

Wrap Fee Brochure

April 21, 2011

Brendel & Fisher Wealth Management, LLC

a Registered Investment Adviser

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and
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This wrap fee brochure provides information about the qualifications and business practices of Brendel & Fisher Wealth Management, LLC (hereinafter "BFWM"). If you have any questions about the contents of this brochure, please contact please contact John J. Brendel, Jr. at (603) 643-4441. 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 Brendel & Fisher Wealth Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Brendel & Fisher Wealth Management, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This section of the wrap fee brochure discusses only the material changes that have occurred since BFWM's last annual update of the wrap fee brochure. Since this is BFWM's initial wrap fee brochure, there are no material changes to report.

Item 3. Table of Contents

Item 1. Cover Page	i
Item 2. Material Changes	ii
Item 3. Table of Contents.....	iii
Item 4. Services, Fees, and Compensation	4
Item 5. Account Requirements and Types of Clients.....	6
Item 6. Portfolio Manager Selection and Evaluation	6
Item 7. Client Information Provided to Portfolio Managers	11
Item 8. Client Contact with Portfolio Managers.....	11
Item 9. Additional Information	12

Item 4. Services, Fees, and Compensation

The Brendel & Fisher Wealth Management Wrap Program (the “Program”) is an investment advisory program sponsored by BFWM. The Program provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges.

This disclosure brochure describes the business of BFWM. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of BFWM's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on BFWM's behalf and is subject to BFWM's supervision or control.

To join the Program, a client must:

- (1) Complete an investor profile that describes the client's financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors relevant to the client's specific financial situation and any other supporting documentation the Program requires;
- (2) Complete the investment advisory wrap fee agreement (the “*Agreement*”) with BFWM;
- (3) Complete a new account agreement with Charles Schwab & Co., Inc. (“*Schwab*”) or another broker dealer BFWM approves for participation in the Program (“*Financial Institution*”); and
- (4) Open a securities brokerage account with the *Financial Institution* and deposit those assets designated for participation in the Program into the account.

After an analysis of any information provided by the client to BFWM, BFWM assists the client in developing an appropriate investment strategy for the assets in their accounts. Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with BFWM and to keep BFWM informed of any changes thereto. BFWM contacts ongoing clients at least annually to review its previous services and/or recommendations and to determine whether changes should be made to their investment strategy.

Management of Your Portfolio

All clients in the Program grant BFWM discretionary or non-discretionary authority to buy, sell, and otherwise trade in the type of securities described in Item 6, below for their accounts and to liquidate previously-purchased securities that the client has transferred to their Accounts. Assets are managed by one of BFWM's investment adviser representatives that maintains the primary relationship with the client.

BFWM recommends that certain clients authorize the active discretionary management of a portion of the assets by and/or among one or more independent investment managers (hereafter “*Independent Managers*”) to implement a particular investment strategy.

Brendel & Fisher Wealth Management, LLC Wrap Fee Brochure

The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between BFWM or the client and the designated *Independent Managers*. BFWM continues to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which BFWM receives an annual advisory fee based upon a percentage of the market value of the assets managed by the designated *Independent Managers*. Factors that BFWM considers in recommending *Independent Managers* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. In addition to BFWM's written disclosure brochure and/or wrap fee brochure, the client receives the written disclosure brochure of the designated *Independent Managers*.

Fees for the Program

Clients in the Program pay a single annualized fee for participation in the Program (the "*Program Fee*"). The *Program Fee* is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by BFWM under Program on the last day of the previous quarter. The *Program Fee* varies (between 1.25% and 2.25%) depending upon the market value of the assets under management as follows:

PORTFOLIO VALUE	BASE FEE
up to \$500,000	1.50% - 2.25%
\$500,001 - \$1,000,000	1.25% - 1.50%
above \$1,000,000	1.00% - 1.25%

BFWM, in its sole discretion, may negotiate to charge a lesser *Program 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, pre-existing client, account retention, *pro bono* activities, etc.).

For the initial period of investment management services, the *Program Fee* shall be calculated on a *pro rata* basis.

The *Agreement* between BFWM and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. BFWM's *Program Fees* are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that BFWM reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. BFWM may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to certain fees such as fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter that exceed \$50,000, the *Program Fee* payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

Fee Comparison

Under the Program, clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee, the *Program Fee*. The *Program Fee* may also include the management and transaction fees charged by the *Independent Managers*. Participation in the Program may cost the client more or less than purchasing such services separately. The number of transactions made in the client's accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The *Program Fee* may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Other Charges

Clients may incur certain charges imposed by third parties in addition to the *Program Fee* such as fees charged by *Independent Managers* (as defined below), charges imposed directly by a mutual fund or exchange-traded fund in the account, which is disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Item 5. Account Requirements and Types of Clients

The Program participants include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimums Imposed By *Independent Managers*

BFWM does not impose a minimum portfolio size or minimum annual *Program Fee*. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than BFWM. In such instances, BFWM may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Item 6. Portfolio Manager Selection and Evaluation

BFWM acts as the sponsor and portfolio manager to the Program. Certain wrap programs involve the services of multiple parties in these capacities, which may involve additional conflicts of interest that the

sponsor would be required to disclose in this section. BFWM has no disclosures to make under this section.

Advisory Business

BFWM also provides investment advisory services outside of the Program. BFWM has been in business since April, 2011. Timothy Fisher and John J. Brendel, Jr. are the principal owners of the firm. As this is BFWM's first brochure, it does not currently have any assets under management.

In addition to providing investment management services for a fee that does not include broker transaction fees, BFWM provides the following services:

Financial Planning

BFWM may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include non-investment related matters). These services include business planning, investments, insurance, retirement, education, estate planning, and tax and cash flow needs of the client.

In performing its services, BFWM is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. BFWM may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if BFWM recommends its own services. The client is under no obligation to act upon any of the recommendations made by BFWM under a financial planning or consulting engagement or to engage the services of any such recommended professional, including BFWM itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of BFWM's recommendations. Clients are advised that it remains their responsibility to promptly notify BFWM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising BFWM's previous recommendations and/or services.

Commissions or Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with BFWM (but not BFWM) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with BFWM. Under this arrangement, clients may implement securities transactions through certain of BFWM's *Supervised Persons* in their respective individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), an SEC registered broker-dealer and member of FINRA. PKS may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by PKS to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with PKS. The brokerage commissions charged by PKS may be higher or lower than

those charged by other broker-dealers. In addition, certain of BFWM's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

A conflict of interest exists to the extent that BFWM recommends the purchase of securities where BFWM's *Supervised Persons* receive commissions or other additional compensation as a result of BFWM's recommendations. BFWM has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that BFWM, in its sole discretion deems appropriate), BFWM provides its investment advisory services on a fee-offset basis. In this scenario, BFWM may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by BFWM's *Supervised Persons* in their individual capacities as registered representatives of *PKS*.

Performance-Based Fees and Side-by-Side Management

BFWM does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

BFWM's utilizes fundamental, technical and cyclical analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. BFWM will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that BFWM will be able to accurately predict such a reoccurrence.

Investment Strategies

BFWM focuses on comprehensive wealth management. BFWM's goal is to provide individualized advice and guidance to assist clients in achieving their financial goals. BFWM's services include portfolio

management and planning regarding retirement plans, insurance, annuities, review of trust and estate plans, long term care insurance, and financial planning. In addition, as discussed above in Item 5, certain of BFWM's Supervised Persons are registered representatives of PKS and may provide certain of the services mentioned above on a commission basis.

BFWM's goal is to help clients leave its office thinking, "I feel better." BFWM and its people take a deep sense of pride in contributing to clients' peace of mind and financial well-being. BFWM strives every day to earn the trust and respect of its clients.

It is BFWM's belief that every client has a unique set goals and objectives and the most appropriate way to help them meet these goals is to take a holistic approach. BFWM believes that it is irresponsible to provide investment advice without an appreciation for the client's goals and objectives. Using a thorough process BFWM attempts to identify all areas that need attention.

BFWM's investment management strategies begin with the preparation of an investment policy statement to help clarify the risk and return goals and assumptions to be used in portfolio construction, monitoring and review. Through a combination of equities, fixed income, mutual funds, and ETF's BFWM designs model portfolios with a keen eye toward an appropriate asset allocation that reflects risk tolerance, returns, and income requirements. BFWM believes that diversification can be a valuable ally in achieving consistent returns while minimizing risk.

BFWM utilizes two investment styles for the security selection within portfolios. Traditional asset allocation is one and the other is sector rotation through the use of relative strength. Each of these methods utilizes both fundamental and technical analysis.

BFWM recognizes that financial planning and investment management is a process, not an event, and that regular meetings with clients, either by phone, email, or in person is essential to achieving desired goals and objectives. In providing financial planning to our clients we follow the Certified Financial Planner® process.

- 1.) Establish and define the client-planner relationship;
- 2.) Gather client data, including goals;
- 3.) Analyze and evaluate the clients financial status;
- 4.) Develop and present financial planning recommendations;
- 5.) Implement the financial planning recommendations; and
- 6.) Monitor the financial planning recommendations.

Risks

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual funds and ETFs are subject to secondary market trading risks. Shares of mutual funds and ETFs will be listed for

trading on an exchange, however, there can be no guarantee that an active trading market for such shares will develop or continue. There can be no guarantee that a mutual funds' and ETFs' exchange listing or ability to trade its shares will continue or remain unchanged. Shares of the mutual fund or ETF may trade on an exchange at prices at, above or below their most recent net asset valuation (NAV), which is the price that an investor would buy or sell the mutual fund or ETF at. The per share NAV of a mutual fund or ETF is calculated at the end of each business day, and fluctuates with changes in the market value of the mutual fund's or ETF's holdings. The trading prices of a mutual fund's or ETF's shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's ETF's shares trading at a premium or discount to NAV.

Market Risks

The profitability of a significant portion of BFWM's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that BFWM will be able to predict those price movements accurately.

Use of Independent Managers

BFWM may recommend the use of *Independent Managers* for certain clients. BFWM will continue to do ongoing due diligence of such managers, but the such recommendations relies, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, BFWM does not have the ability to supervise the *Independent Managers* on a day-to-day basis, if at all.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Voting of Client Securities

BFWM may vote client securities (proxies) on behalf of its clients. When BFWM accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully described in BFWM's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in BFWM's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact BFWM to request information about how BFWM voted proxies for that client's securities or to get a copy of BFWM's Proxy Voting Policies and Procedures. A brief summary of BFWM's Proxy Voting Policies and Procedures is as follows:

- BFWM has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.

- The Proxy Voting Committee will generally vote proxies according to BFWM's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, BFWM devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct BFWM's vote on a particular solicitation but can revoke BFWM's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that BFWM maintains with persons having an interest in the outcome of certain votes, BFWM takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

Item 7. Client Information Provided to Portfolio Managers

BFWM acts as the sponsor and portfolio manager to the Program. Certain wrap programs involve the services of multiple parties in these capacities. In those circumstances, the sponsor is required to disclose how and what type of information about client that it provides to portfolio managers. BFWM has no disclosures to make under this section.

Item 8. Client Contact with Portfolio Managers

There are no restrictions on a clients' ability to contact and consult with BFWM.

Clients may contact *Independent Managers* through BFWM by providing BFWM with written request and identification of the questions or issues to be discussed with the *Independent Managers*. After receiving the client's written request BFWM, at its sole discretion, contacts the *Independent Managers* for the client or arranges for the *Independent Managers* and the client to communicate directly.

Item 9. Additional Information

Disciplinary Information

BFWM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. BFWM does not have any required disclosures to this Item.

Other Financial Industry Activities and Affiliations

Registered Representatives of Broker Dealer

As discussed above, certain of BFWM's *Supervised Persons* are registered representatives of *PKS*.

Receipt of Insurance Commission

Certain of BFWM's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with *PKS*, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While BFWM does not sell such insurance products to its investment advisory clients, BFWM does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that BFWM recommends the purchase of insurance products where BFWM's *Supervised Persons* receive insurance commissions or other additional compensation. **Code of Ethics**

BFWM and persons associated with BFWM ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with BFWM's policies and procedures.

BFWM has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by BFWM or any of its associated persons. The *Code of Ethics* also requires that certain of BFWM's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in BFWM's *Code of Ethics*, none of BFWM's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of BFWM's clients.

When BFWM is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when BFWM is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the

completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact BFWM to request a copy of its *Code of Ethics*.

Review of Accounts and General Reports

BFWM monitors assets as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* for assets.

Client Referrals and Other Compensation

BFWM is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, BFWM is required to disclose any direct or indirect compensation that it provides for client referrals. BFWM does not have any required disclosures to this Item.

Financial Information

BFWM does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, BFWM is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. BFWM has no disclosures pursuant to this Item.

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