

Cutter & Company, Inc.

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**DISCLOSURE BROCHURE
FORM ADV PART 2A**

March, 2011

This brochure provides information about the qualifications and business practices of Cutter & Company, Inc. If you have any questions about the content of this brochure, please contact us at (636) 537-8770 or (800) 536-8770. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Cutter & Company, Inc. is also available on the SEC's website at: www.adviserinfo.sec.gov

Cutter & Company, Inc. is a SEC registered investment advisor. Registration as a SEC investment advisor does not imply any specific level of skill or training.

Item 2 - Material Changes

Summary of Material Changes

The last annual update to our brochure was March 31, 2010. Following is a summary of material changes that have occurred since the last update:

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Item 4 - Advisory Business

Cutter & Company, Inc. ("C&C") is a privately owned corporation established in 1988. C&C is an introducing broker-dealer, utilizing two clearing firms as custodian of our client assets: First Clearing Corp., LLC, ("FCC") a non-bank affiliate of Wells Fargo and Clearview Correspondent Services ("CCS"), a non-bank affiliate of BB & T Bank. C&C is dually registered as a broker-dealer registered with FINRA and a SEC registered investment advisor. The firm is owned as follows:

William L. Meyer, President - 75%

Deborah Castiglioni, CEO, CCO - 25%

C&C provides personalized investment management, as well as personal financial planning services. C&C Financial Advisors work with client(s) to identify their financial goals and develop a financial plan or investment strategy, based on the client(s) risk tolerance, time horizon and overall investment objectives. C&C offers both discretionary and non-discretionary advisory programs. Discretion allows the account manager to buy or sell account holdings without notifying the client prior to the transaction. The C&C Financial Advisor can serve as the manager of the account. Alternatively, the Financial Advisor and client may choose to utilize a third-party manager approved by C&C. When using third-party managers, the manager is given trading discretion by the client(s).

C&C also offers advisory services on a "retainer" or flat fee basis for clients that otherwise are not eligible to participate in an "assets under management" fee based program (i.e. You would pay a specified dollar amount annually for specific services, rather than a fee based on a percentage of assets under management.). You may also choose to work with a Financial Advisor on an hourly basis for project work or consultation services. The Financial Advisor oftentimes is not involved in implementing the recommendations when utilizing the hourly consultation service.

Additionally, C&C offers access to Wrap Fee programs sponsored by C&C, Wells Fargo Advisors, LLC ("WFA") and Genworth Financial Wealth Management ("GFWM"). A program is considered part of a "Wrap Fee program" when a client pays an "all inclusive" fee that covers a package of services which include portfolio management, execution fees, consulting and advisory services, up front and ongoing due diligence, and performance reporting. Please see Item #5 of this disclosure document for detailed information regarding program fees, as well as other charges or expenses that you may incur in addition to the Wrap Fee. If participating in a Wrap Fee program, it is important to review the Wrap Fee Sponsor Disclosure Brochure, which will be attached as Appendix 1 when applicable.

Following is an overview of the various advisory programs offered by or available through C&C and its Financial Advisors:

C&C Advisory Program

This program utilizes either FCC or CCS as the custodian for your brokerage account assets, and C&C's Financial Advisor manages your account on a discretionary basis, unless otherwise requested by you. When you agree to allow discretion over your account, you agree that the Financial Advisor may invest or redeem the assets in the account without prior authorization. Whether an account is established as discretionary or non-discretionary, all transactions will generate a written confirmation record that will be sent to you detailing the transactional activity. You are not required to utilize either FCC or CCS as custodian of your account; however C&C and our Financial Advisor will solicit you to do so.

C&C Financial Advisors each utilize specific management styles, depending on which Financial Advisor has been engaged to manage the client(s) account. Most Financial Advisors will manage your account

based on a customized approach, specific to your investment objectives, risk tolerance and investment time horizon. C&C and the Financial Advisor will occasionally hire third-party managers to sub-advise your account, as agreed to by you. The sub-advisor will have discretion over the client(s) account. The fee paid to the sub-advisor is part of the total fee for the management program. There is no additional fee charged for the sub-advisor's services. You are allowed to place reasonable restrictions or special requirements (i.e. to limit or exclude investments in specific stocks, leave a certain portion of the account in cash or cash equivalents, etc.) on your account. The type of program and any restrictions/exceptions are agreed upon between you and your Financial Advisor, and accepted by C&C, as part of your written advisory agreement.

The Financial Advisor may also invest your account(s) in accordance with a specific management style, model or asset class (i.e. value, international, etc.). Accounts managed utilizing a specific style or model would typically have a specific asset allocation or model portfolio that the Financial Advisor follows. A Financial Advisor that uses a specific management style or model does not typically provide the level of customization that can be obtained when utilizing a manager that does not focus on a specific style, model or asset class.

Third-Party Wrap Fee Programs

WFA serves as Wrap Fee Sponsor and provides advisory and other services to C&C with respect to the following programs: FundSource, Pathways, Allocation Advisors, Wells Fargo Compass, Masters and DMA. **You must custody account assets at FCC to participate in these programs.**

More detailed information regarding each of the following programs, which includes the specific management style, program minimums and other costs/expenses associated with each program, is provided by the Wrap Fee Sponsor's Disclosure Document, which is attached as Appendix 1 when applicable.

“FundSource”

- Discretionary mutual fund advisory program
- 31 Optimal Blend fund portfolios actively managed by the Wells Fargo Advisory Services Manager Strategy Group.
- The portfolios are constructed of load-waived, no-load and institutional share class mutual funds.
- Financial Advisor will create a tailored allocation for you using the Wells Fargo Advisory Services Manager Strategy Group recommended funds in FundSource Customized Blends
- Both Optimal and Customized Blends offer automatic fund replacement as well as optional automatic rebalancing, if selected.

“Pathways”

- Discretionary, mutual fund advisory program,
- The program is based on Russell Investments driven mutual fund blends or customized blends tailored by the Financial Advisor and you.
- Russell uses a unique, objective approach to evaluating, selecting and monitoring money managers.

ETF Wrap Fee Advisory Programs

“Allocation Advisors”

Managed portfolios with strategic, tactical, cyclical and global asset allocation, investing primarily in ETFs. You will receive the diversification and cost benefits that have traditionally been associated with indexing. Guidance and expertise is provided by the Wells Fargo Advisory Services Group.

All programs in Allocation Advisors are discretionary and include the following management styles to choose from:

- **CAAP Foundation** - Portfolios managed on a discretionary basis by the Wells Fargo Advisor's Investment Strategy Committee. The Cyclical Asset Allocation models incorporate the Investment Strategy Committee's investment outlook across multiple asset classes and investment styles over a three to five year investment horizon.
- **CAAP Plus** - Portfolios managed on a discretionary basis by the Wells Fargo Investment Strategy Committee. The Cyclical Asset Allocation models incorporate the Investment Strategy Committee's investment outlook across multiple asset classes and investment styles over a three to five year investment horizon. The "plus" part of the portfolio overlays the Wells Fargo Equity Strategy's sector recommendations within the large-cap allocation.
- **Strategic ETF** - Portfolios managed on a discretionary basis by the Wells Fargo Investment Strategy Committee. The Strategic ETF models incorporate the Investment Strategy Committee's investment outlook across multiple asset classes over a seven to ten year investment horizon.
- **Ibbotson Mutual Fund & ETF** - Fully discretionary portfolios using Mutual Funds & ETFs and managed by Wells Fargo Advisors in accordance with the model portfolio guidelines provided by Ibbotson.
- **Ibbotson Strategic ETF** - Fully discretionary portfolios using ETFs and managed by Wells Fargo Advisors in accordance with the model portfolio guidelines provided by Ibbotson.
- **Laffer Global ETF** - Fully discretionary portfolio invests primarily in developed countries, but has the ability to include up to 25% in emerging markets.

“Wells Fargo Compass ETF”

The Wells Fargo ETF Portfolios combine every aspect of Wells Fargo's investment advice into a single portfolio solution. This program is an actively managed asset allocation strategy which strives to provide not only strategic asset allocation, but also tactical adjustments employed by Wells Fargo Advisory Services Group's Portfolio Managers in an attempt to take advantage of market opportunities.

Separately Managed Accounts

“Masters”

The Masters program provides access to more than 80 professional institutional money managers and the opportunity to invest in more than 185 investment styles or portfolio strategies. The professional manager will have discretion over your account.

“Diversified Managed Allocations (“DMA”)

The WFA’s Manager Strategy Group is comprised of 15 investment professionals focused on providing money manager due diligence and expertise in portfolio model construction. This includes the continuous appraisal of the people, process and performance of money managers.

Upon completion of satisfactory due diligence, the WFA Manager Strategy Group selects a roster of investment management firms representing a broad array of investment classes and styles. C&C’s Financial Advisor and you will create an asset allocation strategy and select two or more investment managers to professionally manage the account. The DMA program uses a method of combining investment managers that identifies market conditions in which each manager has historically excelled or struggled. Using this knowledge, the Manager Strategy Group constructs what they believe to be optimal combinations of managers to maximize potential for performance success. Optimal blends are available using either a conservative, moderate and/or long-term risk tolerance for each of three investment objectives (income, growth and income and growth). You may choose an optimal blend or you may construct your own portfolio (customized blend).

Completion sleeves, which are comprised of mutual funds selected by the Manager Strategy Group, allow you to invest in asset classes you may not normally have exposure to. (For example, the Alternative Income Sleeve is designed to serve the needs of income-oriented investors and is available through the Income and Income and Growth Optimal Blends, as well as Customized Blends.)

Only one account is necessary to participate in DMA, regardless of the number of managers chosen.

Following is a list of Wrap Fee Advisory Programs sponsored by Genworth Financial Wealth Management (GFWM). You may choose the custodian you wish to utilize amongst the five choices GFWM makes available when selecting a GFWM platform program. C&C currently uses Genworth and Pershing, LLC, as custodians when establishing an account in the GFWM programs, unless the client directs us otherwise.

GFWM provides advisory and other services to C&C with respect to the following programs: GFAM Preservation Strategy and GFWM Mutual Fund/ETF/Variable Annuity Asset Allocation Programs.

Comprehensive information regarding each of the following programs, which includes the specific management style, program minimums and other costs/expenses associated with each program, is provided by the wrap fee sponsor's disclosure document, which is attached as Appendix 1 when applicable.

Genworth Financial Wealth Management (GFWM)

GFWM provides C&C with access to an investment advisory service known as the GFWM Platform. There is a wide variety of management programs, styles, and investment products available. C&C Financial Advisors work with you to identify an appropriate management option based on your specific investment objective(s), financial condition and risk tolerance. The management program may utilize investment products such as mutual funds, separate account managers, variable annuities, and ETFs.

Genworth Financial Asset Management (GFAM) Preservation Strategy

The primary objective of the Preservation Strategy is to avoid losses across any calendar year. The secondary objective is to maximize long-term returns in a way that is consistent with the primary objective. The Preservation Strategy follows an "Absolute Return" approach. GFAM may invest in a broad range of potential asset classes across the globe, through no load mutual funds, ETFs and other pooled vehicles. The GFAM Investment Management team has discretion and can shift investments and pursue alternative strategies as needed. This unique structure allows GFAM's Investment Management team to efficiently change allocations and enact risk management measures as necessary.

Mutual Fund / ETF / Variable Annuity Asset Allocation Programs

The GFWM platform provides access to many managers, models and styles that utilize either mutual funds and/or ETF's as their underlying investment. These portfolios are constructed based on risk tolerance (i.e. Conservative, Moderate, Moderate Growth, etc.), and may include a tax managed aspect. Alternatively, some of the models are constructed in an attempt to create a portfolio that will allow for a target distribution rate from the account. The C&C Financial Advisor works with you to identify a program that meets your investment objectives, risk tolerance and financial needs. The manager has discretion over your account.

Depending on which of the advisory programs is chosen, the investments used may include but are not limited to: domestic/foreign stocks and bonds, Exchange Traded Products, CD's, REIT's, variable annuities, and options.

The Wrap Fee Program Sponsor, the Manager on the respective wrap fee program account, C&C and the respective Financial Advisor share in a portion of the fee that is charged when a client chooses to participate in a wrap fee program.

As of December 31, 2010, Cutter & Company assets under management were valued as follows:

\$308,993,582	Discretionary assets under management
\$29,753,397	Non-discretionary assets under management
\$338,746,980	Total assets under management*

**The asset totals listed above do not include assets managed by third-party managers or assets of clients that we introduce to another investment program when acting as a “solicitor” for that program.*

Item 5 - Fees and Compensation

All of the programs described in the brochure are charged a fee on eligible assets that covers advisory, execution, custodial and/or reporting services. The Fee Schedules for each program are set forth below.

C&C Advisory Program Fee Schedule

You have the choice of compensating C&C in one of two ways:

Fee Schedule – You pay an asset-based fee on eligible program assets, as well as a separate transaction fee for execution services on agency trades. You will also be subject to any other fees associated with our standard brokerage accounts, including postage and handling fees, transfer taxes, exchange fees (among which SEC fees may be included), and any other fees required by law. Fees are billed quarterly in advance and will be deducted from the account you choose. Alternatively, you can choose to have the management fee billed to you for payment each quarter. The C&C Advisory Program fee and transaction fees are negotiable based on the following schedule:

Total Account Value	Annualized Advisory Fee
First \$250,000	2.50%
Next \$750,000	2.00%
Over \$1,000,000	1.50%
Per Transaction Fee: \$25 per transaction	

Execution Schedule – You pay for C&C Advisory Program services by paying commissions for each transaction in the account at our normal commission rate for such agency transactions.. You will also be subject to any other fees associated with our standard brokerage accounts, including postage and handling fees, transfer taxes, exchange fees (among which SEC fees may be included), and any other fees required by law. Commission rates are negotiable.

FundSource Fee Schedule

FundSource accounts are charged an all-inclusive fee on eligible mutual funds that covers advisory, execution, custodial and reporting services. Fees are billed quarterly in advance; the standard FundSource fee schedule is based on program eligible mutual funds:

Total Account Value	Annualized Fee
First \$250,000	2.00%
Next \$750,000	1.75%
Over \$1,000,000	1.50%

The standard fees for this program are negotiable and may differ from those described in the WFA Mutual Fund Advisory Wrap Fee Brochure. The minimum account size is \$25,000, with limited exceptions.

Pathways Fee Schedule

Pathways accounts are charged an all-inclusive fee on eligible mutual funds that covers advisory, execution, custodial and reporting services. Fees are billed quarterly in advance; the standard Pathways fee schedule is based on program eligible mutual funds:

Total Account Value	Annualized Fee
First \$250,000	1.75%
Next \$750,000	1.50%
Over \$1,000,000	1.15%

The standard fees for this program are negotiable and may differ from those described in the WFA Mutual Fund Advisory Wrap Fee Brochure. The minimum account size is \$25,000, with limited exceptions.

Allocation Advisors Fee Schedule

Allocation Advisors accounts are charged an all-inclusive fee on eligible mutual funds that covers advisory, execution, custodial and reporting services. Fees are billed quarterly in advance; the standard Allocation Advisors fee schedule is based on program eligible assets:

Tactical Portfolios	
Total Account Value	Annualized Fee
First \$250,000	2.50%
Next \$750,000	2.00%
Over \$1,000,000	1.50%
Strategic Portfolios	
Total Account Value	Annualized Fee
First \$250,000	1.75%

Next \$750,000	1.00%
Over \$1,000,000	0.75%

The standard fees for this program are negotiable and may differ from those described in the WFA Mutual Fund Advisory Wrap Fee Brochure. The minimum account size for the portfolios offered in the Allocation Advisors Program range from \$25,000 to \$50,000, with limited exceptions, depending on the portfolio chosen.

Wells Fargo Compass Advisory Fee Schedule

Wells Fargo Compass Advisory accounts are charged an all-inclusive fee on eligible assets that covers advisory, execution, custodial and reporting services. Fees are billed quarterly in advance; the standard Wells Fargo Compass Advisory fee schedule is based on program eligible assets:

Individual, Asset Allocation and ETF Strategies

Total Account Value	Annualized Fee
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First \$250,000	2.50%
Next \$750,000	2.00%
Over \$1,000,000	1.50%

Fixed Income Strategies

Total Account Value	Annualized Fee
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First \$250,000	1.50%
Next \$750,000	1.25%
Over \$1,000,000	1.00%

The standard fees for this program are negotiable and may differ from those described in the WFA Separately Managed Accounts Wrap Fee Brochure. The minimum account size for the portfolios offered in the Wells Fargo Compass Advisory Program range from \$50,000 to \$250,000, with limited exceptions, depending on the portfolio chosen.

Masters Fee Schedule

Masters accounts are charged an all-inclusive fee that covers advisory, execution, custodial and reporting services. Fees are billed quarterly in advance; the standard Masters fee schedule is based on program eligible assets:

Equity and Balanced Accounts

Total Account Value	Annualized Fee
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First \$500,000	3.00%
Next \$500,000	2.75%
Next \$1,000,000	2.50%
Over \$2,000,000	Negotiable

Fixed Income Accounts

Total Account Value	Annualized Fee
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First \$500,000	1.50%
Next \$500,000	1.25%

Next \$1,000,000	1.00%
Over \$2,000,000	Negotiable

The standard fees for this program are negotiable and may differ from those described in the WFA Separately Managed Accounts Wrap Fee Brochure. The minimum account size for a Masters account is \$100,000, with limited exceptions. Account minimums may be higher, when mandated by a specific Masters manager.

DMA Fee Schedule

DMA accounts are charged an all-inclusive fee that covers advisory, execution, custodial and reporting services. Fees are billed quarterly in advance; the standard DMA fee schedule is based on program eligible assets:

Total Account Value	Annualized Fee
First \$250,000	2.75%
Next \$750,000	2.50%
Over \$1,000,000	2.00%

The standard fees for this program are negotiable and may differ from those described in the WFA Separately Managed Accounts Wrap Fee Brochure. The minimum account size for DMA is \$250,000, and may be subject to portfolio minimums, depending on your asset level (This is a multi-manager program, with most individual managers requiring a minimum of \$75,000 under their management).

GFAM Preservation Strategy and GFAM Mutual Fund/ETF/Variable Annuity Asset Allocation Fee Schedules

Accounts on the GFWM platform are assessed a total Account Fee, which includes the Financial Advisor's fee, plus fees for using the GFWM platform (together the "Advisory Fee"). The Account Fee may also include fees payable to any third-party Discretionary Manager under the various platform investment options. After the GFWM Platform Fee is deducted from the Advisory Fee, the resulting net fees are payable to the Financial Advisor. Charges applicable to custody and execution services are dependent on the custodian chosen, and are charged to the account separately.

Fees are payable quarterly, in advance. Upon establishment of the Account, you will pay a pro-rata amount (depending on the date of deposit), based on 25% of the annualized fee applicable to the amount invested. Subsequent to the initial quarterly fee, future quarterly fees will be calculated based on the average daily value of the account assets under management during the immediately preceding calendar quarter. You may also instruct us to debit another account, if acceptable to and agreed upon by the Financial Advisor and GFWM. **Additional details regarding the fees and compensation for using the GFWM platform, including the Discretionary Manager fee schedules are provided in the GFWM Platform Disclosure Brochure, attached as Appendix 1, if applicable.**

The **Financial Advisor portion** of the Advisory Fee for GFWM Platform programs is as follows:

Average Daily Value of Account	Annualized Fee
First \$250,000	1.50%
Next \$750,000	1.50%
Next \$2,000,000	1.25%
Over \$3,000,000	1.00%

The minimum account size for GFAM Preservation Strategy and the GFAM Mutual Fund/ETF/Variable Annuity Asset Allocation Program is \$50,000. The program minimums and Financial Advisor fees may be negotiable if accepted by GFAM and the Financial Advisor.

You should be aware that **any of the above program fees** charged may be higher or lower than those otherwise available if you were to select a separate brokerage service and negotiate commissions in absence of the extra advisory service provided. Our fee schedules listed above may be subject to negotiation depending on a range of factors including, but not limited to account size and overall range of services provided.

You should consider the value of these advisory services when making such comparisons. The combination of custodial, advisory and brokerage services may not be available separately or may require multiple accounts, documentation and fees. You should also consider the amount of anticipated trading activity when selecting among the programs and assessing the overall cost. Advisory programs typically assume a normal amount of trading activity and, therefore, under particular circumstances, prolonged periods of inactivity or asset allocations with significant fixed income or cash weightings may result in higher fees than if commissions were paid separately for each transaction.

A portion of the fees or commissions charged for the programs described here will be paid to C&C Financial Advisors in connection with the introduction of accounts, as well as for providing client-related services within the programs. This compensation may be more or less than a Financial Advisor would receive if you paid separately for investment advice, brokerage, and other services, and may vary, depending on the program or services offered.

Unless agreed upon otherwise, you authorize us to deduct a quarterly fee calculated at the rate indicated in the Fee Schedule for that program from your account, in advance. For the purposes of calculating program fees, "total account value" shall mean the sum of the long and short market value of all securities and mutual funds, if applicable (except as it pertains to the GFWM platform, which uses an average daily balance valuation method). For all programs except GFWM platform programs, the total account value of the account will be calculated using the closing prices or, if not available, the lowest published "bid-price" and if none exist, the last reported transaction if occurring within the last 45 days. For mutual funds, we use the fund's most current net asset value, as computed by the fund company. In so doing, we will use information provided by quotation services believed to be reliable.

The initial fee is calculated as of the date that the account is accepted into the program and covers the remainder of the calendar quarter (the C&C Advisory Program uses a 90 day calendar quarter). Subsequent fees will be determined for calendar quarter periods and shall be calculated on the value of the account on the last business day of the prior calendar quarter. GFWM subsequent fees will be calculated using an average daily balance calculation over monthly periods within the quarter.

No fee adjustment will be made during any fee period for appreciation or depreciation in value of the assets in your account during that period. The C&C Advisory Program does not reimburse you for fees paid if a withdrawal is taken from the account during the quarter. The deposit of funds into an existing account during a quarter may incur a pro-rata fee, as agreed upon between you and your Financial Advisor.

When using WFA Sponsored Wrap Fee Programs, your account will be charged or refunded a prorated quarterly fee on any net additions or net withdrawals in the account during a month. Fees will be charged or refunded if the net addition or net withdrawal would generate a fee or refund of at least \$40 for that quarter. Fees will be assessed in the month following the net addition or net withdrawal. Fees are based on the value of the eligible program assets in your Account, and C&C shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds. GFWM will charge a full quarterly fee on any deposit made during a quarter, and then pro-rate the amount due in the next full quarterly billing cycle. The average daily balance calculation will automatically create a reduced fee reflecting withdrawals from the account.

Whenever there are changes to the fee schedule, the schedule charges previously in effect shall continue until the next billing cycle.

Risk in the Use of Margin

To the extent margin is used in your account, you should be aware that the margin debit balance will not reduce the market value of eligible assets, and will therefore increase the asset-based fee you are charged. The increased asset-based fee may provide an incentive for your Financial Advisor to recommend the use of margin strategies. The use of margin is not suitable for all investors, as it increases leverage in your account and therefore risk.

Other Account Fees

The advisory fee does not include certain dealer markups or markdowns, when allowed, odd lot differentials, transfer taxes, exchange fees, execution fees (foreign and/or domestic) when applicable, and any other fees required by law. Cash balances in an account may be invested in money market mutual funds including, as permitted by law, those with which we have agreements to provide advisory, administrative, distribution, and other services and for which we receive compensation for the services rendered. In a low interest rate environment, the yield that you earn on cash and cash alternatives, including cash sweep funds, CDs and money market funds may not offset advisory fees. In some instances, the effective yield of the investment may in fact be negative.

Non-brokerage-related fees, such as IRA fees, are not included in the wrap fee and may be charged to your account separately. As more fully described in the fee schedules above, the fees you are charged may be different, depending on the asset type invested in and custodial services for the account.

Your Financial Advisor may suggest that you use other products and services that C&C offers, but that are not available through the program you select ("Excluded Assets"). Excluded Assets are not charged a program fee and are not considered a part of the program or program services. We generally recommend that you hold these Excluded Assets in a separate brokerage account. If an excluded fund purchased for or transferred into your account later becomes eligible for the program, program fees will apply to that fund and it may become subject to the rebalance trading system. You will incur any usual and customary brokerage charges and fees imposed on transactions in Excluded Assets which may include (i) any dealer markups/markdowns and odd lot differentials and transfer taxes; (ii) charges imposed by broker-dealers and custodians other than WFA and its affiliates and fees for other products and services that we and our affiliates may offer; (iii) offering discounts, commissions and related fees in connection with underwritten public offerings of securities; (iv) margin interest and operational fees and charges; (v) IRA fees; and (vi) any redemption fees, exchange fees and or similar fees (among which SEC fees are included) imposed in connection with mutual fund transactions whereby C&C or your Financial Advisor may receive additional compensation on these Excluded Assets.

Cost of Investing in Mutual Funds

In addition to program fees, as a shareholder of a money market, mutual fund or closed-end fund, you will bear a proportionate share of the fund's expenses, including investment management fees that are paid to the fund's investment advisor. C&C may receive fees from these mutual funds or closed-end funds. For more complete information about these funds, please refer to the respective fund prospectus.

You should be aware that you may invest in Money Market Funds or Mutual Funds directly without incurring the fee charged for participation in a program. In addition, certain institutional investors may directly purchase a class of shares of certain money market funds or funds that do not charge shareholder services, sub-accounting or other related fees. If you do, however, you will not receive the various program services provided under the advisory program, and some mutual funds may impose a sales load on direct investments. You will receive a prospectus for each money market and mutual fund purchased, as required by securities regulations.

C&C or our service providers may collect such fees directly or indirectly from some or all of the mutual funds in which you invest, and we may pay any such fees received to C&C's Financial Advisors. The amount of the fees we or your Financial Advisor receive will vary, depending on the percentage paid pursuant to a fund's Rule 12b-1 plan.

Certain Funds make multiple no-load, institutional, advisory or load-waived share classes available for purchase through investment advisory programs. These share classes may be available only through C&C investment advisory programs and have different and lower shareholder servicing, sub-accounting, investment management and 12b-1 fees and charges from other shares classes offered by those Funds. As a result, some clients may have purchased these lower-cost institutional share classes, while others may have purchased a non-institutional share class.

Account Termination

Your account agreements may be terminated by either party at any time upon notice. If you terminate your Agreement, a pro rata refund will be made, less reasonable start-up costs. You have the right, within five (5) days of execution, to terminate the Client Agreement without penalty. In the event of cancellation of Client Agreements, fees previously paid pursuant to the fee schedule will be refunded on a pro rata basis, as of the date notice of such cancellation is received by the non-cancelling party, less reasonable start-up costs.

If you choose to terminate your agreement with any of our investment advisory programs, we can liquidate your account if you instruct us to do so. If so instructed, we will liquidate your account in an orderly and efficient manner. The C&C Advisory Program will incur separate liquidation fees for each transaction. The programs advised by WFA and GFWM do not charge for such redemption; however, you should be aware that for all advisory programs available, certain mutual funds impose redemption fees as stated in their fund prospectus. You should also keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with your tax advisor.

We will not be responsible for market fluctuations in your account from the time of notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner. Factors that may affect the orderly and efficient liquidation of an account might be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate an advisory account,

termination orders cannot be considered market orders. It may take several business days to as much as two weeks, under normal market conditions, to process your request. In certain cases, if the Custodian is an Annuity Issuer, then specific prior notice may be required before effecting withdrawal instructions, as provided in the Annuity Prospectus. Withdrawals prior to age 59 ½ may also have certain tax penalties, in addition to being subject to ordinary income tax. C&C shall not be held liable for losses due to market value fluctuations during the time taken for these liquidating transactions.

If an advisory program account is terminated, but you maintain a brokerage account with us, the money market fund used in a “sweep” arrangement may be changed and/or your shares may be exchanged for shares of another series of the same fund. You will bear a proportionate share of the money market fund’s fees and expenses. You are subject to the customary brokerage charges for any securities positions sold in your account after the termination of program services.

Item 6 - Performance Based Fees

C&C does not offer any investment advisory services where fees are based exclusively on performance.

Item 7 - Types of Clients

C&C provides advisory services to individuals, pension or profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

The various advisory programs that are offered to C&C clients have specific minimum investment amounts that are required to open an account, dependent on the program chosen. Please refer to Item #5, Fees and Compensation, and the respective Wrap Fee Sponsor Disclosure Brochure, if applicable, for detailed information about the investment minimums applicable for each program.

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

The managed programs available through C&C provide access to a wide variety of investment strategies and styles. Individual, customized asset management, asset allocation and model portfolios are available. The specific program that is chosen will determine the types of investments that are used (i.e. stocks, bonds, ETFs, etc.), strategy (i.e. international, fixed income, tax managed, etc.) and style (i.e. value, growth, passive, active, etc.).

A variety of informational resources are used to perform the security analysis, again dependent on the manager and respective program that is chosen. C&C Financial Advisors may use fundamental and/or technical methodologies and may subscribe to information providers that focus on those areas (i.e. Dorsey Wright may be used to help analyze a stock or mutual fund from a technical perspective. Alternatively, Morningstar may be used to focus more on the fundamentals of a particular stock or mutual fund.) C&C has access to a variety of institutional research, such as Standard & Poor’s, Credit Suisse, Wells Fargo Securities, Sanford Bernstein and others. Additionally, we may review subscriptions to financial newspapers and magazines, as well as corporate filings made with the SEC.

In all of the advisory programs listed above (with the exception of the C&C Advisory program, where you can choose to allow discretion or not), the manager will have discretion over the trading decisions in the account, with no obligation to contact you prior to the transaction. When utilizing a program that offers model portfolios offered by any of the institutional strategists available in the programs, the Financial Advisor introduces you to, and advises on the selection of independent investment managers who provide discretionary management of individual portfolios using a variety of different securities analysis methods, sources of information and investment strategies.

When subscribing to one of the Wrap Fee Programs available, be sure to review the appropriate Disclosure Brochure issued by the sponsor of the respective program to obtain detailed information regarding each of their management programs and advisory services.

All investments entail risk and the possible loss of money. Some investment strategies may incur higher expenses in an effort to fulfill their strategy mandates (i.e. tactical allocation, which often incurs frequent trading, foreign trading, high yield bonds, etc.). These increased trading costs and potential tax consequences will impact the final return on the investment.

Item 9 - Disciplinary Information

None

Item 10 - Other Financial Industry Activities and Affiliations

In addition to our investment advisory services, C&C also operates as a securities registered broker-dealer, regulated by the Financial Industry Regulatory Authority (FINRA) and an insurance agency. The majority of C&C Financial Advisors are licensed as a registered representative with the broker-dealer division, as an investment advisor representative with the investment advisor division and as an insurance agent with the insurance division.

There are potential conflicts of interest that may arise as a result of the firm acting in an investment advisory, broker-dealer and insurance agency capacity. William Meyer and Deborah Castiglioni have ownership interest in the firm, and may subsequently benefit from the various servicing and handling fees that benefit the firm.

Additionally, a Financial Advisor, when operating as a registered representative or insurance agent, may sell you products that generate commissions. An example of such products would include, but not be limited to, when executing a brokerage transaction for your non-advisory account, or when you purchase an insurance or annuity product. This may create a conflict of interest, as the Financial Advisor has a monetary incentive that may cause the Financial Advisor to sell products which may not be needed by you, in order to generate a commission. These potential conflicts are addressed by the fact that C&C performs reasonable supervision over the insurance and securities activities performed by our Financial Advisors.

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

Code of Ethics and Personal Trading

The C&C Code of Ethics requires certain reporting, disclosure and approval requirements for personal securities transactions by C&C Financial Advisors. These policies were created in an effort to prevent actual or potential conflicts of interest with transactions that have been recommended to clients. The Code of Ethics applies not only to transactions by the Financial Advisor, but also to transactions in accounts in which such person has a beneficial interest, such as the account(s) of the Financial Advisors spouse or minor children. Insignificant positions (i.e. purchases or sales of 2,000 shares or less of any security – or options thereon – that is part of the S & P 500 Index or 1,000 shares or less of any security that trades on any other index or exchange) are exempt from the prohibitions outlined in the Code of Ethics.

C&C will provide a complete copy of our Code of Ethics upon your request.

Participation or Interest in Client Transactions

C&C and our Financial Advisors may from time to time purchase or sell securities that are also held by our clients. This presents no conflict of interest, as the securities are widely held and publicly traded. Client trades are given priority over trades executed for the benefit of C&C or C&C Financial Advisors.

C&C and our Financial Advisors are prohibited from “trading ahead” of client orders (otherwise known as “front running”). We may, however, purchase or sell a security as part of a block, or bunched transaction (i.e. in conjunction with client orders where all investors receive the same average price). Additionally, due to the variety of advisory programs available, and their various styles and objectives, it is possible that one Financial Advisor may be selling a security that another Financial Advisor is buying. In our view, this does not present a conflict of interest, as the securities are generally highly liquid and publicly traded, as well as the fact that trading activities by one advisor are not known by the other and this instance would occur only by coincidence.

C&C has an obligation to obtain best execution pricing for our client transactions. The majority of our transactions are entered into the trading systems provided to us by our clearing partners. However, C&C may direct orders to other market centers when better pricing is available. Additionally, C&C may execute client orders on a principal or an agency basis.

A principal trade occurs when the Client purchases or sells a security through C&C’s inventory account. There may or may not be a mark-up (purchases) or mark-down (sales) included in principal transactions. If the C&C Financial Advisor determines that a security is appropriate for a client that requires the purchase or sale to be conducted on a principal basis, the client will be asked to consent to the transaction at or prior to the time of the trade, and the mark-up or mark-down, if any, will be fully disclosed at that time.

An agency cross transaction occurs when C&C acts as the agent for both the buyer and the seller of a specific security. Oftentimes the ability to cross the transactions for each party will provide a better execution price for both parties to the transaction than if either executed their orders independently. In the event of an agency cross transaction, the C&C Financial Advisor may charge a commission on one or both sides of the transaction, depending on the relationship with the client. The client will be notified in the event C&C is acting as an “agent for both the buyer and the seller” and any compensation will also be disclosed. Clients will be asked to provide written consent to the agency cross transaction prior to or at the time of execution of the trade.

ITEM 12 - Brokerage Practices

C&C is recommended as the broker-dealer for client accounts. It is not mandatory, but we believe it is beneficial to the client due to the enhanced efficiencies, ability to combine orders and execute “block” trades, technological capabilities and quality of service provided when we act as the broker-dealer. When using the C&C Advisory program, clients may choose to utilize an outside broker dealer. Not all investment advisors require their clients to direct their brokerage activities through their firm or a related firm.

C&C Financial Advisors may charge a transaction fee per transaction, depending on the negotiated rate as agreed upon between the Financial Advisor and the client. There is also an \$8 postage and handling fee on each transaction when using C&C as the broker-dealer. There is a conflict of interest when recommending that clients use C&C as the broker-dealer, as the firm benefits from administrative and servicing fees, such as money fund rebates paid to us from money market balances, as well as from transaction and handling charges that exceed the cost charged to us by our clearing partners.

C&C feels the commission and handling fees are competitive with other broker-dealers available to clients, based on the advantages received (i.e. firm is not required to purchase hardware and software systems that would be needed to download and reconcile the client data from the outside broker-dealer, reduced execution fees as a result of ability to “block” trade, ease of access to all client data and trading platform, consolidation services when clients have both advisory and brokerage accounts, etc.) If client chooses to use an outside broker-dealer, commission and handling fees are negotiated by the client and may be higher or lower than those charged by C&C.

C&C does not receive soft dollar benefits from our custodians or clearing partners.

ITEM 13 - Review of Accounts

Clients will receive periodic account statements (not less than quarterly) from their account Custodian. These statements generally contain a listing of account assets and values as of the closing date of the statement. Additionally, the Wrap Fee Advisory Programs provide quarterly performance reports that will include the account value, performance results, statistical data related to the account, etc. and are made available either electronically or via mail. The information in these reports will vary from custodian to custodian. We urge clients to carefully review these reports and compare the statements that

they receive from their individual custodian(s) with any reports that they receive that provide a compilation of their investment holdings and performance results.

The frequency of in-person or telephonic reviews with clients is individually negotiated between each client and their Financial Advisor. C&C's Chief Compliance Officer, or their delegate, will perform periodic account reviews to verify trading and investment selection are appropriate for the client based on the client's stated investment objectives and risk tolerance. These reviews will utilize, but not be limited to, exception reports provided to us by our clearing firm partners, which include trading activity in an account that exceeds predetermined parameters, specific types of securities being purchased (i.e. stocks that trade at \$5/share or less, options, etc.), investments in a single stock purchase that exceed specific dollar thresholds, etc. For accounts that are held by custodians other than our clearing firm partners, FCC and CCS, the C&C Chief Compliance Officer or their delegate will review those client accounts on a periodic basis by utilizing electronic access to the custodians platform and performing a spot check of specific accounts to review the trading activity to ascertain the transactions taking place are appropriate for the client's investment objectives and risk tolerance.

Item 14 - Client Referrals and Other Compensation

C&C may, subject to negotiation with our third-party advisory programs and wrap fee platform providers, receive certain allowances, reimbursements or services in connection with C&C's investment advisory services provided to our clients. These allowances and/or reimbursements are described below and in the attached Wrap Fee Program Sponsor Disclosure Brochure, attached as Appendix 1, if applicable.

Depending on the relationship with the third-party advisor and/or wrap fee sponsor, C&C and/or C&C Financial Advisors may receive business development allowances that provide for reimbursement for some or all of either C&C or C&C Financial Advisor's qualified advertising, marketing/practice management, or client event expenses incurred. Financial Advisors may also be eligible to attend annual conferences or conduct due diligence visits to further evaluate our third-party advisors. These trips may be subsidized all, or in part, by the third-party advisor. Typically the third-party advisor will provide payment to cover the airfare, hotel expense, dinners and possibly an entertainment event for the Financial Advisor's attendance. These trips are not contingent on specific sales targets being met, contests or any other requirement to promote a product or service. Additionally, third-party advisory partners may provide C&C or C&C Financial Advisors with education, training and marketing support for their programs.

Clients may be introduced to C&C by an unaffiliated solicitor. C&C may pay that solicitor a referral fee in accordance with appropriate state securities laws and the SEC's Rule 206(4)-3 of the Investment Adviser's Act. Any referral fee shall be paid solely from C&C's management fee, and shall not result in any additional charge to the client. If a client is introduced to C&C by an unaffiliated solicitor, the unaffiliated solicitor shall provide the client with a copy of our most recent disclosure brochure, as well as a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement, including compensation arrangements.

Item 15 - Custody

C&C is considered an “introducing broker-dealer”. This phrase means we accept customer orders, but the orders are processed, or “cleared” through another firm (our clearing firm partners, FCC & CCS). The clearing firms and GFWM would be considered custodians of our client assets. Additionally, when clients purchase investments directly with mutual fund companies, insurance companies, limited partnerships and/or trust companies these organizations would be considered the custodians of our client assets.

All C&C client assets are held by qualified custodians, who provide account statements directly to clients on a monthly basis, or no less frequently than quarterly if there is no activity in the client account. We urge clients to carefully review those statements and compare the custodial records to the other reports that may be provided to you (i.e. quarterly performance reports, annual reports, etc.)

Although C&C does not act as a qualified custodian of our client assets, according to the definition of “custody” by the SEC, there are instances where C&C may have what is considered to be “incidental custody”. For instance, if we deposit securities into your advisory account, theoretically we would have the ability to negotiate these securities inappropriately. The same type of “incidental custody” may occur when a client requests that we move monies between two or more of their accounts. Even though the accounts are registered in the client name – because we have the ability to request the journal of cash from one account to another, without additional oversight by a third-party to perform the function, theoretically this journal request could be entered fraudulently. Due to the service level we wish to provide our clients, we have decided to continue to provide these services and incur “incidental custody” per the definition provided by the SEC. As a result of this incidental custody, C&C is subject to an annual custody audit, which is conducted on a surprise basis by an independent CPA firm.

Item 16 - Investment Discretion

C&C uses investment discretion to buy and sell securities without prior client approval when agreed upon in the investment advisory contract with you. (C&C holds a limited power of attorney to act without prior consultation). Third-party managers also require discretionary trading authority and will require you to agree to such discretion by signing a limited trading authorization as part of their advisory agreement with you. When discretionary trading authority is granted, it is exercised consistent with the investment philosophy of the specific advisory program being managed, within the confines of any restrictions that have been agreed upon.

Item 17 - Voting Client Securities

C&C does not vote its client proxies when utilizing the C&C advisory program. In most instances, when utilizing an institutional, third-party manager or mutual fund manager, the manager overseeing the client account will vote client proxies. Please refer to the manager’s ADV Disclosure Brochure to determine their policy and procedures as it pertains to voting client proxies. You can obtain a copy of your mutual

fund's proxy voting policies online through the fund company website, or by reviewing fund documents filed with the SEC at www.sec.gov.

When utilizing a wrap fee program, the proxy voting is determined by the wrap fee sponsor and the underlying manager in each program. Please refer to the appropriate Wrap Fee Sponsor Disclosure Brochure to ascertain whether client proxies are voted by the sponsor or you.

Item 18 - Financial Information

C&C does not have any financial impairment that will preclude the firm from meeting contractual obligations to its clients. A balance sheet is not required, as C&C does not act as a custodian for client funds or securities, other than when we have "incidental custody" as described previously in Item 15 - Custody. Additionally, C&C does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

ITEM 19 – OTHER INFORMATION

PRIVACY POLICY

Information We Collect – We collect non-public personal information about you from the following sources:

- Information obtained directly from you when opening an account or purchasing a financial or insurance product from us (for example; name, address, social security number, income, assets, investment experience, medical history, etc.).
- Information may also be acquired from our representatives, as well as third parties such as; retirement plan sponsors, mutual fund and insurance companies, your former broker-dealer or its registered representative, clearing firms and consumer reporting agencies.

How Your Information is Used – Cutter & Company discloses non-public personal information to nonaffiliated companies that work for us in providing financial/insurance products and services to you. For example, we share non-public personal information with our clearing firm, which is the custodian of your brokerage account(s) and prepares confirmations and statements for our client accounts. We also share your data with insurance and mutual fund companies when you apply for or invest in their products.

In the event the financial representative servicing your account leaves us to join another broker-dealer, the representative is permitted to retain copies of your information so that he or she can assist with the transfer of your account and continue to serve you at their new firm. The representative's continuing use of your information will be subject to the new firm's privacy policy.

In addition, we disclose information, as permitted or required by law, to government and regulatory agencies such as the Securities and Exchange Commission (SEC) and the Internal Revenue Service (IRS). We will disclose data as required to comply with legal summons, court orders, subpoena or similar legal process. Cutter & Company does not sell or rent personal information to any third party. Our service providers only use your information in connection with the services they perform for us and not for their benefit.

"Opting-out" of Third Party Disclosures – Except in States that require the customer to Opt-In, please notify us if you do not want us to share your information (other than as prescribed by law) with any nonaffiliated third parties, including the registered representative servicing your account if he or she leaves us to join another firm. You may contact our Compliance Department by calling our toll-free number: 1-800-536-8770 or by mail at the address indicated below.

Confidentiality and Security Procedures – We have physical, electronic and procedural safeguards reasonably designed to protect your non-public personal information. Our employees, representatives and affiliates who have access to your information are required to follow firm procedures to keep your information secure.

Contact Us – We appreciate your continued business and look forward to serving you. If you have any questions regarding our Privacy Policy, please visit our office, contact your personal financial advisor or visit our website at www.cutterco.com. You may also contact us in writing at:

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