



DUNVEGAN ASSOCIATES, INC.

1114 State Street
Santa Barbara, CA 93101
Telephone: (805) 969-5432
Toll-Free: (800)-757-5432
Website: www.dunvegan.com

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This Brochure provides information about the qualifications and business practices of Dunvegan Associates, Inc. If you have any questions about the contents of this brochure, please contact DVA at (805) 969-5432. 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.

Dunvegan Associates, Inc. is a registered investment adviser, registered with the United States Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940. This designation does not imply a certain level of skill or training. Additional information about Dunvegan Associates, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

There have been no material changes since our last brochure, dated March 30, 2012.

On July 21, 2010, the U. S. Securities and Exchange Commission (the "SEC") unanimously adopted changes to Form ADV, Part II. All fifty states have also adopted the new format, with some additional state-specific disclosures mandated. The new Part 2, also known as the "Brochure" has 18 separate items that our firm must address (19 for state-registered advisers), each of which requires disclosure on a distinct topic, and answers must be presented in the order of the items in the form, using the headings in the form. Our goal is to provide you with easy-to-understand "plain-English disclosure," using an easy-to-read format and definite, concrete, everyday words.

Our current (updated) Form ADV Part 2 will be available to our existing and prospective clients through the Investment Adviser Public Disclosure website. Please review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

Additional information about Dunvegan Associates, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Dunvegan Associates, Inc. who are registered, or are required to be registered, as investment adviser representatives of Dunvegan Associates, Inc.

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Item 4 – Advisory Business

Dunvegan(DVA) was founded in 1974 in New York as a consulting arm of Reynolds and Co., now Morgan Stanley. At that time, A. C. Moore, President of Dunvegan, was Director of Institutional Research for Reynolds. Over the next decade, DVA served as an energy and overall financial market strategist to several of the largest financial institutions in the United States. Dunvegan has always featured a research approach to markets and its clients *vis-a-vis* a sales approach. That is, through a combination of fundamental and technical analysis, DVA has tried to figure out, using in-house research, how things work. Once we have determined what we know and what we don't know, an investment strategy seems to naturally evolve. A research approach contrasts sharply with a sales approach that seems to cater to client appetites with an ever-expanding menu of investment options with an accent on what sells the best. Although DVA commenced wealth management in 1983, the firm has had important alliances with President A. C. Moore having a position of Director of Research with Argus Research in the late 1980's and Chief Investment Strategist with Principal Financial Securities (a part of Principal Financial Group) in the 1990's. Today, DVA is an independent wealth manager serving families, institutions, qualified plans, trusts and endowments. As of December 31, 2014, assets under our direct management were \$189 million.

Dunvegan provides continuous management of client portfolios on a discretionary basis, blending our capital markets outlook with the financial goals of the client. The financial goals of the client are determined on an initial meeting and are systematically updated through periodic client review meetings. Among the issues that are taken into consideration are the form that the client's assets are in (e.g.: stocks, bonds, real estate), taxability, the client's personal and family obligations liquidity needs, and the client's risk preference.

Investment supervisory services are performed in accord with a "Letter of Understanding"(LOU) that permits Dunvegan to enter orders with the broker on behalf of the client. The LOU also defines how the client terminates the relationship and whether margin can be used or not.

Item 5 – Fees and Compensation

Dunvegan's management fee is negotiable. However, here is the fee schedule which we use as a guide:

ANNUAL FEE SCHEDULE

Dunvegan's management fee is based upon the market value at quarter end of assets supervised, payable quarterly, in advance, at the following annual rates:

| <u>Amount Under Supervision</u> | |
|-------------------------------------------------|--------|
| \$5,000,000..... | 1.00 % |
| Concession for each additional \$5,000,000..... | 0.05% |
| After \$50,000,000..... | 0.55% |

Eleemosynary institutions receive a 10% discount from the fee schedule.

The specific manner in which fees are charged by Dunvegan is established in a client's written agreement, the "Letter of Understanding", with Dunvegan. DVA will generally bill its fees on a quarterly basis. Fees are charged at the beginning of a quarter. Clients may elect to be billed directly for fees or to authorize Dunvegan to directly debit fees from client accounts. Management fees are prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Refunds are payable upon cancellation, which may be verbal or written, should services be terminated before the end of the quarter.

Clients may terminate management with a phone call, to be followed by a letter. Prepaid investment advisory fees (unearned) for that quarter will be refunded, prorated to the date of oral or written notification of cancellation.

Dunvegan's fees do not include brokerage commissions, transaction fees, and other related costs and expenses. Such fees and expenses are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds 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 Dunvegan's fee. It is in the client's best interest as well as that of DVA to keep commissions, fees, and costs as low as possible.

Item 12 further describes the factors that Dunvegan 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

Except for approximately \$1.5 million in client assets, Dunvegan does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Dunvegan provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and trusts. Item 8 – Methods of analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Some of our transactions in both stocks and bonds involves more frequent trading of securities. DVA does not experience any gain other than its stated fees on assets from more frequent trading. We understand that increased brokerage and other transaction costs and taxes are generated from more frequent trading. Nonetheless, our expectation is and our experience has been that client returns are enhanced and risks are reduced from our more active management.

Equity (stocks)

Our primary goal is to generate returns for our clients in excess of those earned by the broader stock market. We achieve this through both capital appreciation and income from stocks of companies that we think offer value to shareholders. Dividend yield is important in our selection of stocks but it does not limit our investment choices.

Our strength in investment selection begins with our analytical approach to the drivers of the world economy. A close examination of global supply and demand trends, through fundamental and technical analysis, identifies industries and companies that are well-positioned to benefit from positive long term economic trends. Our screening process targets companies with strong balance sheets, growing earnings, and focused management. We favor companies that appear to be industry leaders.

Once a company is identified as a potential investment, we run some calculations that help us to determine a reasonable price to buy the stock. DVA avoids buying stock in a company that we think is overvalued.

Fixed Income (bonds)

We start with global economic analysis form an opinion on of the trend of interest rates. We judgment of what optimum duration would be desired for minimizing risk and maximizing returns for our clients. For example, if we think interest rates are going up, we would choose duration of 3 to 5 years; if we think interest rates are going to go down, we would choose an

optimum duration in excess of 5 years. We take into account our clients' income needs, horizon, and taxability. Thinking primarily in terms of after-tax yield, we look at fixed income asset classes' relative positions on the yield curve. We seek undervalued sectors within the most desirable asset class. We also capitalize on mispriced issues, or 'outliers,' and opportunities arising from all types of corporate actions. Once a security has passed our risk criteria and we determine the optimum price for the security, the DVA team begins the global-reaching negotiation for a required price in order to transmit value to our clients.

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 Dunvegan or the integrity of Dunvegan's management. Dunvegan has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Dalarne Partners, L.P.

Dunvegan Associates is the General Partner of Dalarne Partners, L.P., a California limited partnership. Dalarne was formed for the purposes of investing in, holding, selling, trading, on margin or otherwise, in securities traded in public markets. As the general partner of Dalarne Partners, L.P., Dunvegan may share in the partnership's gains.

Private Fund Management

DVA serves as investment manager and operator of the following private limited liability corporation funds (referred to below as the "Dunvegan Funds") which have been designed to permit investors to access investment strategies, whose pooled investment vehicles might otherwise be unavailable to many investors due to high minimum investment requirements. Participation in these funds is restricted, and is only available through qualified retirement plan administrators. These funds are reported monthly, rigorously audited, and comply with all related ERISA guidelines. The registered Dunvegan Funds are:

- Dunvegan Aggressive Fund LLC
- Dunvegan Aggressive ETF Fund LLC
- Dunvegan Growth Fund LLC
- Dunvegan Growth ETF Fund LLC
- Dunvegan Growth Fund LLC
- Dunvegan International Fund LLC
- Dunvegan Balanced Fund LLC
- Dunvegan Money Market Fund LLC

Interests in the Dunvegan Funds are offered in reliance upon various exemption available under the securities laws for transactions in securities not involving a public offering. DVA manages the Dunvegan Funds on a discretionary basis in accordance with the terms and conditions of the organizational documents specific to each Fund.

Soft Dollar Arrangements

Generally, in addition to a broker's ability to provide "best execution," we may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars" pursuant to SEC rule 28 (e). Because many of the services or products could be considered to provide a benefit to the firm, and because the "soft dollars" used to acquire them are client assets, the firm could be considered to have a conflict of interest in allocating client brokerage business. Under SEC rule 28 (e), an investment manager is in position to receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate. In practice, this has not been the case with DVA. In addition, the firm could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services. Also in practice, this has not been the experience with DVA. Please refer to Item 12 for DVA's specific arrangements with TD Ameritrade and Schwab Institutional.

Item 11 – Code of Ethics

Dunvegan has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Dunvegan must acknowledge the terms of the Code of Ethics annually, or as amended.

Dunvegan anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Dunvegan has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Dunvegan and/or clients, directly or indirectly, have a position of interest. Dunvegan's employees and persons associated with Dunvegan are required to follow Dunvegan's Code of Ethics. Subject to satisfying this policy and applicable laws, employees of Dunvegan may trade for their own accounts in securities which are recommended to and/or purchased for Dunvegan's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Dunvegan will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. The Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading

activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Dunvegan and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Dunvegan's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Dunvegan will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Dunvegan's clients or prospective clients may request a copy of the firm's Code of Ethics by calling our offices at (805) 969-5432 or (800) 757-5432.

Item 12 – Brokerage Practices

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

DVA's primary business is the discretionary management of client accounts. That is, no specific client consent is sought before individual investment decisions, such as the quantity or type of security to be bought or sold, are made. In cases where client funds are held in a bank or trust company, brokers may be selected by Dunvegan for the transactions, based upon factors which include:

- (1) Service levels;
- (2) Expertise in trading the specific security;
- (3) Willingness to discount commissions; and,
- (4) Research services provided, which pertain to the trade.

A significant percentage of Dunvegan's clients prefer to choose their own brokers, or have done so prior to any management relationship with Dunvegan. In such cases, Dunvegan is instructed to use that broker for executions, custody and reporting. We make such clients aware that they may be paying commissions higher than those obtainable from other brokers in return for factors they may deem important, which include those above, and may include performance measurement and ongoing portfolio monitoring. When directed to use a certain broker, we may be unable to negotiate commissions and obtain volume discounts or best executions. Thus, a disparity may exist in commission charges among our clients. When our clients have selected or negotiated a "wrap fee" (annual transaction fee based upon a pre-set percentage of the account value), we make such clients aware that they may be choosing to pay more than the rates otherwise available in return for the above-mentioned factors, and further "insurance" against high-turnover periods. We attempt to help the client determine whether such a "wrap fee" arrangement is suitable for their portfolio, based upon objectives, portfolio type, and normal anticipated turnover. We will not

accept a broker-referred wrap fee account relationship without a discussion of the suitability of such an arrangement with the client.

From time to time, we are asked to recommend a brokerage firm for custody, execution, and reporting services. At such time, it is our policy to suggest several alternatives, and let the client make the decision.

Factors influencing our referral of brokers include:

- (1) Level of service;
- (2) Willingness to discount commissions;
- (3) Our assessment of past execution capabilities;
- (4) Willingness to provide access to research or analysts;
- (5) Clarity and reliability of reporting; and,
- (6) Client portfolio size.

In return for high marks in the above factors, our clients may choose from time to time, to pay higher commission rates than those obtainable from brokers who rate lower, on balance, in the factors listed above.

In some cases, our clients may pay commissions higher than those obtainable from other brokers in return for those abilities, products and services. Specific research services may include statistical research on the capital markets, sometimes available from certain broker dealers in return for commission dollar arrangements. Any research or account services that are provided to Dunvegan through the auspices of a commission broker, even though such services accrue directly to the benefit of the client, must be rates which are at or below the rates secured by Dunvegan in the ordinary course of business whereby rates are competitively negotiated.

Dunvegan Associates, Inc. participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TDA") member FINRA/SIPC/NFA. TDA is an unaffiliated SEC-registered broker-dealer and FINRA member. Dunvegan Associates, Inc. also participates in the Schwab Institutional program. Schwab Institutional is a division of Charles Schwab & Co. ("Schwab") member FINRA/SIPC/NFA. Schwab is an unaffiliated SEC-registered broker-dealer and FINRA member. Both TDA and Schwab offer independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. DVA receives some benefits from the broker-dealer through its participation in their respective programs.

Soft-Dollar Arrangements

Generally, in addition to a broker's ability to provide "best execution," we may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to the firm, and because the "soft dollars" used to acquire them are client assets, the firm could be considered to have a conflict of interest in allocating client brokerage business: it could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the

transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate. In addition, the firm could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

The firm's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), the firm will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to either TD Ameritrade Institutional or Schwab Institutional is reasonable in relation to the value of all the brokerage and research products and services provided by either TD Ameritrade Institutional or Schwab Institutional. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of our overall responsibilities to all of our clients.

Research and Brokerage Products and Services. "Research" products and services we may receive from broker-dealers may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit us to effect securities transactions and perform functions incidental to transaction execution. We generally use such products and services in the conduct of our investment decision-making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

Amount and Manner of Payment. A broker-dealer through which the firm wishes to use soft dollars may establish "credits" arising out of brokerage business done in the past, which may be used to pay, or reimburse the firm for, specified expenses. In other cases, a broker-dealer may provide or pay for the service or product and suggest a level of future business that would fully compensate it. The actual level of transactional business the firm does with a particular broker-dealer during any period may be less than such a suggested level, but may exceed that level and may generate unused soft dollar "credits." We do not exclude a broker-dealer from receiving business simply because the broker-dealer has not been identified as providing soft dollar research products and services, although we may not be willing to pay the same commission to such broker-dealer as we would have paid had the broker-dealer provided such products and services.

Item 13 – Review of Accounts

Accounts are reviewed at least on a weekly basis. The initial focus of this review is with the securities held by each account. Problems or opportunities generated by fundamental or market specific occurrences are quickly translated into the appropriate buy or sell adjustment of each account. Accounts are also systematically reviewed weekly as to accomplishment of individual client financial goals. Defensive asset allocation review is accomplished as needed but no less than on a weekly basis.

Clients receive a computerized portfolio review quarterly, accompanied by a cover sheet indicating performance relative to various market indices. A report as to our current analysis of the internal structure of markets is provided as appropriate for market conditions. We personally visit with most clients on a periodic basis and welcome phone calls and visits at our office.

Item 14 – Client Referrals and Other Compensation

If Dunvegan were to be the recipient of a client referral from someone who is not a client, DVA is prepared to pay the referring party up to 10 percent of the fees received by DVA with the provision that full disclosure is made to the client that is being referred. There is, of course, a potential conflict of interest that could arise from the referral that should be adequately addressed by the disclosure.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Dunvegan urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on account procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

DVA's primary business is the discretionary management of client accounts. Dunvegan 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, Dunvegan observes the investment policies, limitations and restrictions of the clients for which it advises. We determine guidelines and restrictions as a part of the ongoing meetings and conversations with clients.

Item 17 – Voting Client Securities

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. When Dunvegan has discretion to vote the proxies of its clients, it will vote those proxies in the best interest of its clients and in accordance with these policies and procedures.

Clients may obtain a copy of Dunvegan's complete proxy voting policies and procedures upon request. Clients may also obtain information from Dunvegan about how Dunvegan voted any proxies on behalf of their account(s).

In the absence of specific voting guidelines from a client, Dunvegan will vote proxies in the best interest of the client. Dunvegan believes that voting proxies in accordance with the following guidelines is in the best interest of a client.

- Generally, Dunvegan will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.
- Generally, Dunvegan will vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting.

For other proposals, Dunvegan shall determine whether a proposal is in the best interest of its clients and may take into account the following factors, among others:

- Whether the proposal was recommended by management and Dunvegan's opinion of management;
- Whether the proposal acts to entrench existing management; and
- Whether the proposal fairly compensates management for past and future performance.

Dunvegan reserves the right to add to these factors as it deems necessary in order to ensure that further categories of proposals are covered and that the general principles in determining how to vote all proxies are fully stated.

The Chief Compliance Officer will identify any conflicts that exist between the interest of Dunvegan and its clients. This will include a review of the relationship of Dunvegan and its affiliates with the issuer of each security [and any of the issuer's affiliates] to determine if the issuer is a client of Dunvegan or an affiliate of Dunvegan or has some other relationship with Dunvegan or a client of Dunvegan.

If a material conflict exists, Dunvegan will determine whether voting in accordance with the voting guidelines and factors described above is in the best interest of the client. Dunvegan will also determine whether it is appropriate to disclose the conflict to the affected clients and, except in the case of clients that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), give the clients the opportunity to vote their proxies themselves. In the case of ERISA clients, if the Investment Management Agreement reserves to the ERISA client the authority to vote proxies when Dunvegan determines it has a material conflict that affects its best judgment as an ERISA fiduciary, Dunvegan will give the ERISA client the opportunity to vote the proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Dunvegan’s financial condition. Dunvegan 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.