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This Brochure provides information about the qualifications and business practices of Biltmore Wealth Management, LLC ("Biltmore"). If you have any questions about the contents of this Brochure, please contact us at (480) 998-1819 or info@biltmorewealthaz.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

Item 2: Material Changes

Biltmore Wealth Management, LLC is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Last Annual Amendment filing: March 20, 2014

As of February 2015, our firm is now registered with the U.S. Securities and Exchange Commission.

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Item 4: Advisory Business

Biltmore is a limited liability company formed on August 3, 2009 in the State of Delaware. Biltmore became registered as an Investment Adviser in January 2010. Biltmore is principally owned by Kevin J. Sweeney and Timothy A. Carpenter. Mr. Sweeney is Biltmore's Chief Compliance Officer.

As discussed below, Biltmore offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.) investment advisory services and financial planning and related consulting services.

Description of the Types of Advisory Services We Offer

Investment Advisory Service.

Biltmore provides a customized portfolio management service through proprietary investment models with consistent day-to-day observation of market conditions. Each portfolio is specific to the needs of each client and is designed to meet the client's investment objective(s). Prior to providing investment advisory services, an investment adviser representative will ascertain each and design a suitable portfolio. Thereafter, Biltmore shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Biltmore's services. Portfolios receive on-going monitoring and reviews with proactive re-balancing of asset allocation if necessary.

Biltmore's annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. Biltmore may determine in its sole discretion that its client requires extraordinary planning and/or consultation services, and advise the client accordingly.

Financial Planning/Consulting Service.

Biltmore provides financial planning and/or consulting services where a planner makes recommendations on investments, estate planning, retirement planning, taxes, insurance, etc.

Recommendations shall be discussed by the Planner with the Client and may be implemented, at Client's sole discretion, with the corresponding professional advisers (i.e. broker, accountant, attorney, etc.) of Client's choosing. Client acknowledges that in respect to estate planning matters, Planner's role shall be that of a facilitator between the Client and his/her/its corresponding professional advisers.

Tailoring of Advisory Services

We offer individualized investment advice to clients utilizing our advisory services. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our investment advisory service. We do not manage assets through our other services.

Participation in Wrap Fee Programs

Biltmore does not participate in a wrap fee program.

Regulatory Assets Under Management

As of December 31, 2014, we manage \$131,200,000 on a discretionary basis and \$11,000,000 on a non-discretionary basis.

Item 5: Fees and Compensation

How We Are Compensated for Our Advisory Services

Investment Advisory Service.

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

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

This annual fee shall be prorated and paid quarterly, in advance, based upon the market value of the Assets on the last business day of the previous quarter. Fees are rounded either up or down to the nearest dollar and are generally negotiable. No increase in the annual fee percentage shall be effective without prior written notification to the Client.

Biltmore's investment advisory services may include financial planning/consulting. Biltmore and the client may then negotiate the additional cost for those services, which ranges between \$75 and \$250 per hour, and sign an agreement acknowledging this additional cost. Biltmore's clients may elect to pay the fees for those services by separate invoice or deduction from their custodial account.

Clients may elect to have Biltmore's advisory fees deducted from their custodial account. Both Biltmore's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Biltmore's investment advisory fee and to directly remit that management fee to Biltmore in compliance with regulatory procedures. In the limited event that Biltmore bills the client directly, payment is due upon receipt of Biltmore's invoice.

Other Fees:

Clients may incur transaction charges for trades executed in their accounts. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are

charged for individual equity and fixed income securities transactions). In addition to Biltmore's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Refunds Following Termination

Biltmore's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The *Investment Advisory Agreement* between Biltmore and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Biltmore shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

Commissionable Securities Sales

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

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

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

Item 7: Types of Clients

Biltmore's clients shall generally include individuals, high net worth individuals, business entities, trusts, estates and charitable organizations.

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

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

Methods of Analysis

Biltmore may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices). The inherent risk with this analysis is that it is not based on fundamental supply and demand factors, and investment results may vary from current trends and trend reversals.
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts). The inherent risk with this analysis is that it does not anticipate

securities outperforming the market; and investment results may vary as compared to the historical and present data used to evaluate the security.

- Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices). The inherent risk with this analysis is that it does not anticipate securities outperforming the market; and investment results may vary as compared to the historical and present data used to evaluate the security.

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

Investment Strategies We Use

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

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

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

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

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

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may

take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Biltmore shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio.

Please Note: Although the intent of the options-related transactions that may be implemented by Biltmore is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Biltmore, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Risk of Loss

Investing in securities involves a risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Biltmore) will be profitable or equal any specific performance level(s).

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

Description of Material, Significant or Unusual Risks

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

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

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

Item 9: Disciplinary Information

Biltmore has not been the subject of any disciplinary actions.

Item 10: Other Financial Industry Activities and Affiliations

Licensed Insurance Agents. Kevin J. Sweeney and Timothy A. Carpenter, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of Biltmore's representatives to purchase insurance products on a commission basis.

Conflict of Interest: The recommendation by either Kevin J. Sweeney and Timothy A. Carpenter that a client purchase an insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Kevin J. Sweeney and Timothy A. Carpenter. Clients are reminded that they may purchase insurance products recommended by Biltmore through other, non-affiliated insurance agents. Biltmore's Chief Compliance Officer, Kevin J. Sweeney, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

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

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

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

Neither Biltmore nor any related person of Biltmore recommends, buys, or sells for client accounts, securities in which Biltmore or any related person of Biltmore has a material financial interest.

Biltmore and/or representatives of Biltmore may buy or sell securities that are also recommended to clients. This practice may create a situation where Biltmore and/or representatives of Biltmore are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Biltmore did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Biltmore's clients) and other potentially abusive practices.

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

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

Item 12: Brokerage Practices

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

Research and Additional Benefits

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

hardware and/or software and/or other products used by Biltmore in furtherance of its investment advisory business operations.

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

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

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

Biltmore does not receive referrals from broker-dealers.

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

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

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

To the extent that Biltmore provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Biltmore decides to purchase or sell the same securities for several clients at approximately the same time. Biltmore may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Biltmore's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Biltmore shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13: Review of Accounts

For those clients to whom Biltmore provides investment supervisory services, account reviews are conducted on an ongoing basis by Biltmore's Principal. After the client's initial investment objective is determined, all clients are advised that it remains their responsibility to advise Biltmore of any changes in their investment objectives and/or financial situation. We encourage all clients when we contact them to review financial planning issues (to the extent applicable), investment objectives and account performance with Biltmore on an annual basis.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Biltmore may also provide a written periodic report summarizing account activity and performance.

Biltmore may conduct account reviews on a periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

Item 14: Client Referrals and Other Compensation

Charles Schwab & Co., Inc.

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

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

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

Referral Fees

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

Item 15: Custody

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

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

Item 16: Investment Discretion

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

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

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

Item 17: Voting Client Securities

Unless the client directs otherwise in writing, Biltmore is responsible for voting client proxies (However, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). No client is under any obligation to permit Biltmore to vote proxies on its behalf. Biltmore shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Biltmore shall monitor corporate actions of individual issuers and investment companies consistent with Biltmore's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Biltmore will consider when determining how it will vote differ on a case by case basis, they may, but are be limited to, include the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, Biltmore may be solicited to vote on matters including corporate governance, adoption or amendments to compensation

plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Biltmore may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Biltmore shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Biltmore voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Biltmore's Chief Compliance Officer, Kevin J. Sweeney.

Conflict of Interest: Biltmore's voting of client proxies presents a potential *conflict of interest*, because despite Biltmore's best efforts to vote proxies in the best interests of its client, such a proxy vote could nonetheless benefit Biltmore and/or Biltmore's other clients. To avoid this potential conflict of interest, clients are encouraged to direct Biltmore not to vote proxies and to vote proxies on their own behalf. Biltmore's Chief Compliance Officer, Kevin J. Sweeney, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Item 18: Financial Information

Biltmore does not solicit fees of more than \$1,200, per client, six months or more in advance.

Biltmore is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

Biltmore has not been the subject of a bankruptcy petition.