

Item 1 Cover Page



WESTBOURNE INVESTMENTS

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10/08/2024

Part 2A of Form ADV: Firm Brochure

This Brochure provides information about the qualifications and business practices of Westbourne Investments, Inc. (**WESTBOURNE**) and Ariba Asset Management (**ARIBA**), a division of Westbourne Investments, Inc. If you have any questions about the contents of this brochure, please contact us at (800) 808-7488 or pwalsh@westbourneinv.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.

Westbourne Investments, Inc. is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Westbourne Investments, Inc. also is available on the SEC's website at adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Westbourne's CRD number is 37499.

Item 2 Summary of Material Changes

Item 2 provides a summary of material changes that **WESTBOURNE** has made to this Brochure since the last annual update, which occurred on March 13, 2024. For additional details, see the referenced item in the Brochure.

- Item 1 – Effective September 16, 2024, Robert "Bob" Long 's interest in **WESTBOURNE** was transferred to his son, Robert "Rob" Long.
- Item 5 – Added **WESTBOURNE'S** standard, stated fee schedule and a description of how fees are calculated based on assets under management.

Additionally, **WESTBOURNE** no longer provides Concierge Services and Special Projects billed at an hourly rate.

- Item 8 – Included descriptions of the nature and risks generally associated with investment advisory services provided by **WESTBOURNE**.
- Item 9 – Disclosed that, on July 26, 2021, the United States Securities and Exchange Commission ("Commission") accepted **WESTBOURNE'S** Offer of Settlement ("Offer") in connection with **WESTBOURNE'S** failure to file with the Commission and to deliver to retail investor clients **WESTBOURNE'S** Form CRS. As a result of this conduct, the Commission found that **WESTBOURNE** violated Advisers Act Section 204 and Rules 204-1 and 204-5 thereunder. Without admitting or denying the findings, **WESTBOURNE** entered into the Offer whereby **WESTBOURNE** was ordered to cease and desist from committing or causing any violations and any future violations of Advisers Act Section 204 and Rules 204-1 and 204-5 and censured and the SEC imposed a civil money penalty in the amount of \$25,000, which **WESTBOURNE** paid in full.
- Item 10 – Included that certain of **WESTBOURNE'S** supervised persons, in their individual capacities, are licensed insurance agents and recommend the purchase of certain insurance-related products on a commission basis through non-affiliated insurance agencies.
- Item 12 – Added that, as part of **WESTBOURNE'S** overall relationship, **WESTBOURNE** receives research and other benefits from Schwab.
- Item 15 – Clarified that the ability to deduct **WESTBOURNE'S** advisory fees from client accounts causes **WESTBOURNE** to exercise limited custody over client funds or securities and that the qualified custodians do not verify the accuracy of **WESTBOURNE'S** advisory fee calculation.

Additionally, **WESTBOURNE** has made other changes, some of which may clarify or enhance existing disclosures, but we do not consider these other changes to be material.

The revised Brochure will be available on the SEC's public disclosure website (IAPD) at adviserinfo.sec.gov or you may contact us at the number or email listed on the cover page of this Brochure to obtain a copy. When an update is made to this Brochure, we will send a copy to you with a summary of material changes, or a summary of material changes that includes an offer to send you a copy either by electronic means (email) or in hard copy form.

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Item 4 Advisory Business

Firm Description & Principal Owners

Westbourne Investments, Inc. (**WESTBOURNE**) provides independent, customized account management for individuals and institutions. Our firm specializes in providing highly personal management of our client's assets. Stock and bond portfolios are designed and managed in strict accordance with each client's individual investment objectives. Discretionary authority is limited by the objectives of the account, the applicable fiduciary obligations imposed by the law and the assets contained in the account. **WESTBOURNE** was founded in 1990 and was principally owned by Robert "Bob" Long and Patrick Walsh. In September 2024, Bob's interest in **WESTBOURNE** was transferred to his son, Robert "Rob" Long.

Types of Advisory Services

WESTBOURNE offers a number of different types of advisory services.

- **Personal Financial Planning**

This service includes a discussion and written analysis of an individual or family's current financial condition, including current and expected income sources from salary, social security, pensions, or other sources; estimated monthly expenses; risk protection in place via life, disability, long-term care, and other relevant insurance policies. It also includes recommendations, implementation, and monitoring of an asset allocation plan based on the investor's financial goals, as well as the individual's ability, willingness and need to take risk, as determined by time horizon, stability of earned income, need for liquidity, and the investor's available options for liquidity should their investment plan fail. An investor's available options may include delaying retirement, taking a part-time job, downsizing the current home, selling a second home, lowering consumption, or moving to a region with a lower cost of living. The more options, the more risk one can take.

- **Diversified equity and balanced portfolio management**

Managed portfolios are structured with Exchange Traded Funds (ETFs) and/or individual stocks that represent the following investment categories:

- *Income-oriented* equities are selected for their relatively consistent ability to produce noticeably superior rising income streams from basic industry sectors of the economy represented by real estate, energy production and delivery, select utilities, entertainment, and financial services.
- *Core* equities are comprised of 15 to 20-year-old companies, characterized by strong, innovative managements, excellent balance sheets, demonstrated pricing power, earnings growth consistency and predictability, proprietary markets or product ranking one or two in their respective industry niche, and possessing a shareholder motivated management.
- *Growth* equities represent a category comprised of ably-managed younger versions of the core group, with dynamic new products or services that address, rapidly expanding, new markets and societal needs, and possess all, or most, of the financial attributes and metrics of the older core companies.

- **ETF portfolio management**

WESTBOURNE develops a strategic asset allocation plan based on the client's risk tolerance, investment return objectives, investment time horizon, income requirements and other factors. The target investment portfolio for the client is usually divided among equity, fixed income, and alternative investments. The asset allocation model further identifies investment asset classes within these broad categories, such as short and intermediate-term U.S. and global bonds, U.S. large and small company growth and value stocks, international large company and small company growth and value stocks, real estate investment trusts, publicly traded Master Limited Partnerships, precious metals, and money market securities. **WESTBOURNE** invests in selected common stock funds including Exchange Traded Funds (ETFs) that track these asset classes, periodically rebalancing to the target allocation while considering the impact of taxes and transaction costs. Investors in ETF portfolios should expect to remain fully invested in their selected asset allocation plan at all times.

- **Options**

WESTBOURNE employs various strategies in line with the clients' agreed upon strategies.

- *Covered Calls Strategy* - Selling call options on equities long in accounts, using strike prices above purchase prices and using time/value analysis to achieve enhanced cashflow(income).
- *Synthetic Longs Strategy* - Selling put options, below the market price to provide the opportunity to purchase equities at lower levels, also used in conjunction with "covered calls" to create spreads. Also used with the purchase of long calls, to acquire participation in positive equity appreciation.
- *Long Puts Strategy* - To provide a measure of insurance against sudden, volatile stock value declines.
- *Long Call Strategy* - Buying call options.
- *Advanced Options Strategy* - Vertical & Butterfly options spreads.

Options Strategies within the approved risk levels of option trading (zero to three) could employ all of the above outlined strategies. All clients receive the custodian's "option risk brochure." Option positions are monitored daily and chronological records are kept to evaluate future decisions by the investment committee.

Tailored Relationships

Portfolios are managed according to the objectives and needs of the client. Client goals and objectives are clarified in meetings and via correspondence and are used to determine the course of action for each individual client. The needs and objectives for each client are documented in client files and our portfolio management system electronically.

Clients may impose restrictions on investing in certain securities or types of securities. This must be done in writing. Account restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. For these reasons, performance of the portfolio may not be identical with other clients of Westbourne.

Managed Assets

As of December 31, 2023, **WESTBOURNE** managed a total of \$191,110,828. \$191,110,828 managed on a discretionary basis and \$0 on a non-discretionary basis.

Item 5 Fees and Compensation

WESTBOURNE'S standard, stated fee schedule is as follows; however, fees for investment advisory services provided are negotiated on a client-by-client basis prior to services rendered and are agreed to with each client in writing:

Annual Fee Rates Equities

\$25,000 to \$100,000	2.000%	Fixed Income	0.500%
\$100,000 to \$300,000	1.650%		
\$301,000 to \$500,000	1.400%		
\$500,001 to \$2,000,000	1.150%	Option Trading [Negotiable]	
Next \$3,000,000	0.900%		
> \$5,000,000	0.775%		

Generally, the investment advisory fee is payable quarterly in advance, unless otherwise negotiated in writing. The fee will be a percentage of the market value of all assets in the advisory account on the last trading day of the previous calendar quarter. In any partial calendar quarter, the advisory fee will be pro-rated based on the number of days that the account was open during the quarter. Client understands that Account assets invested in shares of mutual funds or other investment companies ("funds") will be included in calculating the value of the Account for purposes of computing **WESTBOURNE'S** fees and the same assets will also be subject to additional advisory and other fees and expenses, as set forth in the prospectuses of those funds, paid by the funds but ultimately borne by the investor. Advisory fees will be deducted directly from Client's account(s) unless negotiated otherwise with **WESTBOURNE**.

The investment management agreement may be canceled at any time by either party on 30 days written notice. The agreement is automatically extended from year to year unless written notice is received to the contrary, sent by ordinary mail, terminating the services as indicated above. In the event of such cancellation, the fee would be prorated to the date of termination and any unused portion of fees collected in advance for advisory services will be refunded within 30 days.

Personal Financial Planning Fees - Financial planning is billed at a fixed rate. Estimates are provided and a deposit requested. Since the nature of the work often involves variables or circumstances unknown at the start of the engagement, estimates are not guaranteed.

Other Fees - Custodians may charge transaction fees on purchases or sales of certain mutual funds, stocks, bonds, and exchange-traded funds. These transaction charges are usually relatively small and are incidental to the purchase or sale of a security. In some cases, custodians also charge monthly, quarterly or annual custody fees. Fees for custody are disclosed to clients when this type of arrangement is recommended. Mutual funds and exchange traded funds generally charge a management fee for their services as investment managers. The management fee is included in the expense ratio. Mutual fund fees also include transaction charges for the purchase or sale of securities within the fund and may charge other fees as disclosed in the fund prospectus. These fees are in addition to the fees paid by the client to **WESTBOURNE**.

Past Due Accounts and Termination of Agreement - **WESTBOURNE** reserves the right to stop work on any account that is more than 60 days overdue. In addition, **WESTBOURNE** reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate to providing proper financial advice, per the judgment of **WESTBOURNE**.

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

WESTBOURNE does not charge performance-based fees or engage in side-by-side management. Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. Side-by-side management generally refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees) and at the same time manages other accounts for which fees are assessed on a performance fee basis. Since **WESTBOURNE** does not charge performance-based fees, it does not engage in side-by-side management.

Item 7 Types of Clients

WESTBOURNE provides investment management and financial planning to individuals, high net worth individuals, pension plans/profit sharing plans and institutions. The minimum account size for portfolio management is \$100,000. Accounts not meeting this minimum may at times be accepted on a case-to-case basis.

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

Methods of Analysis and Investment Strategies

WESTBOURNE'S investment strategies and advice will vary depending upon each client's specific financial situation. As such, **WESTBOURNE** determines investments and allocations based upon each client's predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. A client's restrictions and guidelines will affect the composition of the client's portfolio. It is important that each client promptly notify **WESTBOURNE** with respect to any material changes to the client's financial circumstances, including for example, a change in current or expected income level, tax circumstances, or employment status.

- *Financial Planning*

Strategies are devised and implemented on a client-by-client basis. Generally, **WESTBOURNE** consults with each client to find agreement on the appropriate level of portfolio risk after considering factors such as personal situation, including age, health, family circumstances, income, expenses, assets, debts, liquidity needs, goals, objectives, risk tolerance, suitability and other relevant factors. **WESTBOURNE** then proposes an asset allocation strategy that attempts to maximize growth possibilities for the agreed upon level of risk and implements the strategy by creating a multi-asset class portfolio primarily consisting of passively managed exchange-traded funds ("ETFs") and index funds. **WESTBOURNE** then monitors each client portfolio on an ongoing basis, rebalancing as necessary to ensure risk exposures are as agreed upon from the last account review and given the current and expected condition of the client, the markets, and the global

economy.

Changes in the asset allocation models, which includes adding, removing or replacing securities at the discretion of WESTBOURNE, are made based on significant changes in the economic, financial or political climate; changes in the tax code; the management of the securities; and/or the client's personal circumstances, including health, employment and family status. WESTBOURNE may replace a particular security (or securities) if it significantly diverges from its relevant index in terms of risk or return, with a security that is more in line with the risk/return profile of the relevant index or if there is a different security that in WESTBOURNE's opinion, would be better suited.

- *Equity & Options Management*

The Method of Analysis begins with "Top Down" understanding of all important economic variables such as interest rates, rate of inflation, money supply growth, leading economic indicators, government fiscal and monetary policies, regulatory policies as well as the impact such indicators have on industries and companies. Continuous monitoring of such data provides the basic knowledge necessary to take advantage of changes in economic trends, investor psychology and stock market price movements. "Bottom Up" securities analysis is then employed to determine the appropriate asset allocation and to structure an investment program which meets the investment objective and risk profile of each client. Such analysis includes, but is not limited to, comparative statistical analysis of financial statements, quality and track record of management, quality and reputation of the company's products and services, competitive environment and long-term growth potential. Using these analytical tools along with other pertinent knowledge, our experienced management determines and monitors the intrinsic value of each investment compared to the prevailing price of the stock. This technique provides a consistent framework for investing in companies at prices that afford the possibility of above average appreciation and dividend growth.

Risk of Loss

Investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of, nor predictable by WESTBOURNE. Investments may lose value, and past performance is never a guarantee of future results.

The information contained in this Brochure did not include every potential risk associated with an investment strategy, nor all of the risks applicable to a particular security. Risks vary by client according to their investment objectives, guidelines, liquidity needs or risk tolerances and not every strategy or portfolio will be exposed to each of the risks described in this Brochure. This list is not intended to be exhaustive of all of the risks associated with investing in strategies or securities that are utilized or recommended by WESTBOURNE. Rather, it is a general description (in alphabetical order) of the nature and risks of the investment advisory services provided by WESTBOURNE and its advisors.

Asset Allocation: A portfolio that holds large cash positions may deviate from the stated benchmark and could underperform as a result. Differences in the security holdings and weights of a portfolio versus the strategy benchmark will result in disparities between a portfolio's performance relative to its benchmark. A portfolio may perform better or worse than a similarly managed account for various

reasons including, but not limited to, the frequency and timing of rebalancing and trading each portfolio and the size and number of positions in each portfolio.

Cash-Equivalents (Money Market Funds): Cash equivalents are short-term, highly-liquid investments, such as money market funds (a type of mutual fund) and are subject to interest rate and issuer-specific changes. Interest rate increases can cause the price of a money market security to decrease. Likewise, a decline in the credit quality of an issuer can cause the price of a money market security to decrease. An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at one dollar per share, it is possible to lose money by investing in a money market fund.

Concentration: Strategies that are concentrated in only a few securities, sectors or industries, regions or countries or asset classes could expose a portfolio to greater risk and may cause greater portfolio volatility.

Cybersecurity and Information Security: A portfolio is susceptible to operational and informational security risks due to the increased use of the internet. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through “hacking” or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches of third-party service providers may cause disruptions at third-party service providers and impact business operations, potentially resulting in financial losses; the inability to transact business; violations of applicable privacy and other laws, regulatory fines, or penalties; reputational damage; unanticipated expenses or other compensation costs; and/or additional compliance costs. **If a client suspects fraudulent activity in an account(s), the client should immediately contact WESTBOURNE using the information on the cover page of this Brochure and contact the qualified custodian using the information on the custodial statement.**

Equities (Stocks): Equity instruments are subject to equity market risk, which is the risk that common stock prices will fluctuate over short or even extended periods. Equity securities generally have greater price volatility than fixed income securities. The market price of equity securities may increase or decrease, sometimes rapidly or unpredictably. Equity securities may decline in value due to factors affecting markets generally, particular industries, sectors or geographic regions represented in those markets, or individual security concerns.

Exchange Traded Funds (“ETFs”): ETFs are, by definition, portfolios of securities, and although the risk associated with investments in ETFs may be low relative to investments in securities of individual issuers, there are events that can trigger sharp, and sometimes adverse, price movements in ETFs that are not related to movements of the markets in general. These events include, but are not limited to, unanticipated dividends, changes to regular dividend amounts, announcements of rights offerings and possible unexpected revisions to the net asset values of the ETF.

Fixed Income (Bonds or Debt): Debt securities are affected by changes in interest rates. When interest rates rise, the value of debt securities are likely to decrease. Conversely, when interest rates fall, the values of debt securities are likely to increase. The values of debt securities may also be affected by changes in the credit rating or financial condition of the issuing entities.

Market: Securities markets are volatile and investing in securities involves the risk of loss that clients should be prepared to bear. The direction of the capital markets (e.g., stock, credit, interest rate, real estate, private equity, volatility, etc.) are difficult to predict and are dependent upon changes in a number of factors, including, but not limited to, interest rates, inflation, and a host of additional economic and political factors. There is always a risk that the capital markets as a whole will decline, bringing down the value of individual securities regardless of their fundamental characteristics. Market risk is also known as systematic risk or undiversifiable risk. This risk is both unpredictable and impossible to completely eliminate.

Operational and Third-Party Risk: Portfolios are exposed to operational risk introduced through human intervention or the failure of automated processes. Operational risks include, but are not limited to, reconciliation errors, trading the wrong security, trading a security for an unintended portfolio or purchasing a security that a portfolio was intended to sell, or vice versa. In addition, natural disasters, power interruptions and other events may cause system failures. Furthermore, reliance on third-party vendors and technology providers results in third-party risks and, despite reasonable efforts (e.g., initial due diligence and monitoring), there is no guarantee that any or all third-party service provider risks will be mitigated and may result in consequences such as the inability to execute client transactions or monitor client accounts.

Options and Complex Products: Complex products, including but not limited to, master limited partnerships (MLPs), real estate investment trusts (REITs) and options, may use advanced trading techniques such as leverage, which lead to additional risks and costs. For example, option strategies can involve frequent trading, increasing transaction costs. “Pass-Through” securities, such as MLPs and REITs, do not pay corporate income taxes, but the shareholder pays taxes on dividends received at the holder’s ordinary income tax rate. Investing in a complex product should not be compared to investing in the underlying asset, as the features and risks may differ significantly. Investors should be aware of any attributes related to limits on the upside or downside potential of returns, call options, income, risk reduction strategies, early termination events, tax consequences, and market events that impact the complex product or its underlying asset. Certain complex products carry additional risk, including the potential for losses that may exceed the original investment amount.

Security Selection: The risk of choosing a security that underperforms the market for unanticipated reasons. There can be no assurance that clients will ever come to realize the value of some of these investments, and that the investment will ever increase in value. During this time, the client may have funds locked up in an underperforming investment, which presents an opportunity cost for other investments.

Item 9 Disciplinary Information

On July 26, 2021, the United States Securities and Exchange Commission (“Commission”) accepted **WESTBOURNE’S** Offer of Settlement (“Offer”) in connection with **WESTBOURNE’S** failure to file with the Commission and to deliver to retail investor clients **WESTBOURNE’S** Form CRS. Pursuant to the Offer, **WESTBOURNE** was required to file its initial Form CRS with the Commission as Part 3 of its Form ADV and to begin delivering its Form CRS to prospective and new retail investor clients, as applicable, by June 30, 2020. **WESTBOURNE** was further required to deliver its Form CRS to existing retail investor clients by July 30, 2020. Westbourne filed Form CRS with the Commission on and posted Form CRS to its website on February 24, 2021, and delivered Form CRS to its existing retail investor clients between March 5, 2021

and March 30, 2021. As a result of this conduct, the Commission found that **WESTBOURNE** violated Advisers Act Section 204 and Rules 204-1 and 204-5 thereunder. Without admitting or denying the findings, **WESTBOURNE** entered into the Offer whereby **WESTBOURNE** was ordered to cease and desist from committing or causing any violations and any future violations of Advisers Act Section 204 and Rules 204-1 and 204-5 and censured and the SEC imposed a civil money penalty in the amount of \$25,000, which **WESTBOURNE** paid in full.

Notwithstanding the foregoing, **WESTBOURNE** is not aware of any other legal or disciplinary events that are material to a client's or prospective client's evaluation of **WESTBOURNE'S** advisory business or the integrity of **WESTBOURNE'S** management persons.

Item 10 Other Financial Industry Activities and Affiliations

Neither **WESTBOURNE** nor any of our management persons are registered or have an application pending to register as a broker-dealer, or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities.

Neither **WESTBOURNE** nor its management person has any relationship or arrangement that is material to our advisory business or to our clients that **WESTBOURNE** or any of our management persons have with any related person.

Certain of **WESTBOURNE'S** supervised persons, in their individual capacities, are licensed insurance agents and recommend the purchase of certain insurance-related products on a commission basis through non-affiliated insurance agencies. As a result, these individuals have an incentive to recommend products or services that create the greatest compensation for the individual. Clients should review their financial professional's Form ADV Part 2B Brochure Supplement to determine whether the client's financial professional is engaged in insurance activities that may create a conflict of interest. If the client did not receive the financial professional's Form ADV Part 2B Brochure Supplement, the client may contact the **WESTBOURNE** using the information on the cover page of this Brochure. Clients are not under any obligation to purchase or sell any commission products or any other services offered by **WESTBOURNE'S** financial professionals (in their individual capacities).

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

Code of Ethics

WESTBOURNE has adopted a code of ethics setting forth policies and procedures, including the imposition of restrictions on itself and employees, to the extent reasonably necessary to prevent certain violations of applicable law. This Code of Ethics and Conduct is intended to set forth those policies and procedures and to state the **WESTBOURNE'S** broader policies regarding its duty of loyalty to clients. A copy of **WESTBOURNE'S** code of ethics is available upon request by contacting **WESTBOURNE**, using the information on the cover page of this Brochure.

Participation or Interest in Client Transactions

Generally, neither **WESTBOURNE** nor any related person of **WESTBOURNE** recommends to clients, or buys or sells for client accounts, securities in which **WESTBOURNE** or where any related person of **WESTBOURNE** has a material financial interest. For example, **WESTBOURNE** does not act as (1) a principal when buying securities from (or selling securities to) clients; (2) general partner in a partnership that clients are solicited to invest in; or (3) an investment adviser to an investment company (i.e., mutual fund) that is recommended to clients.

Personal Trading

Associated persons of **WESTBOURNE** may invest in securities which they recommend, buy or sell for clients. All officers and employees of **WESTBOURNE** buy and sell such stocks on a “last-in, last-out” basis, so that they trade at the same time, or later, than clients to avoid any conflicts.

Item 12 Brokerage Practices

Best Execution and Benefits of Custodial Selection

WESTBOURNE recommends Charles Schwab & Co., Inc. (“Schwab”) to clients for custody and brokerage services. As part of **WESTBOURNE’S** overall relationship, **WESTBOURNE** receives research and other benefits from Schwab. Such research and other benefits include, but are not limited to, investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by **WESTBOURNE** in furtherance of its investment advisory business operations. Other benefits include, facilitating payment of our fees from client accounts, assisting with back-office and support functions, recordkeeping and client reporting, and institutional trading and custody services, which are typically not available to retail investors. However, clients should be aware that the fees charged by a particular custodian (or broker/dealer) for a particular transaction or set of transactions may be greater than the amounts another custodian (or broker/dealer) who did not provide research services or products might charge.

Many of these services are used to service all of **WESTBOURNE’S** client accounts, including accounts not maintained at Schwab that provide or pay for the research or other benefit(s). Therefore, **WESTBOURNE** has an incentive to recommend Schwab based on the overall relationship. **WESTBOURNE** is obligated to seek best execution for all trades; however, in seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a services. While **WESTBOURNE** reviews the accuracy, timeliness and execution of trades processed through Schwab, **WESTBOURNE** cannot guarantee that a client will receive the most favorable execution of their trades, which in turn may cost clients more money. Periodically, **WESTBOURNE** reviews the custodial services provided by other qualified custodians. **WESTBOURNE** selected Schwab due, in part, to accessibility, electronic trading, efficient and professional service, technical support, and timely reporting to clients.

Research and Other Soft Dollar Benefits

WESTBOURNE does not receive research or other products or services from other broker-dealers or third parties in connection with client securities transactions (“soft dollar benefits”).

Brokerage for Client Referrals

WESTBOURNE does not recommend broker-dealers based on client referrals.

Directed Brokerage

For our investment advisory services, client transactions are executed through Schwab or the qualified custodian and, for held-away assets, through the designated custodian, administrator, or product provider. **WESTBOURNE** may be unable to achieve the most favorable execution of client transactions and clients may pay higher transaction costs or receive less favorable prices. **WESTBOURNE** does not generally allow client-directed brokerage accounts.

Aggregate Orders

IN CERTAIN CIRCUMSTANCES, **WESTBOURNE** advisors elects to transact aggregated or “bunched” orders when more than two clients (at a particular custodian) require a purchase or sale of the same equity security (i.e., stocks and ETFs) at the same time. All clients’ accounts participating in the aggregated order shall receive an average share price. If an aggregated purchase or sale order for such a security is executed over multiple days, **WESTBOURNE** applies the average price achieved each day. In some instances, a non-aggregated order might provide a better price to clients. In addition, trades for tax-overlay accounts may be processed separately from other advisory accounts. Therefore, same-day or multi-day trade timing differences can occur between the processing, submission and the execution of securities transactions, resulting in execution price differences between accounts and clients.

Each client is responsible for individual account transaction costs.

Item 13 Review of Accounts

All advisory clients’ positions are monitored daily and advisory accounts are periodically reviewed by the advisors of **WESTBOURNE**. This review process focuses on the portfolio’s construction relative to the client’s goals, objectives, and guidelines, individual security holdings, and capital gain/loss considerations for taxable accounts.

Account custodians are responsible for providing quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Clients are urged to compare any report provided by **WESTBOURNE** with the confirmations and statements directly received from the qualified custodian.

Item 14 Client Referrals and Other Compensation

WESTBOURNE has no referral arrangements.

Item 15 Custody

Upon written authorization from **WESTBOURNE**, the custodian will directly debit client account(s) for the payment of **WESTBOURNE’S** advisory fees. This ability to deduct **WESTBOURNE’S** advisory fees from client accounts causes **WESTBOURNE** to exercise limited custody over client funds or securities. **WESTBOURNE** does not have physical custody of any clients’ funds and/or securities. Client funds and securities will be held with a bank, broker-dealer, or other qualified custodian. Clients will receive account statements from the qualified custodian(s) holding the client’s assets at least quarterly. These account statements will indicate the amount of **WESTBOURNE’S** advisory fees deducted from the account(s) each billing period. **Note:** The qualified custodians do not verify the accuracy of **WESTBOURNE’S** advisory fee calculation and clients do not receive an invoice from **WESTBOURNE** showing calculation of its advisory fees. Clients with any

questions should contact the client's advisor or **WESTBOURNE** using the information on the front of this Brochure.

Item 16 Investment Discretion

As described above under **Item 4 - Advisory Business**, **WESTBOURNE** accepts discretionary authority to manage securities accounts on behalf of clients. **WESTBOURNE** has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Clients must sign a limited power of attorney before **WESTBOURNE** is given discretionary authority.

Item 17 Voting Client Securities

WESTBOURNE does not vote client securities. Generally, clients will receive proxy materials or other solicitations directly from the applicable custodian or issuer's proxy agent and should direct any questions as instructed in the specific proxy matter. **WESTBOURNE** does not provide legal advice or represent or facilitate class action claims or participate in other similar legal proceedings on behalf of clients.

Item 18 Financial Information

WESTBOURNE does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because **WESTBOURNE** does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance. **WESTBOURNE** has not been the subject of a bankruptcy petition at any time.