



### **Item 1 – Cover Page**

## **Belleair Asset Management, LLC**

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Belleair Bluffs, FL 33770

(727) 586-3541

March 13, 2019

This Brochure provides information about the qualifications and business practices of Belleair Asset Management, LLC (“Belleair”). If you have any questions about the contents of this Brochure, please contact us at (727) 586-3541. 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.

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

Additional information about Belleair also is 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. The CRD number for Belleair is 290882.

## **Item 2 – Material Changes**

This Item of the Brochure discusses only specific material changes that are made to the Brochure since the last annual update and provides clients with a summary of such changes.

We do not have material changes for our current Brochure, however, please note that we have updated the Assets Under Management information of Item 4 in accordance with the filing of our Annual Updating Amendment on March 13, 2019.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting James M. Clark, Member and Chief Compliance Officer, at (727) 586-3541.

(Brochure Date: 03/13/2019)

(Date of Most Recent Annual Updating Amendment: 03/13/2019)

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## **Item 4 – Advisory Business**

Belleair Asset Management, LLC (hereinafter “Belleair”) is owned by James M. Clark and Tina E. Clark and has been providing advisory services since 2017.

As of December 31, 2018, Belleair managed \$69,760,931 on a discretionary basis and \$49,631,171 on a non-discretionary basis for a total Assets Under Management of \$119,392,102.

### **Investment Management Services:**

Belleair manages investment portfolios for individuals, qualified retirement plans, trusts, not-for-profit organizations, and small businesses. Belleair will work with a client to determine the client's investment objectives and investor risk profile and may design a written Investment Policy Statement (IPS). For certain portfolios, an investment policy statement will not be prepared. Belleair evaluates the client's existing investments with respect to the client's IPS, if applicable. Belleair uses investment and portfolio allocation software to evaluate alternative portfolio designs. Belleair works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by Belleair. Belleair will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

Belleair will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. Belleair will allocate the client's assets among various investments taking into consideration the overall risk and return profile of the client. Belleair primarily recommends portfolios consisting of passively managed asset class and index mutual funds. Belleair primarily recommends mutual funds offered by Dimensional Fund Advisors (DFA). DFA-sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover.

Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. Belleair will note such situations within the client's IPS when an IPS is maintained for the client.

Belleair manages mutual fund and equity portfolios on a discretionary or non-discretionary basis. A client may impose any reasonable restrictions on Belleair's discretionary authority, including restrictions on the types of securities in which Belleair may invest client's assets and on specific securities, which the client may believe to be appropriate.

Belleair may also recommend to advisory clients fixed income portfolios, which consist of managed accounts of laddered individual bond portfolios. Belleair will request discretionary authority from advisory clients to manage fixed income portfolios, including the discretion to engage an independent third-party fixed income manager. Belleair has contracted with BAM Advisor Services, LLC (BAM) for sub-advisory services with respect to clients' fixed income accounts. A client agreement, including this discretionary authority granted to Belleair by the client to hire a fixed income sub-advisor, may be canceled at any time for any reason upon receipt of 30-days' written notice.

Pursuant to its discretionary authority, Belleair will engage the third-party fixed income manager. The fixed income manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's IPS. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information).

On an ongoing basis, Belleair will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. Belleair will periodically, and at least annually, review clients' investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate. Belleair will provide any updated client financial information or account restrictions to third-party investment managers necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, Belleair may consult with clients on various financial planning areas including income and estate tax planning, disability income analysis, business sale structures, college financial planning, retirement planning, insurance and risk management analysis, personal cash flow analysis, investment analysis, establishment and design of retirement plans and trust designs, among other things.

Belleair does not participate in or sponsor any wrap fee programs.

### **Employee Benefit Plan Services:**

Belleair also provides advisory services to participant-directed retirement plans through third party administration services, which are online bundled service providers offering an opportunity for plan sponsors to provide their participants with daily account access, valuation, and investment education.

Belleair will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. Belleair will recommend investment options to help

achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

Belleair will recommend changes in the plan's investment vehicles as may be appropriate from time to time. Belleair generally will review the plan's investment vehicles and investment policy as necessary.

For certain retirement plans, Belleair also works in coordination and support with BAM Advisor Services, LLC ("BAM"). Retirement plan clients will engage both Belleair and BAM. BAM will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintain the plans' investments according to the goals and investment objectives of the plan.

Belleair will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

### **Financial Planning Services:**

Belleair also provides advice in the form of Financial Planning. Clients purchasing this service may receive various written financial reports, providing the client with detailed financial information designed to achieve their stated financial goals and objectives.

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

- Personal: Family records, budgeting, personal liability, estate information and financial goals.
- Education: Education IRAs, financial aid, state savings plans, grants and general assistance in preparing to meet dependent's continuing educational needs through development of an education plan.
- Risk: Review of existing insurance policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- Tax & Cash Flow: Income tax and spending analysis and planning for past, current and future years.
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

- Investments: Analysis of current and alternative investment holdings and costs, examining the potential long-term effects on a client's portfolio, recommending appropriate investment options, allocations, or adjustments.

Belleair gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed and a written report may be prepared. Should a client choose to implement the recommendations in the plan, Belleair suggests the client work closely with his/her attorney, accountant or insurance agent. Implementation of financial plan recommendations is entirely at the client's discretion. Clients are encouraged to review their plan on a regular basis, especially if there are any changes in their financial situation, goals, need, or investment objectives.

## **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by Belleair is established in a client's written agreement with Belleair. Investment Management and Employee Benefit Plan clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third-party sources or fair market value in the absence of market value; client account balances on which Belleair calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted.

For Investment Management and Employee Benefit Plan Services, Belleair will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to Belleair or its designated service provider, BAM, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third-party administrators will calculate and debit Belleair's fee and remit such fee to Belleair.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30-days' written notice. Upon termination, any prepaid, unearned fees will be promptly refunded.

Belleair's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be 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, 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. These fees will generally include a management fee and other fund expenses. All fees paid to Belleair for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to Belleair's fee, and Belleair shall not receive any portion of these commissions, fees, and costs.

Please see Item 12 of this Brochure for additional information about Belleair's Brokerage Practices.

### **Advisory Fees**

#### **Investment Management Services:**

The standard annual fee for investment management services for new accounts will be charged as a percentage of assets under management, according to the tiered schedule below:

<b>Assets under management</b>	<b>Annual Fee (%)</b>
On the first \$500,000	1.25%
On the next \$1.5 million	0.75%
On the next \$1.5 million	0.50%
On all amounts thereafter	0.35%

Fees may be negotiable based on family relations or individual circumstances including account size, potential future account growth, business relationships and the level and scope of the services requested. Individual accounts for immediate family members (such as husband, wife and dependent children) are aggregated, and the fee is charged based on the total value of all family members' accounts. Some clients may be charged a flat-rate fee for annual investment advisory services.

Belleair requires a minimum annual fee of \$5,000 for Investment Management Services. A minimum of \$500,000 is generally required for management services of portfolios of individual fixed income securities. Minimum fees may be negotiable under certain circumstances.



Certain pre-existing Investment Management Services clients may be on a different fee schedule.

Belleair has contracted with BAM Advisor Services, LLC (BAM), for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. Belleair has also contracted with BAM for sub-advisory services with respect to clients' fixed income accounts. Belleair pays a fee for BAM services based on management fees paid to Belleair on accounts that use BAM Advisor Services. The fee paid by Belleair to BAM consists of a portion of the fee paid by clients to Belleair and varies based on the total client assets participating in BAM Advisor Services through Belleair (tiered ranging from 20%-40%). These fees are not separately charged to advisory clients and the fee schedule below reflects the fees that advisory clients are charged. The fee charged by Belleair to its clients includes all sub-advisory fees charged by BAM.

#### **Employee Benefit Plan Services:**

The annual fee for plan services will be charged as a percentage of assets within the plan.

<b>Assets Under Management</b>	<b>BAM's Annual Fee</b>	<b>Belleair's Annual Fee</b>	<b>Total Fee</b>
On the first \$1,000,000	0.20%	0.70%	0.90%
On the next \$4,000,000	0.15%	0.45%	0.60%
On the next \$5,000,000	0.08%	0.25%	0.33%
On all amounts above \$10,000,000	0.05%	0.15%	0.20%

Fees may be negotiable based on individual circumstances including account size, potential future account growth, business relationships and the level and scope of the services requested.

Belleair and BAM Advisor Services share this fee according to a percentage negotiated between Belleair and BAM Advisor Services. Certain pre-existing employee benefit plan services clients may be on a different fee schedule.

#### **Financial Planning Services:**

Belleair may provide financial planning services for a fixed fee/retainer in accordance with a written agreement signed in advance of services provided.

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

Belleair does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

Belleair provides services to individuals, qualified retirement plans, trusts, charitable organizations, corporations and small businesses.

Belleair requires a minimum annual fee of \$5,000 for Investment Management Services. A minimum of \$500,000 is generally required for management services of portfolios of individual fixed income securities. Minimum fees may be negotiable under certain circumstances.

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

### *Methods of Analysis and Investment Strategy*

Belleair's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory and the Efficient Markets Theory. Belleair's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. Belleair recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. Belleair selects or recommends portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, Belleair's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients, the investment directly in conservative fixed income securities to represent the fixed income class. Belleair's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that Belleair's strategy seeks to minimize.

In the implementation of investment plans, Belleair therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. Belleair may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and Belleair may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services, but may help to more generally assist the client.

Belleair's strategies do not utilize securities that it believes would be classified as having any unusual risks, and does not recommend frequent trading, which can increase brokerage and other costs and taxes.

Belleair receives supporting research from BAM Advisor Services and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). Belleair utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to Belleair.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, Belleair relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, Belleair may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

#### *Risk of Loss*

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be

less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by Belleair may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in Belleair's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by Belleair may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **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 Belleair or the integrity of Belleair's management. Belleair has no information applicable to this Item.

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

### Affiliated Accounting Firms

James M. Clark, an owner of Belleair, is also the sole owner of the accounting firm, Belleair Tax Consultants, LLC, which may recommend Belleair to accounting clients in need of

advisory services. Belleair may also recommend Belleair Tax Consultants, LLC to advisory clients in need of accounting services. There are no referral fee arrangements or direct referral fee compensation between Belleair Tax Consultants, LLC and Belleair for their recommendations. However, referrals can create a conflict of interest. Accounting services provided by Belleair Tax Consultants, LLC are separate and distinct from the advisory services of Belleair, and are provided for separate and typical compensation. No Belleair client is obligated to use Belleair Tax Consultants, LLC for any accounting services.

#### BAM Advisor Services, LLC

As described above in Item 4, Belleair may exercise discretionary authority provided by a client to select an independent third-party investment manager for the management of portfolios of individual fixed income securities. Belleair selects BAM Advisors Services, LLC (BAM) for such fixed income management. Belleair also contracts with BAM for back office services and assistance with portfolio modeling. Belleair has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that BAM effectively provides both the back-office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of Belleair continuously makes this assessment. While Belleair has a contract with BAM governing a time period for back office services, Belleair has no such fixed commitment to the selection of BAM for fixed income management services and may select another investment manager for clients upon reasonable notice to BAM.

### **Item 11 – Code of Ethics**

Belleair has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Belleair's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth Belleair's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with Belleair will buy and sell securities for their personal accounts that are identical to those recommended to clients. The ability to invest in the same securities as clients represents a conflict of interest. Based on an individual's unique need, willingness and need to take risk, transactions by an individual associated with Belleair may be different than a recommended Belleair client transaction. This different recommendation can present a conflict of interest but is based on each individual's unique circumstances. In addition, Belleair typically utilizes open end mutual funds, which mitigates this conflict as mutual funds are priced once per day at net asset value (NAV). It is the expressed policy of the Firm that no person employed by the firm shall prefer his or her own interest to that of an

advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, Belleair requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. Belleair also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

Belleair's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. Belleair requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

Belleair will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is Belleair's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Belleair will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

Belleair arranges for the execution of securities transactions with the assistance of BAM Advisor Services. Through BAM, Belleair participates in the TD Ameritrade Institutional ("TDA") services program offered to independent advisers by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"). TDA is a FINRA broker dealer and members of SIPC.

For 529 Plans, Belleair may also recommend the Utah Education Savings Plan.

TDA's brokerage program will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. Belleair regularly reviews this program to ensure that its recommendations are consistent with its fiduciary duty. This trading platform is essential to Belleair's service arrangements and capabilities, and Belleair may not accept clients who direct the use of other brokers. As part of this program, Belleair receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As Belleair will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid in these situations, clients must direct Belleair as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that Belleair will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisors require clients to direct the use of specific brokers.

Other than through TDA, Belleair will not exercise authority to arrange client transactions in fixed income securities through other broker-dealers. Clients will provide this authority to a fixed income manager retained by Belleair on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

TDA does not generally charge clients a custody fee and is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the broker. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While Belleair will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

Belleair does not have any arrangements to compensate any broker dealer for client referrals.

Belleair does not maintain any client trade error gains. Belleair makes client whole with respect to any trade error losses incurred by client caused by Belleair. For clients utilizing TDA for brokerage services, TDA maintains a policy that any trade error gains will be donated by TDA to charity.

Belleair generally does not aggregate any client transactions in mutual funds. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which Belleair arranges transactions in mutual funds. For individual securities and exchange-traded funds (ETFs), transactions may be aggregated to ensure fair pricing across all Belleair clients participating in the transaction. BAM Advisor Services, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case a Belleair client's orders may be aggregated with an order for another client of BAM who is not a Belleair client. See BAM's Form ADV Part 2.

#### **Employee Benefit Retirement Plan Services:**

Belleair does not arrange for the execution of securities transactions for plans utilizing Employee Benefit Retirement Plan Services. Transactions are executed directly through employee plan participation. Belleair may, however, arrange for execution of securities transactions for certain plans that use TDA as custodian.

#### **Financial Planning Services:**

Belleair's financial planning practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will select their own broker dealers and insurance companies for the implementation of financial planning recommendations. Belleair may recommend any one of several brokers. Belleair clients must independently evaluate these brokers before opening an account. The factors considered by Belleair when making this recommendation are the broker's ability to provide professional services, Belleair's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. Belleair financial planning clients may use any broker or dealer of their choice.

### **Item 13 – Review of Accounts**

#### **Reviews:**

#### **Investment Management Services:**

Account assets are supervised continuously and formally reviewed quarterly by **James M. Clark, Member and CCO** of Belleair. The review process contains each of the following elements:



- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to an independent third-party investment manager as described above in Item 4.

#### **Employee Benefit Retirement Plan Services:**

Retirement plan assets are reviewed on a quarterly basis, and according to the standards and situations described above for investment management accounts.

#### **Reports:**

All clients will receive quarterly performance reports, prepared by BAM and reviewed by Belleair, that summarize the client's account and asset allocation. Clients will also receive at least quarterly statements from their account custodian, which will outline the client's current positions and current market value.

#### **Employee Benefit Retirement Plan Services:**

Plan sponsors are provided with quarterly information and annual performance reviews from Belleair. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

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

### **Client Referrals**

Belleair does not compensate for client referrals.

### Other Compensation

As indicated under the disclosure for Item 12, TDA provides Belleair with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit Belleair but may not benefit its clients' accounts. Many of the products and services assist Belleair in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Belleair's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Belleair's accounts. TDA also makes available to Belleair other services intended to help Belleair manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Belleair does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers.

Belleair also receives software from DFA, which Belleair utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for Belleair personnel. These services are designed to assist Belleair plan and design its services for business growth.

### **Item 15 – Custody**

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

While Belleair does not have custody of clients' securities and/or assets, Belleair does have arrangements to withdraw its advisory fees directly from a client's account.

## **Item 16 – Investment Discretion**

Belleair requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to engage an independent third-party sub-advisor for fixed income accounts. Any limitations on this discretionary authority shall be included in this written investment advisory agreement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, Belleair observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Belleair in writing.

## **Item 17 – Voting Client Securities**

Proxy Disclosures: As a matter of firm policy and practice, Belleair does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. Belleair, however, may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that Belleair will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct Belleair to transmit copies of class action notices to the client or a third party. Upon such direction, Belleair will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

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