

**Item 1 – Cover Page**

**FIRM BROCHURE**

**BPM ADVISORS, INC.**

**June 14, 2012**

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This brochure provides information about the qualifications and business practices of BPM Advisors, Inc. (“BPMA”, “Advisor” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at: (415) 671-7606, or by email at: [DAzary@bpmcpa.com](mailto:DAzary@bpmcpa.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 BPMA is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Although BPMA is a registered investment adviser, registration with the SEC does not imply a certain level of skill or training.

## **Item 2 -- Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules.

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.

### ITEM 3 -- TABLE OF CONTENTS

	Page
Item 1 -- Cover Page.....	i
Item 2 -- Material Changes .....	ii
Item 3-- Table of Contents	
Item 4 -- Advisory Business .....	1
Item 5 -- Fees and Compensation.....	3
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.....	7
Item 9 -- Disciplinary Information.....	10
Item 10 -- Other Financial Industry Activities and Affiliations.....	10
Item 11-- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	11
Item 12-- Brokerage Practices .....	11
Item 13-- Review of Accounts.....	12
Item 14 -- Client Referrals and Other Compensation.....	14
Item 15 -- Custody .....	14
Item 16 -- Investment Discretion.....	15
Item 17 -- Voting Client Securities.....	15
Item 18 -- Financial Information.....	15

## Item 4 -- Advisory Business

### Firm Description

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BPM Advisors, Inc. (“BPMA”, “Advisor” or the “Firm”) is a wholly owned subsidiary of Burr Pilger Mayer, Inc., a California corporation. BPMA was formed in November 2011. BPMA is an independent advisory firm that provides two main lines of advisory services: (a) fee only comprehensive consulting services to 401(k) plans, 403(b) plan, 401(a) Profit Sharing Plans, Defined Benefit plans as well as Non- Qualified Deferred Compensation programs, and (b) discretionary investment management services and other financial planning and consulting services to individual clients.

### Types of Advisory Services

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#### *Retirement Plan Investment Management Services.*

BPMA provides a variety of services to retirement plans. BPMA will generally serve as an ERISA fiduciary for our ongoing retirement plan services. These services consist of Plan document and Plan design consulting, vendor selection and management, Investment Policy Statement (“IPS”) creation and monitoring, cost analysis and benchmarking, Plan Governance, investment monitoring/recommendations, 5500 audit support services and participant education.

BPMA’s Retirement Plan services are briefly outlined below:

- *Optimizing Plan design and Plan document reviews* – We assist our clients in evaluating the various options available and selecting the right combination of features to optimize the outcome for both the plan sponsor and participants. We also communicate any recommended changes regarding any new legislative changes that may impact their plan.
- *Vendor Selection and Management* – We assist our clients by helping them to determine the most important factors for their retirement programs. Once these are determined, we assist them in selecting vendors that will give them the best chance to succeed in meeting those goals. Once a vendor is selected, we then assist them on an ongoing basis by communicating with vendors on behalf of the client to make sure the plans run smoothly.
- *IPS creation and ongoing monitoring* – With client input, we put into place a written IPS. This will outline the criteria used for the initial inclusion of funds into the plan line-up. This document will also specify the criteria used to monitor the fund on an ongoing basis. Any restrictions on securities are typically embodied in guidelines set forth in an IPS. The IPS is reviewed annually and adjusted accordingly with client approval.
- *Cost Analysis and Benchmarking* - We periodically review all of the fees paid for by the plan for investment and administrative services provided to evaluate whether the fees are reasonable in light of services received. We also provide data to assist the Plan Sponsor in evaluating how their plans compare to similar size plans, including participant statistics. We assist our clients with negotiating fees and services with their various retirement plan vendors.

- *Plan Governance* – We provide guidance, recommendations and documentation on Plan Governance including quarterly investment monitoring reports and meeting minutes that include recommendations and action items. We include comments and recommendations not only on the investment options but also plan compliance issues, reporting requirements, vendor issues and, if applicable, appropriate form 5500 audit support services. The primary role of this service is fiduciary risk mitigation.
- *Investment Monitoring/Recommendations* – We review the plan’s investment fund options on a quarterly basis. This review compares the investment managers with the detailed quantitative and qualitative criteria outlined in the Investment Policy Statement, and when appropriate, we make and implement recommendations and changes to the investment fund choices as agreed to by our clients. In addition, at all times throughout the year, we advise our clients of any significant qualitative changes in the investment management organizations. This is supported by a comprehensive report for each client.
- *5500 audit support services* – For any clients that are large enough to require a form 5500 audit, BPMA will interact with the audit firm, as needed, to assure a smooth process. This may include ASC 820 asset classification assistance as well as SSAE16 review.
- *Participant Education & Required Notifications* – In cooperation with our clients and the plan’s service provider, we provide assistance with the ongoing employee education and communications strategy, including oversight of and assistance with all required IRS & DOL employees notices.

**Customized Services.** BPMA provides consulting services to Plan Sponsors based on the needs and specifications of our clients and our clients retain the ability to impose restrictions on our services. Our clients have the option of hiring us to function either under ERISA §3(21) or ERISA §3(38). Under a §3(21) arrangement, all of our recommendations for actions are subject to the approval of the Plan Sponsor, and thus the fiduciary liability is shared with the Plan Sponsor. Under a §3(38) arrangement, we assume all of the fiduciary liability by having the discretionary responsibility for the recommendations and their implementation, and thus the Plan Sponsor is relieved of this particular responsibility and liability (although monitoring of our performance is still required of the Plan Sponsor).

**Types of Agreements.** The following agreements define typical client relationships for retirement plans:

- **Advisory Services Agreement.** This is our standard ongoing client agreement.
- **Project-Based Engagement Agreement.** These are agreements that may be entered into from time to time for specific engagements.

Most clients choose to have BPMA provide on-going advisory services in order to obtain continual in-depth advice relating to their 401(k) and pension plans. This is a holistic approach where all aspects of the client’s plans are reviewed. This is a collaborative process with our clients. As their goals change, rules change or legislation dictates, we are able to continually support them in obtaining a retirement plan that meets their needs.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes a listing of which services will be provided for that particular client. Not every client engages us for all the services outlined under “*Types of Advisory Services*” above.

### ***Wealth Management and Financial Planning Services.***

BPMA also provides investment management and other financial planning and consulting services to its clients. Investment management services are provided on a discretionary basis and include, among others, financial goal setting, risk assessment, strategic asset allocation and the selection and management of securities and investments.

Through client consultations, BPMA’s investment and financial advisors determine the client’s investment objectives and develop individualized investment guidelines and an asset allocation strategy based upon the client’s financial condition, investment experience, time horizon, risk tolerance level, income requirements and other factors. We evaluate the client’s existing investments and where necessary develop a plan to transition existing investments into or out of the client’s new portfolio strategy. Securities transactions are supervised on a continuous basis and each client’s portfolio holdings and asset allocations are monitored on a quarterly basis. BPMA generally creates portfolios of equity and debt securities through the use of mutual funds and exchange traded funds.

In addition, BPMA may recommend that its clients retain unaffiliated third party investment advisors. In these cases, the client will enter into a direct advisory relationship with both BPMA and the third-party advisor and pay an advisory fee to both BPMA and the third-party advisor. BPMA will continue to interface with the client directly. The client will receive a separate disclosure document from the third-party advisor.

In performing its services, BPMA is not required to verify information received from the client or from the client’s other professional advisors, and is expressly authorized to rely on the information provided by the client or the client’s other advisors. It is the client’s responsibility to promptly notify the Firm of any change in such client’s financial situation, risk tolerance or investment objectives that would necessitate a review, evaluation or revision by BPMA of previous recommendations and/or services.

## **Item 5 -- Fees and Compensation**

### **Description**

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#### ***Retirement Plan Investment Management Services.***

For our ongoing engagements, BPMA charges either a flat fee or a fee calculated on the assets in the Plan. Fees for our ongoing services are billed quarterly. Fees for our project-based engagements are billed monthly. All fees are payable in advance and are prorated for accounts established or terminated for less than a full month or quarter, as applicable.

In addition, BPMA provides services to retirement plans on an ongoing flat fee retainer basis or a project only basis. Fees charged for ongoing services vary depending on a number of factors including, the scope of work, the number of meetings required annually, the complexity and number of funds covered by the Advisory Services Agreement. Our fees are determined on a client-by-client basis and are negotiable. For our retirement plan clients, BPMA generally does not impose a minimum annual fee or a minimum plan size requirement for any given client.

BPMA's services may also be engaged on a project basis, the compensation for which will be based upon the estimated time and expense of the project at the advisor's standard hourly rates, which range from \$125 to \$490 per hour. Project-based fees are invoiced on a monthly basis. A flat fee in lieu of hourly rates may be negotiated if our client so requests, and will be based on the estimated time and expense incurred to complete the project. Generally, some portion of the negotiated flat fee is payable at the signing of the Advisory Services Agreement. Thereafter, we will invoice our client on a monthly basis for the remaining amount of the fee until the project is completed.

Our fees do not include the fees of investment managers who are selected to manage a portion of client assets, or custodial fees. Additionally, costs or charges associated with certain securities transactions, including dealer mark-ups or markdowns and normal broker commission, and account liquidation or termination costs are separately charged to the client's account. Clients should review all fees charged by the advisor, custodians and brokers and others (including but not limited to third-party investment managers) to fully understand the total amount of fees incurred.

BPMA receives no fees or compensation other than described above. We maintain our complete independence by ensuring that all of our compensation is paid by our client. All of our fees are explicitly detailed in our engagement agreement and documented each period with an invoice. We will not accept compensation in any form whatsoever from any other source. Our firm does not derive any type of economic benefit from any investment entities, intermediaries or service providers.

BPMA or Plan Sponsors may terminate their respective investment management agreement at any time, upon 30 days' written notice to the other party. Any earned fees owed to BPMA are payable on a pro rata basis determined on the amount of time expired in the calendar quarter. Any unearned investment management fees owed to the client are refunded on a pro rata basis determined on the amount of time expired in the calendar quarter.

### ***Wealth Management and Financial Planning Services.***

For our wealth management clients, BPMA charges an asset based management fee. All assets in a client's account are included in the management fee calculation unless specifically excluded in writing. The management fee is charged quarterly, in advance, based on the value of the assets under management on the first day of each quarter, and prorated for accounts established or terminated at times other than the start of the quarter. Clients are not charged performance-based fees.

The fees vary based on the value of the assets under management as follows:

<b>Value of Account Assets</b>	<b>Annual Fee %</b>
On the market value of an account up to \$1,000,000	1.00% plus
On the market value of Account above \$1,000,000 to \$3,000,000	0.75% plus
Above \$3,000,000	Negotiable
Minimum Annual Fee	\$3,000

For its investment management services, BPMA charges a minimum annual management fee of \$3,000. Under certain circumstances, and in its sole discretion, BPMA may negotiate an alternative minimum annual management fee based upon the nature of the account and such factors, among others as, historical relationship with the client, number of related accounts, account composition, anticipated future earning capacity, and anticipated future additional assets.

Clients customarily authorize BPMA to deduct the quarterly investment management fee directly from their custodial account. This authorization is granted under the terms of the client's signed investment management agreement and the client's instructions to the custodian. BPMA sends the client a copy of the investment management fee invoice when it requests payment from the client's custodian. It is the client's responsibility to verify the accuracy of the fee calculation, as the custodian will not determine whether the fee is properly calculated.

At the discretion of BPMA, clients may pay their fee by submitting payment directly to BPMA. Under this arrangement, payment is due upon client's receipt of a billing invoice from BPMA. A billing statement containing this calculation will be provided by BPMA immediately following each calendar quarter and any adjustment necessary to reconcile the prepaid quarterly fee with the amount due shall be described in such billing statement and made in the prepaid amount due with respect to the following calendar quarter.

Because BPMA may place client assets into money market funds, mutual funds, exchange traded funds, the total investment management expense incurred by clients may consist of fees paid to BPMA, plus management fees and expenses charged directly to the fund portfolios by the fund management companies, plus any transaction fees charged by the custodian of client's account.

#### ***Financial Planning/Consulting Services and Fees.***

BPMA may provide its clients with financial planning and/or financial consulting services (which may include non-investment related matters). For these services, BPMA charges either an hourly or a fixed fee. The Firm's hourly rates range from \$125 - \$490, depending upon the level of staff experience required for the services requested. BPMA's fixed fee services may range from \$2,500 to \$20,000, depending upon the scope of the services requested and the amount of client assets and holdings.



Prior to engaging BPMA to provide financial planning and/or consulting services, the client will generally be required to enter into a written agreement setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to BPMA commencing services. Either party may terminate the agreement by written notice to the other. In the event the client terminates BPMA's financial planning and/or consulting services, the balance of BPMA's unearned fees (if any) shall be refunded to the client.

For our financial planning and consultation clients, BPMA may recommend its own investment management services or those of its professional staff in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Financial planning and consultation clients are advised that a conflict of interest exists if the Firm recommends its own investment management services to implement financial plan recommendations. The client is under no obligation to act upon any of the recommendations made by BPMA under a financial planning/consulting engagement and/or to engage the services of any such recommended professional, including BPMA itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of the Firm's recommendations.

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

BPMA does not charge performance-based fees.

#### **Item 7 -- Types of Clients**

##### **Description**

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BPMA generally provides investment advice and comprehensive consulting services to 401(k), 403(b), 401(a) Profit Sharing, Defined Benefit, Employee Stock Option and Non-Qualified Deferred Compensation plans. Client relationships vary in scope and length of service.

BPMA also provides wealth management and financial planning services to individuals, which may include high net individuals, trusts and estates. Such services may also periodically be offered to certain institutional customers, including charitable organizations.

##### **Account Minimums**

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For our retirement plan clients, BPMA generally does not impose a minimum annual fee or a minimum plan size requirement for any given client.

For our wealth management and financial planning services, there is a minimum annual fee of \$3,000, and no minimum account size.

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

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### *Retirement Plan Services.*

**Methods of Analysis.** We utilize an institutional due diligence process that combines both quantitative and qualitative analysis on a continual basis, and quarterly monitoring/reporting for all the investments in each our client accounts. The analysis is performed using third party software to monitor the investments against a Plan's IPS. When evaluating investment options, we use both style-based and returns-based data. Our goal is to find and maintain those investment vehicles that possess the fundamental characteristics that have historically lead to better than average performance at (or below) benchmark levels of risk while also maintaining a lower than average expense. Our full scope investment selection and monitoring focuses on both quantitative and qualitative criteria, including such factors as:

- Material changes in the portfolio management structure, parent company organization, change in investment philosophy:
  - Change in portfolio managers
  - Significant changes in assets under management due to either large amounts of redemptions or inflows
  - Significant increase in expenses
  - Style Purity - lack of adherence to style or asset class category
  - Change in ownership
  - Legal or regulatory investigations or related issues
  - Significant change in portfolio risk as measured by the Sharpe Ratio
- Comparisons of the investment fund's performance results to appropriate indices and peer groups. Examples of performance results that may result in a review and further analysis of an investment fund would include when the fund:
  - Expenses above the median (50<sup>th</sup> percentile) of their peer group for the current period
  - Performs below the median (50th percentile) of their peer group over a 3-year period
  - Performs below the median (50th percentile) of their peer group over a 5-year period

Once the initial selection process is complete, we then monitor the funds on an ongoing basis using the Plan's IPS as the primary tool. We use third party software to assist with the evaluation of the funds. fi360 and Morningstar Direct are the two primary sources of data. In addition, we will reach out directly to the fund company or portfolio managers for more specific information as needed.

**Primary Investment Strategies.** As explained in the “*Methods of Analysis*” section above, BPMA uses qualitative and quantitative investment analysis to support the recommendations that we make to our clients.

Our investment strategies are customized for each of our clients based upon their stated goals and objectives. The client may change these goals and objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy and discusses guidelines and limitations, as applicable.

**Risk of Loss.** BPMA performs its services with a rigorous attention to process discipline. Our reporting and monitoring process is designed to highlight for Plan Sponsors any and all exceptions (violations of the IPS standards or circumstances that could lead to future underperformance or identification of potential problems before they result in policy violations). In addition, we specifically address more volatile categories to make sure the Plan Sponsor understands the potential volatility for these types of asset classes. While this process is in place to help minimize risk, BPMA does not provide any representation or guarantee that client goals will be achieved and we cannot guarantee that our clients will not lose money. Clients must be aware that investing in the securities market involves a risk of loss that they should be prepared to bear, including the loss of their original principal. Investing in the products we recommend involves risk of loss, in varying degrees, depending on the investment option or underlying investment managers.

### ***Wealth Management Services.***

#### **Methods of Analysis and Primary Investment Strategies.**

For our wealth management clients, BPMA creates investment portfolios that are customized for each of our clients based upon their stated goals and objectives. Investments are selected based on a variety of factors that BPMA deems appropriate for the account, given the financial circumstances, investment objectives, risk tolerance and investment restrictions, if any, set by the individual client.

BPMA’s investment strategy employs the selection of holdings from a number of categories of investment products that include, without limitation:

- Equity Securities
- Exchange Traded Funds
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual Fund shares
- United States government securities

**Risk of Loss.** All securities investments carry risk, including the risk that an investor may lose a part or all of his or her initial investment. Risk refers to the uncertainty that the actual return the investor realizes could differ from the expected return. Risks may be systematic, referring to

factors that affect the returns on all comparable investments and that affect the market as a whole. Systematic risks include market risk, interest rate risk, reinvestment rate risk, purchasing power risk and exchange rate risk. Unsystematic risks depend on factors that are unique to the specific investment security. These risks include business risk and financial risk.

### **General Risks Associated with Investments in Securities.**

- *Market Risk.* Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- *Equity (Stock) Market Risk.* Common stocks are susceptible to fluctuations and to volatile increases / decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- *Fixed Income Risk.* Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed income investors receive set, regular payments that face the same inflation risk.
- *Exchange Traded Fund (ETF) and Mutual Fund Risk.* ETF and mutual fund investments bear additional expenses based on a pro rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- *Company Risk.* There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is a risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strikes, unfavorable media attention, obsolescence of important technologies).
- *Management Risk.* Client investments also vary with the success and failure of advisor's investment strategies, research, analysis and determination of portfolio securities. If advisor's strategies do not produce the expected returns, the value of a client's investments will decrease.
- *Short-term purchases* – On occasion, generally only for tax management purposes, we may determine to buy or sell securities in a client's account and hold them for less than a year. Some of the risks associated with short-term trading that could affect investment performance are increased commissions and transaction costs to the account and increased tax obligations on the gains in a security's value.

- *Bond Pricing* – The price of bonds depends in part on the current rate of interest. Rising interest rates decrease the current price of bonds because current purchasers require a competitive yield. As such, decreasing interest rates increase the current value of bonds with associated decrease in bond yield. We may decide to exchange to a lower or higher duration bond or to another asset class due to interest rate risk that could affect investment performance.
- *Inflation* – Inflation is the loss of purchasing power through a general rise in prices. If an investment portfolio is designed for current income with a real rate of return of 4% and inflation were to rise to 5% or higher, the account would result in a loss of purchasing power and create a negative real rate of return.

## **Item 9 -- Disciplinary Information**

### **Legal and Disciplinary**

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The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

### **Financial Industry Activities**

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BPMA is an independent investment advisor registered with the U. S. Securities and Exchange Commission (“SEC”). It is not an accounting firm, is not licensed by the California State Board of Accountancy and does not render legal advice.

### **RELATIONSHIP WITH BURR PILGER MAYER, INC.**

Certain principals and employees of BPMA, in their individual capacities are partners, certified public accountants, and/or employees of Burr Pilger Mayer, Inc., an accounting firm affiliated with BPMA. These individuals may spend as much as 50% of their time with all of these related activities. Accounting services provided by Burr Pilger Mayer, Inc. are separate and distinct from the investment advisory services of BPMA, and are provided subject to a separate client agreement with Burr Pilger Mayer, Inc., and subject to a separate fee arrangement with Burr Pilger Mayer, Inc. for its accounting services. BPMA may recommend Burr Pilger Mayer, Inc. to advisory plan sponsors in need of accounting services. In turn, Burr Pilger Mayer, Inc. may recommend BPMA to accounting plan sponsors in need of investment advisory services. There are no referral fee arrangements between Burr Pilger Mayer, Inc. and BPMA for these recommendations. No BPMA client is obligated to use Burr Pilger Mayer, Inc. for any accounting services, and no Burr Pilger Mayer, Inc. client is obligated to use BPMA for investment advisory services.

### **RELATIONSHIP WITH VWM INSURANCE SERVICES, LLC**

BPMA and VWM Insurance Services, LLC are to be considered under common control, as both entities are wholly owned by Burr Pilger Mayer, Inc. Such control includes both ownership interests as well as the sharing of control persons between the entities. Control persons are generally understood to include executives and officers, in addition to 25% greater owners.

VWM Insurance Services, LLC is a FINRA registered broker-dealer, engaged primarily in the management of 529 College Savings Plans, as well offering insurance products, including variable annuities, to investors. VWM Insurance Services, LLC does not provide execution, administration or other brokerage services to BPMA. VWM Insurance Services, LLC and BPMA do share common office space, however, they are separately operated firms.

## **RELATIONSHIP WITH VALMARK SECURITIES, INC.**

Certain employees of BPMA are also registered representatives of Valmark Securities, Inc. (“ValMark”). No BPMA principals or employees are owners of ValMark. Like VWM Insurance Services, LLC, ValMark is a registered member of FINRA and a SIPC participant. BPMA employees may execute certain insurance-related securities transactions through ValMark. ValMark is located at 130 Springside Drive, Suite 300, Akron, OH 44333, Telephone (800) 765-5201.

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

BPMA, its members, officers and employees and their immediate families (sometimes collectively “employees”) are permitted to buy and sell securities for their personal investment accounts. The Firm has adopted employee personal trading policies and procedures and a code of ethics to govern employee trading practices. BPMA’s members, officers and employees are required to report all personal securities transactions on a regular basis. Employees are required to sign a certification agreeing to abide by the Firm’s personal trading practices and code of ethics. A copy of BPMA’s employee trading policies and code of ethics is made available to plan sponsors and prospective plan sponsors upon request.

## **Item 12 -- Brokerage Practices**

### **Selecting Brokerage Firms**

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***Retirement Plan Services.*** With respect to its retirement plan services, BPMA does not recommend broker-dealers and we do not execute transactions. With respect to its retirement plan services and its wealth management services, there are no circumstances under which our firm receives fees or other (direct or indirect) compensation from investment managers or plan providers.

***Wealth Management Services.*** For its wealth management clients, BPMA may select a broker for client accounts and assist in effecting securities transactions.

In selecting brokers, BPMA will seek best execution, which involves a number of quantitative and qualitative factors. In seeking best execution, BPMA need not solicit competitive bids and

does not have an obligation to seek or pay the lowest available commission cost. In selecting a broker, the firm may take into account, among other things, the broker's commission rate, execution capabilities, actual experience, efficiency, promptness, financial stability, reputation, confidentiality, and research services provided by the broker.

The firm receives research from brokers through which the firm and/or its clients effect transactions as well as possibly other brokers. Research services furnished by brokers may be used in servicing all of BPMA's accounts. Not all of these services may be used by BPMA in connection with accounts that paid commissions to the brokers providing such services.

Research received from brokers is generally developed by the brokerage firm, rather than by third-parties. When BPMA obtains research from brokers, it receives a benefit because it does not have to produce or pay for the research. The firm may have an incentive to select or recommend a broker based on the firm's interest in receiving research or other products or services, rather than on a client's interest in receiving most favorable execution.

BPMA may direct a client account to pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction, in recognition of the value of the brokerage, research and other services that broker provides. In such a case, the firm determines in good faith that the commission is reasonable in relation to the value of such brokerage, research and other services, viewed in terms of either the specific transaction or BPMA's overall responsibilities to its clients. An account may, therefore, pay higher brokerage commissions than are otherwise available.

In the situation where a client directs BPMA to sue a specific broker and the firm has not negotiated the terms and conditions (including, but not limited to, commission rates), BPMA does not have any responsibility for obtaining the best prices or particular commission rates. Clients who direct BPMA to use a specific broker may pay higher commission rates or receive less favorable execution transactions than non-directing clients.

When available and appropriate under the circumstances, BPMA may bunch or aggregate trades for clients. Clients will receive the average price obtained in the bunched or aggregated trade.

## **Item 13 -- Review of Accounts**

### ***Retirement Plan Services.***

**Periodic Reviews.** We typically perform a quarterly review for our clients. We include a comprehensive report that covers the following areas:

- A total market perspective and overview
- Asset allocation of plan as a whole
- Style analysis
- Historical performance over varying periods



- Investment analysis including peer comparisons
- Total plan investment expenses
- Comparison of the funds to the IPS
- Any recommendations related to funds on the watch list

**Review triggers.** The primary plan review trigger is the end of each calendar quarter. Additional conditions that may trigger a review include changes in the tax laws, new investment information, material changes in an investment fund's organization or changes in a client's own situation. Our clients may request a review at any time.

**Reports.** BPMA uses a third party software vendor, fi360 to provide the bulk of our plan sponsor reporting. The primary categories are outlined in the *"Periodic Review"* section above. Our report clearly outlines the funds against the IPS so that committees can easily identify any funds with issues or concerns. We can also customize our reporting within certain parameters to accommodate the specific needs of our clients.

As we do not hold any plan assets, we do not prepare account statements. Plan and participant statements are generated by their plan trustees, custodians, record keepers and/or third party administrators. We recommend that our clients review these statements closely and report any questions or concerns to the preparer as soon as possible.

### ***Wealth Management Services.***

Individual client accounts are supervised on a continuous basis by BPMA senior investment staff and reviewed not less than quarterly. Reviews focus on asset allocations, securities positions, cash positions, market prospects and client liquidity needs. Reviewers verify that accounts are managed within the guidelines of the client's Investment Policy Statement and that appropriate securities are held in each account. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, changes in the market or political environment. BPMA consults with each client at least annually to review the client's account and update the client's Investment Policy Statement as necessary. It is the client's responsibility to notify BPMA immediately of any material change in their personal and/or financial situation, which would require immediate review/revision of the client's Investment Policy Statement.

Financial plans provided to clients are reviewed and updated when necessary as agreed to by the client and BPMA.

All clients receive the following: monthly statements and confirmations of transactions directly from their respective broker/dealer/custodian; a quarterly summary of all transactions that occurred during the quarter, a quarterly summary of all assets held in the account, including the cost and current market value; a presentation of the asset allocation of the account; a computation of the account's investment return for the quarter and since inception using time weighted returns; and an annual report of the account. Current market values are set at the closing price of marketable securities as provided by the custodian.



BPMA may also track and provide reporting services for assets that have not been placed under BPMA management. BPMA does not include these unsupervised assets in its investment management fee calculation and as such does not take responsibility for them. Such assets may include issues that are specifically purchased at the direction of a client, or which the client owned prior to retaining BPMA. Unsupervised assets are shown in the BPMA client reporting system under the heading “Unsupervised Assets.” In addition, these assets may also be shown in the BPMA client reporting system in separate non-managed accounts.

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

### ***Retirement Plan Services.***

**Incoming Referrals.** BPMA does receive referrals. These referrals came from current clients, ERISA attorneys, accountants, employees, benefit brokers, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

**Referrals Out.** BPMA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

**Other Compensation.** BPMA does not accept compensation in any form whatsoever from any source other than directly from our clients as outlined in the “*Fees and Compensation*” section above.

### ***Wealth Management Services.***

BPMA may refer its clients to unaffiliated investment advisors, legal firms, accounting firms, mortgage brokers, insurance brokers and other professional consultants. Clients are not obligated to use the services of any of these unaffiliated firms. In general, BPMA does not receive compensation from the unaffiliated professionals for making such referrals. However, in some instances BPMA may receive a referral fee, in which case it is disclosed at the time of the referral.

## **Item 15 -- Custody**

### **SEC “Custody”**

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BPMA does not have custody of client funds or securities. Clients are required to set up their investment accounts with a “qualified custodian,” namely a broker dealer, bank or trust company.

### **Account Statements**

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As we do not hold any plan assets, we do not prepare account statements. Plan and participant statements are generated by their plan trustees, custodians, record keepers and/or third party administrators. We recommend that our clients review these statements closely and report any questions or concerns to the preparer as soon as possible.

## **Item 16 -- Investment Discretion**

### **Discretionary Authority for Trading**

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**Retirement Plans.** If BPMA is acting as Investment Manager as defined under ERISA §3(38), it may be responsible for the selection and/or replacement of investment options within a defined contribution plan. Under this arrangement, BPMA has the authority to direct the plan record keeper to add, eliminate, or replace mutual funds, separately managed accounts, or collective trusts from a plan's investment menu. BPMA does not place trades for specific dollar amounts on behalf of any clients or plan participants.

**Wealth Management Services.** BPMA is generally granted investment discretion over investment management client assets including the authority to select the investments to be made, the quantity of securities to be bought and sold and the executing broker-dealer to be used in effecting securities transactions. This discretion may be limited by client investment guidelines and investment restrictions established by the client.

## **Item 17 -- Voting Client Securities**

### **Proxy Votes**

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BPMA does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, BPMA will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## **Item 18 -- Financial Information**

### **Financial Condition**

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BPMA does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided as BPMA does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.