

Form ADV Part 2

February 21, 2019

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Form ADV Part 2A

Firm Brochure

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Form ADV Part 2B

Individual Brochure Supplement for
David L. Muething

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BUCKLEY MUETHING CAPITAL MANAGEMENT CO.

Form ADV Part 2A

Item 1 – Cover Page

Date: February 21, 2019

Business Hours: 9:00 A.M. to 5:00 P.M.
Monday - Friday

Name of Firm: Buckley Muething Capital Management Co.

Address: One Bethlehem Plaza
Bethlehem, PA 18018

Country: U.S.A.

Telephone: 610-694-9500

Facsimile: 610-954-9761

Website: None

Contact: David L. Muething

Title: Chief Compliance Officer

E-mail: d1m3@msn.com

This brochure provides information about the qualifications and business practices of Buckley Muething Capital Management Company. If you have any questions about the contents of this brochure, please contact us at 610-694-9500 or e-mail us at d1m3@msn.com.

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. Registration with the SEC does not imply any level of skill or training.

Additional information about Buckley Muething Capital Management Company is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This is an initial ADV filing with the Commonwealth of Pennsylvania. We have been registered with the U.S. Securities and Exchange Commission since May 22, 1987. As of December 31, 2018, we had less than \$100 million in assets under management. Consequently, we are not eligible to continue our registration with the U.S. Securities and Exchange Commission.

We were also registered with the Commonwealth of Pennsylvania from April, 1987 until August, 1997. In 1997, legislation was effective which prohibited an investment advisor from being dually registered with the U.S. Securities and Exchange Commission and a state securities agency. Consequently, our previous Pennsylvania registration was withdrawn in August, 1997.

Item 3 – Table of Contents

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Item 4 – Advisory Business

Our firm was founded in 1987 by Walter W. Buckley, Jr. and David L. Muething. Effective January 1, 2016, Walter W. Buckley, Jr. resigned as an employee of the firm. Mr. Muething currently serves as portfolio manager for all clients of the firm.

The firm is owned and controlled 100% by Mr. Muething.

We are a small firm with only two employees. The loss of either of these employees would seriously impact our operations and our ability to provide services to our clients.

We provide portfolio management services on an individual basis to our clients. We do not provide pooled investment vehicles whereby our clients own portions of a fund which we manage. We do not manage hedge funds. We also do not invest any of our clients' assets in hedge funds managed by others.

We tailor our portfolio management services to the individual circumstances and investment objectives of our clients. We seek to understand these circumstances and objectives both at the beginning of a relationship, as well as through ongoing communication.

Our client portfolios generally contain a combination of the following asset classes: common stocks, preferred stocks (both convertible and non-convertible), government bonds, corporate bonds (both convertible and non-convertible), municipal bonds, mutual funds (including closed-end, open-end, and exchange traded funds), and cash and equivalents. Most of our client portfolios are balanced accounts which contain a combination of two or more of these asset classes. We do have several accounts which are concentrated mainly in one asset class.

The combination of asset classes utilized for a particular client will vary both by client and market conditions. The particular securities within an asset class will also generally vary by client. Even for clients with broadly similar investment objectives, portfolios may differ substantially. The timing of cash flows into and out of a portfolio will have a major impact on the composition of a portfolio.

We do not act as a custodian for our clients' assets. Details regarding custody arrangements are provided in **Item 15**.

We are not licensed as brokers and do not act as brokers for any transactions involving our clients' assets. Details regarding our brokerage procedures are provided in **Item 12**.

As of December 31, 2018, we have one client who is participating in a wrap fee program sponsored by a brokerage firm. This arrangement was selected by our client. This account is managed in a way similar to other accounts with similar investment objectives.

As of December 31, 2018, the assets under management for our firm totaled \$81,511,392.00. All of these assets are managed on a discretionary basis.

Item 5 – Fees and Compensation

Our standard annual fee structure is as follows:

On the first \$2 million of assets	1.00% of assets
On the next \$3 million of assets	0.75% of assets
On the excess over \$5 million of assets	0.50% of assets

The standard fee structure is subject to modification based on negotiation between us and the client. Such modifications may include incentive fee arrangements related to account performance. Any such arrangements will comply with SEC rules.

Fees are billed quarterly, in arrears, by applying one-quarter of the applicable annual rate to the market value at the end of the quarter. We never require prepayment of any fees.

With respect to termination procedures, an investment advisory agreement between us and a client, once initiated, will continue in effect until terminated by either party by giving to the other party notice in writing at least thirty (30) days prior to the date of termination. In addition, a client may at any time, without prior notice, order us to immediately cease activity with respect to the client's account. In the event an agreement is terminated prior to the end of a calendar quarter, the client will be billed for services performed in the final quarter on a pro-rata basis. Since, as stated above, we will not require any pre-payment of fees, there will be no refund due to a client when an agreement is terminated.

Upon entering into an investment advisory agreement with us, a client may within five business days terminate the agreement without any obligation, including any obligation to pay any compensation to us.

All bills are sent directly to clients. At their election, clients may opt to pay bills out of the accounts which we are managing. However, clients must authorize the payment of each individual bill directly to the custodian. At a client's direction, we may facilitate this process by sending a copy of the bill to the custodian.

Clients who have funds invested in mutual funds will bear a pro-rata portion of the expenses charged by a mutual fund including advisory and administrative costs. We do not receive any share of the mutual fund fees nor do we receive any other compensation from the mutual fund's sponsor.

We do not receive any compensation other than directly from clients. In particular, we receive no compensation from the sponsors of any investment products which are included in client portfolios.

Brokerage commissions incurred in buying or selling securities for a client's portfolio will impact the performance of the portfolio. Refer to **Item 12** for information regarding our brokerage practices and policies.

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

We have one account for which we charge a performance-based fee. We have managed this account since 1992 with the same fee structure in effect since that time. This fee is determined as a variable percentage of assets based on the performance of an account relative to an index. The applicable percentage ranges from 0.5% to 1.5%.

This account is primarily dedicated to convertible securities. The account is managed for long-term total return. This account is managed in a way similar to other accounts with similar investment objectives. We do not believe the existence of this performance-based fee has caused any conflicts with other accounts.

Item 7 – Types of Clients

Our clients include individuals, businesses, and non-profit organizations. The only precondition imposed is a minimum initial account size of \$1,000,000. This minimum may be waived by us under certain circumstances. The firm's standard fee structure is subject to modification through negotiations. All of these assets are managed on a discretionary basis. Of the total clients, more than 50% are high net worth individuals. The balance are either pension/profit sharing plans, corporations, or charitable organizations.

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

As noted in *Item 4*, our client portfolios generally contain a combination of the following asset classes: common stocks, preferred stocks (both convertible and non-convertible), government bonds, corporate bonds (both convertible and non-convertible), municipal bonds, mutual funds (including closed-end, open-end, and exchange traded funds), and cash and equivalents. Most of our client portfolios are balanced accounts which contain a combination of two or more of these asset classes. We do have several accounts which are concentrated mainly in one asset class.

All of these investment classes, with the possible exception of cash and equivalents, are subject to investment risks. Investment risks are generally considered to be related to the degree to which an investment's value will be subject to fluctuation or volatility over time. This is generally the sense in which we use the term in this discussion. It should be noted that there are other possible sources of risk. In the case of bonds, the degree of certainty of ultimate repayment is another way to measure risk. Liquidity risk is the degree to which an investment's value may be promptly realized in the financial markets. Purchasing power risk is the degree to which an investment's value may fail to keep pace with inflation. Income risk is the chance that an asset's or portfolio's income will fall below expected levels. These and other types of risk are all relevant for investors.

While it is possible to measure precisely the historical price volatility of a particular asset or asset class, prediction of future volatilities is itself subject to uncertainty. Volatilities can and do change over time depending on the economic environment.

Risks and volatilities can be considered at the level of the individual asset and also at the portfolio level. At the portfolio level, diversification benefits can impact the overall level of risk as measured by fluctuations in portfolio values.

For each of the asset classes listed above, we have included a brief discussion regarding the types and sources of risk faced by investors in that asset class. We proceed generally from less risky to more risky, although there is considerable overlap. For example, a risky corporate bond may be more risky than a conservative common stock.

For government bonds, a potential investor faces both interest rate and repayment risk. Changes in the overall level of market interest rates will, in general, affect the prices of all outstanding bonds, including government bonds. The price volatility will, in general, be greater the longer the time remaining to maturity. Government bonds also entail repayment risk. For bonds issued by the U.S. government, such repayment risk has historically been considered very slight. This is not true for many other governments. Historically, defaults on government debt have been numerous.

Item 8 (cont.)

For corporate bonds, investors also face both interest rate and repayment risks. Repayment risks are generally more significant than for government bonds. The degree of repayment risk varies widely for different issuers of corporate bonds. The degree of risk also varies over time for specific issuers. Credit ratings published by organizations such as Standard & Poor's or Moody's have traditionally been used by investors to evaluate the degree of repayment risk for corporate bonds. While we consider such ratings, we believe they are of limited value in the assessment of corporate bonds. We rely heavily on our own assessment of an issuer's financial strength.

In some cases, we have investments for our clients in corporate bonds which are rated below investment grade by ratings agencies. These are commonly referred to as junk bonds. These bonds, in general, have a higher repayment risk and are also subject to a higher degree of price volatility than higher rated bonds. We have in the past had occasions where the issuers of these bonds have defaulted. In such cases, we have incurred substantial or total loss of the investment.

Convertible corporate bonds are a subcategory of corporate bonds in which the investor has an option to convert the bond into common stock. Because of this option, the value of the corporate bond investment will, in general, be affected by fluctuations in the company's common stock price. This introduces an additional element of risk. Investors in convertible bonds are still subject to interest rate and repayment risk, and they are also subject to risks deriving from risks which affect the common stock price. A majority of the convertible bonds in which we have invested our clients' assets are rated below investment grade. This is a reflection of the greater degree of repayment risk as discussed above.

Preferred stocks are similar to bonds in that they provide a set payment to the investor in the form of dividends. However, there is an important difference. Preferred dividends may be omitted by a company's board of directors without causing a legal default and possible bankruptcy. This creates an additional risk for investors in preferred stock relative to the bonds of the same company. We have in the past had occasions where dividends on preferred stocks in our clients' portfolios were omitted. This resulted in a loss of income for our clients.

Convertible preferred stocks are a subcategory of preferred stocks in which the investor has an option to convert the preferred stock into common stock. Because of this option, the value of the preferred stock investment will, in general, be affected by fluctuations in the company's common stock price. This introduces an additional element of risk.

Common stocks are traditionally considered the most risky of the basic asset classes. Historically, the volatility of common stock prices is higher than that for bonds. Legally, common stockholders are in an inferior position compared to bondholders and preferred stockholders. This makes the common stock more sensitive to fluctuations in corporate prospects. It should be noted that these are generalizations and a particular corporate bond may well be riskier than the common stock of a different company.

For mutual funds, the risks of an investment are related to the risks of the assets in which the fund invests. There are two additional risks. First, a particular mutual fund will have numerous holdings. Our knowledge regarding some of these holdings will be very limited. Second, for so-called closed-end mutual funds, the market price can in general differ from the net asset value, sometimes to a significant degree. This introduces an additional element of risk.

Item 8 (cont.)

In addition to evaluating the risks of individual securities, we also believe it is important to consider risk at the portfolio level. Diversification is an important tool to control portfolio risk. We consider diversification in several ways. We consider concentrations in a particular security. We also consider concentrations by industry group or asset class. An important concept in this regard is that of correlation, the degree to which two assets tend to move together. Just as with volatility, the prediction of future correlations is very imprecise. For example, in the market crash of 2008-2009, many assets tended to move together in a downward direction to an extent that exceeded historical patterns. As a result, many of our clients suffered losses in this period to a greater degree than we anticipated.

In addition to the risks discussed above, our clients may be exposed to significant liquidity risk. This is the risk that a prompt sale of assets may not be possible on favorable terms. Many of the bonds and preferred stocks in which we invest are significantly less liquid than common stocks.

Item 9 – Disciplinary Information

For this item, the SEC requires disclosure of legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or our integrity.

The SEC has provided a list of specific legal and disciplinary events presumed to be material for this item. None of the listed events apply to our firm or employees.

The SEC has indicated that the list of items is not meant to be exhaustive, and that there may be other items which should be disclosed. Such items should be disclosed if they are material to a client's or prospective client's evaluation of our business or integrity. In our opinion, there are no such items.

Item 10 – Other Financial Industry Activities and Affiliations

Kenneth G. Langone, who formerly held a limited partnership interest in the firm, is Chairman and President of Invemed Associates. Mr. Langone no longer has any financial interest in our firm, does not participate in the management or operations of our firm, is not employed by us, and does not serve as an investment advisor to our clients.

Our firm has a significant brokerage arrangement with Invemed Associates. In 2018, approximately 50% of our total brokerage business (as measured by aggregate commission dollars) was conducted through Invemed Associates. For further information on our brokerage practices, please refer to ***Item 12***.

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

We have adopted a written Code of Ethics. The Code sets forth standards of conduct and requires compliance with federal securities laws. Our Code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our firm and/or our employees may, from time to time, hold a position in a security which is also held in client portfolios managed by us. Our policy is that, in cases where our firm or our employees may wish to purchase or sell a security which is also being purchased or sold for client accounts, the transactions for clients will have priority. Personal or firm accounts may be included in an aggregated trade only if inclusion will not limit the allocation to other clients. See **Item 12** for a further discussion of aggregated trades.

Item 12 – Brokerage Practices

General

As explained in **Item 4**, our firm is not a licensed broker. As such, we utilize a third-party broker for all transactions involving the assets which we manage. The costs of these transactions are borne by our clients in the form of additional costs for purchases or reduced proceeds from sales. Our goal is to carefully control overall transaction costs in order to maximize value for our clients. Total transaction costs are a product of the average transaction costs per trade as well as the number of transactions, or turnover, within an account.

It is important to understand that control of transaction costs is not equivalent to obtaining the lowest per-share commission costs. As explained in **Item 4**, our clients' portfolios are generally composed of multiple asset classes including bonds and stocks. As of December 31, 2018, common stocks comprised approximately 21% of total assets under management while corporate bonds comprised 47%. Transactions involving assets such as corporate bonds require specialized expertise on the part of brokers. Markets for such securities are generally less transparent than that for common stocks. As such, overall transaction costs depend more on the quality of bid and ask prices than they do on commission levels. Very often, explicit commissions are not charged on bond transactions, but rather are built-in to the transaction price. In evaluating and negotiating commissions, we take into account quality and capability, as well as the level of commissions.

We believe that we have been successful in carefully controlling transaction costs. The commission costs for particular clients will vary. For example, portfolios in start-up or wind-down mode will have a higher level of transactions and, therefore, a higher level of commission costs.

Selection of Brokers

The method of selecting brokers is dependent upon the nature of the custody arrangement for a particular client. In all cases, there is a third party custodian involved since our firm does not act as a custodian. Such custodian is a bank or brokerage firm with the appropriate capabilities. In all cases, the custodian is chosen by the client, although we may suggest to the client one or more institutions as potential custodians.

If the custodian is a bank, we will normally have the ability to select different brokers for different trades for the account. This arrangement is more typical for large accounts employing multiple investment managers. In selecting a broker for a particular trade, consideration is given to our assessment of the ability of a broker to execute a particular trade as well as commission levels. As of December 31, 2018, we had only one client with this form of custody arrangement.

Item 12 (cont.)

In cases where a brokerage firm, or a clearing firm for a brokerage firm, acts as custodian, it is customary for a large percentage or all of the trades for that account to be executed through that brokerage firm. In these cases commissions applicable to the account may be negotiated between the client and brokerage firm or they may be negotiated between us and the brokerage firm. In deciding whether to recommend that a client consider a particular brokerage firm as a custodian, we will consider commissions to be charged by that broker among other factors.

In cases where a client selects a brokerage firm to execute trades other than one which we have recommended, this may impair our ability to obtain best execution for such client. The level of commissions may be higher for such a client, and the execution quality may be inferior, compared to what would be attainable if we were to select the brokerage firm.

Research Services

In certain cases, we receive research materials from brokerage firms with whom we do business. These materials include general information regarding the economy and securities markets, as well as information regarding particular companies. The materials may be delivered electronically or in hard copy. These materials are generally not available on a commercial subscription basis and there are no specific quotas for brokerage commissions in order to receive such services.

In general, due to the nature of the research services provided, it is not possible to segregate and estimate precisely the benefits accruing to each individual client from such services. Research services received by us will, in general, benefit all clients.

We do not have any so-called "soft dollar" arrangements whereby we utilize brokerage commissions to pay for commercially available subscription, database, or software products.

Directed Brokerage

In certain cases, clients may wish to use brokerage commissions to pay for research or other services provided directly to the client. In some such cases, the client may dictate the brokerage firm to be used and the commission rate to be charged. In other cases, the client will determine the firm to be used but we will negotiate the commission rate on behalf of the client. In the case of directed commissions such as described in this paragraph, the services are provided directly to the client paying for the services and thus benefit only that client. We do not have any arrangements of this type at this time.

Item 12 (cont.)

Aggregated Trades

In cases where we wish to purchase the same security for several accounts at the same time, we may decide to utilize what is called "block trades." This is a technique whereby an order is placed with a broker for a combined quantity of a security to be allocated among two or more accounts. This is done to insure that clients are treated fairly and for efficiency.

As noted above, certain clients utilize brokerage firms or clearing firms as custodians. In these cases, the usual practice is for all or almost all of the trades for that client to be done with that brokerage firm. For clients utilizing brokerage firms as custodians, such clients can be included in a block trade only if their custodian is the executing broker.

In order to insure equitable treatment of clients participating in block trades, we have adopted certain policies which apply to such trades. These policies require that all clients participating in a block trade receive the same average price. The allocation for a trade must be documented in writing at the time of the trade. In the event an order is only partially filled, the allocation should generally be done on a pro-rata basis. Any deviation from a pro-rata allocation, and the reasons, should be documented in writing.

Trade allocations must be communicated to the executing broker promptly upon completion of a trade. Any changes to an allocation made after trade date must be documented in writing and these trades should be reviewed by the Chief Compliance Officer.

Proprietary or related accounts are included in a block trade only if inclusion will not limit the allocation to other clients.

Important Brokerage Relationships

We have two brokerage relationships which are particularly important to our business.

In 2018, approximately 33% of our total brokerage business (as measured by aggregate commission dollars) was conducted through Morgan Stanley.

In 2018, approximately 50% of our total brokerage business (as measured by aggregate commission dollars) was conducted through Invemed Associates. The custodian for these accounts is National Financial Services LLC.

Kenneth G. Langone, who formerly held a limited partnership interest in the firm, is Chairman and President of Invemed Associates. Mr. Langone no longer has any financial interest in our firm, does not participate in the management or operations of our firm, is not employed by us, and does not serve as an investment advisor to our clients.

Item 13 – Review of Accounts

Formal reviews of each account are conducted at least quarterly. Formal reviews of accounts with clients are scheduled as requested by the client.

We provide reports to clients based on an agreed upon format and frequency. In addition to reports from us, if applicable, clients receive monthly reports from the custodian. These monthly reports include statements of assets and reports of transactions.

Item 14 – Client Referrals and Other Compensation

We do not receive any compensation from non-clients. In particular, we receive no compensation from the sponsors of any investment products which are included in client portfolios.

We do not pay any referral fees or any other compensation to anyone for soliciting clients on our behalf.

Item 15 – Custody

Our firm does not act as custodian for our clients' assets. In all cases, there is an independent custodian which holds the assets which we manage for our clients.

Such custodian is a bank or a brokerage firm with appropriate capabilities. In all cases, the custodian is chosen by the client, although we may suggest to the client one or more institutions as potential custodians. As discussed in **Item 12**, the nature of the custody arrangement has significant implications for brokerage procedures.

In particular, if a brokerage firm is chosen as custodian, all or most of the transactions for that account will be executed through that broker.

We have two custodial relationships which are particularly important to our business. We have a significant number of clients where the custodian is Morgan Stanley. We also have a significant number of clients where the custodian is National Financial Services LLC acting as clearing agent for Invemed Associates. For the implication of these custodial relationships for our brokerage practices, please refer to **Item 12**.

Kenneth G. Langone, who formerly held a limited partnership interest in the firm, is Chairman and President of Invemed Associates. Mr. Langone no longer has any financial interest in our firm, does not participate in the management or operations of our firm, is not employed by us, and does not serve as an investment advisor to our clients.

In all cases, reports on client assets and transactions are provided by custodians directly to clients. Since these reports are prepared without any input from us, they are an important source of independent information for our clients.

Clients are urged to carefully compare information from the custodian with any information which we provide. This includes information regarding account performance and billings for management fees.

Any discrepancies should be brought to our attention.

Item 16 – Investment Discretion

We provide discretionary investment management services. In general, there are no limitations on our authority, either with respect to the securities to be bought or sold, or the amount of securities to be bought or sold. However, in some cases clients may impose certain restrictions regarding the characteristics of securities which may be bought or held in a particular account. All exercise of discretionary authority by us is pursuant to expressed authority granted to us under a management services contract.

Item 17 - Voting Client Securities

Clients may choose to delegate the voting of proxies to us. The clients may request from us a copy of the voting record for their proxies at any time.

In voting proxies for our clients, the overriding principle is that proxies should be voted in a manner designed to enhance the value of the investment. While we believe that management and the board of directors should be given broad latitude in running the company, shareholders have an essential role in corporate governance. The specific issues on which votes are cast will vary by company and by year. A more detailed description of our proxy voting procedures is available upon request.

Item 18 – Financial Information

In this item, the SEC requires us to disclose certain information regarding the financial condition of our firm. Specifically, because we have discretionary authority over our client's assets, the SEC requires that we disclose any condition that is reasonably likely to impair our ability to meet our contractual commitments to clients.

We believe our financial condition is sound. We have been in business for over thirty years. We have always maintained a sound financial condition. We have in the past, and will in the future, take any steps required to maintain a sound financial condition.

BUCKLEY MUETHING CAPITAL MANAGEMENT CO.

Form ADV Part 2B

***Brochure Supplement
for
David L. Muething***

Item 1 – Cover Page

Name: David L. Muething

Name of Firm: Buckley Muething Capital Management Co.

Address: One Bethlehem Plaza
Bethlehem, PA 18018

Country: U.S.A.

Telephone: 610-694-9500

Facsimile: 610-954-9761

Date: February 21, 2019

This brochure supplement provides information about David L. Muething that supplements the Buckley Muething Capital Management Co. brochure. You should have received a copy of that brochure. Please contact Jo Ann MacLean at the above telephone number if you did not receive Buckley Muething Capital Management Co.'s brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

DAVID L. MUETHING

Professional Experience

2014 – Present	President Buckley Muething Capital Management Co. Bethlehem, PA
1987 – 2013	Partner Buckley Muething Capital Management Co., Bethlehem, PA
1986 – Present	Adjunct Assistant Professor teaching courses on investments and finance, Lehigh University, Bethlehem, PA
1981 – 1987	Investment Officer, Pension Trust Investment Analyst, Pension Trust Bethlehem Steel Corporation, Bethlehem, PA
1978 – 1981	Assistant Professor of Economics Instructor of Economics Swarthmore College, Swarthmore, PA
1975 – 1977	Legislative Assistant to U. S. Representative Willis D. Gradison, Jr., U.S. House of Representatives, Washington, D. C.

Education

Massachusetts Institute of Technology, Cambridge, MA – Ph.D.
(Economics) – 1980
Boston College, Boston, MA – M.A. (Economics) – 1973
Boston College, Boston, MA – A.B. – 1973
Institute of Chartered Financial Analysts – C.F.A. – 1990 (See next page for an
explanation of the CFA designation.)

Civic Activities

Member, Board of Trustees, St. Luke's Hospital

Year of Birth

1951

Item 2 (cont.)

Background on CFA Designation

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute – the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders – often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

Background on CFA Designation (cont.)

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit www.cfainstitute.org.

Item 3 – Disciplinary Information

For this item, the Securities and Exchange Commission (SEC) requires disclosure of legal or disciplinary events that are material to a client's or prospective client's evaluation of the integrity of the person to whom this brochure applies.

The SEC has provided a list of specific legal and disciplinary events presumed to be material for this item. None of the listed events apply to Mr. Muething.

The SEC has indicated that the list of items is not meant to be exhaustive, and that there may be other items which should be disclosed. Such items should be disclosed if they are material to a client's or prospective client's evaluation of the person's integrity. In our opinion, there are no such items.

Item 4 – Other Business Activities

Part A – Investment Related Activities

In this item, the SEC requires the disclosure of any outside investment-related business or occupation in which the person to whom this brochure applies is engaged. There are no such activities which apply to Mr. Muething.

Part B – Non-Investment Businesses or Activities

In this item, the SEC requires the disclosure of any other business or occupation engaged in for compensation which provides a substantial source of the person's income or involves a substantial amount of the person's time.

Mr. Muething is occasionally employed as a part-time instructor at the university level. The income derived from this activity is not significant. The time commitment does not interfere with the performance of his duties for our firm.

Item 5 – Additional Compensation

In this item, the SEC requires that we disclose whether the supervised person receives any compensation from a non-client source for activities related to our firm. This would include any sales commissions for products purchased by our clients. There is no such compensation received from third parties.

Item 6 – Supervision

As explained in Item 4 of our firm brochure, we are a small firm. We have only two full-time employees. Mr. Muething serves as chief compliance officer for the firm. Contact information for Mr. Muething is as follows:

David L. Muething
Telephone: 610-694-9500