

Biltmore Wealth Management, LLC

Brochure **Dated 4/13/2012**

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This Brochure provides information about the qualifications and business practices of Biltmore Wealth Management, LLC (“Biltmore”). If you have any questions about the contents of this Brochure, please contact us at (480) 327-4502 or kevinsweeney@biltmorewealthaz.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Biltmore Wealth Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Biltmore Wealth Management, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes made to Biltmore Wealth Management, LLC.'s disclosure statement since last year's Annual Amendment filing on March 5, 2011.

Item 3 Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business.....	3
Item 5	Fees and Compensation.....	5
Item 6	Performance-Based Fees and Side-by-Side Management.....	6
Item 7	Types of Clients.....	6
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9	Disciplinary Information.....	8
Item 10	Other Financial Industry Activities and Affiliations.....	8
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
Item 12	Brokerage Practices.....	9
Item 13	Review of Accounts.....	11
Item 14	Client Referrals and Other Compensation.....	12
Item 15	Custody.....	12
Item 16	Investment Discretion.....	13
Item 17	Voting Client Securities.....	13
Item 18	Financial Information.....	13
Item 19	Requirements for State Registered Investment Advisers.....	14

Item 4 Advisory Business

- A. Biltmore is a limited liability company formed on August 3, 2009 in the State of Delaware. Biltmore became an SEC registered Investment Adviser Firm in January 2010, and is currently pursuing state registration in Arizona, California, New York and Texas. Biltmore is principally owned by Kevin Sweeney and Timothy A. Carpenter. Mr. Carpenter is Biltmore's Managing Member.
- B. As discussed below, Biltmore offers to its clients (individuals and high net worth individuals, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Biltmore to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis. Biltmore's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Biltmore's management, generally between negotiable and 1.35%.

Biltmore's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, Biltmore *may* provide, in conjunction with its investment advisory services at no additional expense, consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Biltmore, nor any of its representatives, serves as an attorney or accountant, and no portion of Biltmore's services should be construed as same. To the extent requested by a client, Biltmore may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of Biltmore in their separate licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Biltmore. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Biltmore if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Biltmore's previous recommendations and/or services.

Please Note: Inverse/Enhanced Market Strategies. Biltmore may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding

index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Biltmore, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Independent Managers. Biltmore may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated assets. Biltmore shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Biltmore shall consider in recommending *Independent Manager[s]* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. Clients will not incur any additional fees as a result of Biltmore's use of *Independent Manager[s]*.

Please Note: Non-Discretionary Service Limitations. Clients that determine to engage Biltmore on a non-discretionary investment advisory basis **must be willing to accept** that Biltmore cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, Biltmore will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

Trade Error Policy. Biltmore shall reimburse accounts for losses resulting from Biltmore's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within Biltmore's custodian firm account and Biltmore retains the net gains and losses.

Client Obligations. In performing its services, Biltmore shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Biltmore if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Biltmore's previous recommendations and/or services.

Disclosure Statement. A copy of Biltmore's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

- C. Biltmore shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Biltmore shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Biltmore's services.
- D. Biltmore does not participate in a wrap fee program.

- E. As of December 31, 2011, Biltmore had \$74,542,540 in assets under management on a discretionary basis and \$13,888,175 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage Biltmore to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage Biltmore to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis, Biltmore's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Biltmore's management (between negotiable and 1.35%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
Below \$500,000	1.35%
\$500,001 to \$1,000,000	1.20%
\$1,000,001 to \$3,000,000	1.00%
Over \$3,000,000	0.80%

* Please note: Lower fees for comparable services may be available from other sources.

- B. Clients may elect to have Biltmore's advisory fees deducted from their custodial account. Both Biltmore's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Biltmore's investment advisory fee and to directly remit that management fee to Biltmore in compliance with regulatory procedures. In the limited event that Biltmore bills the client directly, payment is due upon receipt of Biltmore's invoice. Biltmore shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Biltmore shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Biltmore's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Biltmore's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The *Investment Advisory Agreement* between Biltmore and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Biltmore shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of

days remaining in the billing quarter.

- E. Neither Biltmore, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither Biltmore nor any supervised person of Biltmore accepts performance-based fees.

Item 7 Types of Clients

Biltmore's clients shall generally include individuals and high net worth individuals. Biltmore does not generally require an annual minimum fee or asset level for investment advisory services. However, Biltmore, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. Biltmore may utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Biltmore may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Biltmore) will be profitable or equal any specific performance level(s).

- B. Biltmore's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Biltmore must have access to current/new market information. Biltmore has no control over the dissemination rate of market information; therefore, unbeknownst to Biltmore, certain analyses may be compiled with outdated market information, severely limiting the value of Biltmore's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Biltmore's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, Biltmore may also implement and/or recommend – short selling and/or options transactions; each of these strategies has a high level of inherent risk. (See discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Biltmore shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by Biltmore is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Biltmore, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. Currently, Biltmore primarily allocates client investment assets among various individual equity and fixed income securities, mutual funds and/or exchange traded funds ("ETFs") (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s).

As disclosed above, Biltmore may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Biltmore, in writing, not to employ any or all such strategies for his/her/their/its accounts. (*See* Item 4 B).

Item 9 Disciplinary Information

Biltmore has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Biltmore, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Biltmore, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C.
 - 8. **Licensed Insurance Agents.** Kevin Sweeney and Timothy A. Carpenter, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of Biltmore's representatives to purchase insurance products on a commission basis.
 - **Conflict of Interest:** The recommendation by either Kevin Sweeney and Timothy A. Carpenter that a client purchase an insurance commission product presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Kevin Sweeney and Timothy A. Carpenter. Clients are reminded that they may purchase insurance products recommended by Biltmore through other, non-affiliated insurance agents. **Biltmore's Chief Compliance Officer, Kevin Sweeney, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
- D. Biltmore does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Biltmore maintains an investment policy relative to personal securities transactions. This investment policy is part of Biltmore's overall Code of Ethics, which serves to establish a standard of business conduct for all of Biltmore's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

Biltmore maintains and enforces policies reasonably designed to prevent the misuse of material non-public information by Biltmore or any person associated with Biltmore.

- B. Neither Biltmore nor any related person of Biltmore recommends, buys, or sells for client accounts, securities in which Biltmore or any related person of Biltmore has a material financial interest.
- C. Biltmore and/or representatives of Biltmore *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Biltmore and/or representatives of Biltmore are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Biltmore did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Biltmore's clients) and other potentially abusive practices.

Biltmore has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Biltmore's "Access Persons". Biltmore's securities truncation policy requires that Access Person of Biltmore must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Biltmore selects; provided, however that at any time that Biltmore has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Biltmore and/or representatives of Biltmore *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Biltmore and/or representatives of Biltmore are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Biltmore has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Biltmore's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that Biltmore recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct

Biltmore to use a specific broker-dealer/custodian), Biltmore generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Biltmore to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Biltmore setting forth the terms and conditions under which Biltmore shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Biltmore considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Biltmore, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Biltmore's clients shall comply with Biltmore's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Biltmore determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Biltmore will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Biltmore's investment management fee. Biltmore's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Biltmore may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Biltmore to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Biltmore may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Biltmore in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Biltmore in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Biltmore to manage and further develop its business enterprise.

Biltmore's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Biltmore to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Biltmore's Chief Compliance Officer, Kevin Sweeney, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. Biltmore does not receive referrals from broker-dealers.
3. Biltmore does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Biltmore will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Biltmore. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Biltmore to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Biltmore.

Biltmore's Chief Compliance Officer, Kevin Sweeney, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that Biltmore provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Biltmore decides to purchase or sell the same securities for several clients at approximately the same time. Biltmore may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Biltmore's 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. Biltmore shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Biltmore provides investment supervisory services, account reviews are conducted on an ongoing basis by Kevin Sweeney and Timothy A. Carpenter. All investment supervisory clients are advised that it remains their responsibility to advise Biltmore of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Biltmore on an annual basis.

- B. Biltmore *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Biltmore may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, Biltmore may receive an indirect economic benefit from *Schwab*. Biltmore, without cost (and/or at a discount), may receive support services and/or products from *Schwab*.

Biltmore's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Biltmore to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Biltmore's Chief Compliance Officer, Kevin Sweeney, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. Neither Biltmore nor its representatives compensate non-supervised persons for client referrals.

Item 15 Custody

Biltmore shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Biltmore provides investment advisory services may also receive a quarterly report from Biltmore summarizing account activity and performance.

Please Note: To the extent that Biltmore provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Biltmore with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Biltmore's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage Biltmore to provide investment advisory services on a discretionary basis. Prior to Biltmore assuming discretionary authority over a client's account, client shall be required to execute *Investment Advisory Agreement*, naming Biltmore as client's attorney and agent in fact, granting Biltmore full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Biltmore on a discretionary basis may, at anytime, impose restrictions, in writing, on Biltmore's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Biltmore's use of margin, etc).

Item 17 Voting Client Securities

- A. Unless the client directs otherwise in writing, Biltmore is responsible for voting client proxies (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). Biltmore shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Biltmore shall monitor corporate actions of individual issuers and investment companies consistent with Biltmore's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Biltmore will consider when determining how it will vote differ on a case by case basis, they may, but are be limited to, include the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, Biltmore may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Biltmore may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Biltmore shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2(c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Biltmore voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Biltmore's Chief Compliance Officer, Kevin Sweeney.
- B. As set forth in Item 17.A, Biltmore votes client proxies.

Item 18 Financial Information

- A. Biltmore does not solicit fees of more than \$500, per client, six months or more in advance.
- B. Biltmore is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

- C. Biltmore has not been the subject of a bankruptcy petition.

Item 19 Requirements for State Registered Investment Advisers

- A. Kevin Sweeney and Timothy Carpenter are the Members of Biltmore Wealth Management, LLC. For more information about the above individuals, please see the Brochure Supplements.
- B. Biltmore is not engaged in any other business than as set forth in this Brochure. All material conflicts of interest regarding the investment adviser, its representatives and its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice, have been disclosed in this Brochure.
- C. Neither Biltmore, nor its representatives, accepts performance-based fees.
- D. Neither Biltmore, nor its representatives, has been the subject of any disciplinary actions.
- E. Neither Biltmore, nor its representatives, has any relationship or arrangement with any issuer of securities.

ANY QUESTIONS: Biltmore's Chief Compliance Officer, Kevin Sweeney, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.