



**Weik Investment Services, Inc.**  
**Form ADV, Part 2A Brochure**

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This brochure provides information about the qualifications and business practices of Weik Investment Services, Inc. If you have any questions about the contents of this brochure, please contact us at: 610-376-2240, or by email at: [info@weikinvest.com](mailto:info@weikinvest.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.

Weik Investment is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Weik Investment Services, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

March 31, 2014

## ITEM 2 – MATERIAL CHANGES

The purpose of this item is to inform you of any material changes since the October 9, 2013 revision of our brochure. Prior to the October revision, our annual updating amendment had been filed on April 1, 2013.

The following summarizes new or revised disclosures based on information previously provided:

On March 31, 2014, we amended this filing as follows:

1. Abhishek Amatya, Equity Analyst, has rejoined our firm effective February 19, 2014.
2. The order of priority was changed with respect to the sources of prices used for valuations. Present order is as follows:
  - a. Electronic download from Charles Schwab & Co., Inc
  - b. Monthly statements from banks and brokers serving as custodians
  - c. Yahoo Finance (equities only)
  - d. The Wall Street Journal
  - e. Barron's
  - f. A broker-dealer providing a requested quotation

Currently, our Brochure may be requested by contacting Thomas Weik, Chief Compliance Officer, at 610-376-2240 or [info@weikinvest.com](mailto:info@weikinvest.com).

Additional information about Weik Investment is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Weik Investment who are registered, or are required to be registered, as investment adviser representatives of Weik Investment.

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## **ITEM 4 – ADVISORY BUSINESS**

### **Our Firm's History**

Weik Investment Services, Inc. ("Weik Investment") was founded in Wyomissing, PA in 1987 by Thomas Weik to provide personalized portfolio management services to individuals and institutions. Today, our mission is to become the firm of choice in our region for portfolio management services through diligent adherence to our value-based investment philosophy. By focusing on risk management and the attractive returns historically associated with investing in good businesses, we strive to provide value to our clients and enable them to meet their financial objectives and improve their lives. As a registered investment adviser, our fiduciary responsibility and our mission is to place the interests of our clients first.

### **Our Executive Team**

The principal owner and President of Weik Investment is Thomas Weik. Mr. Weik also serves as the Chief Investment Officer and Chief Compliance Officer. The other officer of the firm is Dean Messinger, Treasurer and Secretary.

### **Our Philosophy**

Weik Investment adheres to a value-based investment philosophy that has been developed over years of independent thought, reflection, and study. Our philosophy has been influenced by our observations of a number of successful investors and business executives, especially Warren Buffett. Mr. Weik has studied Mr. Buffett's approach to investing since the early 1970s.

We believe that investing in good businesses is an optimal way to accumulate capital. We seek the superior returns that stocks can offer our clients when consistent with each client's individual objectives and risk tolerance. While we typically seek substantial appreciation from the equities we select, we have a long-term horizon and are content to realize this potential over a period of years. For clients seeking income as well as growth, we manage balanced portfolios that contain a conservatively structured fixed-income segment. Our balanced portfolio risk exposure is therefore primarily focused on the equity portion of the portfolio.

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### **Our Services**

Weik Investment provides professional investment management services to its clients on a discretionary basis. We do not provide financial planning services, brokerage or tax advice. Our process begins by meeting with each prospective client to understand their individual circumstances, objectives, time horizon, and risk tolerance. Together, we then help our clients define their investment objective for their portfolio, and we construct an investment strategy to meet that objective. Each client is then asked to review the strategy and agree to the proposed plan. Clients are then asked to authorize Weik Investment to manage the portfolio in accordance with the agreed upon guidelines. Clients are requested to notify us of any significant changes in their circumstances so that we may adjust our guidelines as appropriate.

### **Types of Investments**

Investing in individual stocks is a primary interest of Weik Investment. Portfolios are generally diversified to include a selection of holdings in industries that we find attractive. At times, there may be concentration of assets in a particular company or industry. This may be due to market appreciation of the holding and our decision to retain the holding based on the fundamentals of the company and a risk/reward analysis.

Equity mutual funds and/or equity ETFs/ETNs may be employed for clients portfolio based upon the amount of assets, the individual objectives of the client, and to provide diversification to a portfolio. We often use these instruments to invest in the international or global markets and sometimes alternative investment sectors.

Equity investments may be combined with fixed-income securities according to the needs and objectives of the client. Our balanced portfolios utilize fixed-income securities, such as U.S. Treasuries, government agencies, corporate bonds, municipal bonds, CDs, fixed-income funds, money market instruments, and other income securities. Individual fixed-income holdings will typically be of investment grade at the time of purchase and generally have a maturity of two to seven years. Our approach to fixed-income management is essentially, but not entirely, passive.

For qualified clients, Weik Investment may also recommend investing their assets in one of our limited partnerships. These partnerships invest primarily in individual equities. Further details on these partnerships are provided in Item 7.

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### **Personalized Management**

Our client accounts are generally managed in agreement with the investment guidelines that are established at the onset of management. When clients already hold securities, we review these investments in consideration of their objectives and will transition these assets in accordance with the client's new portfolio plan. If a client wishes to retain certain assets that will not be managed by Weik Investment, these will be designated as "unsupervised" and will continue to be the client's responsibility.

Clients may also declare that they wish to restrict us from investing in a particular company, industry, or sector of the market. Although Weik Investment strongly prefers to manage portfolios with complete discretion, client restrictions may be accommodated.

Clients typically have a variety of options to withdrawal cash, including check writing privileges, automated monthly disbursements, and automated deposits into their bank accounts.

### **Assets Under Management**

As of December 31, 2013, Weik Investment services had approximately \$228,400,000 in assets under management. Of this amount, \$218,800,000 is managed on a discretionary basis and \$9,600,000 is managed with client approval.

## **ITEM 5 – FEES AND COMPENSATION**

The fee schedule for management of a portfolio is generally:

0.25% per quarter on the first \$1,000,000 under management

0.20% per quarter on the next \$1,500,000 under management

0.175% per quarter on assets in excess of \$2,500,000

(Negotiable on assets exceeding \$5,000,000)

The specific manner in which fees are charged by Weik Investment is established in the client's Management Agreement. The schedule is set in accordance with the guidelines outlined above at the discretion of the adviser. Portfolios managed for employees or their families may be provided at a reduced rate.

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Management fees are invoiced quarterly. The fee may be paid from the managed account if authorized by the client, or the client may pay it directly. Fees are based on the portfolio value at the conclusion of the prior quarter and are payable in advance for the quarter. Prices used for valuations are obtained from the following sources (shown in order of priority):

1. Electronic download from Charles Schwab & Co., Inc
2. Monthly statements from banks and brokers serving as custodians
3. Yahoo Finance (equities only)
4. The Wall Street Journal
5. Barron's
6. A broker-dealer providing a requested quotation

Should a price obtained through this process appear inaccurate, Weik Investment will engage in research in order to verify the price. If warranted by additional market data the price will be adjusted. In cases where custodian statements are used for security prices and there are different prices for a given security, the price selected will be the first received unless it differs significantly from one or more other prices received and our research indicates another price to be more accurate.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days the account was under management during the quarter. Upon termination of any account, any prepaid, unearned fees will be refunded, and any earned, unpaid fees will be due and payable.

Within the first month of each calendar quarter, a management fee is payable to Weik Investment for each limited partnership (see Item 6), based upon partnership net asset value at the end of the prior quarter. The quarterly management fee assessed to WIS SMALL-CAP PARTNERS is 0.275%. The quarterly management fee assessed to WIS GROWTH PARTNERS is 0.225%.

Clients may incur certain charges imposed by custodians, brokers, and other third parties such as transaction charges, custodial fees, transfer taxes, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds/notes also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of, and in addition to, Weik

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Investment's management fee. Weik Investment does not participate in any brokerage, fund or custodial charges.

Item 12 further describes the factors that Weik Investment considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE BY-SIDE MANAGEMENT**

Weik Investment does not charge performance-based fees; it charges asset based fees (as described in Item 5). Weik Investment provides investment management services to individual clients and to two limited partnerships, WIS GROWTH PARTNERS and WIS SMALL-CAP PARTNERS. Fees are described in Item 5.

Conflicts of interest can exist when Weik Investment recommends individual portfolio management or limited partnership participation to a client. There are modest differences in fees and management time requirements. To help mitigate this, we focus our recommendations on the client's individual circumstance, investment objectives, and risk tolerance. Our obligation is to place the best interests of our clients first.

Investing in limited partnerships exposes clients to additional risk. Clients may be solicited to invest in either or both limited partnerships if Weik Investment deems the investment appropriate. An offering is made by delivering a Limited Partnership Agreement, Private Placement Memorandum, and executing Subscription Documents. An investor in either limited partnership should consider the following facts before subscribing:

1. Contributions and withdrawals are only permitted at the conclusion of a calendar quarter
2. Contributions are accepted, at the discretion of the General Partner, within the first ten days following the end of the calendar quarter
3. Withdrawals or liquidation requests must be received in writing at least 30 days prior to the conclusion of a calendar quarter
4. Liquidations will be subject to a 1% penalty if requested within three years of the initial investment. This charge may be waived in the event of death or incapacity of the partner or at the discretion of the adviser
5. Partnership interests may be retitled only at the conclusion of a calendar quarter



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6. No secondary market exists for a partner's interest in either partnership
7. Valuation of a partner's interest is completed on a quarterly basis

The holdings in the partnership are based on the same stock selection process we use for client portfolios as described in Item 8. We primarily utilize fundamental security analysis but at times will use technical analysis. The partnerships do not borrow funds, engage in options or futures trading, or employ short sale trading strategies.

### **ITEM 7 – TYPES OF CLIENTS**

Weik Investment provides investment management services to pension and profit sharing plans, individual retirement plans, foundations, endowment funds, estates, trusts, corporations, and individuals with a variety of investment objectives.

We generally require at least \$500,000 in cash or securities for an individually managed portfolio. Exceptions to this minimum may be granted by the principal of the firm. Examples of possible exceptions are: additional assets will be added at a future date, the client may already have an existing relationship with our firm, or the client is willing to pay a higher fee as a percentage of assets.

Weik Investment also is the general partner and investment manager to two limited partnerships. The minimum for becoming a limited partner in either partnership is lower than the minimum for a private account. The minimum for WIS GROWTH PARTNERS is \$200,000 and the minimum for WIS SMALL-CAP PARTNERS is \$100,000.

WIS GROWTH PARTNERS seeks long-term capital appreciation by investing in a diversified portfolio of common stocks. The partnership may also invest in convertible securities or investment companies that meet the long-term appreciation objective of the partnership. Preferred stocks, corporate bonds or notes, U.S. Treasuries and agencies, and cash equivalents may be acquired as market conditions warrant. Appreciation is the primary investment objective and income is incidental. Money market funds or other cash equivalents will be used when suitable investments are not available and to facilitate withdrawals from the partnership.

WIS SMALL-CAP PARTNERS seeks long-term capital appreciation by investing in a diversified portfolio of small-cap stocks. This partnership invests primarily in the common stocks of small companies, those with market capitalizations that fall within the range of capitalization of companies in the Russell 2000 Index or the S&P SmallCap 600 Index.

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Companies like these represent at least 75% of portfolio assets at the time an investment is made. Up to 25% of the portfolio may be invested in companies with larger market capitalizations. The partnership may also invest in convertible securities or investment companies that specialize in small and mid-sized companies, depending on market conditions. Money market funds or other cash equivalents will be used when suitable investments are not available and to facilitate withdrawals from the partnership.

### **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

#### **Security Analysis**

Our stock selection process is centered on fundamental security analysis and emphasizes companies that are industry leaders or dominate certain niches. These companies generally have certain competitive advantages or franchises. Our favorite idea is a company that earns a superior return on its capital and that we believe has the potential to continue to earn superior returns over many years.

Our investment universe includes small-cap to large-cap companies. Our main sources of information include company press releases and filings, financial print media, internet news sources, interviews with corporate management, corporate presentations, and research material prepared by others.

We prefer companies that are strong cash flow generators. Our focus is on companies that produce cash in excess of their capital spending and dividend payouts. This free cash can be utilized proactively on behalf of the shareholders. Possible applications include acquisitions, share repurchases, and increased dividends. Management should be skilled with respect to the allocation of the company's capital.

We take a close look at the management team, which should have an ethical approach to doing business, a commitment to the shareholders, and an excellent track record. We believe that management should own a meaningful long-term holding in the shares of their company.

Purchase and sale prices are chiefly determined by fundamental security analysis, although technical analysis is sometimes utilized. We typically seek to purchase stocks at a significant discount to what we judge to be their intrinsic value. We prefer to fill our portfolios with our favorite ideas purchased at compelling prices, but only under relatively rare conditions can we find so many marvelous opportunities. Thus, our portfolios may contain shares of good companies along with shares of outstanding ones. We seek a greater discount to intrinsic value when a company does not fully meet all of our criteria.

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Our selection of fixed-income securities is determined by the investment objectives of each client, as well as our investment philosophy. We generally invest in investment grade instruments with short-to-intermediate maturities. Other income securities may be employed to achieve additional diversification.

### **Investment Strategies**

As discussed earlier in Item 4, our investment process begins with reviewing a client's overall circumstances, investment objective, time horizon, and tolerance for risk. Other factors which require consideration are addressed, such as liquidity needs or tax/legal constraints. Based on the data gathered, each client is then asked to complete a "Statement of Investment Policy" to establish either a "Growth Portfolio" or a "Balanced Portfolio."

Growth Portfolios have an objective of long-term capital appreciation. Income is not a primary consideration. The investment strategy used to achieve this objective will be to invest in an equity portfolio. Balanced Portfolios have an objective of long-term capital appreciation and income. The investment strategy used to achieve this objective will be to invest in a portfolio using both equities and fixed-income securities. The equities will consist of common stocks and/or stock funds. Individual stocks will be chosen using fundamental security analysis. The fixed-income securities will consist of individual bonds and/or bond funds. The equities and fixed-income securities are selected in accordance with the Weik Investment philosophy described in Item 4.

Growth and Balanced Portfolios will contain one or more interest bearing money market funds to hold cash reserves. Weik Investment will also use money market funds, short-term bond funds, or other cash equivalents when we are unable to find securities that meet our investment criteria and/or price targets.

### **Risks**

Investing involves risk. When hiring an adviser, a client is still exposed to investment risk. For example, circumstances may occur which prevent Weik Investment from achieving a client's investment objective. A client is also subject to the management risk that Weik Investment may make investment decisions that result in losses or underperformance compared to other managers with similar investment objectives.

Investing in securities involves risk of loss that clients should be prepared to bear. A general decline in security prices can occur at any time due to factors including geopolitical stress, military action, terrorism, and economic adversity. By investing in individual securities, clients are also at risk that an individual security price may decline in

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value due to management problems, increased competition, or even fraud. Weik Investment attempts to reduce this risk by using fundamental security analysis.

Fixed-income investments also bear interest rate risk and credit risk. Increases in interest rates will cause the value of fixed income holdings to decline. In addition, risk exists that a company may experience a financial crisis leaving it unable to maintain interest payments on their bonds or return investment principal at maturity. Weik Investment attempts to moderate these risks by purchasing investment grade bonds with shorter maturities, normally two to seven years, and typically purchasing municipal bonds that are insured.

Mutual funds, closed-end funds, and exchange traded funds and notes may be used in portfolios to achieve added diversification. Despite their diversification, a variety of risks are associated with funds. Most of these risks are derived from the individual securities held by the fund.

Clients investing in either of our two limited partnerships also are subject to management and market risks as described above. In addition, there are risks associated with investment in WIS SMALL-CAP PARTNERS since it invests in smaller companies that are typically less established. Markets for small company stocks are also less liquid and subject to more price volatility. The use of ETFs or other mutual funds investing in international small-cap stocks adds additional risk. Any time there is investment in stocks of a foreign country or region, additional risk occurs. Investment in either partnership also increases liquidity risk since withdrawals are restricted to four occasions per year at the close of a calendar quarter. There is also no secondary market for a partner's interest in either partnership and none is expected to develop.

Weik Investment attempts to manage these risks in the partnerships through its security selection process. In addition, unlike many hedge funds, Weik Investment does not employ aggressive strategies such as using futures, derivatives or borrowed funds nor does it sell securities short. As such, we believe the risk associated with investing in either limited partnership is similar to the risk of investing in a mutual fund with a similar objective, but acknowledge that the liquidity risk is greater.

Clients who invest in either WIS GROWTH PARTNERS or WIS SMALL-CAP PARTNERS should also refer to the Limited Partnership Agreement, Confidential Private Placement Memorandum, and Subscription Documents which are given to prospective limited partners for additional detailed risk disclosures.

## **Item 9 – DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Weik Investment or the integrity of Weik Investment’s management. Weik Investment has no required legal or disciplinary disclosures.

## **Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Weik Investment is not a broker-dealer and no employee of Weik Investment is acting as a registered representative of a broker-dealer. There are no pending applications to do so.

No employee of Weik Investment is registered as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Weik Investment is a General Partner to two limited partnerships. Qualified clients may be solicited to invest in either or both of these partnerships if the adviser believes the investment program to be suitable. Since there are differences in fee structures and time efficiencies, this creates a potential conflict of interest for Weik Investment when recommending whether a client should invest in either partnership versus a private account. To mitigate this conflict, we focus our recommendation on the client’s circumstances, investment objectives, and risk tolerance. Typically, clients requiring liquidity, income, and/or complete transparency will be encouraged to open private accounts. Management fee rates are similar, but not identical, for private accounts and partnership investing which further mitigates potential conflicts.

Weik investment does not recommend or select other investment advisers for our clients nor does it receive compensation directly or indirectly from any other adviser.

## **Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

### **Summary of Code of Ethics**

Weik Investment has a Code of Ethics that all employees of the firm must follow. This code is based on the principle that all employees occupy positions of trust, and they must act

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with integrity and honesty in dealing with clients, prospects, and other business professionals. This code requires strict compliance with all applicable federal and state securities laws and rules. The code describes the high standard of business conduct that is required of employees. It also addresses that employees have a fiduciary duty to act in the best interest of clients at all times. This means that a client's interest will come before the firm's or any employee's interest.

The Code of Ethics includes provisions relating to the following items:

1. the confidentiality of client information
2. a prohibition on insider trading
3. a prohibition on rumor mongering
4. a prohibition on investing in initial public offerings or private placements
5. reporting requirements and restrictions on accepting gifts of significant value, including business entertainment offers, from clients or vendors
6. detailed personal securities transaction procedures and reporting requirements to ensure client transactions are completed before employee transactions

All employees must acknowledge that they will abide by the adviser's code of ethics on an annual basis and whenever amended.

Weik Investment clients or prospective clients may request a free copy of the firm's Code of Ethics by contacting Thomas Weik, Chief Compliance Officer.

### **Interests in Client Transactions**

Weik Investment serves as General Partner and Investment Manager to two limited partnerships. Qualified clients are solicited to invest in the partnerships. Employees of Weik Investment or their families may also invest in these partnerships.

The decision to recommend a client invest in one of our limited partnerships is based on the client's individual circumstances, investment objectives and risk tolerance. For example, clients who require frequent withdrawals or had need of income would not be considered for a partnership investment and would be directed to establishing an individually managed account.

### **Trading practices to reduce conflicts of interest**

Trading may at times be combined for partnership accounts and the accounts of individual clients. To avoid any conflict of interest, the partnership and client accounts receive the same price in this circumstance. Weik Investment will retain records of the trade order

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and its allocation to each participating account. This trade memo will typically be completed prior to the entry of the order.

There are times when an order may be entered in parts to facilitate timely execution. Completed orders will be allocated as specified in the trade memo. Partially filled orders will be allocated on a random basis between partnership and client orders. Clients with greater need for investment will receive priority when orders are only partially filled.

It is Weik Investment's policy that the firm will not affect any principal or agency cross securities transactions for client accounts or for the partnerships. Weik investment will also not cross trades between client accounts or between partnership and client accounts.

### **Personal Trading**

Weik Investment imposes certain restrictions on securities transactions by certain employees and members of their family household. All employees who have access ("access person") to information concerning transactions for clients must receive advance clearance for personal and family transactions from our Chief Compliance Officer. Client transactions always receive priority.

It is possible that Weik Investment may purchase securities for client accounts that are already owned by the firm's access persons or their families. Also, after receiving clearance access persons or their families may engage in securities transactions that have been conducted for clients.

Thomas Weik, the president and Chief Investment Officer of Weik Investment Services, holds a substantial position in Berkshire Hathaway common stock which he acquired in 1984. This position represents less than 25% of his household assets and is not considered to impair his ability to render unbiased and objective advice. Berkshire Hathaway is a position in a majority of client portfolios and has generally been Weik Investment's largest client stock holding.

Weik Investment restricts personal trading in close proximity to client trading activity through black-out periods. Because in some circumstances employees are able to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. To reduce this potential conflict of interest, employee trading is not granted until there has been adequate time to review client accounts. Personal trading is monitored by the Chief Compliance Officer to ensure employee trading does not circumvent our policies and procedures.

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Weik Investment has a profit sharing plan which may also invest in securities held by clients. Transactions for the plan are subject to the same restrictions and pre-clearance as employee transactions.

### **Item 12 – BROKERAGE PRACTICES**

#### **Selecting a Custodian**

Clients custody cash and securities placed under management in an account at a “qualified custodian,” generally a broker-dealer or bank. Weik Investment is not affiliated with any broker-dealer or bank. If a client requests, we can provide a list of custodians for the client to choose from. Suggestions will take into account the type of services required for the portfolio and the quality and cost of these services. Clients selecting brokers as custodians typically do not pay custodial fees but compensate the broker through transaction charges. Clients are informed that the use of a full service brokerage firm for custodial or brokerage service, rather than a discount brokerage firm, may limit the ability of the adviser to negotiate commission rates and obtain best execution. Clients who elect to use banks as custodians will incur custodial fees that are imposed by the bank. Custodial fees and transaction charges are paid to the custodian or brokerage firm and are separate from the management fees paid to us.

Each client opens an account with the custodian by entering into an account agreement directly with the custodian. We do not open the account for the client, although we may assist them in doing so. At the present time, the majority of our clients have elected to establish accounts with the institutional division of a certain discount brokerage firm to maintain custody of the assets and effect trades for their accounts. Although we may recommend that clients establish accounts at this brokerage firm, it is the client’s decision to custody assets with this firm or with another custodian.

#### **Selecting a Broker**

When a client establishes an account with Weik Investment they are given the choice to designate brokerage selection to our firm. The client may also choose to direct Weik Investment to use a specific broker-dealer. Factors Weik Investment considers when selecting a broker include:



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1. Reasonable commission rates
2. The quality of execution and reporting
3. Products and services available
4. Accuracy of statements and transaction confirmations
5. Willingness to assist the client
6. Service to Weik Investment

Commission rates may be negotiated by the client or by the adviser if the client requests. Given the amount of assets under management it is possible that the client may incur a higher commission rate by negotiating independently. Commission rates may be negotiated as an up-front package or may be negotiated at the time of trade placement.

Weik Investment typically uses discount brokerage firms to minimize the cost of trade execution as we seek “best execution.” Best execution means the most favorable terms for a transaction based on relevant factors, including the factors listed above. We also periodically monitor trade executions by broker firms against current market prices. At times, we may use other broker-dealers to fill trade orders due to the availability of offerings or to achieve best execution. In these circumstances, clients may pay additional costs for trade execution and settlement.

### **Disclosure of Products & Services**

Weik Investment receives research, and other products and services, from a variety of brokerage firms, including some that may be specified by clients. The research services received are normally written or electronic reports covering the economy, particular industries, or individual corporations, and are reports that brokers would be preparing for their clients in general, or a specified class of clients. Occasionally, the receipt of these products may be a factor in selecting a broker to execute a transaction. Weik Investment prohibits the establishment of soft dollar arrangements and does not contract, in verbal or written form, to receive products or services in exchange for brokerage commissions directed from client accounts. Should these types of arrangements ever be permitted it is the policy of Weik Investment to require prior Chief Compliance Officer approval and complete documentation.

Weik Investment may receive services from broker-dealers, other than trade executions, which are not always available to retail investors, such as access to research, institutional trading and custody services. Typically these services are available to independent

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investment advisers on an unsolicited basis and at no charge, when minimum levels of client assets are maintained in custody at that broker.

When selecting broker-dealer, Weik Investment may consider products and services made available to our firm, and not only the nature, cost, or quality of brokerage services available. This may create a potential conflict of interest. Weik Investment attempts to reduce this conflict of interest by primarily trading with broker-dealers that offer reasonable commissions.

Research received from brokers and used by Weik Investment is often used in servicing all client accounts. Soft dollar benefits to the firm are not proportionally allocated to any accounts that may generate different amounts of soft dollar benefits.

Although Weik Investment is not required to commit business to any broker-dealer, it does receive services that benefit our firm in investment decision making and trade execution. Examples of services received from broker-dealers include:

1. Execution of securities transactions
2. Custody
3. Research
4. Access to mutual funds and other investments that may otherwise be unavailable to institutional investors or require a higher minimum initial investment

Sometimes brokerage firms make available services that benefit Weik Investment but do not directly benefit client accounts. Many of these services are used to service a large number of accounts, including accounts that have directed us to use a specific brokerage firm. These products and services may help Weik Investment in managing and administering client accounts, as well as to further develop the business. These products include software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocation of aggregated trade orders
3. Provide research, pricing information, and other market data
4. Facilitate payment of Weik Investment's management fees from client accounts
5. Assist with back-office support, recordkeeping, and client reporting

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We also receive:

1. Consulting on information technology, regulatory compliance, business succession, and marketing
2. Publications and presentations/conferences on practice management
3. Educational conferences and events

These services benefit us because we do not have to produce or purchase them.

During the last fiscal year, Weik Investment did not direct client transactions to a particular broker-dealer in return for soft dollar benefits received.

### **Directed Brokerage**

Clients may direct Weik Investment to use a certain broker. If a client chooses to direct Weik Investment to use a specific broker they are informed that:

1. Weik Investment's ability to achieve best execution may be limited by the directed brokerage agreement
2. Weik Investment will not be able to negotiate or renegotiate commission rates with the broker-dealer, or impact or improve the price or quality of the execution services provided
3. The client will not be able to participate in volume discount commission rates that may be negotiated with broker-dealers used to place trades
4. The client may forgo other benefits such as saving on execution costs that may be obtained by aggregating client orders

Although we are under no obligation to conduct business with any broker-dealers due to products and services we receive from them, during the last fiscal year a majority of Weik Investment transactions were directed to a particular discount brokerage firm. This firm provides quality execution, offers clients reasonable commissions, and allows us to aggregate trades.

### **Aggregation of Accounts**

Typically when placing an order to buy or sell a security, Weik Investment will review client portfolios for possible inclusion in an aggregate (bunched) order. When transactions are aggregated, execution prices are averaged, and each client participating in the order is considered to have bought or sold the security at the average price. Weik Investment

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manages two limited partnerships that are treated as clients, and orders for the partnership may be aggregated with trade orders for other client accounts.

Weik Investment seeks to aggregate trading whenever possible to reduce commissions. If a client is unable to participate in an aggregate order due to account size or custodian selection, they may receive different executions.

### **Item 13 – REVIEW OF ACCOUNTS**

Individual portfolios are monitored using a team approach that typically involves multiple reviews by members of the investment team each month. The investment team includes: Thomas Weik, Chief Investment Officer; Sarah Skillman, Portfolio Manager; Warren Weik, Assistant Portfolio Manager; Abhishek Amatya, Equity Analyst; Joseph Scalise, Research Analyst; and Robert Kline, Fixed-Income Analyst. The investment team is also supported by other members of our staff.

Each month, at least one team member completes a minimum of one in-depth review of each portfolio. This review includes a comparison of actual portfolio allocations against established targets and ranges. Individual security positions are also reviewed, and the cash level is monitored to ensure there is enough cash available to meet known withdrawals. Additional reviews generally occur each month that are driven by changes in the general market or an individual issue. Portfolios are also reviewed after trades are placed in the accounts or when Weik Investment is made aware of any changes to the circumstances or objectives of the client. Electronic records are kept of all portfolio reviews. The Chief Investment Officer monitors all trading activity, supervises portfolio management, and frequently conducts detailed reviews of the portfolios. Miss Skillman, with the assistance of Mr. Kline reviews all fixed-income securities held in portfolios.

Clients receive reports at the start of management, quarterly throughout management, and at the termination of management. The quarterly reports include:

1. A portfolio appraisal using end-of-quarter prices listing all securities and cash reserves
2. A report analyzing the change in portfolio value and showing the investment returns for various time periods
3. A purchase and sale report indicating all activity for the quarter
4. A year-to-date realized gains and losses report

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5. A letter discussing the market/economic environment, the portfolio performance, and comparative performance data

Clients also receive verification of their assets and activity directly from their custodians. (Please see Item 15 for information regarding custody of client cash and securities.)

Partnership portfolios (as described in Item 7) are reviewed in similar fashion to that described above for individual portfolios. The partnerships are not managed in accordance with the objectives of the individual partners but are managed in accordance with the stated objectives of the partnership. Qualified clients investing in partnership portfolios containing pooled assets receive quarterly letters discussing the market/economic environment and developments in portfolio holdings. These letters also include unaudited results and the value of the partner's interest. Annually, the client receives audited financial statements and a K-1 from an independent accounting firm.

### **Item 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Weik Investment does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to Weik Investment clients.

Weik Investment does not receive client referrals from broker-dealers/custodians or any material third parties.

A factor in the determination of employee compensation may be the referral of clients.

### **Item 15 – CUSTODY**

While the assets under management at Weik investment are held by independent custodians, Weik Investment is nevertheless deemed to have custody of client funds. This is due to the fact that many of our clients have granted us the authority to submit our invoice to their custodian for payment of our management fees. Our clients receive account statements directly from the broker-dealer or bank serving as the custodian of their assets. These statements are generally issued monthly. We urge clients to carefully review these custodian statements. Weik investment receives duplicates of these statements either electronically or by mail. In addition, our clients receive quarterly reporting from Weik Investment, as well as an invoice for the management fee. Clients should compare statements received from Weik Investment with those received from their custodian in order to reconcile their security holdings, account activity, and account values.

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Weik Investment is also deemed to have custody of client assets because it is the general partner for two limited partnerships. Investors in the limited partnerships do not receive ongoing account statements from the partnership custodian but do receive audited financial statements each year. The financial statements are audited by an independent PCAOB (Public Company Accounting Oversight Board) inspected accounting firm. These statements are prepared in accordance with generally accepted accounting principles ("GAAP") and are generally distributed to partners in early March.

### **Item 16 – INVESTMENT DISCRETION**

Weik Investment usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Weik Investment observes the investment policies, limitations and restrictions of the clients for which it advises.

At times, clients may wish to impose restrictions on the portfolio management process. Examples of these restrictions include, asking Weik Investment not to trade in securities that the client has brought into the account or a security the client has requested Weik Investment to buy. Clients may also limit Weik Investment from investing in certain industries and security types. Clients are informed that any restrictions may impact the performance of the portfolio.

Before Weik Investment assumes discretionary authority, clients must execute an Investment Management Agreement. This agreement delegates the discretionary authority to manage the portfolio, states where the portfolio will be custodied, and informs the client of the types of investments that are typically used in managing the portfolio. Clients also complete and execute an account opening application from the custodian of their assets. Custodian forms grant Weik Investment a limited power of attorney for trading in the client's account.

When a client is solicited to invest in either limited partnership, they are given a Limited Partnership Agreement and Private Placement Memorandum. They also complete Subscription documents. Limited partners have no authority to limit the investment discretion of the Investment Manager of either partnership.

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The Management Agreement remains in effect, until terminated in writing by either the client or Weik Investment. The death, disability, or incompetency of a client will not terminate or change the terms of the Management Agreement. In the event of a client's death, permanent disability, or incompetency, the Management Agreement may be terminated by written notification from the executor, guardian, attorney-in-fact, or authorized representative of the client.

### **Item 17 – VOTING CLIENT SECURITIES**

Weik Investment will vote client proxies when a client authorizes us to vote on their behalf. This can be facilitated by the custodian for the client's assets. At the time an account is set-up, clients execute a supplemental account instruction form which delegates the proxy voting authority to us or allows the client to elect to vote their own proxies. If proxy voting is unavailable to us as an investment manager, the client will assume the responsibility to vote their own proxies. A client may revoke our authority to vote their proxies at any time by providing written instructions.

Clients wishing to direct any votes with respect to their shareholdings should not delegate voting to Weik Investment. If a client does delegate voting to our firm, Weik Investment will vote on all proxy items for the client.

As General Partner for our two partnerships, Weik Investment votes the proxies on behalf of all partners. We are unable to offer proxy voting to individual limited partners due to the pooling of interests into one portfolio.

Proxy voting for client accounts and partnerships is principally guided by the long-term economic interests of our clients. Weik Investment has established policies and procedures to govern our voting and maintain records of the voting. Our investment process includes the examination of a company's management team, and we generally have confidence in their operating skills and integrity. As a result, we typically strive to support the proposals raised by the management of companies held in client portfolios as long as we find them to be consistent with the best interests of shareholders. Shareholder's rights are considered when Weik Investment votes proxies on behalf of clients. When voting proxies for clients subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), we will vote in the best interest of plan participants and beneficiaries.

Our procedures include provisions to log each proxy that is received, a verification of the number of shares to be voted, and a record of how the vote was cast. Each proxy is to be

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voted in accordance with our procedures. Our policies include guidelines for voting routine issues such as:

1. Election of Directors
2. Selection of Auditor
3. Compensation/Option Plans
4. Restructuring/Recapitalization
5. Mergers and Acquisitions
6. Social Issues

Non-routine voting issues are addressed by a committee decision. At times, Weik Investment may contact a company official to clarify a proposal.

In certain cases, a conflict of interest may arise between Weik Investment and our clients regarding proxy proposals. Employees are required to disclose any potential or actual conflicts of interest, such as serving on a Board of Directors of a public company or being contacted to influence our voting. In these cases, we are committed to resolving the conflict in the best interest of the clients before we vote the proxy. When a conflict is identified, the proxy voting committee will convene to review the conflict and attempt to resolve the conflict before casting our votes.

We currently vote the proxies electronically through a third party provider. Clients or plan fiduciaries may obtain a copy of our complete proxy voting policies and procedures upon request. Clients may also request information on how we voted any proxies on their behalf by submitting a written request to: Weik Investment Services, Inc., ATTN: Chief Compliance Officer, 1075 Berkshire Blvd., Suite 825, Wyomissing, PA 19610. We maintain records of our voting for a minimum of five years.

### **Item 18 – FINANCIAL INFORMATION**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Weik Investment's financial condition. Weik Investment has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.