

St. James Investment Advisors, LLC Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of St. James Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (631) 979-6520 or by email at: info@stjamesia.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 St. James Investment Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. St. James Investment Advisors, LLC's CRD number is: 283880.

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Registration does not imply a certain level of skill or training.

Version Date: 05/18/2017

Item 2: Material Changes

St. James Investment Advisors, LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore, there are no material changes to report.

Item 4 was updated to revise the discussion of the firm's advisory services.

Item 5 was updated to revise the disclosure of the firm's fees.

Item 7 was updated to indicate an account minimum.

Item 8 was updated to include additional risk disclosures.

Item 17 was updated to include additional information about the firm's proxy voting policies and procedures.

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Item 4: Advisory Business

A. Description of the Advisory Firm

St. James Investment Advisors, LLC is a Limited Liability Company. The firm was formed in April 2016, and the principal owner is Brian C. Mark.

B. Types of Advisory Services

Portfolio Management Services

St. James is an independent, fee-only, registered investment advisory firm providing portfolio management to private individuals, trusts and estates, pension and profit sharing plans, charitable organizations, foundations, and retirement plans. We manage equity and balanced portfolios. Each client portfolio is managed based on the St. James composite investment strategy they select. We are an asset manager utilizing a value investment strategy which is implemented through the use of equity and fixed income securities, as well as open-end mutual funds and Exchange Traded Funds ("ETFs" and CEFs"). St. James accepts reasonable investment restrictions from clients, which are documented in the client files.

St. James seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of St. James' economic, investment or other financial interests. To meet its fiduciary obligations, St. James attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, St. James' policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is St. James' policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

Subadvisor Services

St. James may also act as a subadvisor to advisers unaffiliated with St. James. These third-party advisers would outsource portfolio management services to St. James. This relationship will be memorialized in each contract between St. James and the third-party adviser.

Pension Consulting Services

St. James offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans) based on the demographics, goals, objectives,

time horizon, and/or risk tolerance of the plan's participants. If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), St. James acknowledges that it is a "fiduciary" to the plan as that term is defined under Section 3(21)(A) under ERISA. However, St. James does not provide legal, accounting or tax advice, or custodial, insurance, recordkeeping, or brokerage services to the plan. The client is responsible for maintaining the plan in compliance with requirements applicable to tax-qualified plans under the Internal Revenue Code, including, where applicable, receipt of a favorable determination letter. St. James does not accept responsibility for the administration of the plan, including, without limitation, timely transmission of required contributions, filing required governmental reports, preparing or providing notices and communications to the plan's participants as required by applicable law and regulation, or notifying you that any such notices or communications are required.

Services Limited to Specific Types of Investments

St. James generally limits its investment advice to mutual funds, fixed income securities, equities, ETFs, CEFs, or treasury inflation protected/inflation linked bonds, although St. James primarily recommends equities value investing to a majority of its clients. St. James may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

St. James offers the same suite of services to all of its clients. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent St. James from properly servicing the client account, or if the restrictions would require St. James to deviate from its standard suite of services, St. James reserves the right to end the relationship.

D. Wrap Fee Programs

St. James acts as portfolio manager for a wrap fee program, which is an investment program where the client pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. St. James manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. Fees paid under the wrap fee program will be given to St. James as a management fee. Please also see Item 5 and Item 12 of this brochure.

E. Assets Under Management

St. James has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$70,957,303.00	\$425,167.00	April 2017

Item 5: Fees and Compensation

A. Fee Schedule

Portfolio Management Fees

Clients pay St. James an annual fee for services rendered under their respective investment advisory agreements. St. James calculates the annual fee according to the terms set forth below.

Fees are paid quarterly, in advance or in arrears, based on the market value of the account on the last trading day of the previous quarter. For the initial billing cycle, of accounts billed in advance, the fee is calculated based on the number of days the account was managed during the quarter in which it funded, in addition to the fee for the following quarter. Fees for partial quarters are prorated based on the number of days the client's account was open during the quarter. However, if notified of termination of an account during the last 10 business days of the end of the quarter the account will be billed for the full quarter. If given proper notice of cancellation of an account, a prorated amount of all unearned prepaid fees will be refunded based on the remaining number of days in the quarter. Clients understand that account assets invested in shares of mutual funds, ETFs, CEFs, or other investment companies ("funds") are subject to additional fees and expenses, as set forth in the prospectuses of those funds, paid by the funds but ultimately borne by the client.

Fees are deducted from the client's managed account in accordance with this Brochure and the custodian's account application. With regard to ERISA accounts, fees are deducted directly from the Plan account. St. James does not receive "Indirect Compensation", which is compensation received from outside sources.

Refunds of fees may be available upon cancellation of the Investment Advisory Agreement as herein provided. A prorated amount of all unearned prepaid fees will be refunded based on the remaining number of days in the quarter, if given proper notice as stated above.

St. James wishes to state that, at times, the fees charged may be higher or lower than normally charged in the industry, and it is possible the same, similar, or significantly different services may be available from other investment advisers at higher or lower rates.

Some of the factors that determine which fee schedule is used, and the total fee charged, are the type of services provided, type of account being managed, the custodial arrangements, whether an account was solicited, and the total assets under management from related accounts. St. James' investment management services allow for negotiable fees, but are typically structured as follows:

Individually-Managed Accounts:

Standard Linear Fee Schedule

<u>Portfolio Value</u>	<u>Maximum Annual Fee*</u>
All portfolio values	1.25%

Standard Tiered Fee Schedule

<u>Portfolio Value</u>	<u>Maximum Annual Fee*</u>
\$1 - \$749,999.99 (First \$749,999.99)	0.85%
\$750,000 - \$1,499,999.99 (Next \$749,999.99)	0.75%
\$1,500,000 +	0.60%

Standard Linear Fee Schedule for Solicited Accounts

<u>Portfolio Value</u>	<u>Maximum Annual Fee*</u>
All portfolio values	1.25%

*Maximum annual fee paid to St. James. Solicited accounts may pay up to a total 1.25% annual fee. St. James deducts the total fee from the solicited accounts and retains a maximum of 0.75%, annually, on these solicited accounts, with the remainder of the fee paid to the solicitor.

Each client's fee schedule, whether linear or tiered, is outlined in their Investment Management Agreement.

Sub-Advised Account Fees

St. James provides sub-advised portfolio management services for a number of independent registered investment advisers and broker-dealers. For servicing these individually managed accounts, St. James charges an annual asset management fee. Clients pay this fee, quarterly, in arrears or advance. St. James calculates this fee and debits the sub-advised client's account directly for those fees. (In some cases, the adviser debits the client's account and pays St. James its portion of the fee.) When St. James renders investment management services on behalf of a client for a period less than a calendar quarter, St. James will prorate the fee on the basis of days in which the client's assets were managed over the number of days in the calendar quarter. However, if notified of termination of an account during the last 10 business days of the end of the quarter the account will be billed for the full quarter. If given proper notice of cancellation of an

account, a prorated amount of all unearned prepaid fees will be refunded based on the remaining number of days in the quarter. St. James receives an annual maximum fee of 0.70% based on the assets managed. The fee is negotiable based upon the type of services provided, type of account(s) being managed, the custodial arrangements, the total assets under management from related accounts, and size of the assets managed on behalf of the organization utilizing St. James as a sub-adviser.

B. Consulting Services Fees:

The fees for consulting services are negotiated between St. James and the Client. Fees are assessed on a flat fee for the consulting project and are a set dollar amount subject to our Consulting Services Agreement. This type of agreement is typically for an individual who wants a one-time analysis and discussion of their investments, or as desired by the individual(s).

C. General Information on Fees:

In all matters, St. James' portfolio management services are analytical and advisory only and do not include legal or other professional services. St. James will work with legal, accounting, insurance or other professional advisors, if requested by the client, to ensure the coordination of all pieces involved in the investment management process, however, St. James is strictly a portfolio manager only and is not responsible for any of the client's outside service providers.

In addition, clients may pay fees for custodial services, account maintenance, transaction fees and other brokerage fees associated with maintaining an account. St. James does not share in any portion of such fees.

All fees paid to St. James for investment advisory services are separate and distinct from the fees and expenses charged by funds to their shareholders. These fees and expenses are described in each fund's prospectus and will generally include a management fee, other fund expenses, and possibly a distribution fee. A client may invest in some funds directly without the services of St. James. In that case, the client would not receive the services provided by St. James, which are designed, among other things, to assist the client in determining which investment management programs are most appropriate to the client's financial situation and objectives. The client should review both the fees charged by the funds, and the fees charged by St. James, to fully understand the total amount of fees to be paid by the client.

D. Outside Compensation For the Sale of Securities to Clients

Neither St. James nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

St. James does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

St. James generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Corporations or Business Entities
- ❖ Other Investment Advisers

St. James generally requires that separately managed accounts have a minimum of \$50,000 in total asset value to be managed. Exceptions may be made in certain situations.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

St. James' methods of analysis include Fundamental analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Investment Strategies

St. James uses long term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and

credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs) and/or Closed End Funds (CEFs): An ETF/CEF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs/CEFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

All investing involves a risk of loss and the investment strategy offered by St. James could lose money over short or long periods. Performance could be hurt by a number of different market risks including but not limited to:

Investing in securities is inherently risky. An investment in individual securities or in a portfolio of securities could lose money. The investments selected by St. James should be deemed speculative investments and are not intended as a complete investment program. These types of investments are designed for sophisticated investors who fully understand and are capable of bearing the risk of loss of their entire investment. St. James cannot give any guarantee that it will achieve its investment objectives or that any client will receive a return of its investment.

Bankruptcy of a broker or custodian could cause excessive costs or loss of investor funds. If a broker with whom St. James has an account becomes insolvent or bankrupt, St. James may be unable to recover all or even a portion of the assets maintained by clients with that broker. Similarly, if a custodian housing a client's securities or other assets becomes bankrupt or insolvent, the client may be unable to recover all or even a portion of the assets held by the custodian.

St. James may rely on information that turns out to be wrong. St. James selects investments based, in part, on information provided by Issuers to regulators or made directly available to St. James by the Issuers or other sources. St. James is not always able to confirm the completeness or accuracy of such information and, in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and could result in losses.

St. James may fail to identify successful companies. Identifying undervalued securities and other assets is difficult, and there are no assurances that such a strategy will succeed. Furthermore, clients may be forced to hold such investments for a substantial period of time before realizing any anticipated value.

Investing in securities entails risks associated with the underlying business. Investments in securities entails all the risks associated with the underlying businesses, including reliance on a company's managers and their ability to execute business strategies. In addition, all businesses face risks such as adverse changes in regulatory requirements, interest rate and currency fluctuations, general economic downturns, changes in political situations, market competitions and other factors. St. James will not have day-to-day control over any company in which it invests for clients.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither St. James nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither St. James nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither St. James nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

St. James does not utilize nor select third-party investment advisers. All assets are managed by St. James Investment Advisors Management.

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

A. Code of Ethics

St. James has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. St. James' Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

St. James does not recommend that clients buy or sell any security in which a related person to St. James or St. James has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of St. James may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of St. James to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. St. James will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of St. James may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of St. James to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, St. James will never engage in trading that operates to the client's disadvantage if representatives of St. James buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on St. James' duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and St. James may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in St. James' research efforts. St. James will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

St. James recommends Schwab Institutional, a division of Charles Schwab & Co., Inc. and Pershing, LLC. In recommending Schwab Institutional, St. James considers a number of factors, including financial condition, acceptable recordkeeping, ability to obtain best price, market knowledge and expertise, commission structure, reputation, and integrity.

1. *Research and Other Soft-Dollar Benefits*

While St. James has no formal soft dollars program in which soft dollars are used to pay for third party services, St. James may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). St. James may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and St. James does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. St. James benefits by not having to produce or pay for the research, products or services, and St. James will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that St. James' acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. *Brokerage for Client Referrals*

St. James receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

St. James may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to St. James to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless St. James is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

If St. James buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, St. James would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. St. James would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for St. James' advisory services provided on an ongoing basis are reviewed at least monthly by Brian C. Mark, Managing Member, with regard to security weightings, cash level and client risk tolerance are considered. All accounts at St. James are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

St. James shall provide clients with a quarterly report, in accordance with their advisory agreement, that lists all assets held in the account and the values of each asset. The client shall receive the report, via US mail, within 30 days of the end of the quarter. It will include the following reports:

- a) Portfolio performance over the last quarter and year
- b) Performance results of comparative benchmarks for the same periods
- c) Performance reported in compliance with GIPS standards
- d) End of quarter status regarding asset allocation
- e) Billing notification

Reporting for sub-advised accounts will be conducted by the adviser, not St. James. All clients will receive monthly reports from their respective custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

St. James receives compensation via its arrangement with its underlying subadvisers, but otherwise does not receive any economic benefit from any other third party for advice rendered to St. James' clients.

St. James utilizes the services of various custodians/broker-dealers, collectively referred to as "Custodians." While there is no direct benefit received by St. James for its use of these custodians, economic benefits are received by St. James which would not be received if the Firm did not utilize the Custodians' services.

These benefits do not depend on the amount of transactions directed by St. James to the Custodians. These benefits may include: a dedicated trading desk that services clients of the Custodian exclusively, a dedicated service group and an account services manager dedicated to St. James' accounts, access to real time order matching system, ability to "block" client trades, electronic download of trades, balances and positions of the Custodians' web sites, duplicate and batched client statements, confirmations and year-

end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with state and federal requirements), availability of third party research, access to the mutual funds of the Custodians' affiliates, marketing support, and ability to participate in client referral programs. It should be noted that all of these benefits are generally available today from a variety of large brokerage firms and clearing agents at no extra cost, or special charge, to St. James.

B. Compensation to Non – Advisory Personnel for Client Referrals

If a client is introduced to St. James by a solicitor, St. James may pay the solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. The solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship and shall provide each prospective client with a copy of St. James' written disclosure statement, including this Brochure, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms and conditions of the arrangement between St. James and the solicitor, including the compensation to be received by the solicitor from St. James.

Item 15: Custody

All client assets are held in custody by unaffiliated, qualified custodians, either broker/dealers or banks, but St. James can access client funds through its ability to debit advisory fees. For this reason, St. James is considered to have custody of client assets. The custodians send monthly account statements directly to clients. Clients should carefully review statements received from the custodian, and should compare these statements to any account information provided by St. James.

Item 16: Investment Discretion

St. James does have the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of securities to be bought and sold. This is called discretion or discretionary authority. All discretionary authority is limited to the client's account as managed by St. James and to the limited power of attorney in the custodian's (Schwab Institutional, Pershing, or others) application.

Item 17: Voting Client Securities (Proxy Voting)

It is St. James' policy to exercise proxy voting authority over accounts for which the advisor, or client, engaging it for services has requested St. James to do so.

Objective: St. James recognizes that corporate governance and shareholder prospects can directly affect shareholder values. The purpose of this policy is to ensure that St. James proxies are voted in the best interest of St. James clients so as to maximize values over time.

Delegation: Brian C. Mark has the responsibility for voting proxies. He may delegate such responsibility to professional members of the St. James staff who are qualified to analyze proxy issues and exercise prudence when discretion is required to vote proxies. Brian C. Mark, or the designee, is responsible for ensuring that they thoroughly understand the issues that may arise in how proxies are voted. When appropriate, Brian C. Mark, or the designee, may consult with consultants or advisors.

Control: Brian C. Mark, or the designee, will vote proxies in a timely manner in accordance with the policy unless it is in the best interest of St. James' clients to vote otherwise. St. James' complete proxy voting policy and procedures are memorialized in writing and are available for review. The Chief Compliance Officer will maintain a record of votes on all proxy issues, with the St. James' complete proxy voting record available to clients. St. James will not vote proxies when the custodian utilized by the client does not allow the advisory firm to provide this function. Please contact Brian Mark to obtain a copy of the proxy voting policy and procedures and/or proxy voting records.

St. James will not exercise class action voting authority over client securities. Any decision to participate in a class action proceeding shall, at all times, rest with the client. The client shall, in no way, be precluded from contacting St. James for advice or information about a particular class action proceeding. However, St. James shall not be deemed to have voting authority solely as a result of providing such advice to client.

Item 18: Financial Information

A. Balance Sheet

St. James neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither St. James nor its management has any financial condition that is likely to reasonably impair St. James' ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

St. James has not been the subject of a bankruptcy petition in the last ten years.