. Our firm offers discretionary account management services to help our clients meet their goals.

For equity accounts, we manage the "All Cap Value", the "Growth and Value Blend", and the “High Dividend” strategy. We manage fixed income accounts in both taxable and tax-exempt fixed income strategies. For clients who want diversification beyond predominantly U.S. investments, BSWMG has created the “Diversifier”. Finally, we manage balanced mutual fund strategies for related accounts which are too small for the strategies stated above. We describe our investment strategies in greater depth in Item 8, below.

For clients, family offices, and foundations for whom additional investment services are appropriate, BSWMG can help source outside managers from a limited pool. We monitor performance of those managers. BSWMG prepares customized performance and asset class reports which help evaluate the progress of each strategy and its impact on the whole.

- C. For the majority of clients, Barrington Strategic Wealth Management Group LLC provides investment supervisory services, including tailoring solutions for clients’ unique situation and life circumstances. BSWMG accomplishes this by focusing on appropriate asset allocation and blending investment strategies. We can incorporate client restrictions on investing in certain securities or types of

securities. BSWMG generally manages accounts on a discretionary basis. Under limited circumstances, BSWMG manages accounts on a non-discretionary basis, seeking client approval before placing trades.

We occasionally provide investment advice on client accounts not under our management. On rare occasions, we will consult on an investment strategy for a prospective client.

- D. BSWMG does not participate in wrap fee programs.
- E. BSWMG managed \$303,300,000 client funds as of December 31, 2011, including \$257,100,000 we managed on a discretionary basis and \$46,200,000 we managed on a non-discretionary basis.

#### **Item 5: Fees and Compensation**

- A. Barrington Strategic Wealth Management Group LLC charges an annual advisory fee for discretionary accounts at the following levels:

- |                            |       |
|----------------------------|-------|
| • On the first \$5,000,000 | 1.00% |
| • On the next \$5,000,000  | .75%  |
| • On all additional assets | .50%  |

A minimum annual \$100.00 fee is charged for accommodation accounts in any of our strategies.

BSWMG does negotiate fees. Under certain circumstances, clients may be charged a fee lower than the fee schedule outlined above. In determining whether such circumstances exist, BSWMG considers factors which include: complexity, asset mix, client investment policy/guidelines/restrictions, meeting requirements, travel and related expenses, reporting requirements, and sub-advisory arrangements. In all cases, BSWMG has the authority to determine the fee

charged. Prior to entering into an advisory agreement, we inform clients of the fee rate, and it is reflected in their contract.

Our firm will charge a fee for fixed income accounts that will vary based upon the type of and dollar value of fixed income securities under management.

BSMWG may also charge lower fees for institutional clients, where the firm serves as adviser for multiple clients of the institution, or for clients with whom we have substantial or long term relationships.

- B. BSWMG ordinarily deducts fees from client custodial accounts. In limited cases, BSWMG will agree to bill clients directly for fees incurred. Clients pay fees on a quarterly basis, in advance, with the exception of a small number of relationships where clients pay fees in arrears. We base the quarterly fees paid in advance on the account asset value as of the last day of the preceding quarter. On accounts, where the fees are paid quarterly in arrears, fees are based on the account asset value as of the last day of the invoiced quarter.

We bill the majority of our consulting and outside manager services in arrears. On client non-BSWMG accounts, we may apply, either annually or quarterly, a fixed fee or a percentage of assets fee for periodic and ongoing advice.

- C. Additional fees clients may incur include brokerage and other transaction costs, mutual fund expense ratios (discussed below), and custodial fees determined and charged by the clients' custodians. Some custodians charge no custodial fee.

For certain client accounts, BSWMG invests client assets in one or more mutual funds registered under the Investment Company Act of 1940. In such cases, we collect our fees under the investment advisory contract between us and the client, notwithstanding the fact that the client bears his/her proportionate share of the mutual fund management fee as well. In addition, some mutual funds charge minimum one-time fees to invest and/or charge fees when the investment is liquidated prior to a prescribed minimum investment term.

In circumstances where our client has directed us to use a particular broker, the broker may charge additional transaction fees.

Please see Item 12 for additional information on brokerage.

- D. BSWMG requires that client pay fees in advance, with the exception of a small number of relationships where fees are paid in arrears. We refund unearned advisory fees paid in advance if the advisory contract is terminated before the end of the billing period. The calculation for fee refunds is:  $(\text{Days assets not actively managed by BSWMG}) / 90 \times (\text{Amount billed or deducted})$ . We use a 360-day year, or a 30-day month, when we determine the refund.
- E. Neither BSWMG nor any of the firm's supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

#### **Item 6: Performance-Based Fees and Side-by-Side Management**

Barrington Strategic Wealth Management Group LLC does not charge performance-based fees.

#### **Item 7: Types of Clients**

Barrington Strategic Wealth Management Group LLC generally serves high-net-worth individuals, families, trusts, estates, and foundations. In addition, we provide investment services to banks or thrift institutions, pension and profit-sharing plans, and corporations or other business entities.

BSWMG ordinarily prefers a relationship minimum of \$2,000,000 dollars, subject to exceptions for related accounts or other strategic reasons.

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

### **Methods of Analysis**

BSWMG's methods of analysis include a combination of top-down macroeconomic research and bottom-up fundamental research. We continually evaluate domestic and global economies and markets, and our evaluation is shared with clients in our quarterly Financial Markets Commentary newsletter. This written analysis of economic and financial issues provides the framework for asset allocation decisions in client portfolios and in our Diversifier investment strategy. Our macro analysis also informs our fundamental, bottom-up security selection process and sector weightings in our All Cap Value, Growth and Value Blend, and Fixed Income strategies.

BSWMG uses multiple sources of information in our analyses, including our proprietary screening criteria; online subscription data services, such as Thomson ONE and Baseline; corporate annual reports, prospectuses, filings with the SEC; inspections of corporate activities; third-party research; corporate ratings services; newspapers and financial periodicals.

### **Risk of Loss**

Investing involves a risk of loss that clients should be prepared to bear. Securities can lose some or all of their value and with uncertain market conditions can become somewhat illiquid, depending on company-specific, economic, market, and political conditions. Clients bear the risk that BSWMG may invest in securities that underperform a particular benchmark.

### **Investment Strategies and Material Risks**

#### **All Cap Value**

##### **Investment Strategy**

The All Cap Value equity strategy seeks stocks offering the best values across a broad range of market capitalizations, from \$200 million to over \$50 billion. We seek companies whose shares trade at a significant discount to our estimate of intrinsic value and companies which



have strong cash flows and an identifiable catalyst to unlock the value we discern. Our investment horizon is ordinarily 3-5 years. We seek purchases at medium to deep discounts to private market value. We hold so long as intrinsic value rises faster than the share price, and we sell when we believe the share price and the business value have converged.

#### **Material Risks**

The All Cap Value strategy invests primarily in equity securities, which may decline in value due to fluctuations in the overall stock market or due to issuer or industry specific factors. The strategy may invest in companies that are based or have operations outside the U.S. and can lose value due to political, social, economic or currency changes. The strategy may invest in small and midsize companies, and securities of these companies are sometimes more volatile and less liquid than securities of larger companies. The All Cap Value strategy pursues a value investing approach which may experience periods of underperformance relative to other investment approaches, such as growth investing.

#### **Growth & Value Blend**

##### **Investment Strategy**

The Growth and Value Blend strategy seeks to provide the best of both growth stocks and value stocks in one portfolio. Value selections derive from our All Cap Value strategy. In analyzing growth stocks for selection, we apply the same quantitative and qualitative analyses as for the value stock selections but with different focus and weightings. We make our growth selections based upon our perception for revenue and earnings growth, financial stability, and good long term fundamentals at reasonable valuations.

#### **Material Risks**

The Growth & Value Blend strategy invests primarily in equity securities, which may decline in value due to fluctuations in the overall stock market or due to issuer or industry specific factors. The strategy may invest in stocks of companies that are based or have operations outside the U.S. and which can lose value due to political, social, economic or currency changes. The strategy may invest in small and midsize

companies, and securities of such companies are sometimes more volatile and less liquid than securities of larger companies.

### **High Dividend**

#### **Investment Strategy**

The High Dividend equity strategy invests in equity securities of companies that pay relatively high dividends as measured by yields. We invest across a broad range of market capitalizations. The strategy is primarily designed for taxable investors seeking current income and/or who can benefit from the 15% federal income tax rate on qualified dividends and/or long term capital gains. The strategy may also be appropriate for some investors (taxable or tax exempt) seeking a different or complementary income stream, the principal of which can fluctuate greatly. The High Dividend strategy factors the likelihood that a company's dividend rate is sustainable, and it does not rely upon forecasting a rate of dividend growth. Investments are diversified across sectors and industries in an effort to reduce the risk of concentrating investments only in industries with the highest dividend yields.

#### **Material Risks**

The High Dividend strategy invests primarily in equity securities, which may decline in value due to fluctuations in the overall stock market or due to issuer or industry specific factors. The strategy may invest in companies that are based or have operations outside the U.S. and can lose value due to political, social, economic or currency changes. The strategy may invest in small and midsize companies, and securities of these companies are sometimes more volatile and less liquid than securities of larger companies. The High Dividend strategy pursues an investing approach which focuses upon dividend yields, but a company's dividend rate can be cut. Because of these risks, high yielding equity securities are not necessarily a suitable alternative to fixed income investments.

### **Diversifier**

#### **Investment Strategy**

The Diversifier strategy is intended to provide additional diversification to complement our predominantly U.S. equity and fixed income portfolios. This strategy provides exposure to many asset classes which may include: global equities (growth, value, eclectic, small, mid and

large cap); global bonds (government and corporate, mid, high and lower quality, step-ups, TIPS and ordinary notes and bonds); precious and industrial metals; currencies; short and long/short funds and other strategies. We determine allocations to these asset classes based upon our top-down global macroeconomic assessment, and we invest primarily through mutual and exchange traded funds.

### **Material Risks**

The Diversifier strategy invests in multiple asset classes and is subject to various risks that may result in loss of value. Equity securities may decline in value due to fluctuations in the overall stock market or due to issuer or industry specific factors. Investments in stocks or bonds of companies that are based or have operations outside the U.S. can lose value due to political, social, economic or currency changes. Risks to foreign investments are typically higher for emerging and less developed markets. Commodities, such as precious and industrial metals, can fluctuate significantly in value due to factors such as changes in inflation expectations or changes in supply and demand. Extreme weather, other natural disasters, civil wars, and geopolitical unrest can negatively impact supply and demand of commodities. Bond values are sensitive to interest rate fluctuations. The current credit crisis also impacts valuations of municipal debt. High yield bonds carry greater default risk than higher rated bonds. The relative value of foreign currencies to domestic currency can rise or fall due to global political, social or economic factors.

### **Fixed Income**

#### **Investment Strategy**

Barrington Strategic Wealth Management Group manages both Taxable and Tax-Exempt Fixed Income portfolios. We tailor our portfolios based upon income needs, risk tolerance, and long term goals. Municipals, Treasuries, Corporates, Agencies, Mortgage Backed, Global, and High Yield are among the fixed income vehicles utilized to create a fixed income portfolio. We will invest across the maturity spectrum, depending upon our perception of risk/reward.

### **Material Risks**

The Fixed Income strategy invests primarily in fixed income (debt) securities, which may decline in value. Fixed income securities are subject to interest rate risk, which is the risk that securities may decline in value with a rise in interest rates. Interest rate risk is generally greater for fixed income securities with longer maturities or durations. Fixed income securities are subject to credit risk, which is the risk that the issuer of the security will fail to make scheduled interest or principal payments to security holders. The current credit crisis also impacts valuations of municipal debt. Mortgage backed securities may additionally be subject to prepayment risk, which is the risk that the weighted average life of the security will shorten when interest rates fall and lengthen when interest rates rise. High yield bonds carry greater default risk than higher rated bonds. Investments in stock or bonds of companies that are based or have operations outside the U.S. can lose value due to political, social, economic or currency changes. Risks to foreign investments are typically higher for emerging and less developed markets.

### **Mutual Fund**

#### **Investment Strategy**

BSWMG manages balanced accounts and relationships that achieve targeted exposures and diversification by investing in mutual funds and exchange traded funds. Our Core Mutual Fund strategy invests in a diversified portfolio of funds designed to provide exposure primarily to U.S. stock and bond markets. Our Comprehensive Mutual Fund strategy expands upon the Core strategy by adding funds utilized in our Diversifier strategy, which may include: global equities (growth, value, eclectic, small, mid and large cap); global bonds (government and corporate, mid, high and lower quality, step-ups, TIPS and ordinary notes and bonds); precious and industrial metals; currencies; short and long/short and other strategies.

### **Material Risks**

The Mutual Funds strategies invest in multiple asset classes and are subject to various risks that may result in loss of value. Equity securities may decline in value due to fluctuations in the overall stock market or due to issuer or industry specific factors. Investments in stock or bonds of companies that are based or have operations outside

the U.S. can lose value due to political, social, economic or currency changes. Risks to foreign investments are typically higher for emerging and less developed markets. Commodities, such as precious and industrial metals, can significantly fluctuate in value due to factors such as changes in inflation expectations or changes in supply and demand. High yield bonds carry greater default risk than higher rated bonds. The relative value of foreign currencies to domestic currency can rise or fall due to global political, social or economic factors.

**Item 9: Disciplinary Information**

BSWMG has no legal or disciplinary events to report.

**Item 10: Other Financial Industry Activities and Affiliations**

- A. Neither Barrington Strategic Wealth Management Group LLC nor any of our management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Barrington Strategic Wealth Management Group LLC nor any of our management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading adviser, or as an associated person of the foregoing entities.
- C. BSWMG is not affiliated with a related business or person.
- D. BSWMG does not have any business relationships or arrangements with related persons in the financial services industry.

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

- A. As an SEC registered adviser, Barrington Strategic Wealth Management Group LLC has adopted our Code of Ethics, pursuant to SEC rule 204A-1, which specifies the responsibility of access persons to place client interests above personal interests in all securities transactions.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

BSWMG's Code of Ethics will prohibit an employee or officer from trading on personal accounts or on a client's behalf in a security while in possession of material nonpublic information regarding the security or issuer of the security. Any employee or officer in possession of material, nonpublic information shall treat such information as confidential and shall not disclose such information to any other employee or officer except on a need-to-know basis.

In addition, upon commencing employment and once a year, the Code of Ethics will require all employees and officers to disclose all securities in which they have a beneficial interest and all securities in non-client accounts for which they make investment decisions. Quarterly, they will have to disclose personal securities transactions over which they have control, too.

- B. Neither BSWMG, nor a related person, recommends to clients or buys or sells for client accounts securities in which BSWMG, or a related person, has a material financial interest. To the extent that we buy and sell client securities, please see section C.
- C. BSWMG and its employees may invest in the same securities recommended to clients, which could pose a potential conflict of interest if client transactions were not given priority over BSWMG and employee transactions in such securities. BSWMG's Code of Ethics addresses the potential conflict of interest by requiring

employees and officers of BSWMG to receive pre-clearance from the firm's designated pre-clearance officer before entering into selected securities transactions for their own or any beneficially owned accounts. The pre-clearance officer reviews each trading pre-clearance request for conflicts with client trading before granting approval.

- D. BSWMG seeks to mitigate and/or avoid conflicts of interest that may arise between personal or proprietary securities transactions of our employees and officers that may take place at the same time as client trades in those securities. We mitigate potential conflicts of interest first by identifying securities in which our employees and officers' personal securities transactions would not disadvantage client trades in the same securities. We exempt most of these securities from pre-clearance requirements. Examples of exempted securities are obligations of the U.S. government, CDs, and mutual funds.

We seek to mitigate and avoid potential conflicts of interest by requiring pre-clearance of other personal and proprietary transactions of securities. Clearance to trade in these securities only occurs after we complete all client transactions in those securities either for the day or when our trader completes the trading program. Therefore, we can deny pre-clearance for all days a security is traded.

Finally, fee-paying accounts of employees and officers are treated as client accounts and are subject to our order aggregation and allocation policies expanded upon in Item 12: Brokerage Practice. This policy seeks to mitigate potential conflicts of interest of trading employees and officers' personal securities at the same time as client trades. By including fee-paying employee and officer personal securities transactions in aggregated orders or block trades, employee and officers' trades are not favored over client transactions.

**Item 12: Brokerage Practices**

- A. Barrington Strategic Wealth Management Group LLC's objective when trading securities for clients is to obtain the best combination of price and execution under the circumstances. While best net price is an important factor, we consider a number of qualities important to our choice of broker. These factors include: level of service, execution capability, financial stability, and clearance and settlement capacity. The reasonableness of brokerage commissions is evaluated periodically in light of the level of commissions paid, services being provided and value of any research received. Hence, we may not pay the lowest commissions possible in all cases.

Accounts where clients use a bank to custody their assets are traded utilizing the bank's traders or the traders at a broker of our or the client's choosing. When a client does not have a relationship with a bank or broker-dealer of their own, we suggest that they may open an account at Schwab Advisor Services. BSWMG receives an economic benefit from Schwab Advisor Services in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at Schwab. Products and services such as these, how they benefit us, and the related conflicts of interest are described below.

For the client accounts that Schwab Advisor Services maintains, Schwab generally does not charge clients separately for custody services but is compensated by charging clients commissions or other fees on trades that it executes or that settle into the clients' Schwab accounts. BSWMG negotiated the commission rates applicable to our clients' accounts with Schwab Advisor Services. In addition to commissions, Schwab charges clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the Schwab client account. These fees, which are usually associated with fixed income transactions, are in addition to the commissions or other compensation clients pay the executing broker-dealer. In



order to minimize client trading costs, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

1. BSWMG does not have any commitments or understandings to trade with specific brokers or to generate a specific level of brokerage commissions with a particular broker in order to receive brokerage or research services. Such commitments or understanding are commonly known as soft dollar arrangements. BSWMG may select a broker-dealer which provides the firm with unsolicited proprietary research products and services, which, the firm will then use to provide services to all our clients, even though some clients may not pay direct commissions to the broker-dealer that provided the research. Research may include, but is not limited to, reports on industries, companies, economic factors, analytical and market information, and access to computer databases. In addition to research, some brokers may invite BSWMG staff to attend conferences and meetings with management representatives of issuers or with other analysts and specialists. Incidental to BSWMG's use of a broker-dealer, but outside the scope of consideration in selecting such broker-dealer, we may receive reports or advice related to operations, technology, or other investment industry best practices.

Brokers providing research and consulting services, even on an unsolicited basis, may charge commissions for executing portfolio transactions that are higher than the amount of commissions that other brokers would charge for effecting the same transactions. This may potentially pose a conflict of interest by giving us an incentive to choose a brokerage firm that provides us with research or consulting services and other products we do not have to purchase. However, we believe we have addressed these issues by using client best execution as the determining factor in broker selection, not the provision of research and other products and services.

2. BSWMG does not consider client referrals when we select or recommend broker-dealers to clients.
3. BSWMG will ordinarily be retained as a discretionary investment manager, authorized to direct portfolio transactions in a client's account in accordance with the client's investment objectives. We do not recommend or require that clients direct us to execute transactions through specified broker-dealers; however, clients may specify a broker-dealer through which transactions are to be executed. Clients should be aware that by directing BSWMG to use a particular broker-dealer, they may not receive the best price or execution and will not receive the benefit, if any, of participating in block trades. Clients may direct our firm to use a particular broker-dealer in writing which also acknowledges that they are aware that they may not receive the best price/execution on those trades.

BSWMG's traders may execute directed brokerage orders after other orders in order to increase execution efficiencies. As a result, the execution of orders for accounts which direct brokerage may be less timely than the execution of orders for other client accounts. This order of execution may or may not result in a price disadvantage, depending upon the security's market activity that day and whether the security is bought or sold.

- B. BSWMG's policy is to aggregate client transactions where possible and when we believe it will result in best execution. In these instances, clients participating in any aggregated transactions will receive an average share price. Instances where aggregation of client transactions may not be possible or advantageous to clients may include transactions for clients who have directed us to effect transactions with a particular brokerage firm or transactions for clients where the client's custodian charges a trading-away fee which exceeds our estimation of potential benefit from participating in a particular block transaction. BSWMG generally determines trade allocations prior to execution of block trades. These pre-

allocations result from analyzing client needs and suitability on a portfolio-by-portfolio or strategy-inclusion basis and determine the size of the block trade to be executed. Strategy trades for fully discretionary/composite accounts may be traded as a block before accounts requiring portfolio-by portfolio suitability review are traded. When BSWMG attempts to aggregate orders for accounts, a partially filled trade will be allocated across those accounts pro-rata.

### **Item 13: Review of Accounts**

- A. A Managing Director or Director of Barrington Strategic Wealth Management Group LLC reviews client accounts at least semi-annually. We also review accounts that are invested pursuant to a specific strategy whenever a trade is initiated in that strategy.
- B. BSWMG may also review accounts on a non-periodic basis for other reasons. Other reasons to review accounts include measuring investing progress against targets, tax planning, reviewing newer accounts for sales of pre-existing securities or purchases of composite securities, and significant client deposits or withdrawals.
- C. BSWMG provides written reports reflecting holdings, asset allocation, and purchases and sales on a quarterly basis to each client, or on a more frequent basis if the client requests. The client will also receive statements from their independent third-party custodian and may request transaction confirmations and/or online account access from their custodian. BSWMG does not hold client assets or securities. Clients choose an independent third party custodian to hold their assets.

Occasionally BSWMG includes a client's outside or private investments on periodic client reports. This is a service provided for the benefit of BSWMG clients who wish to see all of their assets in one place on one statement or to include for purposes of making a complete and accurate asset allocation for

financial planning purposes. BSWMG's usual procedure is to use the value provided by the client and the source of the data is noted on the client report.

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

- A. BSWMG does not receive any sales awards, prizes, or other economic benefits from someone who is not a client for providing investment advice or other advisory services to our clients.
- B. Barrington Strategic Wealth Management Group LLC may pay a referral fee to third party marketers or "solicitors" for referring clients. Pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940, we use written solicitor's agreements and provide written disclosure of the agreements to the referred clients. BSWMG pays solicitors or marketers a percentage of the investment management fees paid to the firm by new clients who are referred by the solicitor (marketer).

In accordance with the rule, the solicitor's compensation will not increase BSWMG's advisory fee charged to the client. Each solicitor must agree to perform its duties in a manner consistent with the provisions of the Investment Advisers Act of 1940 and the rules thereunder. We require all third party solicitors (marketers) to furnish each potential client of BSWMG with Part 2A of the firm's ADV and a Solicitor Disclosure Statement.

BSWMG may pay for meals and entertainment of certain clients and/or their representatives. BSWMG may also make charitable contributions to or underwrite or sponsor charitable events that are favored causes of certain clients.

#### **Item 15: Custody**

Barrington Strategic Wealth Management Group LLC receives the authority to directly debit fees from client accounts quarterly and, for this reason only, has limited custody of client accounts; however, BSWMG does not have physical custody of client assets.

Clients choose an independent qualified third party custodian to hold their assets. The third party custodian provides account statements to clients, and clients should review those statements carefully. BSWMG also provides account statements to clients, and clients should compare the account statements received from the qualified custodian to those they receive from us.

#### **Item 16: Investment Discretion**

Barrington Strategic Wealth Management Group LLC accepts discretionary authority to manage securities accounts on behalf of clients. Clients give this authority to us by signing a discretionary investment management contract. Through meetings and conversations, we ascertain each client's risk tolerance and together develop investment allocation targets and ranges. BSWMG blends our investment strategies in order to achieve the desired allocations and will also incorporate client restrictions on investing in certain securities or types of securities upon client request.

#### **Item 17: Voting Client Securities**

- A. Barrington Strategic Wealth Management Group LLC has the authority to vote proxies for equity and Investment Company shares on behalf of discretionary investment management clients unless declined by the client or custodian. Our firm will usually vote in line with management's recommendations. We believe that company management ordinarily has shareholders' best interests in mind and that voting with management is thus in clients' best interests. Where management does not provide a vote recommendation, we will vote according to our independent third party service provider's recommendation, not vote, or abstain. BSWMG reserves the right to vote against management's recommendations where current management is clearly not maximizing shareholder value or to just sell the shares. In the remote event that a potential vote poses a material conflict of interest between BSWMG and clients, BSWMG will determine whether it is appropriate to give the affected clients an opportunity to vote the proxies themselves or to address the voting issue through other objective means such as voting with management or receiving an independent third party voting

recommendation. We will vote proxies in line with any client's own written proxy voting policies, if requested. Upon a client's request, we will provide information on how BSWMG voted proxies for such client. We will also provide clients with a copy of our proxy policies and procedures upon request.

BSWMG utilizes the services of Broadridge/Proxy Edge, an on-line, third-party voting service. We inform custodians/brokers of our discretionary accounts to forward all proxy materials to Broadridge.

#### **Item 18: Financial Information**

- A. Barrington Strategic Wealth Management Group LLC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. At this time there is no financial condition that is reasonably likely to impair BSWMG's ability to meet contractual commitments to clients.
- C. BSWMG has not been the subject of a bankruptcy petition at any time.

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

BSWMG is not registering or required to register with one or more state securities authorities. Barrington Strategic Wealth Management Group LLC is registered with the Securities and Exchange Commission of the United States under rules that require Registered Investment Advisers with assets under management of \$100 million or more to register with the SEC instead of the states.