



Westminster Financial Advisory Corporation Portfolio Management Fees and Services Brochure Registered Investment Advisor

SEC File Number 801-29690 This brochure provides clients with information about Westminster Financial Advisory Corporation and the various types of services and managed account programs that should be considered before becoming a client of one of these programs. This information has not been approved or verified by any governmental authority.

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Form ADV Part II & Schedule H Brochure

Advisory Services

The Westminster Financial Advisory Corporation (hereafter, “Westminster” or “the Firm”) provides personal financial planning services and portfolio management services to individuals, corporations, trusts, estates, charitable organizations, and retirement plans including pensions, IRAS, and profit sharing plans. The object of these services is to assist the client in ascertaining the client's financial status and, through a thorough analysis, to assist the client in establishing financial and investment goals and objectives and achieving such goals and objectives. In a typical situation, Westminster will gather data from the client, utilizing a client financial profile and an objective and risk questionnaire. Using the data gathered Westminster will prepare written financial recommendations. The written prepared financial recommendations will be based upon the individual needs, net worth, investment history and experience, current and future income, and risk tolerance of the client, and will address such issues as the client's tax status, retirement planning, estate planning, and other areas deemed relevant.

In addition, Westminster also provides portfolio management for the client's funds on either a discretionary or non-discretionary basis. Paramount to Westminster is to place emphasis upon the individual needs and goals of the client. Any recommendations and actions concerning investments are based upon the results of individual analysis, including the client's liquidity, time frame, income, tax, and other constraints, as well as an evaluation of the client's risk tolerance and return objectives. The financial consultant representing the client will meet with the client at least annually to update any changes in the client's financial situation.

Westminster has the capability to use a full spectrum of investment alternatives to meet the needs of a client, and once a strategy for the client has been devised, any of the following may be used:

Exchange Listed Equities	Over-the-Counter Equities	Foreign Equities
Variable Life Insurance	Variable Annuities	Mutual Fund Shares
Unit Investment Trusts	Options	Warrants
Corporate Debt Securities	Commercial Paper	Certificates of Deposit
Limited Partnerships		

Securities and investments are analyzed using technical, fundamental, charting, and cyclical analysis, with research acquired from outside vendors, news services, on-line databases, newspapers and magazines, and in some cases, from the companies themselves.

Investment strategies recommended are generally intermediate to longer term in nature; however, depending on the client's needs, financial situation, risk tolerance, and investment objectives, short term purchases and trading, option writing, purchasing, and spreading, and margin transactions may be used, especially in times of greater market volatility.

Westminster also offers two investment company management services. These portfolio management programs invest primarily in both open-end and closed-end mutual funds, variable and fixed annuities, and unit investment trusts. Mutual funds purchased through these services may be no-load or load, including Class A, B, or C shares. A prospectus is always provided to the client upon purchase of any fund, and updates are sent annually.

Portfolio Management & The Review Process

Westminster requires that those individuals involved in the financial consulting process have educational and/or business backgrounds which give them expertise in the financial planning area. As a result, the individuals involved will either have professional degrees, or designations such as an attorney, accountant, CFA, CFP, CLU, etc., and/or are engaged in such educational pursuits, and will have experience in counseling clients in financial matters. A college degree or equivalent experience in the financial consultation field are required.

Most of the individuals associated with Westminster provide investment advice to clients. The individuals responsible for their supervision have all worked for Westminster Financial Companies for at least two years and are as follows:

- L. Miles Brazie, born 6/16/58, B.S., University of Dayton
- Lawrence E. Shull, born 6/28/64, B.A., Rutgers University

Their educational and business backgrounds are further detailed on Schedule D. L. Miles Brazie, and Lawrence E. Shull are the officers of Westminster. Schedule D's are also available on all of the financial consultants representing Westminster and are provided to the client prior to the establishment of a consulting and/or portfolio management relationship.

Reviews of each individual client's portfolio management account utilizing stocks, bonds, options, margin, and/or short sales will be made on a regular basis. The underlying positions are monitored on a daily basis, with respect to economic, fundamental, and technical analysis. A registered sales supervisor and/or registered compliance officer will monitor these accounts., with assistance from the introducing financial consultant. Supervision is performed by the supervisory personnel listed in the firm's regulatory filings. Investment Policy Committee meetings are held weekly to discuss strategy and to review performance. Clients may communicate directly with any of the portfolio managers, although clients are encouraged to speak first with their personal financial consultant.

Westminster may, for a number of reasons, bunch, block or aggregate brokerage orders for clients rather than execute individual transactions for each account. These reasons include: (1) avoiding the time and expense of simultaneously entering similar orders for many client accounts that are managed similarly; (2) ensuring that all accounts managed in a particular style obtain the same execution to minimize differences in performance; and (3) obtaining a better execution price even though the commission rate may be higher than the lowest rate otherwise available. Westminster may also determine it in the best interest of a client or clients not to participate in a particular bunched order based on any one or more of the following:

- Account-specific investment restrictions, i.e. no defense or tobacco stocks.
- Undesirable position size. In certain cases, the amount allocated to an account on a prorata basis may create an undesirably small or large position
- Need to restore appropriate balance to client portfolio, if it has become over or under weighted due to market action
- Client sensitivity to turnover. Such clients may be excluded from participation in positions that are not expecting to be long term holdings.
- Client tax status.
- Regulatory restrictions.
- Common sense adjustments that lead to cost savings or other transactional efficiencies.
- Investments may not be suitable for, or consistent with, known client investment objectives and goals.
- Client may have obtained security at a different cost basis (for sales) or at a different time and has not achieved the objective for that security.

Where Westminster does not bunch orders, clients may incur higher transaction costs for individual transactions.

Westminster will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of Westminster's investment advisory agreement with each client for which trades are being aggregated.

No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all Westminster's transactions in that security on a given business day, with certain transaction costs shared pro rata based on each client's participation in the transaction. Commission costs will continue to be charged based upon individual commission schedules agreed to by participating clients at the time their account was established rather than a special commission rate for bunched orders. As such, commission costs per share will vary among participating clients depending on the number of shares purchased/sold and the specific commission schedule in place for each client. As a result, not all clients participating in the bunched order will receive the same net proceeds on a sale or transaction cost on a purchase.

When an aggregated order is only partially filled (and there is no reasonable expectation that the entire transaction will be completed within a reasonable period), the order will, generally, be allocated among the participating clients on an objective basis, as described below. When the portion of a partially filled order that may be allocated to a participating account is such that after the allocation, the account's holdings of the security would fall below the account's target weighting, as described below, the account will not be allocated any portion of the order. In the event that allocation of a partially filled order would cause holdings for all participating accounts to fall below target weighting, the entire order may be allocated to a single account. The account which receives such an allocation will be rotated so as to achieve equity in distribution over time.

In some cases, transactions may be crossed between two unrelated client accounts. The client should be aware that the interests of both clients are paramount, and both will be treated fairly and without bias.

Reviews with the client are made on an annual basis or more frequently in the event of a request by the client, a change in tax laws, a change in the securities in which the client is invested, or other such extenuating circumstance. Such reviews will be conducted by a qualified financial consultant as well as a registered compliance officer.

Performance Reporting

Comprehensive tax reporting and performance accounting reports are created by Westminster using Pershing's PES system for the client. Known as the "Westminster Financial Advisory Wealth Manager Statement", the service provides the following reports:

- Performance Reports (optional at discretion of client)
- Realized Gains and Losses
- Unrealized Gains and Losses
- Transaction Confirmations
- Monthly Statements

These reports include the cost basis, market value, and expected income of the assets, as well as other relevant data pertaining to the client's investments. The objective of this service is to assist the client in tracking the assets, activity, and performance of the account, presented in an easily understandable form, as well as to simplify tax preparation.

The performance reports are produced in compliance with the AIMR's (Association for Investment and Management Research) Performance Presentation Standards. Clients may request an update on their account at any time. The reports are reviewed for accuracy prior to their mailing.

The clients will receive regular reports, as well as transaction confirmations, directly from the mutual fund, insurance company or other investment company or clearinghouse handling the investment. Accounts maintained by Westminster will receive regular monthly account statements as well as quarterly reports. The quarterly reports will show performance and unrealized/realized gains and losses.

Program Fee Structures

The fees for creating and preparing a comprehensive financial plan are as follows:

- Senior Financial Consultant: \$125.00 Per Hour
- Financial Consultant: \$ 75.00 Per Hour
- Associate: \$ 50.00 Per Hour

In Addition to the aforementioned planning fee, a fee based on a percentage of assets under management will be charged. Fees are billed in arrears to the client or his custodian at the end of each quarter based on the value of all funds and securities under management the last day or last Friday of the preceding quarter. When billed to the client's custodian, the client should be aware that verification of the accuracy of the fee charged is their responsibility, and not their custodians. In addition, the account pays other costs such as brokerage commissions and custodial costs.

Fee and Commission Program

Brokerage commissions are charged in addition to the fee schedule outlined below. Brokerage commissions may, however, be negotiated prior to execution of the advisory contract. The commissions charged are similar to those of other institutions of comparable size. Larger or smaller discounts may be obtained depending on the amount of research required or the size of the order placed. All of the aforementioned and following fees other than custodial and other administrative costs may be negotiable depending on such factors as the strategy selected, the account size, historical factors, and relationships. They may be increased or decreased depending on the specific situation of a given client.

The following delineates the fee schedules in effect at Westminster. Fees may be higher or lower than those shown due to special client situations, other services performed, or other extraordinary circumstances, and are negotiable. The client is always informed in writing of the fee structure in place on their account. The following fee schedules are currently applicable:

Equities

Principal Amount	Annual Fee
\$0 - \$250,000	1.25%
\$250,001 - \$3,000,000	1.00%
\$3,000,001 - \$10,000,000	0.75%
Above \$10,000,000	Negotiated

Balanced/Utility Income

Principal Amount	Annual Fee
\$0 - \$250,000	1.00%
\$250,001 - \$3,000,000	0.90%
\$3,000,001 - \$10,000,000	0.75%
Above \$10,000,000	Negotiated

Fixed Income

Principal Amount	Annual Fee
\$0 - \$250,000	0.75%
\$250,001 - \$3,000,000	0.65%
\$3,000,001 - \$10,000,000	0.55%
Above \$10,000,000	Negotiated

Mutual Fund Management

While Westminster may use mutual funds for diversification and other purposes in the two programs explained above, there are two programs available for clients for whom the benefits of investment company shares, including mutual funds and annuities, are deemed to be the most prudent investment. The programs and their fee structures are explained below.

The first program utilizes open-end funds (Class A, B, C, or no-loads), closed-end funds, and fixed and variable annuities. The client's account pays all commission and transaction fees. A prospectus is sent upon execution of any new purchase in the client's account, and updated annually thereafter. These accounts may be managed on either a discretionary or non-discretionary basis. All commissions paid are disclosed to the client in the prospectus for the investment, or on the trade confirmation mailed to the client. The fee structure is as follows:

Principal Amount Annual Fee

\$0 - \$250,000	1.25%
\$250,001 - \$3,000,000	1.00%
\$3,000,001 - \$10,000,000	0.75%
Above \$10,000,000	Negotiated

The second program utilizing investment company shares is similar in most respects, but does not involve any transaction fees or commission charges. This program involves mainly no-load mutual fund shares. A prospectus is always provided to the client and updated annually, as in the above program. This no transaction fee program has the following fee structure:

Principal Amount Annual Fee

\$0 - \$250,000	2.00%
\$250,001 - \$3,000,000	1.50%
\$3,000,001 - \$10,000,000	1.00%
Above \$10,000,000	Negotiated

Combinations of the above two programs are also utilized. The client should be aware that the funds chosen in the above investment company share programs would have their own underlying management fee structures, in addition to those charged by Westminster. The prospectus for each fund will state this amount.

Regarding the two no-transaction fee portfolio management structures described above, the client should be aware that the financial consultant recommending the program receives compensation as a result of the client's participation in the program, and that the amount of this compensation may be more than what the consultant would receive if the client participated in other programs offered by Westminster. In addition, the representatives offering these programs may also receive additional compensation from the investment companies, such as commissions and/or 12b-1 trail commissions.

Westminster will set aside anywhere from 50 to 150 basis points annually of the client's fee to pay for portfolio management, research services, and other expenses, as well as to compensate the introducing financial consultant. The amount set aside depends on several factors, including the size of the account, the asset allocation of the account, and the fee program in place on the account. The client may request full disclosure of the breakdown of their account fee.

All clients are required to enter into a written advisory agreement prior to the establishment of an investment advisory relationship. The contract will specify the amount of the fees for which the client is responsible, and will be signed by an officer of Westminster. The investment advisory agreement is terminable by either party at any time upon written notice to the other party. Unpaid fees will be pro-rated using the termination date specified in the notice of termination.

Other Disclosures

Westminster and/or its clients may choose to use an outside asset management company or broker-dealer. In the event that an outside advisor (no affiliation with Westminster Financial, such as the Starwood Corporation) is used, the client should refer to the Form ADV, Part II provided by that advisor. If Westminster recommends the advisor, we will be responsible for providing the client with such Form ADV, Part II in accordance with the SEC's brochure rule. In the event that an outside broker-dealer is used, Westminster's role would solely be the management of the client's assets.

The individuals who are involved in the financial planning process on behalf of the applicant are also licensed to sell life insurance and other securities through two non-owned affiliates of Westminster, Westminster Financial Securities, Inc., a broker-dealer, and Westminster Financial Agencies, Inc., an insurance agency. In most cases, the transactions for a client's account will be executed through Westminster Financial Securities, Inc. The client is under no obligation to buy such products from the financial consultant. However, in the event that the client chooses to buy any such product, the financial consultants are in the capacity to execute such transactions. Commissions may be paid accordingly and the client may request full disclosure of such amounts.

Westminster Financial Advisory Corporation and its broker-dealer affiliate, Westminster Financial Securities, Inc. may engage in principal transactions. All principal transactions will be executed in compliance with Section 206(3) of the Investment Advisers Act of 1940.

At times, Westminster and its representatives may own, buy, or sell securities that it is currently recommending to clients. In such cases, priority in all transactions is given to the clients' portfolios.

Westminster will at times directly compensate others for client referrals. The people so compensated will usually be professionals, such as attorneys, accountants, or financial planners, although in some cases they may be current clients of Westminster. Westminster will also compensate other non-affiliated broker-dealers or registered investment advisors. Westminster is responsible for the payment of these fees, and any client referred through such an arrangement will be fully notified in writing of the details regarding the fee and its amount.

Westminster maintains a Code of Ethics predicated on the principle that the firm owes a fiduciary duty to its clients. Accordingly, employees must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of clients. Westminster will place client interests ahead of their own, will only engage in personal investing that is in full compliance with the Code of Ethics and will avoid accepting gifts or gratuities from individuals seeking to conduct business with the Firm. Clients and prospective clients may obtain a copy of the Code of Ethics by sending a written request to the attention of Mr. Lawrence E. Shull, 865 South Dixie Drive, Vandalia Ohio, 45377.