

FORM ADV, PART II, SCHEDULE H “BROCHURE”

SEC File Number: 801-66218



BREWER INVESTMENT ADVISOR LLC
200 South Michigan Ave, 21st Floor
Chicago, Illinois 60604
Phone: (312) 896-3900
BIA DISCRETIONARY INVESTMENT PROGRAM
June 2009

THIS BROCHURE PROVIDES CLIENTS WITH INFORMATION ABOUT BREWER INVESTMENT ADVISOR LLC THAT SHOULD BE CONSIDERED BEFORE BECOMING A CLIENT OF THE WRAP FEE PROGRAM. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY ANY GOVERNMENTAL AUTHORITY.

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

TABLE OF CONTENTS

The Firm	3
BIDDIP Program.....	3
Research Process	4
How We Design Your Program.....	4
Establishing a Program Account	4
Account Management.....	5
Communication	5
Information About Our Investment Adviser Representatives	6
Advisory Fee and Other Charges.....	6
Execution of Client Transactions, Custodial Services and Reports.....	6
Other Business Activities and Affiliations	8
Participation or Interest in Client Transactions	9
Is This the Right Program for You?	10
Review of Accounts and Reports to Clients	10
Conduct of Reviews	11

The Firm

Brewer Investment Advisor LLC

Brewer Investment Advisor LLC (“BIA” or “Firm”) manages investment advisory accounts on both a discretionary and nondiscretionary basis for affluent individuals, as well as corporations, partnerships, trusts and other legal entities. Services to high net worth and affluent individuals, corporations, partnerships, trusts and other legal entities may include, at the client’s election, some or all of: (i) advice with respect to the appropriate allocation of assets for a client; (ii) advice with respect to the creation of diversified portfolios consisting of recommended mutual funds, exchange traded funds, individual equity or debt securities (exchange listed or over the counter), warrants, municipal debt securities, foreign issuers (equity and debt), commercial paper, certificates of deposit, investment company securities (variable life annuities, mutual funds) government securities; (iii) recommendations with respect to portfolio hedging, monetization and income generation strategies involving, for example, the use of exchange listed or over-the-counter options or forward instruments; (iv) recommendation to participate in “wrap fee programs” sponsored by BIA, like this BIA IAR Directed Discretionary Investment Program ; and (v) providing statistical risk based analysis on individual mutual fund securities within the client’s portfolio.

BIA is a limited liability company formed under the laws of the State of Illinois, and is registered with the Securities and Exchange Commission as an investment adviser. BIA is a notice filer with Illinois, and such other state regulatory authorities as required. This Schedule H narrative provides clients with information regarding BIA and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client. The information in this Schedule H has not been approved or verified by the Securities and Exchange Commission or by any state regulatory authority.

Professionals associated with BIA are appropriately licensed, qualified, and authorized to provide advisory services on the Firm’s behalf. Such individuals are known as Investment Adviser Representatives (“IARs”).

Please contact Gene Travis, Chief Compliance Officer, if you have any questions about this Schedule H. Additional information about BIA is available at “www.adviserinfo.sec.gov.”

BIA IAR Directed Discretionary Investment Program (“BIDDIP”).

BIA offers the BIDDIP, a professional and flexible asset management program. Below is a description of the program:

For clients with investment assets over \$25,000, BIA, through a client designated investment advisor representative (“IAR”) provides discretionary asset management services based upon a client’s individual financial circumstances, risk tolerance, investment goals and objectives, and any restrictions imposed by such client.

Generally, BIA does not receive any fees or payments from the custodian or other third-party service providers for recommending client investment in the BIDDIP Program. Client accounts are held at Fidelity Institutional Wealth Services (“IWS”). IWS will receive fees from acting as custodian. Additionally, IWS may receive ancillary sources of income from client accounts, for example, interest on client’s credit balances, 12b-1 fees, custodial, and other administrative expenses.

Given differences in the ways in which particular clients’ individual circumstances are identified and in which those circumstances are interpreted by different BIA investment consultants, different clients having the same or closely related personal circumstances and risk profiles may receive somewhat different investment strategy recommendations.

The BIDDIP is offered as a wrap fee program whereby BIA functions as the wrap fee program sponsor. BIA, through its IAR, will invest and reinvest the securities, cash and/or other investments held in the Account in accordance with Client’s risk tolerance, investment goals and objectives, restrictions imposed by the client, such and other information (“Profile”) provided by Client to BIA. Consistent with the

information in the Profile, investments may be made in, but are not limited to, securities of any kind, including common and preferred stocks, warrants, options, rights, corporate or government bonds or notes, issued by U.S. or foreign issuers, and shares of money market mutual funds. (The term “securities” shall refer to securities or to all permitted investments in an Account, as applicable.) Clients are required to grant to BIA and the BIA IAR the limited right to invest on a discretionary basis all or a portion of the assets in the client’s portfolio pursuant to the specific trading instructions provided by the IAR appointed and selected by Client.

The BIDDIP Program is intended to comply with Rule 204-3 of the Investment Adviser Act of 1940, as amended (the “Adviser Act”) and Rule 3a-4 under the Investment Company Act of 1940, as amended (the “Company Act”). Each client’s account is managed on the basis of the client’s individual financial situation. Each client has the authority and opportunity to select an account’s investment objective and impose reasonable restrictions on the management of the assets in the account. In addition, clients will be contacted at least annually (more often by agreement with the client), in order to confirm the accuracy of information and to provide ample opportunity to impose reasonable restrictions with respect to the assets in the managed account.

Research Process.

IARs manage individual portfolios for clients who meet program suitability criteria as established by BIA. IARs utilize a variety of third party research material, company regulatory filings, published material in newspapers, and other investment media, and third party investment software to formulate investment decisions on behalf of clients. Such material may include (i) third party software to identify correlation of asset classes for diversification purposes, risk metric statistics for individual companies, industries and asset classes, technical trading research, published research databases, company filings and such other resources that assist the IAR in formulating a recommendation consistent with the client’s risk tolerance, investment goals and objectives, and any restrictions imposed by such client (“Profile”).

How We Design Your Program.

The BIDDIP Program offered to BIA clients requires receipt of appropriate information about the client and the development of an investment strategy pursuant to information set forth in a completed Profile. BIA shall identify an appropriate strategy pursuant to the information provided in the client’s Profile. BIA may, in its sole discretion, provide the client with a Statement of Investment Policy, Objectives and Guidelines (the “Statement” or “IPS” or “Investment Plan”) which would contain a proposed long-term strategy, based upon an analysis of the Profile, for allocating the account assets client initially designated for the Program. Client acknowledges that any Statement described above would be based upon and objectively correlated to the Profile, and would be provided to Client to memorialize the Investment Plan or Statement and to ensure an understanding of the respective parties obligations under the Investment Plan or Statement. BIA is under no obligation to rebalance the Account to conform to any investment plan or asset allocation determined by Client or reflected in any Statement.

Establishing a Program Account.

If you are interested in establishing an account, you will need to sign and provide the following documentation:

- Investment Management Agreement for BIA;
- Account opening forms;
- Acknowledgement of BIA advisory fees and receipt of Schedule H for BIA;
- Information regarding client risk profile which collects financial and goal data; and

- Account Transfer Application, if applicable (if you have assets to be transferred from another firm).

The minimum amount of assets required to be placed in a program account is \$25,000.

Account Management.

Once the investment strategy has been formulated, taking into account various aspects of the client's Profile and Investment Plan, the client, in conjunction with BIA and the BIA IAR selects appropriate investments to effect the client's Investment Plan or IPS.

Once selected, BIA, through its IAR, will effect all trades, through IWS.

Client recognizes that all trades on their behalf may cause a taxable event. In addition, client-directed transactions may affect the need to rebalance the client's Account, which may exacerbate the tax consequences to the Account.

Each client may terminate the investment management agreement upon ten (10) days prior written notice to BIA and the BIA IAR.

Each client understands and acknowledges that any restrictions client imposes on the management of Account assets, including any asset allocation percentages or maximums, or restrictions on certain securities or classes of securities which client may impose, may cause BIA to deviate from investment decisions it would otherwise make in managing the Account.

BIA, through its IAR, may from time to time purchase securities for the Account that are not eligible to be solicited for sale in client's local jurisdiction.

Communication.

Clients of BIA will have access to an IWS secure website on the internet to review their accounts. On a quarterly basis, performance reports detailing the performance of each manager and the account overall will be mailed to clients. IARs of BIA will review the performance of the account on a quarterly basis.

Information About Our Affiliates

Brewer Investment Group LLC ("BIG") is a holding company comprised of managing members who are individuals that have extensive experience in the securities industry. BIG has the following wholly owned operating affiliates:

Brewer Investment Advisor LLC ("BIA") is a limited liability company owned and controlled by BIG. BIA was formed to provide investment advisory services to high net worth individuals, corporations, partnerships, trusts and other legal entities for clients' investment assets as further described below.

Brewer Financial Services LLC ("BFS") is a limited liability company wholly owned and controlled by BIG. BFS was formed for the purpose of providing retail and institutional brokerage services to high net worth clients, corporations, partnerships, trusts and other legal entities. BFS is a registered broker dealer with the Financial Regulatory Authority ("FINRA").

BIG Management Holdings ("BIGMH") is a limited liability company wholly owned and controlled by BIG. BIGMH was formed to raise capital for BIG which BIG will then use to fund its BFS and BIA operations.

Brewer Insurance Group ("BING") is a limited liability company wholly owned and controlled by BIG. BING was formed to provide Life, Health, Fixed Annuities, Disability, Long-Term Care, Property &

Casualty as well as specialized products such as Life Settlements, 412i plans, Premium Financing and PEO solutions.

Brewer Futures Group, LLC, a single member LLC wholly owned by BIG, is an Independent Introducing Broker, registered with the Commodity Futures Trading Commission and a member of the National Futures Association, providing self-directed futures trading, broker-assisted trading services, and managed futures programs to institutions and retail clients. Brewer Futures Group provides daily market commentary via its blog and maintains multiple clearing arrangements to meet the diverse needs of its clients.

Advisor Resource, LLC, a single member LLC wholly owned by BIG, provides education, research and evaluation of investment products for individual and institutional clients, both domestically and internationally.

B.I.G. Forex LLC, a single member LLC wholly owned by BIG, works closely with Brewer Futures Group to provide Forex (off-exchange foreign currency futures and options) trading platforms and educational resources.

Information About Our Investment Adviser Representatives.

The Firm provides the program account services through its Investment Adviser Representatives. All of the Investment Adviser Representatives have passed as needed, the Uniform Securities Agent State Law Exam (Series 63) and the Uniform Investment Adviser Law Exam (Series 65) of the Financial Regulatory Authority ("FINRA") or other requirements as outlined by the individual state regulatory authority.

Advisory Fee and Other Charges.

The fee for the BIDDIP Program is a three percent (3%) annual fee based on the value of assets identified to BIA by the client with respect to which BIA provides investment advisory services. Such fees are billed quarterly, in advance, and are prorated if the advisory relationship commences otherwise than at the beginning of a calendar quarter. Adjustments for significant contributions to and withdrawals from a client's portfolio are prorated for the quarter in which the change occurs. The annual fee covers the initial and ongoing provision of investment advisory services, portfolio management, research, monitoring, performance reporting, trading, custodial services and record-keeping. While negotiable, the fees charged for participation in the BIDDIP Program may be higher or lower than if the client were to purchase the individual services without participation in the BIDDIP Program.

The client pays one fee to BIA and BIA will pay the providers of investment research, performance monitoring, custody, including trading and performance reporting by granting standing instructions to BIA to deduct and disburse such fees from the client's account. Client authorizes BIA to debit the fee from the client's account by BIA at the beginning of each quarter based upon the value of assets at the end of the most recent quarter. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

A portion of the advisory fee will be paid to providers for investment research, performance monitoring, performance reporting, trading, custody and other services provided to BIA under the program. Services provided to the client under the program may be more or less costly had the client obtained the services individually. Factors influencing the cost are amount and frequency of trading in the client account, the level of investment advisory fees, the nature and substance of the investment research, performance monitoring and performance reporting.

BIA IARs are compensated based upon a payout structure relating to revenue generated from their clients' total assets under management. BIA investment consultants may be dually licensed with Brewer Financial Services ("BFS") and may provide services to non-Wrap Program clients on a commission basis. BIA has procedures in place to ensure clients are most appropriately placed in either a Wrap Program or commission based account given the type of securities contemplated for investment and frequency of trading expected in a particular account.

Execution of Client Transactions, Custodial Services and Reports.

Since BIA may be managing accounts with similar investment objectives, BIA may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by BIA in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts. Such aggregate orders may include transactions for accounts for employee benefit plans and private investment vehicles, such as limited partnerships or limited liability companies, in which BIA's principals or employees are among the investors.

BIA's principal objective in directing brokerage to IWS and entering client trades is to obtain best execution for clients' transactions. As such, BIA will follow procedures to ensure that it is seeking to receive the best execution available on client trades. Clients should be aware that directed brokerage arrangements do not always result in the best execution on account transactions.

BIA recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. To consider all of these factors, BIA will follow a process in an attempt to ensure that its traders are seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction, the availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future, the economic benefit to the client, and related matters involved in the receipt of brokerage services.

BIA's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way taking into account clients' best interests. BIA will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

BIA monitors clients' mandates and restrictions to, among other things, to ensure BIA transacts in appropriate investments for its clients. To be considered a client mandate and/or restriction, it must be documented in writing (i.e. written agreement, addendum, memo, letter, etc.) from the client. Brokerage arrangements are reviewed as necessary, but more formally evaluated by the Investment Committee ("Committee") as part of BIA's best execution reviews.

BIA's advice to certain clients and entities and the action of BIA for those and other clients are frequently premised not only on the merits of a particular investment but on the suitability of that investment for the particular client in light of its applicable investment objective, guidelines and circumstances. Thus, any action of BIA with respect to a particular investment may, for a particular client, differ or be opposed to, either the recommendation, advice, or actions of BIA to, or on behalf of, other clients.

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges and possible step outs, pay a pro-rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average-priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if the traders and/or IARs believe that a larger size block trade would lead to best overall price for the security being transacted.

After a trade has been entered by a BIA discretionary IAR and executed by a trader, BIA operations personnel shall formulate allocations using the IWS platform. All allocations will be made prior to the close

of business on trade date. In the event an order is partially filled, the allocation shall be made in the best interests of all the clients in the order, taking into account all relevant factors, including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro-forma allocation based on the initial allocation. This policy also applies if an order is "over-filled", such as if a new issue designation is greater than initially allocated. BIA, however, generally does not participate in new issues or IPO transactions.

BIA acts in accordance with its duty to seek best price and execution and will not continue any arrangements if BIA determines that such arrangements are no longer in the best interest of clients.

BIA retains providers in connection with performance of its investment advisory services, including a provider that assists BIA in providing educational and asset allocation software, monitoring client portfolios and accounts, communicating information concerning clients to others and preparing reports to clients, monitoring individual securities positions, conducting billing and record keeping, and performing certain functions to facilitate clearance and settlement of transactions initiated for clients accounts by their IARs.

The fee schedule negotiated by BIA, , contemplates that BIA will charge clients who maintain managed accounts a fee based on the amount of assets contained in such account. The particular fees to be charged by BIA will be disclosed to each client in advance of opening any such accounts with IWS and entering into agreements with BIA concerning those accounts. BIA and its providers including IWS maintain various electronic linkages with each other to facilitate reporting, reconciliation and other functions pertaining to the services described herein.

BIA requires its advisory clients to establish accounts at IWS. In certain instances and subject to approval by BIA, BIA will recommend to clients certain broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by BIA shall be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians. Dealers will be recommended only if they are appropriately licensed in the clients' state.

BIA is independently owned and operated and not affiliated with IWS.

IWS provides BIA with access to its institutional trading and custody services. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as the advisor's clients' assets are maintained in accounts at IWS. These services are not contingent upon BIA committing to IWS any specific amount of business (assets in custody or trading commissions). IWS's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For BIA client accounts maintained in its custody, IWS generally does not charge separately for custody services but is compensated through commissions and other transaction-related or asset-based fees for securities trades that are executed through IWS or that settle into IWS accounts.

IWS also makes available to BIA other products and services that benefit BIA but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of accounts, including accounts not maintained at IWS.

Services provided to the client under the BIDDIP for custodian services may be more or less costly had the client obtained the services directly. BIA's utilization of IWS custodial services for the BIDDIP may

provide economies of scale to BIA enabling BIA or one of its affiliates to secure cost savings or procure additional services from IWS that will inure to the benefit of BIA. These services may present a potential conflict of interest by virtue of BIA requiring or recommending to its clients that accounts be maintained at IWS.

All transactions executed pursuant to the BIDDIP are effected through IWS. BIA does pay fees to IWS in respect of its services to BIA's advisory clients which creates a potential conflict of interest by creating a disincentive to effect trades in a client account. Clients who establish managed accounts with BIA or accounts in which they buy and sell securities with assets not supervised by BIA, however, will pay fees to IWS. These factors may be regarded as constituting a possible conflict of interest for BIA when it recommends to clients – as it does – that they open accounts at IWS and take advantage of the package of services offered in connection with such accounts. This is so because BIA will benefit financially from clients' decisions to accept that advice and open such accounts with IWS. BIA, however, does not believe that its judgment as to the value to clients of taking advantage of the services offered in connection with IWS accounts has been affected by such possible conflict of interest.

BIA performs appropriate due diligence procedures and makes the final determinations as to which investment strategy will be used in formulating advice and recommendations for clients. BIA compensates its outside service providers from fees received from clients.

BIA does not take discretion with respect to voting proxies on behalf of its clients. BIA will endeavor to make recommendations to Clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities, beneficially held as part of BIA supervised and/or managed assets. In no event will BIA take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, neither BIA nor any BIA IAR will be obligated to render advice or take any action on behalf of Client with respect to assets presently or formerly held in the Account which become the subject of any legal proceedings, including bankruptcies.

Other Business Activities and Affiliations.

Professionals who provide investment advice on behalf of BIA must have relevant investment industry experience and must have all required examinations or designations required by any state or federal regulatory and/or licensing authority.

The designated IAR for the BIDDIP account is:

Designated IAR:

Chad Lowe BORN: 1975

EDUCATION:

BA, Psychology, Berea College, Berea, KY

EMPLOYMENT HISTORY:

6/2009 to Present; Brewer Investment Advisor LLC
6/1998 – 6/2009; Ameriprise Financial

BIA Management Personnel:
Bob Whalen; Born 1968

EDUCATION:

B.A. Finance & Management; Merrimack College; North Andover, MA

Executive Training Program; Harvard University

EMPLOYMENT HISTORY:

4/2008 – Present; Brewer Investment Advisor LLC

4/2008 – Present; Brewer Financial Services, LLC

4/2005 – 4/2008; Ameriprise Financial Services, Inc.

9/1990 – 7/2006; IDS Life Insurance Company

Adam Erickson; Born 1976

EDUCATION:

B.A. Political Science; University of Wisconsin; LaCrosse, WI

EMPLOYMENT HISTORY:

4/2004 – Present; Brewer Financial Services, LLC

6/2006 – Present; Brewer Investment Advisor LLC

Eugene Travis; Born 1954

EDUCATION:

B.A General Studies; Roosevelt University; Chicago, IL

EMPLOYMENT HISTORY:

7/2008 – Present; Brewer Financial Services, LLC

7/2008 – Present; Brewer Investment Advisor LLC

10/2006 – 7/2008; Horwitz & Associates, Inc.

9/1992 – 10/2006; Bernardi Securities, Inc.

BIA may enter into cash solicitation agreements pursuant to which potential investment advisory clients will be referred to BIA by outside third-parties (“solicitors”). In return for such solicitation activities, BIA generally will pay a solicitor, provided such solicitor complies with applicable registration requirements in the clients’ state, an ongoing percentage of the fee charged by BIA to any referred person who becomes an investment advisory client of the firm.

Participation or Interest in Client Transactions.

In accordance with the Advisers Act, BIA has adopted policies and procedures designed to detect and prevent insider trading. In addition, BIA has adopted a Code of Ethics (the “Code”) designed to comply with Rule 17j-1 under the Company Act. Among other things, the Code includes written procedures governing the conduct of BIA’s advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored

by the Chief Compliance Officer of BIA or his designee. BIA, upon written request from the client, will send to the client a copy of its code of ethics.

BIA has policies and procedures in place to ensure the interests of its clients are preferenced to those of BIA, its affiliates and its associated persons. For example, there are (i) restrictions as to when BIA and its associated persons may purchase or sell securities recommended by BIA, (ii) policies in place to prevent the misappropriation of material non-public information, (iii) policies and procedures to manage conflicts of interest, and (iv) such other policies and procedures reasonably designed to comply with federal and state securities laws.

BIA, or one of its affiliates, may effect principal transactions with BIA advisory clients. Such principal transactions are limited to riskless principal transactions between the advisory client and BIA or one of its affiliates. A riskless principal transaction occurs when (i) BIA or one of its affiliates buys a security and contemporaneously sells such security to a BIA advisory client or when, (ii) BIA or one of its affiliates buys a security from its advisory client and contemporaneously sells such security to another buyer. Although BIA has supervisory procedures in place to ensure it places its advisory clients' interests first, a conflict of interest may arise when BIA effects a riskless principal transaction and another BIA client or an affiliate's client is the end counter party for the transaction. For example, a BFS client may have a need to sell a security to generate liquidity and an advisory client purchases such security to fulfill the liquidity need. Such transaction may not be deemed in the best interest of the BIA advisory client. BIA reviews all such transactions to ensure that such transactions are suitable, appropriate and in the best interest of the advisory client before effecting a transaction.

BIA requires that its advisory clients establish brokerage accounts with either Fidelity Brokerage Services for Investment Advisors ("IWS") or BFS, a fully disclosed introducing broker through National Financial Services ("NFS"). In the case of advisory accounts held at BFS, BFS may earn transaction commission, transaction fee and/or 12b-1 fee compensation as a result of advisory accounts carried by BFS. Although BIA has procedures in place to ensure its fiduciary obligations to clients are fulfilled, which include among other things, a policy designed to ensure compliance with its best execution obligations, a conflict of interest may be deemed to exist as a result of this arrangement.

BIA or one of its affiliates may be engaged to provide financial advisory services to an issuer where such issuer is also being recommended to clients of BIA either by BIA or through a money manager recommended by BIA. The fact that an issuer may be a financial advisory client of an BIA affiliate does not influence or factor in to BIA's recommendation concerning such issuer to an investment advisory client. Nonetheless, there is a potential conflict of interest in that a recommendation concerning a financial advisory client's securities to a BIA client may be regarded as being influenced by the financial advisory relationship of such issuer client.

BIA, its affiliates and associated persons may buy or sell securities identical to those recommended to advisory clients for their own accounts. In addition, BIA its affiliates, and associated persons may purchase or sell securities for their own account that may be materially different from those recommended to advisory clients.

BIA, its affiliates or any associated person of BIA or its affiliates may have an interest or position in a certain securities which may also be recommended to a client. In addition, the officers, directors and employees of BIA may participate as board members or service providers of such companies and may be compensated by such companies for their services.

BIA and the BIA IAR may give advice and take action in the performance of duties to these clients (including those who may also be participants in the BIDDIP Program) which may differ from advice given, or in the timing and nature of action taken, with respect to client. In addition, BIA may give advice and take action in the performance of its duties to one or more of its clients that differs from advice given or action taken by BIA under the direction of the BIA IAR at or about the same time. For example, BIA may purchase a security for a client at the time that the BIA IAR directs the sale of the same security or

vice versa. Moreover, BIA and the BIA IAR may, from time to time, direct trades for its clients that are not participating in the Program to BFS, as broker, in the ordinary course of business.

BIA, its affiliates or any associated person of BIA may have an interest or position in certain securities which may also be recommended to a client. In addition, the officers, directors and employees of BIA may participate as board members or services providers of such companies and may be compensated by such companies for their services.

BIA has policies and procedures in place to ensure the interests of its clients are preferred to those of BIA, its affiliates and its associated persons. For example, there are: (i) restrictions as to when BIA and its associated persons may purchase or sell securities recommended by BIA; (ii) policies in place to prevent the misappropriation of material non-public information; (iii) policies and procedures to manage conflicts of interest; and (iv) such other policies and procedures reasonably designed to comply with federal and state securities laws.

BIA may refrain from rendering any advice or services concerning securities of companies, or companies of which the BIA IAR or BIA, or any of its affiliates, officers, directors or employees are directors or officers, or companies for which the BIA IAR or BIA, or any of its affiliates, officers, directors or employees are directors or officers BIA act as financial adviser or in any capacity that BIA or the BIA IAR deems confidential.

Is This the Right Program for You?

The program bundles together several service providers – an investment adviser representative, a broker/dealer, a performance reporting provider and research and monitoring providers – and offers these services for a single advisory fee paid. Some clients like having the various services “packaged” together; others prefer to select their own providers for the various services needed to manage their investment portfolios. Similarly, some clients like a fee structure that converts trading costs into an asset-based fee calculated on the same basis as advisory fees; others prefer trading costs to be assessed on a per trade basis. Depending on a number of factors, such as the number, size, and nature of the securities transactions in an advisory account, the overall fees and charges borne by the client over time could be more or less than what these fees and charges would be if the same services were provided on a separate basis.

Review of Accounts and Reports to Clients.

Clients that sign up with BIA for ongoing services are provided with monthly custodian account statements, quarterly performance statements from BIA and an annual review of the client’s overall financial objectives and situation. Reviews may be more frequent, as agreed by the individual client and BIA. Other items that may trigger a more frequent review of the client portfolios are changes in cyclical or market conditions and sudden changes in the client’s financial situation.

Conduct of Reviews.

The reviews of accounts of high net worth and affluent clients, including corporations, partnerships and trusts are conducted in the first instance by the BIA Investment Advisor Representative (“IAR”) assigned to the client. Such IARs are subject to the general authority of BIA’s chief compliance officer (“CCO”) or his designee. The CCO or his designee must review and approve the opening of each new advisory relationship and oversee reviews of client accounts by IARs. The CCO or his designee also is responsible for ensuring that any significant change in a client's investment strategy or in the concentration of a client's assets is appropriate for and has been reviewed with the client.