



**WELCH**  
**INVESTMENT**  
**GROUP, LLC**

This brochure provides information about Welch Investment Group, LLC ("Welch Investment Group"). If you have any questions about the contents of this brochure, please contact us at 541-474-6616 or [info@welchig.com](mailto:info@welchig.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.

Additional information about Welch Investment Group is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

We are a Registered Investment Advisor Firm. Our registration does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

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**ITEM 1 – COVER PAGE ADV PART 2 A**

MARCH 31, 2020

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[INFO@WELCHIG.COM](mailto:INFO@WELCHIG.COM)  
(541) 474-6616

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**ITEM 2 – MATERIAL CHANGES**

This brochure, dated March 31, 2020, has been prepared by Welch Investment Group to meet SEC requirements. This section of the brochure will address only those “material changes” that have been incorporated since our last annual posting of this document on the public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

It has changed materially since our last annual offering in the following ways:

- Item 4: Assets under management have been updated.
- Item 4,5, 13 and 7: Financial planning services are no longer offered. The corresponding language has been removed.

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## ITEM 4 – ADVISORY BUSINESS

### 4a: Firm Description

Welch Investment Group was established in March 1996 by James Steven Welch (“J. Steven Welch”) initially as a sole proprietorship and then converted to an LLC. The firm’s main office is located in Grants Pass, Oregon.

#### 4a1: Principal Members

J. Steven Welch: Mr. Welch may be contacted at [steve@welchig.com](mailto:steve@welchig.com) or (541) 474-6616.

Joshua O. Welch: Mr. Welch may be contacted at [josh@welchig.com](mailto:josh@welchig.com) or (541) 474-6616.

### 4b: Types of Advisory Services

Welch Investment Group offers a variety of investment advisory services to our clients. We work with our clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their clients’ financial goals and objectives. We may create a portfolio, consisting of, but not limited to individual stocks or bonds, exchange traded funds, no-load funds and/or load-waived funds (front-end commissions will not be charged).

Each portfolio will be initially designed to meet a particular investment goal, which Welch Investment Group has determined to be suitable to our client’s circumstances. Once the appropriate portfolio has been determined, we will review the portfolio and rebalance the account based upon our client’s individual needs, stated goals and objectives. Welch Investment Group’s strategy, generally, will be to seek to meet client investment objectives while providing clients with access to personal advisory services.

### 4c: Client Tailored Relationships and Restrictions

As a fiduciary, Welch Investment Group always acts solely in your best interests. Your portfolio is customized based on your investment objectives. You may make requests or make suggestions regarding the investments made in your portfolio. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored and if forced may result in the termination of our agreement.

Similarly, you are under no obligation to act upon Welch Investment Group’s or associated person’s recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transaction through Welch Investment Group or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

### 4d: Wrap Fee Program

Welch Investment Group does not sponsor nor provide portfolio management services to a wrap fee program.

### 4e: Assets under Management (AUM)

Welch Investment Group, as of December 31, 2019, has \$157,126,110 in discretionary, reportable Assets under Management.

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## ITEM 5 – FEES AND COMPENSATION

### 5a: Fee Schedules

Investment Management Fees

Assets Under Management	Annual Fee (%)
\$0 to \$1,000,000	0.80%
\$1,000,001 and above	0.60%

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded.

The fee includes the time and activities necessary to work with your attorney and/or accountant in reaching agreement on solutions, as well as assisting them in implementation of all appropriate documents. We are not responsible for attorney or accountant fees charged to you as a result of the above activities.

Compensation for our services will be calculated in accordance with what is set in the client’s agreement. We may modify the terms of any agreement by written changes submitted to the client for signature. All Investment

Advisors are required to disclose to their clients that lower fees for comparable services may be available from other sources.

#### **5b: Fee Payments Options**

##### ***Investment Management Fees***

Welch Investment Group fees are paid from your account by the custodian when we submit an invoice to them. The invoice we submit shows the amount of fees, the value of your assets on which the fees are based, and the specific manner in which the fees are calculated. If there is insufficient cash in your account to pay your fees, an equal balance of securities in your portfolio may be sold to pay our fee. In addition to our fees, there may be custodial, mutual fund or similar third party management fees and charges.

#### **5c: Third Party Fees**

All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us. While we take measures to ensure the fees charged are accurate, it is your responsibility to ensure the amount of fee charged is correct. In addition to statements sent by us, you will receive statements directly from these brokers, custodians or mutual funds or other investments you hold. We strongly urge you to compare these statements for accuracy.

#### **5d: Fee Payments**

##### ***Investment Management Fees***

Welch Investment Group fees are paid quarterly in arrears, with payment due within 10 days from the date of the invoice. A late charge of 1 ½ percent per month will be charged upon any balance unpaid within one month of the invoice date. The fee will be equal to the respective percentage per annum below based on the market value of the Account on the last trading day of the previous quarter. Our fee is determined by taking the percentage rate we charge, divided by four, times the market value of the account at quarter end. The market value is the sum of the values of all assets in the account, adjusted by any margin debt. Fees for partial quarters at the commencement of our agreement will be billed on a pro-rated basis contingent on the number of days the account was open during the quarter.

##### **5.d.1: Termination**

Either Welch Investment Group or our clients can terminate our agreement upon receipt of written notice to the other party, to include written agreement to changes by the client.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. Custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good-faith estimate of these fees.

#### **5e: Other Investment Compensation**

Welch Investment Group does not accept commission for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Welch Investment Group does not charge advisory fees on the performance of funds or securities in your account.

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### **ITEM 7 – TYPES OF CLIENTS**

Welch Investment Group generally provides asset management services to the following types of clients:

- Individuals / High-Net-Worth Individuals
- Trusts
- Estates
- Charitable Organizations
- Corporations or Other Business Entities
- Pension Consulting

#### ***Minimum Account Size***

Welch Investment Group does not have an account minimum. However, we may decline to accept clients with smaller portfolios.

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## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### 8a: Analysis

Welch Investment Group uses multiple sources of information to obtain analysis and strategies. They include sources such as financial newspapers, financial magazines, research prepared by others, prospectuses and annual reports and filings with the SEC.

### 8b: Investment Strategies

Welch Investment Group utilizes multiple investment strategies to meet your investment objectives. These methodologies are formulated based on a comprehensive review and assessment of your expectations, investment time horizon, risk tolerance, present allocations, and current and projected financial requirements.

Ultimately, each strategy must maximize return within reasonable and prudent levels of risk. Also, the approach taken must provide exposure to a wide range of investment opportunities in various markets while limiting risk exposure through prudent diversification. Finally, the costs of administering and managing the investments related to the strategy cannot be excessive.

### 8c: Risk of Loss

All investments include a risk of loss. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts and expertise to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

Welch Investment Group will use our best judgment and good faith efforts in rendering services to you. We cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. You assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, we will not be liable to you for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by Welch Investment Group with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from our adherence to your instructions; or (c) any unauthorized act or failure to act by a custodian of your account. Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

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## ITEM 9 – DISCIPLINARY INFORMATION

### 9a: Civil or Criminal Actions

Welch Investment Group and its managers have never been found guilty, convicted or plead no contest to a criminal or civil action in a domestic, foreign or military court.

### 9b: Administrative Enforcement Proceedings

Welch Investment Group and its managers have never been found by the SEC, any other state or federal agency or any foreign regulatory agency to have caused loss of the ability of an investment-related business to do business or been sanctioned, barred or limited in investment-related activities.

### 9c: Self-Regulatory Organization Enforcement Proceedings

Welch Investment Group and its managers have never been found by a self-regulatory agency to have caused loss of the ability of an investment-related business to do business. Additionally, Welch Investment Group and its managers have never been found in violation of self-regulatory agencies rules such that they were barred, suspended, limited in advisory functions or fined.

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## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### 10a: Broker Dealers and Registered Representatives

Welch Investment Group is not registered as a broker-dealer and our employees are not registered representatives of any broker-dealer.

### 10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Welch Investment Group nor our employees hold any of the above registrations.

**10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither Welch Investment Group nor our employees have any relationships or possible conflicts of interest as it relates to this advisory business.

Welch Investment Group will disclose any material conflict of interest relating to Welch Investment Group, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

**10d: Selection of Other Advisors and How this Advisor is Compensated for those Selections**

Welch Investment Group does not select other advisors.

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**ITEM 11 – CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING****11a: Code of Ethics Description**

Welch Investment Group has adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you and to stress the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

Welch Investment Group's Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity. A complete copy of our Code of Ethics will be supplied to you, free of charge, if you request it.

Welch Investment Group's Code of Ethics includes the following:

- Requirements related to the confidentiality of your personal, business and financial information
- Prohibitions on insider trading (if we are in possession of material, non-public information)
- Reporting of gifts and business entertainment
- Pre-clearance of employee and firm personal securities transactions
- Employees are prohibited from making any personal securities transactions in a security purchased for any client for 24 hours ("Blackout Period") before and immediately following the relevant client trade
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by regulation)
- On an annual basis, we require all employees to re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (they "own" the account or have "authority" over the account), securities held in certificate form and all securities they own at that time

**11b, c & d: Participation or Interest in Client Transactions**

Subject to the Blackout period discussed above, Welch Investment Group, or its employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our clients. In some cases, Welch Investment Group, or its employees, may buy or sell securities for our own accounts and not for clients' accounts, as it may not meet the objectives for the client.

If an employee personal trade was made in error during the Blackout Period and the employee received a better buy or sell price than a client trade in the same security, Welch Investment Group will donate the difference between the employee personal trade and the client trade to a charity of the firm's choice.

Welch Investment Group will always maintain full disclosure with our clients so that you can make informed decisions. We will always evaluate our activity from the view of our clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause you to be unfairly influenced to make any decision regarding actions or inactions in your account.

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**ITEM 12 – BROKERAGE PRACTICES****12a: Selecting Brokerage Firms**

As part of our services, Welch Investment Group will recommend a broker-dealer. We have selected our broker-dealers based on price, reliability, speed of processing, tools and "best execution" in addition to other considerations. And while you are not required to effect transactions through any broker-dealer recommended by us, we feel we have made our selections based on a totality of benefits they offer.

Welch Investment Group may purchase software, tools, training programs or seminar services from our broker-dealer. Additionally, broker-dealers may provide services, tools or other non-financial benefits to us as a benefit for using the broker-dealer's services. However, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing our choice of a broker-dealer.

To avoid creating a possible conflict of interest in recommending broker-dealers, we have established the following restrictions in order to ensure its fiduciary responsibilities:

- Welch Investment Group adheres to our Code of Ethics as outlined in Item 11 above.
- If Welch Investment Group receives separate compensation for transactions, we will fully disclose them.
- Welch Investment Group emphasizes the unrestricted right of you to select and choose your own broker or dealer.
- Welch Investment Group will always act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

### **12b: Sales Aggregation**

Welch Investment Group is authorized to aggregate purchases and sales and other transactions made for your account with purchases and sales and other transactions in the same or similar securities or instruments for other clients of ours. When we aggregate transactions, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price obtained. Stock exchange regulations may in certain instances prevent the executing broker-dealer from delivering to the account a confirmation slip with respect to its participation in the aggregated transaction and, in such event, we will advise you in writing of any purchase or disposition of instruments for the account with respect to any such aggregated transaction. We will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to you.

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## **ITEM 13 – REVIEW OF ACCOUNTS**

### **13a: Periodic Reviews**

Accounts are reviewed by principals J. Steven Welch or Joshua O. Welch. The frequency of reviews is determined based on your investment objectives, but no less than annually.

### **13b: Review Triggers**

More frequent reviews are triggered by a change in your investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

### **13c: Regular Reports**

All investment advisory clients receive quarterly written statements from Welch Investment Group. Investment advisory clients also receive standard account statements from the custodian of their accounts on a monthly basis. We encourage you to compare reports for accuracy.

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## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Welch Investment Group does not receive economic benefits from third parties for the advice we render to our clients.

### **14b: Compensation to Non-Advisory Personnel for Client Referrals**

Welch Investment Group does not directly or indirectly compensate any person for client referrals.

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## **ITEM 15 – CUSTODY**

In certain instances, our clients may grant written authorization to a qualified custodian which results in Welch Investment Group having custody of client assets. In such instances, Welch Investment Group has limited authority to withdraw client assets upon our instruction to the custodian. With the exception of the aforementioned custody, Welch Investment Group clients' accounts are held by Charles Schwab and Co., Inc. and other than to withdraw advisory fees, Welch Investment Group shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any unauthorized acts of the agents or employees of the custodian and



whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer. As a fiduciary, Welch Investment Group will always act in the client's best interests and in doing so, the above does not limit or modify that duty to our clients. Custodial statements will include fees charged by Welch Investment Group. We strongly urge you to review the investment advisory fees contained in the custodial statement for accuracy.

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#### **ITEM 16 – INVESTMENT DISCRETION**

Welch Investment Group asks our clients to give us discretionary authority to execute transactions without our client's prior approval. These transactions may include the purchase and selling of securities, arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account.

In certain circumstances, we will request non-discretionary authority over our clients' accounts. Non-discretionary authority requires us to obtain your prior approval of each specific transaction prior to executing investment recommendations.

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#### **ITEM 17 – VOTING CLIENT SECURITIES**

Welch Investment Group does not vote proxy vote on behalf of clients. If you wish to have your proxies voted, you should ensure that proxy ballots are mailed directly to you or to a third-party representative (non-advisory personnel).

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#### **ITEM 18 – FINANCIAL INFORMATION**

##### **18a: Balance Sheet**

Welch Investment Group does not solicit prepayment of more than \$1,200 in fees per client six (6) months in advance.

##### **18b: Financial Conditions**

Welch Investment Group has no financial issues that could impair our ability to carry out our fiduciary duty to our clients.

##### **18c: Bankruptcy Petition**

Welch Investment Group has never been the subject of a bankruptcy petition.