



## FIRM BROCHURE (FORM ADV – PART 2)

MARCH 31, 2014

This Brochure provides information about the qualifications and business practices of Wimmer Associates. If you have any questions about the contents of this Brochure, please contact us by phone at 626-683-3150 or send an email to [kkenney@wimmerassociates.com](mailto:kkenney@wimmerassociates.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Wimmer Associates is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide information with which one can determine to hire or retain an Adviser.

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

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## **Item 2 – Material Changes**

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This Brochure, dated March 31, 2014, contains no material change from the last annual brochure offering dated March 31, 2013.

Currently, our Brochure may be requested by contacting Kathryn Kenney, Vice President at 626-683-3150 or via email to [kkenney@wimmerassociates.com](mailto:kkenney@wimmerassociates.com).

### Item 3 – Advisory Table of Contents

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## Item 4 – Advisory Business

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### **Firm Description**

Wimmer Associates began offering its investment advisory services on March 9, 2003. The firm is federally registered with the SEC (Securities and Exchange Commission) as a Registered Investment Adviser.

Wimmer Associates provides investment supervisory services and investment management services to individuals, trusts and estates, family groups, and other types of entities that need ongoing investment advice. These services include advice on structuring a client's portfolio given the client's objectives (return requirements and risk tolerance) and circumstances (time horizons, liquidity needs, tax planning, education funding and other special considerations). Wimmer Associates then tailors its portfolio recommendations to meet the specific needs of the client and updates these recommendations as appropriate.

Wimmer Associates manages investment portfolios primarily on a discretionary basis. However, clients do not have to grant Wimmer Associates this discretion or they may grant discretion but may impose restrictions on investing in certain securities or types of securities. For discretionary accounts, unless otherwise limited by the clients, Wimmer Associates is authorized to enter into any type of investment transaction that it deems appropriate for its clients (meaning the client grants Wimmer Associates permission to buy and sell securities for their portfolio without prior authorization for a transaction), according to the terms of the account agreement. The types of investments that we consider for client portfolios are limited to individual stocks, bonds and other fixed-income securities in addition to exchange-traded funds and mutual funds. We do not invest client monies in alternative investments, real property, illiquid limited partnerships, variable annuities or other insurance products.

### **Qualifications**

Wimmer Associates requires that each of its investment advisory personnel have at least a Masters degree or a CFA certification and/or many years of experience in portfolio management. The CFA (Chartered Financial Analyst) designation is a globally respected, graduate-level investment credential established in 1962 and awarded by the CFA Institute — the largest global association of investment professionals.

To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct which requires CFA charter holders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

The professionals in our organization with a CIC designation follow the Standards of Practice as set forth by the Investment Council Association of America. And all employees adhere to the Wimmer Associates Code of Ethics (See Item 11).

### **Compensation**

Wimmer Associates compensation is solely from fees paid directly by clients. We do not receive commissions based on the client's purchase of any financial product. No commissions in any form are accepted and no referral fees are paid or accepted. No benefits are received from bank custodians or broker-dealers based on client securities transactions ("soft dollar benefits").

We may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by the Advisor.

Assets under Wimmer Associates management are held in the client's name by independent bank custodians or broker-dealers of the client's choice, including Charles Schwab & Co, Fidelity Investments, Northern Trust and others. Wimmer Associates does not act as a custodian of client assets.

### **Principal Owners**

The firm was founded, and is owned in its entirety, by Katherine J. Wimmer and Warren R. Wimmer.

Katherine J. Wimmer, President, CFA CIC (born January 14, 1953). She graduated from The Darden School, University of Virginia in Charlottesville in 1983 with an MBA. From 1996 to 2003, Kathy was Vice President and Principal at Philip V. Swan Associates, LLC. From 1988 to 1996, she was a Vice President at Payden & Rygel Investment Counsel. From 1983 to 1987, Kathy held an equity analyst position at William O'Neil and Company. She is a founding Board Member of Bloom Again Foundation and the San Rafael Library Associates. Kathy is presently the chair of the Huntington Memorial Hospital Planned Giving Advisory Board and past chair of the Pasadena Library Commission.

Warren R. Wimmer, Member (born November 1, 1957). Warren graduated from the University of California at Santa Barbara in 1979 with a B.A. in Political Science. He received the M.S. in Foreign Service award at Georgetown University in 1983 with an emphasis on Energy and Natural Resources. Warren co-authored the World Bank volume, "Attracting Foreign Investment in Lesser Developed Countries". Returning to his native California, Warren had a fifteen year career in international banking. Warren is an active volunteer and sits on the Board of the Alliance for Housing and Healing.

### **Managed Assets**

As of December 31, 2013 Wimmer Associates had \$206 million under management (\$188 million on a discretionary basis and \$18 million on a non-discretionary basis.)

## Item 5 – Fees and Compensation

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### **Description**

The specific manner in which fees are charged by Wimmer Associates is established in a client's written agreement with Wimmer Associates. Fees are payable quarterly in advance and clients may elect to be billed directly for fees or to authorize Wimmer Associates to directly debit fees from their accounts.

Compensation provided to Wimmer Associates is negotiable and varies, but typically Wimmer Associates charges its clients an annual, asset based fee. On balanced accounts (that include investments in both stocks and bonds), the customary annual fee is 1% on the first \$1,000,000 of assets under management plus .9% on the next \$1,000,000 plus .75% on the next \$3,000,000. Amounts over \$5,000,000 are billed at the annual rate of 1/2 of 1%. A flat rate approximating these combined rates may be used. Wimmer Associates' minimum annual fee for a client account is generally \$7,500. The value of the portfolio, frequency and location of meetings, discretionary versus advisory authority, and type of account (bond, equity, balanced, income, and growth) may affect the fees charged.

For Clients that provide written authorization to the custodian of their investment accounts, Wimmer Associates will arrange to have its management fee automatically deducted from the Client's account. In this case, the client's custodian will send statements, at least quarterly, to the client that will reflect the advisory fee paid to Wimmer Associates, but the client should verify the accuracy of fees paid. For those clients that do not provide the written authorization to the custodian of their accounts, Wimmer Associates will send an invoice directly to the client for Wimmer Associates' fees.

In addition to the above, at times, Wimmer Associates may accept "one-time" projects that pertain directly to the investment services described above. Compensation for these projects, which will in all cases not include ongoing monitoring performance reporting or advice, is determined by an hourly fee equal to \$360 per hour.

### **Other Fees**

Wimmer Associates fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians and brokers, and other third parties such as custodial fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Wimmer Associates fee, and Wimmer Associates shall not receive any portion of these commissions, fees and costs.

In many cases, the client could invest in the same mutual fund or exchange traded fund without paying an advisory fee to Wimmer Associates, but would not then have the benefit of Wimmer Associates' advice, review and monitoring. Occasionally, Wimmer Associates may exclude the value of mutual fund shares held in a client's account from the total account value in calculating its fee for that client. Item 12 further describes the factors that Wimmer Associates considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Wimmer Associates believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees than those charged by Wimmer Associates.

#### **Termination of Agreement**

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. A client may terminate the management agreement with Wimmer Associates at any time. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

### **Item 6 – Performance Based Fees**

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Wimmer Associates does not accept performance based fee accounts due to the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows Wimmer Associates to participate in the growth of the client's wealth. This also means that our fees can decline when the client's portfolio declines in value.

### **Item 7 – Types of Clients**

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Wimmer Associates provides investment supervisory services and investment management services to individuals, trusts, family groups, and other types of entities that need ongoing investment advice.

The minimum dollar amount of assets of a client under Wimmer Associates' management is generally \$750,000. Wimmer Associates, in its discretion, may waive the minimum.

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

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### **Methods of Analysis**

Wimmer Associates uses a fundamental approach focusing primarily on high quality equity and fixed income securities. We utilize internally generated research, and draw from several sources including, but not limited to, Morningstar and Value Line reports, fund prospectuses, S&P reports, financial newspapers and magazines, research materials prepared by others, filings with the Securities and Exchange Commission and annual reports. Employees of Wimmer Associates may also attend meetings with corporate and fund managers, listen to conference calls, and attend industry conferences.

### **Investment Strategies**

Each client portfolio is constructed for an individual client. The investment strategy for a specific client is based upon the financial objectives, income needs, and tax situation stated by the client during consultations. The client may change these objectives at any time. Wimmer Associates primary investment strategy is based on asset allocation in individual stocks and other publicly traded instruments, municipal, corporate and government bonds and actively managed funds. We may also use passively-managed index and exchange-traded funds when appropriate for the client.

### **Risk of Loss**

All investment programs involve risk of loss that clients should be prepared to bear. Our investment approach keeps this risk of loss in mind. However, as with all investments, clients face investment risks including the following: loss of principal, interest-rate risk, market, inflation, currency, reinvestment, business, liquidity and financial risk.

## **Item 9 – Disciplinary Information**

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Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material in evaluating our firm or the integrity of our management. Wimmer Associates and its employees have not been involved in any legal or disciplinary events related to past or present investment activities.

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

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The only business of Wimmer Associates is that of investment adviser. The firm does not participate in any other industry business activities and does not have any arrangements that are material to its advisory business or its clients with any related person.



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

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### **Code of Ethics**

Pursuant to SEC Rule 204A-1, Wimmer Associates has a written Code of Ethics in place and it is available to any client or prospective client upon request. Wimmer Associates clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Kate Kenney by phone at 626-683-3150 or by email at [kkenney@wimmerassociates.com](mailto:kkenney@wimmerassociates.com).

Wimmer Associates Code of Ethics requires compliance with all applicable laws, rules, and regulations governing our professional activities including prohibitions against Insider Trading. It also requires employees to act with integrity, competence, dignity and in an ethical manner. Employees must be alert to potential conflicts of interest and avoid those situations. Protecting the private information related to our clients and our business is another important requirement of the Code.

Wimmer Associates does not disclose any non-public personal information about its clients or former clients to anyone, except as required by law. Wimmer Associates restricts access to non-public personal information about its clients to its employees who need to know that information for the purpose of providing services to clients. Wimmer Associates maintains physical, electronic and procedural safeguards that comply with federal standards protecting clients' personal information.

### **Participation or Interest in Client Transactions**

Wimmer Associates and its managers, members and employees ("WA & Associates") may personally invest in securities that are purchased for clients and may own securities that are subsequently purchased or sold for clients. WA & Associates, based on personal investment considerations, may also buy or sell specific securities for their own accounts that Wimmer Associates does not buy or sell for, or recommend to, clients.

Some affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Wimmer Associates' best execution obligation. In such circumstances, the affiliated and client accounts will receive securities at a total average price.

### **Personal Trading**

WA & Associates are required to obtain prior approval for personal transactions from either the Compliance Officer or the President of Wimmer Associates on securities owned by clients of Wimmer Associates that have a market capitalization under \$2 billion. Private placements and Initial Public Offerings are prohibited transactions.

## Item 12 – Brokerage Practices

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### Selecting Brokerage Firms

Wimmer Associates does not have any compensatory affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. Wimmer Associates, when asked, recommends that clients establish accounts with discount brokerage firms (qualified custodians), such as Charles Schwab and Fidelity Investments. Our recommendation of these broker-dealers is based on a number of factors and services provided including the following:

- Reputation, financial strength, and stability
- The range of available investment products (stocks, bonds (corporate, municipal, U.S. Government Treasuries and Agency), mutual funds, exchange-traded funds (ETFs), etc.)
- Access to brokerage firm's institutional trading platforms to execute client trades
- Promptness of trade execution reports
- The capability to clear, and settle trades
- Custody of client assets
- Reporting services and access to client account data (including confirmations, account statements and tax information provided to clients).
- The capability to facilitate client requested transfers and payments to and from client accounts (bank wire transfers, check requests, internal client account journals etc.)
- Quality of services and the competitive price of those services (commission rates, margin interest rates, etc.)
- Transaction, pricing and other market data provided
- Platform to facilitate payment of our fees from our client's accounts

Wimmer Associates does not receive any direct or indirect compensation from any of these arrangements in exchange for recommending to clients that they use such discount brokers (except for software programs that provide electronic delivery of client information, electronic trading platforms and other services offered by custodians for the benefit of clients).

Wimmer Associates may also benefit from other services provided by custodians, such as free research, seminars and practice management advice. These benefits are standard in a relationship with these custodians and are not in return for client recommendations or transactions.

Trading fees charged by the custodians are reviewed on an annual basis. Wimmer Associates does not receive any portion of the trading fees.

**Soft Dollar Benefits**

The term “Soft Dollar” describes an arrangement under which products or services other than execution of securities transactions are obtained by an adviser in exchange for directing client brokerage transactions to that broker. Wimmer Associates does not participate in any soft dollar program and does not receive soft dollar benefits from any custodian.

**Order Aggregation**

Order aggregation is the process of adding together multiple orders into one larger order to purchase or sell the same security. It is also referred to as “Block Trading”.

Investment advisers frequently aggregate orders for administrative convenience and to achieve lower execution costs typically associated with larger orders. Generally clients will receive the average share price on trades executed via an aggregated order.

Individual commission rates will not be affected. The client will incur the same commission charge whether a trade order is aggregated or executed individually.

Wimmer Associates will attempt to aggregate orders when it is determined it is prudent to place orders for the same security, at the same time, in one or more client accounts.

At times transactions for Wimmer Associates employee, or employee related, accounts may be aggregated with customer accounts in block trading.

## **Item 13 – Review of Accounts**

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**Regular Reports**

Wimmer Associates furnishes written reports to clients on at least a quarterly basis. These client reports include a letter summarizing our general view of the markets and the economy. Our reports are generated from our portfolio accounting software with the data supplied daily via a direct download from each client’s custodian.

**Periodic Reviews**

Client assets are monitored each business day. At least once each calendar quarter, the Portfolio Manager (and/or the President of Wimmer Associates) analyzes the current holdings of each client portfolio as they relate to the client's investment objectives and risk tolerance, and to the current economic environment. Ad Hoc account reviews may be triggered by changes in market condition, new information about an investment, changes in tax laws, changes in client’s objectives or by client request.

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

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Wimmer Associates does not participate in any referral program that involves receiving an economic benefit or compensation from an outside party for referrals. Wimmer Associates does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## Item 15 – Custody

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Clients will engage an independent brokerage firm, bank or other qualified custodian of their choice to maintain their accounts so that Wimmer Associates will not have *physical* custody of clients' assets, monies, or securities. However, since Wimmer Associates may withdraw advisory fees directly from clients' accounts (as described in Item 5 – Fees and Compensation) Wimmer Associates is considered to have custody in a limited capacity. Again, this custody is due solely to the direct withdrawal of fees and does not entail all of the same legal and regulatory requirements as an investment adviser with physical custody of clients' assets, monies, or securities. The qualified custodian provides account statements directly to clients at their address of record at least quarterly, however, most are sent monthly and as account transactions occur.

We urge clients to carefully review and compare the account statements received from their qualified custodian with the quarterly reports that we provide.

## Item 16 – Investment Discretion

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As described in Item 4 – Advisory Business (pages 4-5), Wimmer Associates manages investment portfolios primarily on a discretionary basis. When a client grants investment discretion to Wimmer Associates, Wimmer Associates has authority to supervise and direct the investments of the client's account without prior consultation with the client (meaning we may buy or sell securities for a client portfolio without contacting the client prior to the transaction for authorization). Wimmer Associates determines which securities are bought and sold for the account and the total amount of such purchases and sales. Wimmer Associates authority may be subject to conditions imposed by the client, such as restricting or prohibiting transactions in certain types of securities or directing that transactions be effected through specific brokers or dealers. Typically, transactions are placed with the bank or brokerage that has custody of the assets. The practice of rarely obtaining multiple bids may result in less favorable pricing and fees for clients than may be available elsewhere.

Wimmer Associates will not exercise any discretionary power without first obtaining written discretionary authority from the client. Discretionary authorization is granted in the Investment Advisory Agreement we execute with our clients. Discretionary authority is also granted by the limited power of attorney in the custodian's account opening application signed by the client. However, this authority may be restricted by the terms agreed upon in the Wimmer Associates Investment Advisory Agreement.

Although investment decisions are often discussed and agreed on with clients prior to implementation by Wimmer Associates, regardless of discretionary status of that client's account, clients may retain Wimmer Associates on either a discretionary or non-discretionary basis.

When the client does not grant Wimmer Associates investment discretion, Wimmer Associates recommends to the client the identities and amounts of securities to be bought or sold. If the client approves a recommended transaction and if Wimmer Associates has trading authority, Wimmer Associates directs the execution of the recommended transaction.

## **Item 17 – Voting Client Securities**

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Wimmer Associates has contracted with an independent third party, Broadridge, to vote the proxies on the securities held by our clients. Broadridge researches the issues and makes informed recommendations to Wimmer Associates on each ballot measure. We can follow those recommendations or use our judgment in casting the votes. Broadridge maintains a detailed record on every vote cast and clients may obtain a copy of the proxy voting record on request.

Our guiding principle is to vote proxies in the best interest of our clients. In situations involving material conflicts that may arise between the interests of Wimmer Associates and those of our clients, Wimmer Associates will follow the advice of Broadridge. In the event that Broadridge abstains from making a recommendation, Wimmer Associates will analyze the issues and arrive at our own determination on how to vote.

Clients retain the right to vote their own holdings or may direct a proxy vote at any time by calling or writing to inform us of their desired vote. However, unless we hear from the client to the contrary, we will assume that the client wishes to allow us to decide how the voting of the proxies on his/her shares should be handled.

A copy of Wimmer Associates proxy voting policy is available upon request by contacting Kathryn B. Kenney, Vice President of Portfolio Administration in our office.

## **Item 18 – Financial Information**

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Wimmer Associates does not have any financial impairment that would preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because Wimmer Associates does not serve as a custodian for client funds or securities, other than as described in Item 15 – Custody, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.