



W H E L A N  

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F I N A N C I A L

A REGISTERED INVESTMENT ADVISOR

# Part 2A of Form ADV: **Firm Brochure**

March 23, 2017



## Whelan Financial

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03/23/2017

This brochure provides information about the qualifications and business practices of Whelan Financial. If you have any questions about the contents of this brochure, please contact us at 559-228-8002 or [info@whelanfinancial.com](mailto:info@whelanfinancial.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 Whelan Financial is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 107227.

## II. Material Changes

Beginning in March 2017, Whelan Financial is not only a registered investment advisor and fiduciary under the Investment Advisers Act of 1940 but is also an investment manager (as defined in section 3(38) of the Employee Retirement Income Security Act of 1974 with respect to certain clients' employee benefit plans.)

Our Firm Brochure may be amended periodically. You may request a copy of our Firm Brochure at any time by contacting us at (559) 228-8002.



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## IV. Advisory Business

Whelan Financial, a California corporation, is a SEC-registered investment advisor with its principle place of business located in Fresno, California. Vincent J. Whelan, CFP®, President established Whelan Financial, in its original form, in 1988.

Whelan Financial offers the following services.

### **Investment Supervisory Services ("ISS") Individual Portfolio Management**

Our firm provides continuous investment advice to clients based on their individual needs. We develop a client's personal investment policy based on their goals, personal objectives, and particular circumstances. The goals and objectives are reviewed during our quarterly meetings. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs.

For Wealth Management clients we manage advisory accounts on a discretionary basis. Account supervision is guided by the client's financial objectives as determined through their financial planning interview, measuring tolerance for risk, their retirement capital analysis and tax considerations.

For Qualified Plans, Whelan Financial is restricted from investing outside the approximate approved stock-to-bond ratio found in the Investment Policy Statement. Whelan Financial has the authority to invest in the different share classes within a family of funds in the client's best interest.

Our investment recommendations are not limited to any security type offered by a broker dealer. In general we provide advice about no load mutual funds and exchange traded funds. Under certain circumstances, we may provide advice regarding the below:

- Exchange-listed securities (individual stocks)
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Annuities
- United States governmental securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity or suitability.

Once the client's portfolio has been established, they are reviewed no less frequently than quarterly and if necessary, rebalanced to their asset allocation.



## Financial Planning

We provide financial planning services to our Wealth Management Clients should they elect to engage in the process.

We gather required information through documents provided by the client and in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, return objectives and attitudes toward risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written analysis.

Financial planning is an evaluation of a client's current and future financial state by using assumptions to predict future cash flows, asset values and withdrawal strategies. Clients are presented with an analysis which outlines a detailed financial plan designed to assist the client achieve his or her financial goals and objectives. A copy of the analysis is provided upon request.

The analysis is intended to measure variables known at the time it is developed. Changes in client circumstances or differences in projected variables could materially affect actual results.

In general, the financial plan may address any or all of the following areas:

- **Personal Financial Goals:** Short and Long term objectives are identified and quantified.
- **Tax & Cash Flow:** We consider taxation when addressing financial goals. Tax is estimated but client is referred to their tax adviser for specific advice.
- **Investments:** We build investment portfolios to meet the return objective of the financial plan. Assets held outside of Whelan Financial are included in the analysis. All assets held outside of Whelan Financial management will not be actively monitored and we cannot advise on the impact that they may have to the financial plan in the future.
- **Social Security Planning:** We evaluate the Client's social security options using information provided by Client. Considering their personal objectives, goals and financial needs we make a recommendation for the most suitable strategy.
- **Insurance:** As part of the process above, we provide observations regarding health, life, disability and long-term care. We do not provide observations on multiple lines insurance. Clients are referred to their insurance agent/broker for specific advice regarding insurance.
- **Retirement:** We analyze current savings strategies, retirement plan investment options, expense patterns and future income expectations to help the client achieve his or her retirement goals.
- **Estate:** We make observations on estate planning issues and refer the client to an estate planning attorney when needed.

Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with us, his/her attorney, accountant, insurance agent and other advisors.

Implementation of financial plan recommendations is entirely at the client's discretion. The financial plan receives regular monitoring and is updated if deemed necessary by Whelan Financial.

## Amount of Managed Assets

As of 12/31/16, we were actively managing \$238,868,325 of clients invested assets on a discretionary basis.

# V. Fees and Compensation

## Wealth Management Service Fees

Fees are based upon assets under management (AUM), and as they grow your effective percentage will continue to drop per the following fee schedule:

### AUM greater than \$500,000:

1% of the first \$1,000,000; plus 0.75% on amounts in excess of \$1,000,000, up to \$1,500,000; plus 0.50% on amounts in excess of \$1,500,000.

### AUM less than \$500,000:

1.5% on the first \$250,000; plus 1.25% for amounts in excess of \$250,000, up to \$500,000.

For Example:

Assets Under Management	Annual Effective Rate
\$249,000.00	1.50%
\$350,000.00	1.43%
\$550,000.00	1.00%
\$750,000.00	1.00%
\$1,200,000.00	0.96%
\$3,000,000.00	0.71%
\$5,000,000.00	0.63%
\$10,000,000.00	0.56%

Such fee shall be computed on a quarterly basis and billed in advance at the beginning of each calendar quarter at .25 times the annual rate. The calculation uses account balances as of the last day of each calendar quarter and prorates fees for partial quarters. Such fee will be disclosed in writing to the client each quarter.

A minimum fee of \$5,000 per year is required for Advisor asset management services.

We retain the discretion to negotiate alternative fees on a client-by-client basis. We may group certain related client accounts for the purposes of achieving the maximum account size in determining the annualized fee. Certain clients may have their fees reduced or waived under certain circumstances such as financial hardship.

## Billing of Fees

Advisor will sell investments, in a manner consistent with the client's asset allocation, in an amount sufficient to cover up to one year's anticipated fees.

## Payment of Fees

Fees are debited directly from the client's accounts. Plan account fees are paid out of Plan assets to the extent permitted under ERISA. There are a small number of grandfathered clients that are invoiced.

## Financial Planning Fees

Included in Whelan Financial's asset management fee outlined above is an initial retirement capital projection and updates as deemed necessary by the Advisor.

## Social Security Planning Fees

Whelan Financial provides Social Security planning for all wealth management clients at no extra cost. Social Security planning is available for non-wealth management clients on an à la carte basis. A Social Security planning letter of engagement will be presented to the non-wealth management Client prior to the commencement of work. Such Clients will be required to complete a questionnaire and to provide current Social Security benefit information. The fee will be \$250-\$500 depending on the complexity of the analysis and will be outlined in the scope of Client engagement.

## General Information

At Client option, the contract may be cancelled without obligation within five days of the effective date of the contract.

**Mutual Fund Fees:** In addition to Whelan Financial's asset management fee, Clients also pay management fees and expenses charged by any mutual funds and/or ETF in their portfolios. Such fees are automatically deducted by the mutual fund and/or ETF company and disclosed in the prospectus for each mutual fund or ETF.

A client could invest in a class of mutual fund or ETF directly, without our services or fees.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which Whelan Financial effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Employee Retirement Income and Securities Act (ERISA) Accounts:** Whelan Financial specializes in providing investment management services to Qualified Plans such as Profit Sharing Plan/401(k) and Defined Benefit plans such as Cash Balance plans.

For these plans we are a 3(38) Fiduciary. While Whelan Financial is deemed to be a fiduciary to all of our advisory clients, we are also an investment manager (as defined at section 3(38) of ERISA) with respect to certain clients' employee benefit plans. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. Whelan Financial is a level fee fiduciary as outlined by the Department of Labor (DOL) Fiduciary Rule. ERISA Regulation 408(b) (2) requires Whelan Financial to provide annual fee disclosure notices.

**Advisory Fees in General:** Clients should note that advisory services, however different they may be, may or may not be available from other registered investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require payment of fees more than six months in advance of services rendered.

**Wrap Fee Programs and Separately Managed Account Fees:** Whelan Financial does not engage in Wrap Fee Programs or Separately Managed Accounts.

**Termination of the Advisory Relationship:** The Asset Management Agreement may be terminated at any time upon written notice by either party to the other. Any fees collected for any period beyond the termination of the contract is refunded to the Client on a pro rata basis.

## VI. Performance-Based Fees and Side-By-Side Management

Whelan Financial does not charge performance-based fees.

## VII. Types of Clients

Whelan Financial provides advisory services to the following types of clients:

- High net worth individuals
- Those other than high net worth individuals subject to special consideration
- Defined Contribution Plans such as 401(k)s
- Defined Benefit Plans such as Cash Balance plans
- Corporations or other businesses not listed above
- 501(c)(3) non-profit organizations



## VIII. Investment Strategies, Methods of Analysis and Risk of Loss

### Investment Strategies

Based on the needs of the client and consistent with the client's investment objectives, risk tolerance, time horizons, financial plan, and other considerations, we use the following strategies:

**Asset Allocation:** We custom build a portfolio for each client using asset allocation targeting certain percentages of the portfolio over broad categories of investments. When using asset allocation, the target percentages, the ratio of securities, fixed income, and cash will change over time due to market movements. We rebalance regularly to minimize the risk associated with such change.

Whelan Financial does not engage in market timing or focus on individual securities selection. Using asset allocation we custom design client portfolios of mutual funds and ETFs suitable to the client's investment goals and risk tolerance. Security types such as individual Treasuries and CDs are also used.

**Long-Term Strategy:** Using clients' investment objectives, we recommend diversified investments that are appropriate for the client's long-term horizon. We advise exposure to particular asset classes, regardless of the current outlook for this class. Our strategy for the long-term, is to buy, hold and rebalance.

**Short-Term Strategy:** Should a short-term need arise regarding a client's asset under management, client is advised to reposition appropriate amounts to short-term instruments commensurate with such need.



## Methods of Analysis

Whelan Financial's Investment Committee is responsible for researching, approving and monitoring all investments and portfolio designs offered by Whelan Financial. The Committee regularly re-evaluates the list of selected investments to ensure the investments have maintained their value within the portfolio and their competitive standing against their peer groups.

**Mutual Fund and/or ETF Analysis:** Each investment has been selected from a list of potential alternatives that satisfy the Investment Committee's research and analysis criteria. Initial search parameters include, but are not limited to:

- Expense
- Risk
- Performance
- Rank vs. Category
- Manager Tenure and Track Record
- Underlying Holdings
- Morningstar® Ratings: Star and Analyst Ratings

**Portfolio Analysis:** Once the funds have been selected, industry leading software is used to analyze the composition of the underlying holdings in the construction of the portfolio. Each portfolio is custom designed to meet the client's individual goals, needs and objectives using parameters established by the Investment Committee such as:

- Stock-to-bond ratio
- Beta spread
- Growth vs. Value
- Fixed Income quality, maturity and duration
- Geometric Market Capitalization
- Foreign vs Stock percentage
- Overlap of underlying investments

Past investment performance does not guarantee future results. Whelan Financial manages portfolios of mutual funds and ETFs. The portfolio will be managed through broad diversification in order to minimize non-systemic (or "business") risk. Systemic (market, interest rate, and purchasing power) risk shall be managed via asset allocation which will diversify the Client's portfolio between stock, bond and other markets as deemed appropriate by the Whelan Financial Investment Committee. It shall be the target of the portfolio to maintain a lower volatility record than the Standard & Poor's 500 over time. The mutual funds that comprise the portfolio, however, have their own assigned manager to select the underlying investments.

**Risks for all forms of analysis.** All analysis relies upon the accuracy of information provided by third party research software. We rely on the assumption that all sources of information about these securities are accurate and unbiased.

## IX. Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Whelan Financial has no such reportable legal or disciplinary events to disclose.

## X. Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

## XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Whelan Financial places the highest priority on maintaining its reputation for integrity and professionalism. That reputation is a vital business asset. The confidence and trust placed in our Firm and its employees by our clients is something we value and endeavor to protect. Whelan Financial and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Whelan Financial's Standards of Business Conduct set forth policies and procedures to achieve these goals. Our Code is intended to comply with the various provisions of the Advisers Act and also requires that all supervised persons comply with the various applicable provisions of the Investment Company Act of 1940, as amended, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and applicable rules and regulations adopted by the Securities and Exchange Commission ("SEC").

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics prohibits any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement and recordkeeping provisions.

Whelan Financial's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. All employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [info@whelanfinancial.com](mailto:info@whelanfinancial.com), or by calling us at 559-228-8002.

Whelan Financial and individuals associated with our firm are prohibited from engaging in principal transactions and in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may knowingly purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

## XII. Brokerage Practices

Whelan Financial is independently owned and operated and not affiliated with Schwab. However, we are best equipped to manage client accounts held at the Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer and SIPC member. As such, we recommend that clients hold (custody) their assets at Schwab. This allows us to effect trades, assist with account maintenance and facilitate client service needs. Although we suggest that clients establish accounts at Schwab, it is ultimately their decision. Whelan Financial has evaluated Schwab and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm in meeting our fiduciary obligations to clients.

Schwab provides Whelan Financial with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional.

These services are not contingent upon our firm committing to Schwab any specific amount of business over \$10 million (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.



For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through transaction fees and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit Whelan Financial but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, client recordkeeping and client reporting.

Schwab Institutional may also provide other benefits such as educational events to our personnel. In evaluating whether to recommend that clients custody their assets at Schwab, we do not take into account the educational events. We consider the nature, cost and quality of custody and brokerage services provided by Schwab. Discounts on various Schwab and other products may create a potential for conflict of interest.

The signed broker dealer application evidences the client's acceptance of a referral to Charles Schwab. This application includes specific powers of attorney granted by client including but not limited to:

- Authorization to make trades in the account
- Authorization to disburse money to accounts with like registrations
- Authorization to deduct fees

Clients should review the application for specific language pertaining to these authorizations.

Whelan Financial does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. Should the client direct the use of Schwab, Whelan Financial will negotiate commissions but not obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker). Clients should note, while Whelan Financial has a reasonable belief that Schwab is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisory firms require their clients to direct brokerage.



## XIII. Review of Accounts

### INVESTMENT SUPERVISORY SERVICES (“ISS”) INDIVIDUAL PORTFOLIO MANAGEMENT

**Reviews:** All portfolios are reviewed on a quarterly basis. Investments, however, used in portfolios are monitored continually by the Investment Committee. Accounts are reviewed in the context of each client’s stated risk tolerance, investment objectives, investment policy statement and financial plan (where the client has provided enough documentation to allow for a financial plan). More frequent reviews may be triggered by material changes in the client’s individual circumstances.

These accounts are reviewed by:

Vincent J. Whelan, CFP®, President, Senior Advisor  
Portia L. White, CFP®, Vice President, Senior Advisor  
Taylor J. Whelan, CFP®, Investment Advisor Representative  
Stephen C. Detweiler, Investment Advisor Representative



In order from left to right: Taylor J. Whelan, CFP®, Portia L. White, CFP®, Vincent J. Whelan, CFP®, Stephen C. Detweiler

**Reports:** Clients with assets held at Whelan Financial’s recommended custodian, Schwab, will receive quarterly statements unless an account has qualifying transactions such as deposits or withdrawals, in which case, they will receive a monthly statement as well as confirmations of transactions. Monthly statements are available online at Schwab Alliance (<https://client.schwab.com>). Additionally, Whelan Financial will provide quarterly reports, online, which summarize investment performance net of expense, balances and holdings.

### FINANCIAL PLANNING SERVICES

**Reports:** Whelan Financial does financial planning for wealth management clients only. Our clients will be presented with a retirement capital analysis which we review quarterly against their balance sheet. More frequent planning may be triggered by material changes in the client’s individual circumstances. We do not do comprehensive financial planning which would include analyses in areas such as: tax returns, employee benefits, estate planning and multiple lines insurance. For more information about financial planning services please refer to Item 4.

## XIV. Client Referrals and Other Compensation

It is Whelan Financial's policy not to pay related or non-related persons for referring potential clients to our firm.

It is Whelan Financial's policy not to accept or allow our Investment Advisor Representatives or any staff to accept any form of compensation, including cash, from a non-client in conjunction with the advisory services we provide to our clients.

## XV. Custody

Our firm does not have actual or constructive custody of client accounts. Clients receive brokerage statements directly from their custodians, frequency may vary.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

The custodian does not calculate the amount of the fee to be deducted. Although we make every effort to ensure the accuracy of our billing, we encourage clients to review their custodial statements to verify the accuracy of the calculation. Clients should contact us directly if they believe that there is an error.

We send remittance and no remittance required invoices on a quarterly basis.

In addition to the periodic brokerage statements that clients receive directly from their custodians, we provide investment performance reports to our clients on a quarterly basis. We notify our clients in writing to carefully compare the information provided on these reports to the statements provided by their custodian(s) to ensure that all account transactions, holdings and values are accurate.

## XVI. Investment Direction

Clients hire us to provide discretionary asset management services by signing an Asset Management Agreement. Investment discretion is attained through the custodian's Limited Power of Attorney signed by the Client. These authorities and limitations may be changed and/or amended by providing the custodian with written instructions.

Client gives Advisor the discretion to rebalance, reallocate, add or remove investment categories, and add or remove investments. Changes must be consistent with the Client's stock-to-bond ratio and tolerance for risk as outlined within the Client's Investment Policy Statement.

**Initial Portfolio Design:** Using asset allocation, Advisor will propose a portfolio design based on Client's needs and risk tolerance. Based on the Client's feedback, the Advisor may revise the proposed portfolio. Once the portfolio design is approved by Client, Advisor will prepare an Investment Policy Statement with the Client approved stock-to-bond ratio. The portfolio design will be reviewed by Advisor no less frequently than quarterly.

**Ongoing Investment Management:** Whelan Financial's Investment Committee ("Committee") is responsible for researching, approving and monitoring all investments and portfolio designs offered by Whelan Financial. These investments will be primarily, but not limited to, no-load mutual funds and ETFs. All investments will be made pursuant to an asset allocation and into specific investments recommended by the Advisor and approved by the Committee.

## XVII. Voting Proxy

We only vote proxy for our ERISA clients, unless they have elected to exercise this responsibility themselves. These clients can exercise this right by instructing us in writing not to vote proxy on their behalf.

We will vote proxy in the best interest of our ERISA clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision on how to vote proxy, and a copy of each written client request for information on how the adviser voted proxy. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Whelan Financial by telephone, email, or in writing. Clients may request, in writing, information on how proxy for the plan shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxy for his/her account(s), we will promptly provide such information to the client.

We will vote proxy for ERISA clients only on securities that fall within our management.

With respect to ERISA accounts, we will vote proxy unless we are advised by the client that the plan documents specifically reserve the plan sponsor's right to vote proxy. To direct us to vote proxy in a particular manner, clients should contact **info@whelanfinancial.com**.

We do not vote proxy for the following types of accounts which include but may not be limited to:

- Individual Retirement Accounts (including Traditional, Roth, SEP and Simple)
- Estate Trust Accounts
- Joint Tenant/WROS
- Community Property/WROS
- Corporations

For accounts where we do not vote proxy and our firm provides investment advisory services, clients' maintain exclusive responsibility for: (1) directing the manner in which proxy statements solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxy and shareholder communications relating to the clients' investment assets.

## XVIII. Financial Information

Whelan Financial has no adverse financial circumstances to report.

Under no circumstances do we require or solicit payment of fees more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Whelan Financial has not been the subject of a bankruptcy petition at any time.