

Item 1-Cover Page

MOUNT VERNON ASSOCIATES, INC.

575 South Charles Street, Suite 401 Baltimore, Md. 21201 (410)377-9780
www.mtvernonassoc.com

February 16, 2024

This Brochure provides information about the qualifications and business practices of Mount Vernon Associates, Inc. If you have any questions about the contents of this Brochure, please contact us at (410)377-9780 or generalmail@mtvernonassoc.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Mount Vernon Associates, Inc. is a registered investment adviser. Registration as 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 how you determine whether to hire or retain an Adviser.

Additional information about Mount Vernon Associates, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published "Amendments to Form ADV," which amends the disclosure document we provide to clients as required by SEC Rules. This Brochure, dated February 16, 2024, is an amended document prepared according to the SEC's requirements and rules.

This Item will discuss only specific material changes made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

We do not have any material changes at this time that affect our clients.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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

Our Brochure may be requested by contacting Nancy V. O'Hara, Chief Compliance Officer, at (410)377-9780 or generalmail@mtvernonassoc.com. Our Brochure is also available free of charge through our website, www.mtvernonassoc.com.

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

Item 3 -Table of Contents

Item I -Cover Page	1
Item 2 -Material Changes	2
Item 3 -Table of Contents	3
Item 4 -Advisory Business	4
Item 5 -Fees and Compensation	5
Item 6 -Performance-Based Fees and Side-By-Side Management	6
Item 7 -Types of Clients	6
Item 8 -Methods of Analysis, Investment Strategies, and Risk of Loss	6
Item 9 -Disciplinary Information	9
Item 10 -Other Financial Industry Activities and Affiliations	9
Item 11 -Code of Ethics	9
Item 12 -Brokerage	15
Item 13 -Review of Accounts	16
Item 14 -Client Referrals and Other Compensation	16
Item 15 -Custody	16
Item 16 -Investment Discretion	16
Item 17 -Voting Client Securities	17
Item 18 -Financial Information	19
Item 19 -Requirement for State-Registered Advisors	19

Item 4-Advisory Business

Mount Vernon Associates, Inc. is an independent investment management firm founded in 1986 that is privately owned by its officers. The principal owners are Mark C. Sullivan and Nancy V. O'Hara. We manage financial assets for tax-exempt institutions as well as taxable corporate and individual investors. The accounts will be managed on a discretionary basis unless otherwise agreed upon. As of December 31, 2023, Mount Vernon had \$195,185,000 managed on a discretionary basis.

Mount Vernon Associates' primary concern is that portfolios are designed to meet each client's specific requirements. A thorough evaluation of our client's objectives enables us to develop viable portfolios for a given investment environment. Once these portfolios are developed, we believe that maintaining open lines of communication with each client is essential to answer questions they may have and stay abreast of any changes in their investment goals. Every client is scheduled for a quarterly portfolio review. Interim reviews may also be scheduled. Quarterly reports sent to clients include an analysis of the portfolio structure as to the asset mix and industry weightings, market value and cost of holdings, a transaction summary for the period, a review of the performance, and our market comments with an analysis for the preceding quarter and our outlook for the period ahead.

Mount Vernon Associates' clients benefit from our top-down approach to both equity and fixed-income management. We believe that superior performance is derived from the ability to recognize and respond to changes in the economy, the political arena, or developments within a company or an industry that will have a significant impact, either positive or negative. This requires the expertise, confidence, and flexibility to make investment decisions before the market has the opportunity to react to the information. Our investment policy committee jointly reviews all investment decisions.

For institutional clients, especially those with multiple managers, investment services do not extend beyond the assets managed by Mount Vernon Associates, which may represent only one class of securities. While the advisory services offered to institutional clients are continuous, it does not consider the institution's overall financial position or the allocation of its other managed assets.

Item 5- Fees and Compensation

The specific manner in which Mount Vernon Associates, Inc. charges fees is established in a client's written agreement. Compensation is based on a percentage of the assets in each account under management. Fees are computed based on the market value of the assets in each client's account on the last trading day of the preceding quarter and prorated for any portion thereof. The fees are stated as annual percentages but are charged and payable quarterly in advance unless other arrangements are negotiated. Under certain circumstances, our fees are negotiable. The minimum fee for balanced and equity accounts is \$4,500, which may be waived. The minimum fee for fixed-income accounts is \$15,000, which may be waived. Clients may elect to be billed directly for fees or to authorize Mount Vernon Associates, Inc. to directly debit fees from client accounts. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. Any earned, unpaid fees will be due and payable, based on the most recent quarter-end calculated daily through proper notification of termination.

BASIC FEE SCHEDULE

.90% on the first	\$ 1,000,000
.75% on the next	\$ 1,000,000
.55% on the next	\$ 5,000,000
.40% on the next	\$ 5,000,000
.30% on the next	\$45,000,000
.20% on the remainder	

FIXED INCOME SCHEDULE

.50 of 1% on the first	\$10,000,000
.40 of 1 % on the next	\$40,000,000
.30 of 1 % on the remainder	

Advisory fees charged by Mount Vernon Associates, Inc. are distinct and separate from the fees and expenses charged by exchange-traded funds and mutual funds, which may be used within client accounts for additional diversification. A description of these fees is available in each of the fund's prospectus. Additionally, fees charged by Mount Vernon Associates, Inc. do not include custodial fees and transaction costs paid to custodians, brokers, or third parties involved in holding funds or completing trades on the client's behalf. Clients should review all fees charged by Mount Vernon Associates, Inc. (as disclosed in our ADV and our client contract), custodians, brokers, and other parties to fully understand the total fees incurred. Additionally, Mount Vernon Associates, Inc. does not receive any portion of those fees incurred in custodial or brokerage relationships, nor from exchange trade or mutual funds used by clients or included in client portfolios. For any service rendered beyond those stated above, the client will be charged on a time and material basis.

Item 6- Performance-Based Fees and Side-By-Side Management

Mount Vernon Associates, Inc. does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of a client's assets).

Item 7- Types of Clients

Mount Vernon Associates, Inc. provides portfolio management services to individuals, high-net-worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, trust programs, and other U.S. institutions.

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

Mount Vernon Associates applies a top-down approach to equity management. We have seen over time that interest rates and the current stage within an economic cycle are the determining factors that will cause capital to shift from one investment sector to another.

Mount Vernon Associates' management philosophy focuses on identifying securities with growth potential that can be purchased at a price that brings our clients the maximum value available for their dollar. We identify these undervalued companies in the marketplace through our fundamental qualitative and quantitative research disciplines. Our clients are therefore positioned to benefit from the growth of a strong market. This valuation process also identifies the price level at which a stock may have become overvalued, indicating the optimal timing for a sell decision.

Based on our economic outlook, we select those sectors and industries that will benefit from the particular phase of the economic cycle. Our portfolio managers then identify companies with the strongest fundamentals within the sectors and industries. After a company has passed the initial screenings, it is subjected to our quantitative analysis through the following criteria:

Price-to-earnings ratio less than the S&P 500

Expected earnings growth rate greater than S&P 500

Return on equity greater than the S&P 500

The price-to-book ratio less than S&P 500

Dividend yield greater than S&P 500

Conversely, these criteria may combine to form the basis of our sell discipline:

The price-to-earnings ratio exceeds that of the S&P 500

Relative expected earnings will be less than the S&P 500

The return on equity is expected to falter

The financial security appears to be weakening

Investing in securities is inherently risky. An investment in individual securities or a portfolio of securities could lose money. The investments selected by Mount Vernon should be deemed speculative investments and are not intended as a complete investment program. These types of investments are designed for sophisticated investors who fully understand and can bear the risk of losing their entire investment. Mount Vernon cannot guarantee that it will achieve its investment objectives or that any client will receive a return on its investment.

Bonds are not without risks!

Bond Risks:

Interest Rate Risk: The risk that interest rates change (e.g., increase) and (negatively) impact portfolio returns.

Reinvestment Risk: The risk that interest rates change (e.g., decline) and impact (lower) reinvestment rates.

Prepayment Risk: The risk that a bond issue pays off the principal early due to favorable conditions to the issuer.

Credit Default Event Risk The risk that an issuer's creditworthiness is impacted by changing financial conditions. The Fixed Income Process at Mount Vernon Associates is more about managing bonds' risks than being intoxicated by their attractive income features. Our approach to the many risks of bonds is as follows:

- Interest Rate Risk As defined earlier, interest rate risk is the risk that a change in general market interest rates will impact returns. This risk is controlled by managing and limiting portfolio duration. By "cuffing" or "collaring" our portfolio duration, we limit our interest rate exposure to a narrow band around the benchmark. For example, if our benchmark is the Bloomberg Government/Credit Index, with a duration of 5.4 years, our portfolios would not be expected to have a duration of less than 4.35 years (80% of 5.44), or greater than 6.53 years (120% of 5.44). Generally speaking, however, portfolio duration is most likely to be within a 10% band around the Index (i.e., 4.90-5.98 years). We do not typically aspire to make meaningful "statements" about the direction of interest rates.

- **Reinvestment Risk** –The prospect that changes in interest rates affect reinvestment rates can have a meaningful impact on portfolio performance. This is the "good news," "bad news" risk. The "bad news" (declining reinvestment rates) is mitigated by the likely positive trajectory of bond prices (the "good news") and, therefore, portfolio performance. Likewise, the "good news" of increasing reinvestment rates also likely means "bad news" for bond prices and portfolio absolute returns. Some of this risk can be averted by actively selecting to avoid purchases of higher coupon ("cushion bonds") that require a costly premium to par and present larger reinvestment risk in a falling rate environment. Reinvestment risk can be further mitigated by actively trading out of higher coupon "premium bonds" and into current coupon "par bonds" or "discount bonds" (bonds that trade significantly below par).

- **Prepayment Risk** -When conditions are favorable to the issuer, bonds may be redeemed or have the principal paid down before the stated maturity date. This can be caused by the following:
 - **Call Feature:** the right of an issuer to redeem bonds at a pre-determined price(s) and on a pre-determined date(s)
 - **Sink Feature:** the right of an issuer to redeem part of an outstanding issue at a price and on a date set by the issuer
 - **Mortgage/ ABS Pay down:** the obligation of a mortgage/ ABS holder to pay down monthly principal (and interest) payments as stated in the mortgage debenture and the additional option to pay more principal down than the stated obligation

- **Credit Default Event Risk** -The risk that this issuer cannot repay the debt or the perception that the issuer's ability to pay has changed or deteriorated presents the investor with the most vulnerability to the unsystematic risk of bonds. While credit rating agencies do exist to guide bond investors as to the creditworthiness of issuers, it has been long suspected, but only recently proven, that strict reliance on this resource could be detrimental to the health of a bond portfolio. Therefore, we believe managing credit risk is the most critical of all fixed-income disciplines.

While the other risks inherent in fixed-income securities can be moderated or controlled somewhat, managing credit risk is the discipline through which investors can either add alpha to bond returns or suffer under the weight of deteriorating credits. At Mount Vernon Associates, this is the discipline through which we believe we can add the most value to fixed-income performance.

All bonds are analyzed individually for their creditworthiness. This includes internal proprietary research that evaluates an entity's capital structure, competitive position, size, financial results, market strategy, corporate philosophy, and economic prospects. By viewing a company like a stockholder, we can evaluate its attractiveness as a bondholder.

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 Mount Vernon Associates, Inc. or the integrity of Mount Vernon Associates, Inc.'s management. Mount Vernon Associates, Inc. has never had information applicable to this Item.

Item 10 -Other Financial Industry Activities and Affiliations

Mount Vernon Associates, Inc. and management persons are not broker-dealers, futures commission merchants, commodity pool operators, or commodity trading advisors and have not applied to become any of these.

Mount Vernon Associates, Inc. serves as a sub-advisor for Old Glory Asset Management's fixed-income accounts. Since we are a sub-advisor and have no knowledge of Old Glory's trading activity, we feel this does not create a material conflict of interest.

Item 11-Code of Ethics

1. Purpose

The purpose of the employee trading procedures ("Procedures") is to govern the personal securities trades of "access persons" (as defined below) of the Mount Vernon Associates, Inc. ("Investment Adviser") whose personal interests, in certain circumstances, may conflict with those of the Investment Adviser. While the Investment Adviser has complete confidence in the integrity of all of its employees, officers, and directors, it recognizes that certain of these persons have or may have knowledge of current or future client transactions and, in certain circumstances, the power to influence transactions made by or for clients. If such individuals engage in personal transactions in securities that are eligible for investment by clients, these individuals could be in a position where their personal interests may conflict with the interests of clients.

2. General Principles

These Procedures are based on the principle that the Investment Adviser's access persons owe its clients a fiduciary duty. This duty includes the obligation to conduct their personal securities transactions in a manner that does not interfere with the transactions of any client or otherwise take unfair advantage of their relationship with clients. In recognition of this duty, the Investment Adviser hereby adopts the following general principles to guide the actions of the access persons:

- A. Access Persons have a duty at all times to place the interests of clients first.

B. Access Persons have the duty to conduct all personal securities transactions in a manner consistent with these Procedures and in such a manner as to avoid any actual or potential conflict or abuse of a position of trust and responsibility.

C. Access Persons must refrain from actions or activities that allow a person to profit or benefit from his or her position with respect to a client or that otherwise bring into question the Access Person's independence or judgment.

D. All personal securities transactions in securities by Access Persons must be accomplished so as to avoid even the appearance of a conflict of interests on the part of such Access Persons with the interests of a client.

3. Definitions

A. Access Person means any director or officer of the Investment Adviser or employee who, in connection with his or her regular functions or duties, makes, participates in, or obtains information regarding the purchase or sale of a Security by a Client before the transaction may occur, or whose functions relate to the making of any recommendations with respect to such purchases or sales;

1. any natural person in a control relationship to the Investment Adviser who obtains information concerning recommendations made by the Investment Adviser with respect to the purchase or sale of a Security by a Client; and

2. Employee and employee traded accounts are defined as:

- a. Any personal account of an employee;

- b. Any joint or tenant-in-common account in which the employee is a participant;

- c. Any account for relatives or others residing with the employee;

- d. Any account for an individual who is supported, directly or indirectly, to a material extent by the employee;

- e. Any account for which the employee acts as trustee, executor, guardian, personal representative, custodian, or other similar roles;

- f. Any account in which the employee has a direct or indirect financial interest.

B. Beneficial Ownership means a direct or indirect financial interest in a security, as amended in Section 16 of the Securities Exchange Act of 1934. A person, for example, would be deemed to have beneficial ownership of securities if he or she directly owned the securities, his or her spouse or minor children owned the securities, or if such person, by contract, arrangement, understanding, or relationship, has sole or shared voting or investment power over the securities held by such person.

C. Client means any person that has entered an investment management agreement with the Investment Adviser.

D. Control means the power to exercise a controlling influence over the management or policies of a company, has a 25% or more ownership position of a company's equity securities,

or otherwise controls a company as defined in Section 2(a)(9) of the Investment Company Act of 1940, as amended.

E. Related security means any security convertible within sixty (60) days into a Security and any future or option on the security.

F. Security means a security as defined in Section 2(a)(1) of the Securities Act of 1933, as amended, except that it does not include:

1. Any security issued by a mutual fund unless the advisor acts as the investment advisor or principal underwriter for the fund
2. Any security issued or guaranteed as to principal or interest by the U.S. Government, a U.S. Government Agency, or a U.S. Government instrument.
3. Any money market instrument, including bankers' acceptances, certificates of deposit, and commercial paper.

4. Prohibitions

A. No Access Person shall, in connection with the purchase or sale by such person of a Security held or to be acquired by any Client:

1. Employ any device, scheme, or artifice to defraud such client;
2. make to such client any untrue statement of a material fact or omit to state to such client a material fact necessary in order to make the statements made not misleading;
3. engage in any act, practice, or course of business that would operate as a fraud or deceit upon such client or
4. Engage in any manipulative practice with respect to such a client.

B. No Access Person may:

1. Purchase or sell, directly or indirectly, a Security for his or her own account unless pre-cleared by the Compliance Officer; and
2. Purchase or sell, directly or indirectly, a Security for his or her own account that is the same Security or Related Security that is the subject of a buy or sell recommendation to any Client unless pre-cleared by the Compliance Officer.

C. No Access Person shall verbally recommend any transaction in any Securities by any Client without having disclosed his or her interest, if any, in such Securities or the issuer thereof, including:

1. the Access Person's Beneficial Ownership of any Securities of such issuer;
2. any contemplated transaction by the Access Person in such Securities;
3. any position the Access Person has with such issuer; and
4. Any current or proposed business relationship between such issuer and the Access Person (or a party that the Access Person has a significant interest in).

D. No Access Person shall reveal any proposed transactions in Securities by one client to another Client, any employee of the Investment Adviser, or any other person.

E. No Access Person may acquire a Security in an initial public offering or private securities sale without the written consent of the compliance officer of the Investment Adviser.

5. Pre-Clearance of Securities Transactions

A. Each Access Person may not purchase or sell any security without first:

1. Providing the Compliance Officer with the information set forth in Section 5. c prior to the trade; and
2. Obtain pre-clearance from the compliance officer.

B. The pre-clearance requirements of Section 5.a. shall not apply to the following transactions:

1. Purchase or sales over which the Access Person has no direct or indirect influence or control;
2. Purchase or sales that are non-volitional on the part of the Access Person (e.g., purchases made pursuant to an automatic dividend reinvestment plan);
3. Purchases or sales of securities that are not eligible for purchase by any Client; and
4. Purchases are made upon the exercise of rights issued by an issuer pro rata to all holders of a class of its securities.

C. The following information shall be provided to the compliance officer pursuant to Section 5. a.i.: Security, quantity, date of expected transaction, type of transaction, account.

D. The compliance officer shall pre-clear transactions that appear, upon reasonable inquiry, to present no reasonable likelihood of harm to any Client.

6. Reporting

A. Each Access Person shall report all transactions in Securities in which such Access Person has acquired any direct or indirect Beneficial Ownership.

B. Reports shall be filed with the compliance officer within ten (10) days after the end of each calendar quarter. If no transactions qualify for reporting, the word "None" is to be written on the report.

C. Reports filed pursuant to this Section 6 shall contain the following information:

1. Name of the Access Person making the report;
2. Date of the transaction;
3. Title and number of shares involved;
4. The principal amount of each security involved;
5. Nature of the transaction (buy or sell);
6. Price at which transaction was affected; and

7. Name of the broker-dealer, bank, or other financial institution through whom the transaction was affected.

8. Certification statement that the Access person reads, understands, and complies with these procedures.

D. Every Access Person prior to opening an account at a broker-dealer or other financial institution, shall:

1. Notify the compliance officer of the intent to open such an account; and

2. Direct each such broker-dealer or other financial institution to provide the compliance officer a duplicate copy of the monthly (quarterly*) account statement or furnish a copy of the monthly (quarterly*) statement issued to such Access Person, if available.

E. Each Access Person who owns Securities acquired in a private placement shall disclose such ownership to the compliance officer if such person is involved in any subsequent consideration of an investment in the issuer by a Client.

7. Certification

Every Access Person shall certify on a quarterly basis that he or she has:

A. Complied with these Procedures;

B. Read and understand these Procedures and

C. Disclosed and reported all securities transactions consistent with these procedures' requirements.

8. Compliance Officer Duties

A. The compliance officer shall review and compare all reported transactions in Securities with the following:

1. The transactions of the Access Person indicated on his or her confirmations and account statements; and

2. The transactions of clients of the Investment Adviser.

B. If the compliance officer suspects that an Access Person has violated these Procedures, he or she shall investigate the alleged violation and, as a part of that investigation, allow the Access Person an opportunity to explain why the violation occurred or did not occur.

C. If the compliance officer concludes that an Access Person has violated these Procedures, he or she shall submit a report of such violation, his or her investigation of such violation, and his or her recommendation on what steps should be taken to address such violation, including recommending sanctions against the violator to the chief executive officer of the Investment Adviser.

D. After reviewing the report of the compliance officer and any other relevant information, the chief executive officer and/or other officers designated to review violations of these Procedures shall, as he or she deems appropriate, impose a sanction on the violator, which

may include a letter of censure, fine, forfeiture of profits, suspension, and/or termination of employment.

E. If any violation of the Code of Ethics occurs, the Chief Compliance Officer will report it to the President as soon as the violation is identified so a course of action may be decided on.

*Many mutual funds only issue quarterly statements.

9. Records

The Investment Adviser shall maintain the following records for a period of not less than five (5) years:

A. A copy of these Procedures;

B. Records of any violation of these Procedures and actions were taken by the Investment Adviser in response to such violation;

C. Copies of Access Person reports and, broker-dealer confirmations, and account statements; and

D. Lists of Access Persons.

10. Training

A. Each newly hired or newly designated Access Person shall receive a copy of these Procedures and shall be required to certify within thirty (30) days of receipt of such Procedures that he or she has read and understands the Procedures.

B. The compliance officer shall review the Procedures with any newly hired or newly designated Access Person.

C. The compliance officer shall require each newly hired or newly designated Access Person to file an initial report showing holdings of the most recent month end no later than ten days after the hire date.

D. The compliance officer shall conduct at least a quarterly review of the requirements of the Procedures and the required duties of the Access Persons.

Upon request, any client or prospective client may receive a copy of Mount Vernon's Code of Ethics.

Item 12 -Brokerage Practices

Mount Vernon Associates no longer uses soft dollar benefits to pay for proprietary research and third-party research.

Mount Vernon Associates' choice of whom we trade with is monitored and reviewed. Brokers will be selected on the basis of research product, commission rates, and execution capability. Research services will be evaluated on the quality of reports received, analyst contacts, and other communications. Included in the data evaluated will be industry and company reports, economic forecasts, market analyses, and other such reports or services. The reasonableness of the brokerage commission will be determined by an evaluation of the services rendered to satisfy clients' needs. While Mount Vernon Associates will attempt to obtain and negotiate competitive commission rates and discounts, the commission rates payable to a particular broker providing additional services, such as research and market analysis services, may be higher than the commission payable to brokers who offer no such services. All of the additional services offered by such brokers will be for the benefit of all clients.

There is no limitation on Mount Vernon Associates' authority to determine the broker or dealer to be used or the commission rates to be paid, providing the client's assets are held in custody or trust by a bank. However, Mount Vernon Associates will generally favor the request of a client to direct trades to particular brokers or dealers and generally attempt to obtain the fairest commission rates available.

Some clients may choose to have securities held in custody at a brokerage firm rather than a bank. With such arrangements, transactions for clients' accounts cannot be included or grouped with other clients from different brokers. Instead, they must be directed individually to the specific brokerage firm in most cases. Accordingly, the price paid or received in any security transaction may vary between clients. Likewise, the commission rate may be higher than the commission payable to brokers who do not provide custody services and with whom Mount Vernon negotiates commissions.

Mount Vernon also uses Prime Brokerage Services when it is advantageous to the client. This may incur an extra service fee from the custodian, which will be taken into consideration when purchasing securities.

For those accounts whose assets are held in custody at a bank, trades may be bunched with other similar accounts. This allows a larger block of securities to be traded, and in turn, a lower commission rate can be attained in many cases.

Item 13 -Review of Accounts

All portfolio managers are involved in the account reviews. General investment objectives and strategies will be reviewed for all accounts. Each account will generally be reviewed for performance, adding new purchases, selling existing positions, or continuing to hold certain securities. The general investment decisions reached will usually be implemented in all accounts with similar objectives unless there is a reason for the account manager to take a different position. More frequent reviews or special reviews of individual accounts may be performed when directed by a particular circumstance, such as changed market conditions or investment objectives, and may be necessitated by the performance of the account.

A quarterly report will be sent to each client. The report will contain market comments, an investment performance schedule comparing the account with the appropriate comparative market index, a summary of assets, appraisal, and a list of purchases and sales for the period, and the invoice or copy of the invoice if paid by the broker. If the client requests, the reports may be customized to their preference.

Item 14 -Client Referrals and Other Compensation

Mount Vernon Associates, Inc. does not have any arrangements, oral or written, where we are paid cash or receive some economic benefit from a non-client in connection with advising clients.

Mount Vernon provides compensation to Hibernia Sales Corp for referrals. Hibernia Sales receives compensation as long as the account remains under management at Mount Vernon Associates.

Item 15 -Custody

Clients receive statements monthly from the custodian. Clients will receive statements at least quarterly from the broker-dealer, bank, or other qualified custodians that hold and maintain the client's investment assets. Mount Vernon Associates urges you to carefully review such statements and compare such official custodial records to the account statements we provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 -Investment Discretion

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

Mount Vernon Associate's discretionary authority with respect to securities to be bought or sold may be limited by specific guidelines furnished by the client in connection with its investment objectives.

Such limitations may include minimum quality ratings (as rated by rating services), minimum income requirements, the float of the securities, and/or legal or regulatory requirements to which the client may be subject. The applicant generally will not purchase more than 5% (in the aggregate) of the outstanding securities of any class.

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

Item 17 -Voting Client Securities

Mount Vernon Associates (the "Advisor") have adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of clients of Mount Vernon Associates ("Clients"), in accordance with our fiduciary duties and SEC rule 206(4)-6 under the Investment Advisers Act of 1940. Our advisory contract establishes our authority to vote the proxies of our clients, and our proxy voting guidelines have been tailored to reflect these specific contractual obligations.

Proxies are always voted in the client's best interest and for their well-being, even at the expense of the Adviser.

All material conflicts are resolved for the benefit of the client. First, we determine if a conflict exists. Then we notify clients of potential conflict and obtain consent before voting. The Advisor will refrain from voting on the conflicted issue if permission is not granted.

The Adviser does not have to vote proxies if any of the following conditions are present:

- A. If the effect on shareholders' economic interests or the value of the portfolio holding is indeterminable or insignificant.
- B. The cost of voting the shares is prohibitive.
- C. If a client elects to vote on own behalf.

The Proxy Committee will oversee all proxy responsibilities. The Proxy Committee members include the Advisor President and Chief Compliance Officer. The Proxy Committee members will review policies for timeliness and cost-effectiveness on an ongoing basis.

After initial notification to our Clients, the policies and procedures are available upon request.

The Advisor's clients have the right to vote proxies on portfolio securities themselves or hire a third party. The Advisor will make the voting record available to clients upon request within 15 days of receiving a written request unless the client's votes are done by a third party hired by the client or voted directly by the client, in which case they remain unavailable.

The Advisor's Compliance officer oversees the voting process, and the Advisor's administrator is responsible for administering the votes and recording them.

The advisor will keep accurate records of all voted proxies, including the issue, date, and way the shares were voted. The Policies and Procedures will be reviewed annually for potential updates or clarification.

The Advisor's portfolio managers will be responsible for notifying clients of potential conflicts of interest.

The Advisor's responsibility for voting proxies is determined by its obligations under each advisory contract or similar document.

The Administrator receives proxies and makes the Portfolio Managers aware of them. Portfolio managers will then review and assess proxy issues, and if a conflict of interest is suspected, a meeting of the portfolio managers will occur to decide if a conflict actually exists. A conflict of interest will be declared if the client's interests are at odds with those of the Advisor, the portfolio managers, or those with a financial interest in the Advisor.

If the Portfolio Managers determine there is a conflict of interest, they will establish if the conflict is economically meaningful or potentially economically meaningful in nature. If the conflict is determined to be economically meaningful or potentially economically meaningful, the portfolio manager will notify the relevant clients of the conflict and obtain consent to vote on the client's behalf. If the client refuses their consent, the Advisor will not vote. If the Advisor believes the issue to be economically meaningful and does not have the client's consent to vote on their behalf, the Advisor will urge the client to vote on their own behalf without giving an opinion about which way to vote.

The Administrator is responsible for giving proxies to Portfolio Managers or Chief Compliance Officer for all decisions regardless of the nature (routine, specialized, etc.) of the issues up for a vote.

The Proxy Committee is responsible for the proxy vote decision. Proxy Committee will consider the impact on the stock's share value for the expected holding period. Portfolio Managers may be asked for their input or for research to aid in the decision. Proxy Committee will also determine whether or not an issue is economically meaningful. Non-economically meaningful issues will usually be voted with company management unless the issue has a symbolic significance that the Proxy Committee believes could affect share value. The Advisor's administrator is responsible for carrying out the vote in accordance with the Proxy Committee's decision. The Proxy Committee will disclose their decision

verbally or in writing directly to the administrator. The administrator will notify the appropriate institutions and will record the vote.

The Adviser will keep records of the following:

- A. The proxy policy and procedures.
- B. Copies of the Proxy statements- the Adviser will rely on EDGAR (a service of the SEC, EDGAR is a public database of all statements filed by public companies, whether foreign or domestic) or a third party.
- C. Record of each vote cast.
- D. A record of the basis for the decision.
- E. All written requests from clients for specific voting directions.
- F. Client requests for proxy voting information.
- G. Any materials prepared by the Adviser that was material in making a proxy voting decision.

Proxy voting records should be available for at least five years and in the office of the Adviser for at least two.

Item 18 -Financial Information

Registered investment advisers are required to complete this Item to provide you with specific financial information or disclosures about Mount Vernon Associates' financial condition. Mount Vernon Associate 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.

Item 19 -Requirement for State-Registered Advisors

Information on Mount Vernon's principal executive officers and management persons is detailed in the Brochure Supplement. We do not use performance-based fees. We do not have any relationship or arrangements with any issuer of securities that are not listed in Item 10.C. of Part 2A.

Item 1 Cover Page

Brochure Supplement

Silas Winfield Cain
Mark C. Sullivan
Nancy V. O'Hara
Marcia J. Zercoe

Mount Vernon Associates, Inc.
575 South Charles Street, Suite 401
Baltimore, Md. 21201

Purpose of the Brochure Supplement

This Brochure Supplement provides information about Silas Winfield Cain, Mark C. Sullivan, Nancy V. O'Hara, and Marcia Zercoe that supplements the Mount Vernon Associates, Inc. Brochure. You should have received a copy of the firm Brochure. Please contact Nancy V. O'Hara, Chief Compliance Officer, if you did not receive Mount Vernon Associates' Brochure or have any questions about the contents of this supplement.

Additional information about Silas Winfield Cain, Mark C. Sullivan, Nancy V. O'Hara, and Marcia Zercoe is available on the SEC's website at www.adviserinfo.sec.gov.

Note:

While Mount Vernon Associates, Inc. may refer to itself as a "registered investment advisor" or "RIA", clients should know that registration does not imply any level of skill or training.

Item 2-Educational Background and Business Experience

Silas Winfield Cain, (b. 1931), Chairman of the Board

Education: B.S., University of Pennsylvania, MBA, Case Western Reserve University Business

Background (5 years): Mr. Cain is currently Chairman of the Board. He previously served as President of Mount Vernon Associates and has been with Mount Vernon since its inception in 1986.

Mark C. Sullivan, (b. 1959), President

Education: B.A., Business, and Economics, Lake Forest College

Background (5 Years): Mr. Sullivan is President and Chief Investment Officer. He is responsible for overall investment strategy, selection and timing, and research. Before January 1, 2010, Mr. Sullivan was Vice President at Mount Vernon Associates, Inc. since 1994.

Nancy V. O'Hara, (b.1959), Vice President

Education: B.A. Economics, University of Maryland, Baltimore County

Background (5 Years): Mrs. O'Hara is Vice President and Chief Compliance Officer. Her responsibilities include firm compliance with all regulatory agencies, supervising operations and financial reporting, record-keeping, and human resources. Before December 2006, she was Director of Operations for Mount Vernon Associates, Inc. since she joined Mount Vernon Associates in 1993.

Marcia J. Zercoe, (b.1959), Investment Strategist

Education: B.S., Economics and Finance, Towson University; Master of Finance, Loyola Graduate School of Business

Background (5 Years): Ms. Zercoe joined Mount Vernon Associates in January 2010 as an Investment Strategist and Portfolio Manager. She is responsible for investment strategy, selection and timing, and research.

Item 3-Disciplinary Information

Silas Winfield Cain, Mark C. Sullivan, Nancy V. O'Hara, and Marcia J. Zercoe have not had any legal or disciplinary events in their past.

Item 4-Other Business Activities

Silas Winfield Cain, Mark C. Sullivan, Nancy V. O'Hara, and Marcia J. Zercoe are not actively engaged in any other investment-related business or occupation.

Item 5-Additional Compensation

Silas Winfield Cain, Mark C. Sullivan, Nancy V. O'Hara, and Marcia J. Zercoe do not receive additional compensation besides salary and regular bonuses.

Item 6 -Supervision

Mount Vernon Associates monitors the portfolio managers by having the investment committee review client transactions for appropriateness for the client's stated objectives. The committee consists of employees at the Vice President level or above. For further information, contact Nancy V. O'Hara, Chief Compliance Officer, at (410) 377-9780.