

Broyhill Asset Management, LLC
Broyhill Wakin Capital Advisors
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03/31/2011

This brochure provides information about the qualification and business practices of Broyhill Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 828-758-6100 and or info@broyhillasset.com. The information in this brochure has not been approved or verified by the United States and Exchange Commission or by any state securities authority.

Additional information about Broyhill Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Not Applicable.

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Item 4: Advisory Business

Broyhill Asset Management (“BAM”) is the brand name for the asset management businesses of Broyhill Asset Management, LLC (formerly Broyhill Wakin Capital Advisors, LLC). BAM consists of two divisions which are the Broyhill Asset Management Division (“BAM Division”) and the Broyhill Wakin Capital Advisors Division (“BWCA Division”). BAM offers and provides various investment programs and services to individuals, institutions and private investment funds on a discretionary basis. Advisory services offered by the BWCA Division are more fully described below.

The firm started in June 1998 as Broyhill Wakin Capital Advisers, LLC and changed its name to Broyhill Asset Management, LLC on July 1, 2008. The principal owners of Broyhill Asset Management, LLC are Dan Wakin and M. Hunt Broyhill.

The chief investment officer of the BWCA division is Dan Wakin.

The BWCA division manages \$5,908,464 of assets, \$2,132,634 of discretionary assets and \$3,775,830 of non-discretionary assets as of 12/31/2010.

The BWCA Division does not participate in any wrap programs.

BWCA DIVISION ADVISORY SERVICES

I. Equity & Balanced Advisory Services

Equity and Balanced Advisory Services provide clients with ongoing asset management and monitoring services. The BWCA Division will utilize mutual funds, exchange traded funds (ETFs), stocks, and fund of fund products. Two of the products that may be utilized in the management of clients' portfolios are The Broyhill All-Weather Fund, LP ("AWF") or Surety Partners, LLC. These two funds are private investment funds which invest in other private investments funds managed by general partners who are the principal owners of BAM. The strategy BWCA utilizes is to strive for overall investment performance of the portfolios.

II. Bond Timing Program

The BWCA Division also offers a High Yield Corporate Bond Timing Program. In this program, client assets will generally be 100% invested in the high yield market in high yield no-load mutual funds.

Client assets invested in the Bond Timing Program are switched within a mutual fund family, between the bond fund and the money market fund. The client's money will generally either be invested 100% in the high yield bond market or including 100% in money market funds. The goal of this program is to protect capital in declining markets and to maximize return in rising markets. However, no investment strategy can guarantee results or guarantee investment against loss in declining markets.

As a matter of industry practice and BAM's disclosure policy, clients are advised that certain mutual funds may restrict or limit the number of transactions within certain periods and charge redemption fees. Consequently, the mutual funds available may be limited. The fee and costs associated with the Bond Timing Program may be greater than a buy and hold investment strategy.

III. Financial Planning and Consulting Services:

For clients wanting financial planning and professional advice and whose needs are on a more limited basis, BWCA will provide consulting services including: individual consultation, development of investment objectives, evaluation and selection of specific investments.

Investment advisory, financial planning and consulting services are based on the client's financial situation at the time and are based on financial information provided by the client to BWCA. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. BWCA cannot offer any guarantees or promises that a client's financial goals and objectives will be met. Further, clients must continue to review any financial plan and update the financial plan based upon changes in the client's financial situation, goals, or objectives or changes in the economy. Should client's financial situation or investment goals or objectives change, clients must notify BWCA promptly of the changes. Clients are advised that the advice offered by BWCA may be limited and is not meant to be comprehensive.

Therefore, a client may need to seek the services of other professionals such as an attorney and/or accountant.

Item 5: Fees and Compensation

The BWCA Division's annual fee schedules are as follows:

EXCHANGE TRADED FUNDS, EQUITY & BALANCED ACCOUNTS

First \$500,000	1.25%
Next \$1,000,000	1.00%
Next \$1,000,000	0.80%
Next \$2,500,000	0.60%
Over \$5,000,000	Negotiable

BOND TIMING PROGRAM

On the first \$150,000	1.45%
On the next \$350,000	1.30%
On the next \$500,000	1.15%
On amounts above \$1,000,000	0.80%

Advisory fees for portfolios over \$5,000,000 are negotiable. All portfolios less than \$5,000,000 are not negotiable. BWCA has a \$250,000 minimum account size which may be reduced in BWCA's discretion based upon a client's circumstances. Accounts below \$250,000 will be charged an annual advisory fee of 1.50% of assets under management.

FINANCIAL PLANNING AND CONSULTING SERVICES

Fees for financial planning and consulting services are billed on an hourly basis at \$250 per hour. Fees are billed in the month work is completed, and are due within thirty (30) days, unless other terms are arranged and agreed upon in writing. A minimum fee schedule may not apply to an account being charged by the hour. Client may terminate services within five (5) business days after entering into the advisory agreement without penalty. After five business days client will be charged for the services provided by BWCA.

Advisory fees are billed and due to BWCA in advance of each calendar quarter. Partial quarterly periods will be prorated. Thereafter, advisory fees are based on the market value of all portfolio assets as of the end of each calendar quarter.

No billing adjustments shall be made for interim market fluctuations; however,

BWCA may adjust the billing with regard to material interim additions and withdrawals from an account. The initial fee is collected when the client's agreement becomes effective.

Fees are calculated in the following manner:

$\text{Account Value} \times \text{Rate} \times \text{days}/365.$

The advisory fees payable upon initial implementation of the account may be debited directly from the account provided the client has given BWCA written authorization. Clients will be provided with a custodian's account statement reflecting the deduction of the advisory fee. If the client's portfolio does not contain sufficient funds to pay advisory fees, BWCA has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. Clients may reimburse client's portfolio for advisory fees paid to BWCA, except for ERISA and IRA accounts.

Fees are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. Client portfolios which are related through immediate family relationships may be combined in order to reach and reduce overall advisory fee for the client relationship break points.

Clients investing in The Broyhill All-Weather Fund, LP ("AWF") and/or Surety Partners, LLC ("SP") will pay fees to the AWF or SP Funds, respectively. Such fees are shared with the principal owners of BWCA. However, under no circumstances will clients pay double fees because BWCA will exclude any BWCA client assets invested in AWF and/or SP investments from the value of client portfolios when calculating BWCA's advisory fee.

Therefore, clients will be charged BWCA's fee on all assets in the client's portfolio excluding assets invested in AWF or SP.

Clients will incur brokerage and other transactions costs. See Brokerage Practices section for a breakdown of these costs.

Private Investment Fund

One private investment fund pay Mr. Wakin and Mr. Broyhill a management fee and another one pays a management and performance-based advisory fee. These fees are described in the investment management and investment agreements between the adviser controlled related party and the investor. (Item 6 provides

more information about performance-based fees, and Item 10 provides more information about the advisor controlled related party.)

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

Mr. Broyhill and Mr. Wakin receive performance-based fees from Surety Capital Management, LLC, the general partner of Surety Partners, LLC.

The receipt of performance-based fees from our pooled investment vehicles creates a conflict of interest. Mr. Wakin and Mr. Broyhill can potentially receive higher fees from accounts with a performance-based compensation structure than from those that pay an asset-based fee.

Item 7: Types of Clients

We primarily manage portfolios for individuals, trusts, retirement accounts (IRA's pensions and profit sharing plans) corporations and other institutions.

The minimum account size is \$250,000, but is negotiable.

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

Each investor should refer to their private placement memorandum for the specific risks involved in BWCA's investment strategy.

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

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the firm or the integrity of the firm's management in this item.

The BWCA division of Broyhill Asset Management, LLC has no legal or disciplinary events to report.

Item 10: Other Financial Industry Activities and Affiliations

Mr. Wakin is a registered representative of Carolina Financial, LLC ("Carolina"). Carolina is a registered Broker/Dealers, members of FINRA and SIPC. Carolina is not affiliated with BAM, BWCA or any other Broyhill organization. If clients execute certain commissionable investment transactions through Mr. Wakin individually as representative of Carolina, including stocks, bonds, load mutual funds and life insurance products, they will share in the commissions received by Carolina. Commissions at Carolina may be higher or lower than other broker-dealer firms. Clients are under no obligation to purchase or sell securities through Mr. Wakin.

As noted in Item 4, Mr. Broyhill and Mr. Wakin are General Partners of Broyhill Wakin General Partners, LLC ("BWGP") and Surety Capital Management LLC ("SMC"). BWOP and SCM are the General Partners of the Broyhill All-Weather Fund, LP ("AWF") and Surety Partners, LLC ("SP"). AWF and SP are North Carolina limited liability companies and private investment funds which in other private investment vehicles, i.e., funds of hedge funds. AWF and SP invest in other funds with various investment strategies including alternative investments, equity and fixed income securities, among others. The investment strategies, investments, fees and expenses are disclosed in the offering documents for the funds in which AWF and SP invest in. The annual management and any performance and expenses for the AWF and SP funds are disclosed in the offering documents of these funds. Annual Management fees for the AWF are 1.50% annually. Management fees for SP include an annual management fee of 1.50% and a 20% performance fee.

BWCA may recommend and solicit qualified advisory clients to invest in AWF and/or SP based on a client's investment objectives.

Mr. Broyhill and Mr. Wakin are employed by the BMC Fund, Inc, a closed-end, diversified investment company registered under the Investment Company Act of 1940. Mr. Broyhill serves as President of the BMC Fund, Inc. and Mr. Wakin serves as Managing Director – Alternative Investments. Both are primarily responsible for the day-to-day management of the Fund’s portfolio.

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

BAM has adopted a Code of Ethics consistent with Rule 204A-1 of the Advisers Act. BAM's Code of Ethics provides for a high ethical standard of conduct for all BWCA's professionals, compliance with federal securities laws, and policies and procedures for the reporting of certain personal securities transactions on a quarterly basis and initial and annual security holdings by BAM's professionals. Among other things, BAM's Code of Ethics also requires the prior approval of any IPO and private placement investment, supervisory reviews, enforcement and recordkeeping. A copy of BAM's Code of Ethics is available to BAM's advisory clients upon written request to the Compliance Officer at BAM's principal office address.

BAM and its employees may buy and sell the same or different securities than may be recommended to clients. If the possibility of a conflict of interest occurs, the client’s interest will prevail. It is BAM’s policy that priority will always be given to the client’s orders over the orders of an employee of BAM.

BAM has established the following additional restrictions in order to address these conflicts of interest and to ensure its fiduciary responsibilities:

- A member, officer or employee of BAM shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with BAM or any of its affiliates, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory client.
- BAM discloses that certain BAM individuals may receive separate compensation when effecting securities and/or insurance-related transactions during the implementation process, when applicable.
- BAM maintains records of all securities holdings for itself and anyone associated with BAM's advisory services. Personal securities transactions and holdings are

reviewed by the Chief Compliance Officer to ensure compliance with BAM's policies.

BAM requires all individuals to act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

In accordance with Section 204A of the Investment Advisers Act of 1940, BAM also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the BWCA or any person associated with BAM.

Item 12: Brokerage Practices

When recommending brokers or custodians for its clients, BWCA considers many different factors including quality of service, services offered, execution quality, transaction cost, reputation of the firm, financial resources, and stability, among others. BWCA continuously monitors its custodial and trading arrangements, and more formally reviews both on an annual basis.

BWCA generally recommends that clients use a particular custodian, Fidelity.

BWCA does not receive research or other products and services other than execution from a third party in connection with client.

Item 13: Review of Accounts

All client accounts are reviewed on at least a quarterly basis to ensure an appropriate allocation based upon BAM's assessment of market conditions and individual circumstances. General conditions in the capital markets are continuously monitored. Factors triggering reviews may also include a change in general capital market conditions, changes in management of funds or stocks owned by clients, and exceptional short term volatility in broad capital markets or individual securities. All accounts are reviewed by Dan Wakin. There are presently no set minimum or maximum numbers of accounts eligible for review.

Item 14: Client Referrals and Other Compensation

Mr. Wakin and Mr. Broyhill do not receive 12b(1) fees on any investment assets managed by BWCA. Such compensation will generally only be received if a client purchases a securities product outside of BWCA directly through Mr. Wakin and Mr. Broyhill. BWCA investment professionals who are also Registered Representatives may receive trail commissions (i.e. 12b(1) fees) for a period of time. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b(1) fees. 12b(1) fees may be initially paid to Carolina and a portion passed to the BWCA investment professionals individually as registered representatives. The receipt of such fees present a conflict and an incentive for BWCA investment professionals to recommend funds with 12b(1) fees over funds that have no fees or lower fees. As a result, there is potential and actual conflict of interest.

Item 15: Custody

The BWCA division of Broyhill Asset Management, LLC does not provide custodial services to its clients. Client assets are held with banks or registered broker-dealers that are “qualified custodians.” Clients will receive statements directly from the qualified custodians at least quarterly. . Broyhill Asset Management, LLC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you.

Investors in the Broyhill All-Weather Fund, LP receive quarterly statements from a qualified custodian in order to comply with the revised Custody rule.

Item 16: Investment Discretion

The BWCA division of Broyhill Asset Management, LLC accepts discretionary authority to manage the assets in the client’s account. We observe investment limitations and restrictions that are outlined in each account’s investment management agreement.

Item 17: Voting Client Securities

BAM maintains a written Proxy Policy which reflects the firm's fundamental duty as a fiduciary to vote proxies in the best interests of our clients. For ERISA plan clients, proxies are voted solely in the interests of the plan participants and beneficiaries.

Certain clients have expressly retained proxy voting authority and in such instances, BAM has no responsibility and may not take any action regarding those clients' proxies.

In the event of any actual or potential conflicts of interests in the voting of any client proxies, BAM will make appropriate disclosures to clients and either request that the client vote the proxy(s), abstain from voting or vote the client proxies, depending on the circumstances.

BAM maintains relevant and appropriate proxy records as part of the firm's Proxy Policy.

Our Proxy Policy and information about the voting of a client's proxies, where BAM has proxy voting responsibility, are available to a client upon written request sent to the Chief Compliance Officer.

Item 18: Financial Information

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. The BWCA division of Broyhill Asset Management, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.