

**Item 1. COVER PAGE**

**FORM ADV Part II A  
FIRM BROCHURE  
DATED 03/11/2011**

**BURTON ENRIGHT WELCH**  
**FINANCIAL PLANNING | INVESTMENT MANAGEMENT**

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**This brochure provides information about the qualifications and business practices of Burton Enright Welch. If you have any questions about the contents of this brochure, please contact by telephone at (925) 932-8010 or email at [renright@bewinvest.com](mailto:renright@bewinvest.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.**

**Additional information about Burton Enright Welch also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Please note that the use of the term "registered investment adviser" and description of Burton Enright Welch and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.**

**Item 2. Material Changes To Our Part 2A Of Form ADV:**  
**Firm Brochure**

**Burton Enright Welch** is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure. At this time, there are no material changes to report about our Brochure.

### **Item 3. Table Of Contents:**

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#### **Item 4. Advisory Business**

We specialize in the following types of services: Investment Management, financial planning and consulting, referrals to third party money managers. Our assets under management are \$165,350,249 as of 12/31/2010.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s)<sup>1</sup>.

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a Partnership formed in the State of California. Our firm has been in business as an investment adviser since 2002 and is owned as follows:

PMB Asset Management – 42.5% owner, General Partner

RDE Asset Management – 42.5% owner, General Partner

JAW Asset Management - 15% owner, General Partner

B. Description of the types of advisory services we offer.

(i) Investment Management:

As part of our Investment Management service, we generally create a portfolio consisting of mutual funds, exchange traded funds (EETFs”), individual stocks or bonds, options, and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will initially be designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client’s individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

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<sup>1</sup> Please note that: (1) For purposes of this item, our principal owners include the *persons* we list as owning 25% or more of our firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If we are a publicly held company without a 25% shareholder, we simply need to disclose that we are publicly held. (3) If an individual or company owns 25% or more of our firm through subsidiaries, we must identify the individual or parent company and intermediate subsidiaries. If we are a state-registered adviser, on Form ADV Part 2A Page 2, we must identify all intermediate subsidiaries. If we are an SEC-registered adviser, we must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries.

We apply a significant level of discipline in our approach to investing. This discipline allows us to stay true to both our management style and our client's individual objectives. We begin the investment initiative by conducting a detailed financial analysis that includes gaining an understanding of our client's risk tolerance. Based on our analysis, we develop an Investment Policy Statement (IPS), which outlines the investment objectives, management policies and portfolio.

#### **Four Steps to Discipline**

Our goal is to provide our client's with consistent, competitive investment returns over time. We follow a four-step approach to investment management that removes emotion from the equation and allows us to focus on our client's future. In this way, we can capture opportunities reflective of client expectations and the ever-changing marketplace.

##### Step 1: Target Allocation

We begin with a target asset allocation, which represents a reasonable static asset allocation for a long-term investor. This allocation serves as a frame of reference to help ensure consistent, disciplined decision-making. It also serves as a benchmark against which we measure conviction as well as value added (alpha).

##### Step 2: Active Asset Allocation

We adjust the target asset allocation to take advantage of opportunities consistent with a client's long-term goals. We conduct an in-depth analysis of fundamentals and valuations to identify an extreme undervaluation, or overvaluation, relative to alternative asset classes. Based on a risk scenario analysis, we assess the potential impact on each holding and a portfolio as a whole, and adjust accordingly. We observe patience and diligence in our execution.

##### Step 3: Active & Passive Management

Our independence enables our firm to use a combination of active (no-load funds) and passive (exchange traded funds – ETFs – and index funds) management in determining investment vehicle decisions. We take into account management experience, possible value add (alpha) and style when pursuing active management. When evaluating passive management, we look at market and cost efficiencies as well as consistency of those vehicles. Depending upon our strategy at a given time, we may under-weigh and over-weigh passive versus active management.

##### Step 4: Monitoring

We review portfolios on an ongoing basis against benchmarks specific to that portfolio. We use a thorough methodology to determine a portfolio's performance on both an absolute and a relative basis. These benchmarks serve as our report card, which we share with our client's quarterly through detailed performance reports.

We may utilize Independent Money Managers, where we may design an investment portfolio and provide ongoing corresponding Investment Management services on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered.

(ii) Financial Planning and Consulting:

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

(iii) Referrals to Third Party Money Managers

We provide clients with a list of investment advisory services of third party professional portfolio management firms for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third-party money manager. We provide initial due diligence on third-party money managers and ongoing reviews of their management of your account.

In order to assist clients in the selection of a third party money manager, we typically gather information from the client about their financial situation, investment objectives, and reasonable restrictions they can impose on the management of the account, which are often very limited. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Investment advice and trading of securities is only offered by or through the third-party money managers to clients.

We periodically review third-party money managers' reports provided to the client, but no less often than on an annual basis. Our associates contact the clients from time to time, as agreed to with the client, in order to review their financial situation and objectives; communicate information to third-party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third-party money manager. The client will be expected to notify us of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. The client may also directly contact the third-party money manager managing the account or sponsoring the program.

(iv) 401(k) Consulting Services

We offer retirement plan consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") in meeting their management and fiduciary obligations to the plan under ERISA. 401(k) consulting services offered by our firm include, but are not limited to, the following:

- Analysis and recommendation of Plan structure
- Review of specific Plan requirements
- Assessment of the current Plan investment options
- Provide specific investment recommendations
- Determination of appropriate administrative/recordkeeping solution
- Analysis and recommendation of employee education program
- Ongoing monitoring of Plan

We will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide consulting services, the Company will be required to enter into a written agreement with us. This agreement will detail the services to be provided and the relevant fees and fee paying arrangement.

When we perform our agreed upon services, we will not be required to verify the accuracy or consistency of any information received from the Company.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of clients, whether clients may impose restrictions on investing in certain securities or types of securities.

(i) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing the following services offered by our firm: Investment Management. Additionally, we offer general investment advice to clients utilizing the following services offered by our firm: Financial Planning and Consulting, 401(k) Consulting Services and Referrals to Third Party Money Managers.

(ii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

We usually allow clients to impose reasonable restrictions on investing in certain securities or types of securities. These restrictions would be limited to the following services: Investment Management. We do not manage assets through our other services.

D. Participation in *wrap fee* programs.

We do not offer wrap fee programs.

E. Disclosure of the amount of *client* assets we manage on a *discretionary basis* and the amount of *client* assets we manage on a non-*discretionary basis* as of December 31, 2010.

We manage<sup>2</sup> \$148,583,558 on a discretionary basis and \$16,766,691 on a non discretionary basis as of 12/31/2010.

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<sup>2</sup> Please note that our method for computing the amount of “*client* assets we manage” can be different from the method for computing “assets under management” required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute “*client* assets we manage,” we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our “as of” date must not be more than three months before the date we last updated our *Brochure* in response to Item 4.E of Form ADV Part 2A.

## **Item 5. Fees and Compensation**

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally not negotiable.

### **A. Description of how we are compensated for our advisory services provided to you.**

#### **(i) Investment Management:**

<u>Assets under management</u>	<u>Annual Percentage of assets charge*:</u>	
<i>Asset Level</i>	<i>Minimum Fee</i>	<i>Maximum Fee</i>
First \$1,000,000	0.50%	1.25%
Next \$2,000,000	0.25%	1.00%
Next \$3,000,000	0.150%	0.75%
Over \$6,000,000	0.100%	0.50%

\*Our firm's fees are billed on a pro-rata annualized basis monthly or quarterly in advance or quarterly in arrears based on the value of your account either on the last day or based on the time-weighted daily average of your account of the previous quarter or quarter. Exceptions may be made to the published fee schedule under certain circumstances pursuant to a negotiated agreement with the client.

#### **(ii) Financial Planning and Consulting:**

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$350 for financial advisors. Flat fees generally range from \$2,500 to \$50,000.

#### **(iii) Referrals to Third Party Money Managers:**

We are paid by third-party money managers when we refer you to them and you decide to open a managed account. Third-party money managers pay us a portion of the investment advisory fee that they charge you for managing your account. Fees paid to us by third-party money manager are generally ongoing. All fees we receive from third party-money managers and the written separate disclosures made to you regarding these fees comply with applicable state statutes and rules. The separate written disclosures you need to be provided with include a copy of the third-party money manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the exact fees we are

paid and a copy of the third party money manager's privacy policy. The third party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

(iv) 401(k) Consulting Services

We offer retirement plan consulting services at a negotiated fixed fee, or based upon a percentage of the plan assets. The exact fee is negotiated in advance of services rendered and is disclosed in the executed written agreement that we sign with the Company.

B. Description of whether we deduct fees from *clients'* assets or bill *clients* for fees incurred.

(i) Investment Management:

Fees will generally be automatically deducted from your managed account\*. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) If we send a copy of our invoice to you, we send a copy of our invoice to the independent custodian at the same time we send the invoice to you;
- d) If we send a copy of our invoice to you, our invoice includes a legend as required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940.\*\*

\*In rare cases, we will agree to directly bill clients.

\*\*The legend urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian.

(ii) Financial Planning and Consulting:

We require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you.

(iii) Referrals to Third Party Money Managers:

Third party money managers establish and maintain their own separate billing process which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

(iv) 401(k) Consulting Services

We will bill the Company for retirement plan consulting services the negotiated fee in advance of services rendered and as disclosed in the executed written agreement that we

sign with the Company. Fees will be calculated and billed quarterly in advance. In certain circumstances, the fees will be calculated and billed quarterly in arrears.

C. Description of any other types of fees or expenses *clients* may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Our clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

D. Client's advisory fees are due monthly/quarterly in advance or arrears.

For clients that are charged monthly or quarterly in advance, the following applies:

We charge our advisory fees monthly/quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

For clients that are charged monthly or quarterly in arrears, the following applies:

We charge our advisory fees monthly/quarterly in arrears. If you wish to terminate our services, you need to contact us in writing and state that you wish to cancel this Agreement. Upon receipt of your letter of termination, we will proceed to close out your account and charge you a pro-rata advisory fee(s) for services rendered up to the point of termination.

E. Commissionable securities sales.

On occasion, our Advisory Representatives will sell securities products and other investment and insurance products in their capacity as registered representatives of Royal Alliance and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. In order to sell securities for a commission, our supervised persons are registered representatives of (Royal Alliance Associates, Inc. ("Royal"), a broker/dealer and member of the Financial Industry Regulatory Authority ("FINRA")). We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflicts presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with financial planning services, or any advisory service that we offer.

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

We do not charge performance fees to our clients.

## **Item 7. Types of Clients and Account Requirements**

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum account balance of \$250,000 for our Investment Management service. Generally, this minimum account balance requirement is not negotiable and would be required throughout the course of the client's relationship with our firm. The fact that a client's household has multiple accounts under management with Burton Enright Welch may be taken into consideration when determining minimum account size requirements.
- We generally charge a minimum fee of \$2,500 for written financial plans.

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

### **A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.**

#### **Methods of Analysis:**

- Fundamental.

#### **Investment Strategies we use:**

Subject to suitability requirements, we generally advise the long-term purchase of mutual funds to our clients.

- Long term purchases (securities held at least a year);
- Short term purchases (securities sold within a year);
- Short sales;
- Margin transactions;
- Option writing, including covered options, uncovered options or spreading strategies;

#### **Please note:**

Investing in securities involves risk of loss that *clients* should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

### **B. Our practices regarding cash balances in *client* accounts, including whether we invest cash balances for temporary purposes and, if so, how.**

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to Investment Management service.

## **Item 9. Disciplinary Information**

We are required to disclose whether there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a *management person* has been *involved* in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the *management person's* favor, or was reversed, suspended or vacated, or (2) the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events, which need to be disclosed. If our advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a *client's* or prospective *client's* evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it remains currently material to a *client's* or prospective *client's* evaluation of our firm or management.

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

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

- A. Our firm or our *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. The details are as follows:

Principals and associated persons of our firm are associated with Royal Alliance Associates, Inc. ("Royal"), a broker/dealer and member of the Financial Industry Regulatory Authority ("FINRA") as Registered Representatives. Royal is a diversified financial services company engaged in the sale of specialized investment products. We may recommend securities or insurance products offered by Royal. If our clients purchase these products through principals or associated persons of our firm, the principal or associated person will receive the normal commission. Therefore a potential conflict exists between the interest of our firm and those of our commissionable product advisory clients. Clients of our firm are under no obligation to purchase products recommended by principals or associated persons of our firm, nor to purchase products either through such principals or associated persons or Royal. Approximately 5% of the time is spent on these activities.

- C. Description of any relationship or arrangement that is material to our advisory business or to our *clients*, that we or any of our *management persons* have with any *related person*<sup>3</sup> listed below. We are required to identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how we address it.

Our firm or our management persons have a material relationship with the following *related person(s)* as follows:

1. other investment adviser or financial planner

Our associated persons may also act as investment advisory representatives for the Royal Alliance Corporate RIA ("RAS"). In such capacity, associated persons of our firm may refer clients to 3rd Party Money Managers through RAS. For further information please refer to the RAS Form ADV, Part II.

2. insurance company or agency

Some of our firm's principals and associated persons are also insurance agents registered with numerous insurance agencies ("Insurance Reps"). Our firm may recommend insurance products to clients and Insurance Reps may receive commissions for such sales if a client elects to purchase such products through such persons. The insurance products sold are transacted with a variety of insurance companies on a commission basis. Clients

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<sup>3</sup> Our **Related Persons** are any *advisory affiliates* and any *person* that is under common *control* with our firm.

**Advisory Affiliate:** Our advisory affiliates are (1) all of our officers, partners, or directors (or any *person* performing similar functions); (2) all *persons* directly or indirectly *controlling* or *controlled* by us; and (3) all of our current *employees* (other than *employees* performing only clerical, administrative, support or similar functions).

**Person:** A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

are under no obligation to purchase or apply for any insurance, or to use Insurance Reps as the agent for insurance products purchased. If clients decide to purchase or apply for insurance, or use Insurance Reps as the broker for insurance products, a conflict may exist between the interests of our firm and the interests of the client.

- D. If we recommend or select other investment advisers for our *clients* and we receive compensation directly or indirectly from those advisers, or we have other business relationships with those advisers, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them.

Please see Item 4B (iii) of this Brochure.

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

- A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any *client* or prospective *client* upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>4</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

- B. If our firm or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which our firm or a *related person* has a material financial interest (excluding an interest as a shareholder of an SEC-registered, open-end investment company), we must describe our practice and discuss the conflicts of interest it presents.

See Item 11A of this Brochure.

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<sup>4</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- C. If our firm or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that our firm or a *related person* recommends to *clients*, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11A of this Brochure.

- D. If our firm or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for our firm's (or the *related person's* own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11A of this Brochure.

## **Item 12. Brokerage Practices**

### **A. Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).**

1. **Research and Other Soft Dollar Benefits.** If we receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), we are required to disclose our practices and discuss the conflicts of interest they create. Please note that we must disclose all soft dollar benefits we receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Our firm has an arrangement with the Schwab Institutional division of Charles Schwab & Co., Inc. and other custodians (“Schwab/Custodian”). Under the arrangement with Schwab/Custodian we receive services which include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm.

- a. **Explanation of when we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, and how we receive a benefit because our firm does not have to produce or pay for the research, products or services.**

As part of the arrangement described in Item 12A1, Schwab/Custodian also makes certain research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by Schwab/Custodian directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Schwab/Custodian to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Schwab/Custodian to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

- b. Incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving best execution.

As a result of receiving the services discussed in 12A(1)a of this Firm Brochure for no additional cost, we may have an incentive to continue to use or expand the use Schwab/Custodian's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Schwab/Custodian and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Schwab/Custodian charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Schwab/Custodian enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Schwab/Custodian's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Schwab/Custodian may be higher or lower than those charged by other custodians and broker-dealers.

- c. Causing clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up).

Our non-wrap fee program clients may pay a commission to Schwab/Custodian that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. 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 broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

- d. Disclosure of whether we use soft dollar benefits to service all of our clients' accounts or only those that paid for the benefits, as well as whether we seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

- e. Description of the types of products and services our firm or any of our related persons acquired with client brokerage commissions (or markups or markdowns) within our last fiscal year.

We are required to specifically describe to our clients the types of products or services that we are acquiring and to permit them to evaluate possible conflicts of interest. Our description must be more detailed for products or services that do not qualify for the safe harbor in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that we obtain various research reports and products is not specific enough.

In addition to the benefits described in Item 12A1 of this Brochure, Schwab/Custodian also makes available to our firm products and services that help manage and administer clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our accounts, including accounts not maintained at Schwab/Custodian. While, as a fiduciary, our firm endeavors to act in our clients' best interests, Adviser's recommendation/requirement that clients maintain their assets in accounts at Schwab/Custodian may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab/Custodian, which may create a potential conflict of interest.

We would have to obtain the aforementioned services and products for cash if we did not have soft dollars available to pay for them. As a result of receiving such products and services for no cost, we may have an incentive to continue to place client trades through broker-dealers that offer soft dollar arrangements. This interest conflicts with the clients' interest of obtaining the lowest commission rate available. Therefore, we must determine in good faith, based on the best execution policy stated above that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

- f. Explanation of the procedures we used during our last fiscal year to direct *client* transactions to a particular broker-dealer in return for soft dollar benefits we received.

All soft dollars arrangements must be approved in writing by a Partner of the firm. A brief description of the purpose of the soft dollar arrangement outlining the benefits received by our firm and clients along with any noted concerns about increased costs to our clients and how such concerns were alleviated will be maintained on file. Our Chief

Compliance Officer undertakes a review of parties which propose to pay our firm in soft dollars and analyzes a number of criteria. When deciding whether to approve or disapprove of a soft dollar relationship, the following criteria is reviewed: the broker-dealer's business reputation and financial position and our ability to consistently execute orders professionally and on a cost effective basis, provide prompt and accurate execution reports, prepare timely and accurate confirms, deliver securities or cash proceeds promptly and provide meaningful research services that are useful to us in investment decision-making or other desired and appropriate services. Our Chief Compliance Officer also annually reviews all our soft dollar relationships for appropriateness, benefits to our clients, etc.

As a fiduciary, we have an obligation to obtain "best execution" of clients' transactions under the circumstances of the particular transaction. Consequently, notwithstanding the safe harbor provided under Section 28(e), no allocation for soft dollar payments shall be made unless best execution of the transaction is reasonably expected to be obtained.

2. Brokerage for Client Referrals. If we use client brokerage to compensate or otherwise reward brokers for client referrals, we must disclose this practice, the conflicts of interest it creates, and any procedures we used to direct client brokerage to referring brokers during the last fiscal year (*i.e.*, the system of controls used by us when allocating brokerage)

Our firm does not receive brokerage for client referrals.

3. Directed Brokerage.
  - a. If we routinely recommend, request or require that a *client* directs us to execute transactions through a specified broker-dealer, we are required to describe our practice or policy. Further, we must explain that not all advisers require their *clients* to direct brokerage. If our firm and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, we are further required to describe the relationship and discuss the conflicts of interest it presents by explaining that through the direction of brokerage we may be unable to achieve best execution of *client* transactions, and that this practice may cost our *clients* more money.

In certain instances, clients may seek to limit or restrict our discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Clients may seek to limit our authority in this area by directing that transactions (or some specified percentage of transactions) be executed through specified brokers in return for portfolio evaluation or other services deemed by the client to be of value. Any such client direction must be in writing (often through our advisory agreement), and may contain a representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

We provide appropriate disclosure in writing to clients who direct trades to particular brokers, that with respect to their directed trades, they will be treated as if they have retained the investment discretion that we otherwise would have in selecting brokers to effect transactions and in negotiating commissions and that such direction may adversely affect our ability to obtain best price and execution. In addition, we will inform you in writing that your trade orders may not be aggregated with other clients' orders and that direction of brokerage may hinder best execution.

### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

- b. If we permit a *client* to direct brokerage, we are required to describe our practice. If applicable, we must also explain that we may be unable to achieve best execution of your transactions. Directed brokerage may cost *clients* more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices on transactions.

See Item 12A(3) of this Brochure.

### **Special Considerations for Sub-advisory Management Clients**

- a. We select brokers and dealers for any purchase or sale of assets of Client Accounts and are responsible for obtaining best execution for transactions. Consistent with this idea, we may, in the allocation of portfolio brokerage business and the payment of brokerage commissions, consider the brokerage and research services furnished the Sub-Adviser by brokers and dealers, in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended. Such research generally will be used to service all of our clients, but brokerage commissions paid by the Client Accounts may be used to pay for research that is not used in managing the Client Accounts.
- b. Should a Client direct in writing that the Adviser or our firm use a particular broker or dealer, then such Client will negotiate terms and arrangements for their Account with that broker or dealer and we will not seek better execution services or prices from other broker-dealers. As a result, such Client Account may pay

higher commissions or greater spreads, or receive less favorable net prices, on transactions for the Client Account than would otherwise be the case.

- c. Adviser and our firm are not responsible or liable for the acts or omissions of any broker-dealer.
- B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various *client* accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to *clients* of not bunching.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

### **Item 13. Review of Accounts or Financial Plans**

- A. Review of *client* accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our *employees* who conduct the review.

We review accounts on at least a quarterly basis for our clients subscribing to the following services: Investment Management. Third Party Money Management clients receive at least quarterly reviews. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our firm's Investment Adviser Representatives and/or Partner(s) of our firm will conduct these reviews.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

- B. Review of *client* accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to *clients* regarding their accounts.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to the following services: Investment Management and Third Party Money Management.

As also mentioned in Item 13A of this Brochure, financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

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

- A. If someone who is not a *client* provides an economic benefit to our firm for providing investment advice or other advisory services to our *clients*, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

### **Charles Schwab & Co., Inc.:**

Schwab Institutional provides various products, services and other benefits to our firm at no cost or a reduced cost based upon our firm's commitment that our clients will place or maintain a specified dollar amount of assets in accounts with Schwab Institutional within a specified period of time. We may be influenced by this commitment in recommending or requiring that clients' establish brokerage accounts at Schwab Institutional.

The products and services or other benefits provided by Schwab Institutional include payments offsetting the fees otherwise payable by our firm for the following products and services: investment research reports and related information, software that, among other things, provides portfolio accounting and performance reporting, our firm's Web Center, a Web-based platform that enables us to create and customize our own Web site for use by our firm and our clients and prospects, consulting on regulatory compliance, and printing stationery, business cards and brochures for our firm and personnel.

Some of the products, services and other benefits provided by Schwab Institutional benefit our firm and may not benefit our clients' accounts. Our recommendation that a client place assets in Schwab's custody may be based in part on benefits to our firm, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

### **Royal Alliance Associates, Inc:**

Royal Alliance Associates, Inc. may offer non-cash incentive awards to principals or associated persons which may affect the decisions of such principals or associated persons in selecting products to be recommended to clients.

- B. If our firm or a *related person* directly or indirectly compensates any *person* who is not our *employee* for *client* referrals, we are required to describe the arrangement and the compensation.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

### **Item 15. Custody**

- A. If we have *custody* of *client* funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) does not send account statements with respect to those funds or securities directly to our *clients*, we must disclose that we have *custody* and explain the risks that you will face because of this.

All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

- B. If we have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to our *clients*, we are required to explain that you will receive account statements from the broker-dealer, bank, or other qualified custodian and that you should carefully review those statements.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

### **Item 16. Investment Discretion**

If we accept *discretionary authority* to manage securities accounts on behalf of *clients*, we are required to disclose this fact and describe any limitations our *clients* may place on our authority. The following procedures are followed before we assume this authority:

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our Investment Management clients. We do not take or exercise discretion with respect to our other clients. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

## **Item 17. Voting Client Securities**

- A. If we have, or will accept, proxy authority to vote *client* securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

SEC Rule 206(4)-6 requires investment advisers who have voting authority with respect to securities held in their clients' accounts to monitor corporate actions and vote proxies in their clients' interests. We are required by the SEC to adopt written policies and procedures, make those policies and procedures available to clients, and retain certain records with respect to proxy votes cast.

We consider proxy voting an important right of our clients as shareholders and believe that reasonable care and diligence must be taken to ensure that such rights are properly and timely exercised. When we have discretion to vote the proxies of our clients, we will vote those proxies in our client's best interests and in accordance with these policies and procedures. Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting our chief compliance officer, Robert Daniel Enright by phone at (925) 932-8010 or email at [renright@bewinvest.com](mailto:renright@bewinvest.com).

1. Policy for voting proxies.

All proxies received by our firm will be given to our chief compliance officer for processing. Our chief compliance officer will determine which accounts managed by our firm hold the security to which the proxy relates. These accounts and their share holdings will be matched to the proxies received for each security. Missing proxies or significant variances in shares held will be investigated.

A grid of shares held by the client for each security being voted will be updated with each proxy being voted. Our chief compliance officer will review each item for voting on each proxy. Based on our proxy voting guidelines outlined below, a determination of how our firm votes will be made. A listing of each proxy voted will be updated at the time the proxy is voted.

Burton Enright Welch will not vote proxies received for securities not purchased for client by Burton Enright Welch and held by Burton Enright Welch in a client's account as an accommodation to client or until such securities are sold as per agreement or understanding with the client.

Proxies will generally be voted online unless custodian requires mailed form.

When voting proxies or acting with respect to corporate actions for clients, Burton Enright Welch's utmost concern is that all decisions be made solely in the best interest of the client (and for ERISA accounts, plan beneficiaries and participants, in accordance with the letter and spirit of ERISA). Burton Enright Welch will act in a prudent manner intended to enhance the economic value of the assets of the client's account.

We look to ensure that our firm is compliant with the new exchange act rule 14a-11. In accordance with the aforementioned rule, our firm provides shareholders with the opportunity to nominate directors at a shareholder meeting under the applicable state or foreign law. Clients also have the ability to have their nominees included in the company proxy materials sent to all of our shareholders. Furthermore, the clients as shareholders also have the ability to use the shareholder proposal process to establish procedures for the inclusion of shareholder director nominations in company proxy materials.

2. Proxies voting guidelines.

Where voting authority exists, proxies are voted by our firm in the best interests of our clients. Burton Enright Welch has prepared proxy voting guidelines for certain types of common proxy voting items:

Proxy Voting Issue	Vote
<p>1. Issues regarding the issuer's Board entrenchment and anti-takeover measures such as the following:</p> <ul style="list-style-type: none"> <li>a. Proposals to stagger board members' terms;</li> <li>b. Proposals to limit the ability of shareholders to call special meetings;</li> <li>c. Proposals to require super majority votes;</li> <li>d. Proposals requesting excessive increases in authorized common or preferred shares where management provides no explanation for the use or need of these additional shares;</li> <li>e. Proposals regarding "poison pill" provisions; and</li> <li>f. Permitting "green mail".</li> </ul>	Oppose
2. Providing cumulative voting rights.	Oppose
3. "Social issues," unless specific client guidelines supersede, <i>e.g.</i> , restrictions regarding investment in certain countries.	Oppose
4. Election of directors recommended by management, except if there is a proxy fight.	Approve

Proxy Voting Issue	Vote
5. Election of auditors recommended by management, unless seeking to replace current auditors.	Approve
6. Date and place of annual meeting.	Approve
7. Limitation on charitable contributions.	Approve
8. Ratification of directors' actions on routine matters since previous annual meeting.	Approve
9. Limiting directors' liability	Approve
10. Pay directors solely in stocks	Case-by-Case
11. Eliminate director mandatory retirement policy	Case-by-Case
12. Rotate annual meeting location/date	Case-by-Case
13. Stock grants to management and directors	Case-by-Case
14. Allowing indemnification of directors and/or officers after reviewing the applicable laws and extent of protection requested.	Case-by-Case

Material issues not addressed above are dealt with on a case-by-case basis.

- (i) Description of whether (and, if so, how) our *clients* can direct our vote in a particular solicitation.

When a client specifies in writing that it will maintain the authority to vote proxies itself or that it has delegated the right to vote proxies to a third party, Burton Enright Welch will not vote the securities and will direct the relevant custodian to send the proxy material directly to the client.

- (ii) How we address conflicts of interest between our firm and *clients* are addressed with respect to voting their securities.

We recognize that under certain circumstances we may have a conflict of interest between us and our clients. Such circumstances may include, but are not limited to, situations where our firm or one or more of our affiliates, including officers, directors and employees, has or is seeking a client relationship with the issuer of the security that is the subject of the proxy vote. We shall periodically inform our employees that they are under an obligation to be aware of the potential for conflicts of interest on the part of our

firm with respect to voting proxies on behalf of funds, both as a result of our employee's personal relationships and due to circumstances that may arise during the conduct of our business, and to bring conflicts of interest of which they become aware to the attention of the proxy manager.

If it is determined that a proxy proposal raises a material conflict between Burton Enright Welch's interests and a client's interest, Burton Enright Welch will resolve such a conflict in the manner described below:

- (a) Vote in Accordance with the Guidelines. To the extent that Burton Enright Welch has specific Guidelines with respect to the proposal in question, Burton Enright Welch shall vote in accordance with the Guidelines.
- (b) Shadow Vote the Shares. If Burton Enright Welch has discretion to deviate from or does not have specific guidelines with respect to the proposal in question, Burton Enright Welch may cast the proxies in the same proportion as the other shareholders of the issuer who are not affiliated with Burton Enright Welch, to the extent Burton Enright Welch has available information from the issuer or its agent to permit that form of voting. This form of voting is also known as shadow or mirror voting. To the extent that shadow voting is not available on a timely basis, Burton Enright Welch will abstain from voting the securities held by that client's account and forward the proxy voting materials to the client.

(iii) Description of how *clients* may obtain information from us about how we voted their securities.

In accordance with Rule 204-2 under the Advisers Act, Burton Enright Welch will maintain for the time periods set forth in the Rule: (i) these proxy voting policies and procedures, and all amendments thereto; (ii) all proxy statements received regarding client securities (provided however, that Burton Enright Welch may rely on the proxy statement filed on EDGAR as its records); (iii) a record of all votes cast on behalf of clients; (iv) records of all client requests for proxy voting information; (v) any documents prepared by Burton Enright Welch that were material to making a decision how to vote or that memorialized the basis for the decision; and (vi) all records relating to requests made to clients regarding conflicts of interest in voting the proxy.

Clients may request information on how particular proxies were voted by contacting our chief compliance officer, Robert Daniel Enright by phone at (925) 932-8010 or email at [renright@bewinvest.com](mailto:renright@bewinvest.com).

- (iv) How *clients* may obtain a copy of our proxy voting policies and procedures upon request.

Clients may request a copy of our written policies and procedures regarding proxy voting by contacting our chief compliance officer, Robert Daniel Enright by phone at (925) 932-8010 or email at [\*\*renright@bewinvest.com\*\*](mailto:renright@bewinvest.com).

If we routinely rely on one or more third-party proxy voting services to advise you in connection with voting *client* securities, we are required to list the proxy voting services that we use<sup>5</sup>, describe how we select the proxy voting services, and explain whether we permit *clients* to direct the use of a particular proxy voting service with respect to the securities held in their accounts.

See Item 17A in this Brochure.

Whether we pay for proxy voting services with soft dollars or pass the cost on to our *clients* through a supplement to our advisory fee.

We do not pay for proxy voting services with soft dollars. Also, we do not charge an additional fee to vote proxies.

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<sup>5</sup> We do not need to identify a proxy voting service that a *client* directs us to use unless we also use the service for the purpose of voting the securities of other *clients*.

### **Item 18. Financial Information**

- A. If we require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require nor do we solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

- B. If we are an SEC-registered adviser and have *discretionary authority* or *custody* of *client* funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to *clients*.

We have nothing to disclose in this regard.

- C. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.