

Fischer & Hutchinson Wealth Advisors, LLC

Brochure Dated 1/31/2012

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This Brochure provides information about the qualifications and business practices of Fischer & Hutchinson Wealth Advisors, LLC (“Fischer & Hutchinson”). If you have any questions about the contents of this Brochure, please contact us at (302) 442-4233 or info@fhwealthadv.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 Fischer & Hutchinson Wealth Advisors, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Fischer & Hutchinson Wealth Advisors, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since Fischer & Hutchinson's last Annual Amendment filing on March 28, 2011, Theodore Fischer is no longer an owner of the firm; Burwell L. Hutchinson III is Fischer & Hutchinson's 100% owner.

Item 3 Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business	3
Item 5	Fees and Compensation	6
Item 6	Performance-Based Fees and Side-by-Side Management	8
Item 7	Types of Clients.....	8
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9	Disciplinary Information	10
Item 10	Other Financial Industry Activities and Affiliations	10
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Item 12	Brokerage Practices	12
Item 13	Review of Accounts.....	14
Item 14	Client Referrals and Other Compensation	14
Item 15	Custody.....	15
Item 16	Investment Discretion.....	15
Item 17	Voting Client Securities.....	15
Item 18	Financial Information	16
Item 19	Requirements for State-Registered Advisors.....	16

Item 4 Advisory Business

- A. Fischer & Hutchinson is a limited liability company formed on September 5, 2007 in the State of Delaware. Fischer & Hutchinson became registered as an Investment Adviser Firm in November 2007. Fischer & Hutchinson is solely owned by Burwell L. Hutchinson III. Mr. Hutchinson is Fischer & Hutchinson's Managing Member.
- B. As discussed below, Fischer & Hutchinson offers to its clients (individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Fischer & Hutchinson to provide discretionary investment advisory services on a *fee-only* basis. Fischer & Hutchinson's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Fischer & Hutchinson's management (between negotiable and 0.60%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$2,000,000	0.60% per year
Next \$2,000,000	0.50% per year
Next \$6,000,000	0.40% per year
More than \$10,000,000	0.25% per year

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, Fischer & Hutchinson *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Fischer & Hutchinson's financial planning and consulting services *may* include the following:

Baseline Evaluation

- Discovering and prioritizing personal and financial goals;
- Gathering and organizing client data and documents;
- Analyzing client's financial condition, challenges, and opportunities as they relate to client's goals in the following areas as appropriate:
 - Cash flow management, debt and personal net worth
 - Federal and State income taxes
 - Risk management and Insurance needs
 - Estate planning
 - College planning
 - Retirement planning
 - Investment strategy
 - Other areas identified by client;
- Providing written recommendations and alternatives to help client achieve stated goals;

- Establishing a task list with implementation duties and timetable for both Fischer & Hutchinson and the client.

Ongoing Financial Planning

- Assisting with tasks which were agreed upon during Baseline evaluation including coordination with other advisors (accountants, attorneys, insurance agents, etc.);
- Preparing an annual update in which any changed conditions are incorporated, net worth is recalculated, cash flow is reanalyzed, task list status is updated, priorities are reassessed and additional tasks are assigned;
- Providing ongoing tax projections and planning including:
 - Consideration of income, gift and estate tax implication of any investment advice provided
 - Year-end tax loss sales as appropriate and available.

Fischer & Hutchinson's annual planning and consulting fees are negotiable, but generally range from \$3,000 to \$35,000 on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging Fischer & Hutchinson to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Fischer & Hutchinson setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Fischer & Hutchinson commencing services. If requested by the client, Fischer & Hutchinson may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Fischer & Hutchinson. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Fischer & Hutchinson if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Fischer & Hutchinson's previous recommendations and/or services.

PARTICIPANT-DIRECTED RETIREMENT PLAN INVESTMENT ADVISORY SERVICES

In addition to the investment advisory and/or financial planning and consulting services set forth above, the client can determine to engage Fischer & Hutchinson to provide investment advisory services for participant-directed retirement plans directly and through third party administration (TPA), custodian, trustee and recordkeeping services.

Fischer & Hutchinson analyzes the plan's current investment platform, and assists the plan sponsor in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. Fischer & Hutchinson recommends investment options to achieve the plan's objectives, provides participant education meetings, and monitors the performance of the plan's investment vehicles. Fischer & Hutchinson recommends changes in the plan's investment vehicles as may be

appropriate from time to time. Fischer & Hutchinson generally reviews the plan's investment vehicles and investment policy as necessary.

Fischer & Hutchinson's annual participant-directed retirement plan fee is based upon a percentage (%) of the market value of the assets placed under Fischer & Hutchinson's management (between 0.40% and 1.00%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$1,000,000	1.00%
Next \$2,000,000	0.75%
Next \$2,000,000	0.50%
Next \$5,000,000	0.40%

TAX PREPARATION SERVICES

Fischer & Hutchinson also provides tax preparation services to individuals, on an hourly rate basis, with a minimum fee of \$250, with anticipated total fees between \$250-\$1500, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, Fischer & Hutchinson *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Fischer & Hutchinson, nor any of its representatives, serves as an attorney or licensed insurance agent, and no portion of Fischer & Hutchinson's services should be construed as same. To the extent requested by a client, Fischer & Hutchinson may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Fischer & Hutchinson. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Fischer & Hutchinson if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Fischer & Hutchinson's previous recommendations and/or services.

Bank of Internet. Fischer & Hutchinson has entered into a non-compensated arrangement with Bank of Internet to assist clients in setting up Federal Deposit Insurance Corporation ("FDIC") checking, money market, and savings accounts, as well as purchasing FDIC Certificates of Deposit. Interest rates offered under this arrangement may be higher than those available to retail clients whose accounts are not set up through an adviser.

Client Obligations. In performing its services, Fischer & Hutchinson shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Fischer & Hutchinson if there is ever any change in his/her/its financial situation or investment objectives for

the purpose of reviewing/evaluating/revising Fischer & Hutchinson's previous recommendations and/or services.

Disclosure Statement. A copy of Fischer & Hutchinson's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

Dimensional Fund Advisors. Fischer & Hutchinson may purchase mutual funds sponsored by Dimensional Fund Advisors ("DFA") for client accounts. DFA funds are available exclusively through registered investment advisors, such as Fischer & Hutchinson.

- C. Fischer & Hutchinson shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Fischer & Hutchinson shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Fischer & Hutchinson's services.
- D. Fischer & Hutchinson does not participate in a wrap fee program.
- E. As of December 31, 2011, Fischer & Hutchinson had \$53,171,846 in assets under management on a discretionary basis and \$3,011,493 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage Fischer & Hutchinson to provide discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage Fischer & Hutchinson to provide discretionary investment advisory services on a *fee-only* basis, Fischer & Hutchinson's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Fischer & Hutchinson's management (between negotiable and 0.60%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$2,000,000	0.60% per year
Next \$2,000,000	0.50% per year
Next \$6,000,000	0.40% per year
More than \$10,000,000	0.25% per year

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, Fischer & Hutchinson *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Fischer & Hutchinson's planning and consulting fees are negotiable, but generally range from \$3,000 to \$35,000 on a fixed fee basis, depending

upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

PARTICIPANT-DIRECTED RETIREMENT PLAN INVESTMENT ADVISORY SERVICES

If a client determines to engage Fischer & Hutchinson to provide investment advisory services for participant-directed retirement plans directly and through third party administration (TPA), custodian, trustee and recordkeeping services, Fischer & Hutchinson's annual fee is based upon a percentage (%) of the market value of the assets placed under Fischer & Hutchinson's management (between 0.40% and 1.00%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$1,000,000	1.00%
Next \$2,000,000	0.75%
Next \$2,000,000	0.50%
Next \$5,000,000	0.40%

TAX PREPARATION SERVICES

Fischer & Hutchinson also provides tax preparation services to individuals, on an hourly rate basis, with a minimum fee of \$250, with anticipated total fees between \$250-\$1500, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have Fischer & Hutchinson's advisory fees deducted from their custodial account. Both Fischer & Hutchinson's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Fischer & Hutchinson's investment advisory fee and to directly remit that management fee to Fischer & Hutchinson in compliance with regulatory procedures. In the limited event that Fischer & Hutchinson bills the client directly, payment is due upon receipt of Fischer & Hutchinson's invoice. Fischer & Hutchinson shall deduct fees and/or bill clients quarterly in advance.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Fischer & Hutchinson shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or 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 fixed income securities transactions). In addition to Fischer & Hutchinson's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Fischer & Hutchinson's annual investment advisory fee shall be prorated and paid quarterly, in advance. Investment advisory fees for the initial 12 month period will be based upon the fair market value of assets under Fischer & Hutchinson's management as the date of the *Investment Advisory Agreement*. Investment advisory fees for each subsequent 12 month period will be based upon the fair market value of assets as of

month end (or the last trading day of the month) two months prior to 12 month period ending. **Please Note:** If at any time a client makes additions to his/her/it/their assets managed by Fischer & Hutchinson, and said additions add 20% or more to the fair market value of the client's assets under Fischer & Hutchinson's management, investment advisory fees may be increased prior to the end of any 12 month period. **Please Also Note:** Prior to accepting management over any such increase in assets in the client's account, Fischer & Hutchinson will advise the client, in writing, of the proposed increased fee amount, and the next regular invoice will reflect such increase. Fischer & Hutchinson's annual investment advisory fee for participant-directed retirement plans shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Fischer & Hutchinson does not generally require an annual minimum fee or asset level for investment advisory services related to its participant-directed retirement plans.

The *Investment Advisory Agreement* between Fischer & Hutchinson and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the respective Agreements. Upon termination, Fischer & Hutchinson shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither Fischer & Hutchinson, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither Fischer & Hutchinson nor any supervised person of Fischer & Hutchinson accepts performance-based fees.

Item 7 Types of Clients

Fischer & Hutchinson's clients shall generally include individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations. Fischer & Hutchinson does not generally require an annual minimum fee or asset level for investment advisory services. Fischer & Hutchinson, in its sole discretion, may reduce its investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Fischer & Hutchinson does not generally require an annual minimum fee or asset level for investment advisory services related to its participant-directed retirement plans.

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

- A. Fischer & Hutchinson's investment approach is firmly rooted in the belief that markets are efficient and that investor's returns are determined principally by asset allocation decisions, not by market timing or stock picking. Fischer & Hutchinson focuses on developing diversified portfolios, principally through the use of passively managed, asset class mutual funds and exchange traded funds.

Fischer & Hutchinson may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

Fischer & Hutchinson may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Fischer & Hutchinson) will be profitable or equal any specific performance level(s).

- B. Fischer & Hutchinson's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Fischer & Hutchinson must have access to current/new market information. Fischer & Hutchinson has no control over the dissemination rate of market information; therefore, unbeknownst to Fischer & Hutchinson, certain analyses may be compiled with outdated market information, severely limiting the value of Fischer & Hutchinson's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Fischer & Hutchinson's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, Fischer & Hutchinson may also implement and/or recommend use of options transactions, a strategy that has a high level of inherent risk. (*See* discussion below).

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Fischer & Hutchinson shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by Fischer & Hutchinson is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Fischer & Hutchinson, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. Currently, Fischer & Hutchinson primarily allocates client investment assets among various no-load mutual funds, exchange traded funds and fixed income securities, on a discretionary basis in accordance with the client's designated investment objective(s).

Item 9 Disciplinary Information

Fischer & Hutchinson has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Fischer & Hutchinson, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Fischer & Hutchinson, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Fischer & Hutchinson has no other relationship or arrangement with a related person that is material to its advisory business.
- D. Fischer & Hutchinson does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Fischer & Hutchinson maintains an investment policy relative to personal securities transactions. This investment policy is part of Fischer & Hutchinson's overall Code of Ethics, which serves to establish a standard of business conduct for all of Fischer & Hutchinson's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

Fischer & Hutchinson maintains and enforces policies reasonably designed to prevent the misuse of material non-public information by Fischer & Hutchinson or any person associated with Fischer & Hutchinson.

- B. Neither Fischer & Hutchinson nor any related person of Fischer & Hutchinson recommends, buys, or sells for client accounts, securities in which Fischer & Hutchinson or any related person of Fischer & Hutchinson has a material financial interest.
- C. Fischer & Hutchinson and/or representatives of Fischer & Hutchinson *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Fischer & Hutchinson and/or representatives of Fischer & Hutchinson are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Fischer & Hutchinson did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Fischer & Hutchinson's clients) and other potentially abusive practices.

Fischer & Hutchinson has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Fischer & Hutchinson's "Access Persons". Fischer & Hutchinson's securities transaction policy requires that an Access Person of Fischer & Hutchinson must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Fischer & Hutchinson selects; provided, however that at any time that Fischer & Hutchinson has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Fischer & Hutchinson and/or representatives of Fischer & Hutchinson *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Fischer & Hutchinson and/or representatives of Fischer & Hutchinson are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Fischer & Hutchinson has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Fischer & Hutchinson's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that Fischer & Hutchinson recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Fischer & Hutchinson to use a specific broker-dealer/custodian), Fischer & Hutchinson generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Fischer & Hutchinson to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Fischer & Hutchinson setting forth the terms and conditions under which Fischer & Hutchinson shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Fischer & Hutchinson considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Fischer & Hutchinson, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Fischer & Hutchinson's clients shall comply with Fischer & Hutchinson's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Fischer & Hutchinson determines, in good faith, that the commission/transaction fee 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 Fischer & Hutchinson will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Fischer & Hutchinson's investment management fee. Fischer & Hutchinson's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Fischer & Hutchinson may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Fischer & Hutchinson to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Fischer & Hutchinson may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Fischer & Hutchinson in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Fischer & Hutchinson in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Fischer & Hutchinson to manage and further develop its business enterprise.

Fischer & Hutchinson's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Fischer & Hutchinson to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Fischer & Hutchinson's Chief Compliance Officer, Burwell L. Hutchinson III, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. Fischer & Hutchinson does not receive referrals from broker-dealers.
3. Fischer & Hutchinson does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Fischer & Hutchinson will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Fischer & Hutchinson. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Fischer & Hutchinson to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Fischer & Hutchinson.

Fischer & Hutchinson's Chief Compliance Officer, Burwell L. Hutchinson III, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that Fischer & Hutchinson provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Fischer & Hutchinson decides to purchase or sell the same securities for several clients at approximately the same time. Fischer & Hutchinson may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Fischer & Hutchinson's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Fischer & Hutchinson shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 **Review of Accounts**

- A. For those clients to whom Fischer & Hutchinson provides investment advisory services, account reviews are conducted on an ongoing basis by Fischer & Hutchinson's Principals and/or representatives. All investment advisory clients are advised that it remains their responsibility to advise Fischer & Hutchinson of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Fischer & Hutchinson on an annual basis.
- B. Fischer & Hutchinson *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Fischer & Hutchinson may also provide a written periodic report summarizing account activity and performance.

Item 14 **Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above, Fischer & Hutchinson may receive an economic benefit from *Schwab*. Fischer & Hutchinson, without cost (and/or at a discount), may receive support services and/or products from *Schwab* (which may include direct monetary assistance from *Schwab* to obtain certain services or products).

Fischer & Hutchinson's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Fischer & Hutchinson to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Fischer & Hutchinson's Chief Compliance Officer, Burwell L. Hutchinson III, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. Fischer & Hutchinson does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

Fischer & Hutchinson shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Fischer & Hutchinson may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that Fischer & Hutchinson provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Fischer & Hutchinson with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Fischer & Hutchinson's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage Fischer & Hutchinson to provide investment advisory services on a discretionary basis. Prior to Fischer & Hutchinson assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Fischer & Hutchinson as the client's attorney and agent in fact, granting Fischer & Hutchinson full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Fischer & Hutchinson on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Fischer & Hutchinson's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Fischer & Hutchinson's use of margin, etc.).

Item 17 Voting Client Securities

- A. Fischer & Hutchinson does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Fischer & Hutchinson to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. Fischer & Hutchinson does not solicit fees of more than \$500, per client, six months or more in advance.
- B. Fischer & Hutchinson is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Fischer & Hutchinson has not been the subject of a bankruptcy petition.

Item 19 Requirements for State-Registered Advisors

- A. Burwell L. Hutchinson III is Fischer & Hutchinson's Managing Member. For more information about Mr. Hutchinson, please see the Brochure Supplement of Fischer & Hutchinson's Brochure below.
- B. Fischer & Hutchinson is not actively engaged in any other business.
- C. Neither Fischer & Hutchinson, nor its representatives, accepts performance-based fees.
- D. Neither Fischer & Hutchinson, nor its representatives, has any reportable disciplinary information.
- E. Neither Fischer & Hutchinson, nor its representatives, has any relationship or arrangement with any issuer of securities.

ANY QUESTIONS: Fischer & Hutchinson's Chief Compliance Officer, Burwell L. Hutchinson III, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.