



W H E L A N  

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F I N A N C I A L

A REGISTERED INVESTMENT ADVISOR

# Part 2A of Form ADV: **Firm Brochure**

March 5, 2020



## Whelan Financial

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03/05/2020

This brochure provides information about the qualifications and business practices of Whelan Financial. If you have any questions about the contents of this brochure, please contact us at 559.228.8002 or [info@whelanfinancial.com](mailto:info@whelanfinancial.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 Whelan Financial is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 107227.





## II. Material Changes

No material changes.

Our Firm Brochure may be amended periodically. You may request a copy of our Firm Brochure at any time by contacting us at 559.228.8002.

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## IV. Advisory Business

Whelan Financial, a California corporation, is a SEC-registered investment advisor with its principle place of business located in Fresno, California. Vincent J. Whelan, CFP®, President, established Whelan Financial, in its original form, in 1988.

Whelan Financial offers the following services:

### Individual Portfolio Management

Our firm provides investment management on a discretionary basis. Clients give Whelan Financial authority to make investment decisions on their behalf. These decisions are guided by an Investment Policy Statement (IPS). The IPS is based on the client's individual objectives, time horizons, risk tolerance, and liquidity needs, which are reviewed during our quarterly meetings.

Whelan Financial is restricted from investing outside the approximate approved stock-to-bond ratio as stated in the IPS.

Our investment recommendations are not limited to any security type offered by a broker dealer. In general, we provide advice about no-load mutual funds and exchange traded funds. Recommendations pertaining to individual stocks will be limited to observations about exposure relative to total portfolio value and subsequent risk.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity or suitability.

Once the client's portfolio has been established, it is reviewed no less frequently than quarterly and if necessary, rebalanced to their asset allocation.

### Wealth Management

In addition to the individual portfolio management, we offer our wealth management clients financial planning services.

In order to provide this service, we gather required information from the client; which may include documents and in-depth personal interviews. Information gathered consists of the client's current financial status, tax status, future goals, return objectives and attitudes toward risk. We carefully review all of the information and prepare an analysis.

Financial planning is an evaluation of a client's current and future financial state by using assumptions to predict future cash flows, asset values and withdrawal strategies. Clients are presented with an analysis which outlines a detailed financial plan designed to assist the client achieve his or her financial goals and objectives. A copy of the analysis is provided upon request.

The analysis is intended to measure variables known at the time it is developed. Changes in client circumstances or differences in projected variables could materially affect actual results.

In general, the financial plan may address any or all of the following areas:

**Personal Financial Goals:** We help clients identify their short, intermediate, and long-term goals and measure their impact on the financial plan.





**Tax & Cash Flow:** Taxes are estimated as part of the cash flow projection and in light of financial strategies. However, we refer the client to their tax advisor for specific calculations and advice.

**Investments:** We build our portfolios to meet the return objective of the financial plan. Assets held outside of Whelan Financial are included in the analysis for projection purposes only. All assets held outside of Whelan Financial's management will not be actively monitored and we cannot advise on the impact that they may have to the financial plan in the future.

**Social Security Planning:** We evaluate the client's social security options using information provided. We make a recommendation for the most suitable strategy considering personal objectives, goals, and financial needs.

**Insurance:** As part of the process above, we provide observations regarding health, life, disability, and long-term care. We do not provide observations on multiple lines insurance. Clients are referred to their agent/broker for specific advice regarding insurance.

**Retirement:** We analyze current savings strategies, retirement plan investment options, expense patterns, and future income expectations to help the client achieve his or her retirement goals.

**Estate:** We make observations on estate planning issues and refer the client to an estate planning attorney when needed.

Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with us, his/her attorney, accountant, insurance agent, and other advisors. Implementation of financial plan recommendations is entirely at the client's discretion. The financial plan receives regular monitoring and is updated if deemed necessary by Whelan Financial.

**Amount of Managed Assets**

As of 12/31/19, we were actively managing \$358,535,710 of clients invested assets on a discretionary basis.

**V. Fees and Compensation**

**Wealth Management Service Fees**

Fees are based upon assets under management (AUM), and as they grow your effective percentage will continue to drop per the following fee schedule:

**AUM Greater Than \$500,000:** 1% of the first \$1,000,000; plus 0.75% on amounts in excess of \$1,000,000, up to \$1,500,000; plus 0.50% on amounts in excess of \$1,500,000.

**AUM Less Than \$500,000:** 1.5% on the first \$250,000; plus 1.25% for amounts in excess of \$250,000, up to \$500,000.

For Example:

Assets Under Management	Annual Effective Rate
\$10,000,000	0.56%
\$5,000,000	0.63%
\$3,000,000	0.71%
\$1,000,000	1.00%
\$500,000	1.00%
\$400,000	1.41%
\$250,000	1.50%

Such fees shall be computed on a quarterly basis and billed in advance at the beginning of each calendar quarter at .25 times the annual rate. The calculation uses account balances as of the last day of each calendar quarter and prorates fees for partial quarters. Fees will be disclosed in writing to the client each quarter.

We retain the discretion to negotiate alternative fees on a client-by-client basis.

Additional fees may be charged for additional service rendered. Any additional services or associated fees will be outlined in a letter of engagement or included in the Asset Management Agreement.

## Billing of Fees

Advisor will sell investments, in a manner consistent with the client's asset allocation, in an amount sufficient to cover up to one year's anticipated fees.

## Payment of Fees

Fees are debited directly from client accounts. Fees for qualified plans are paid out of plan assets to the extent permitted under the Employee Retirement Income and Securities Act of 1974 (ERISA). There are a small number of grandfathered clients whom are invoiced.

## General Information

**Mutual Fund Fees:** In addition to Whelan Financial's asset management fee, clients also pay fees charged by any mutual funds and/or ETF in their portfolios. Such fees are automatically deducted by the mutual fund and/or ETF company and disclosed in the prospectus for each mutual fund or ETF. It is part of Whelan Financial's general policy to recommend no-load mutual funds to clients. Whelan financial does not receive commissions for trades placed in client accounts.

A client could invest in a class of mutual fund or ETF directly, without our services or fees. Clients have the

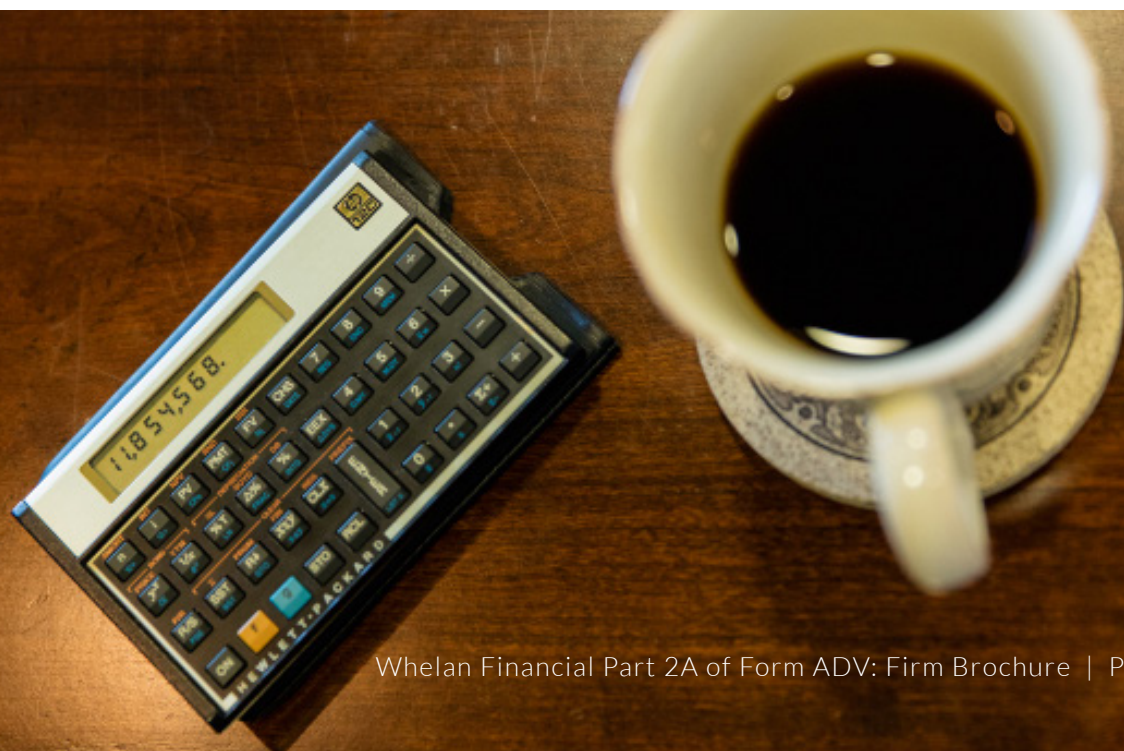
option to select any broker dealer to facilitate their trades, however, if they choose a broker dealer other than Charles Schwab, Whelan Financial may decline to provide service.

## ERISA (Employee Retirement Income and Securities

**Act) Accounts:** Whelan Financial specializes in providing investment management services to qualified plans such as 401(k)s and defined-benefit plans such as cash balance plans.

For these plans we generally act as a 3(38) Fiduciary, unless otherwise indicated by the service agreement. While Whelan Financial is deemed to be a fiduciary to all of our advisory clients, we are also an investment manager (as defined in section 3(38) of ERISA) with respect to certain clients' employee benefit plans. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. Whelan Financial is a level fee fiduciary as outlined by the Department of Labor (DOL) Fiduciary Rule. ERISA Regulation 408(b)(2) requires Whelan Financial to provide annual fee disclosure notices.

**Advisory Fees in General:** Clients should note that advisory services, however different they may be, may or may not be available from other registered investment advisors for similar or lower fees.



**Limited Prepayment of Fees:** Under no circumstances do we require payment of fees more than six months in advance of services rendered.

#### **Wrap Fee Programs and Separately Managed Account**

**Fees:** Whelan Financial does not engage in wrap fee programs or separately managed accounts.

**Termination of the Advisory Relationship:** The Asset Management Agreement may be terminated at any time upon written notice by either party to the other. Any fees collected for any period beyond the termination of the contract is refunded to the client on a pro rata basis. Whelan Financial may decline to provide service.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which Whelan Financial effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item XII) of this Form ADV for additional information.

## **VI. Performance-Based Fees and Side-By-Side Management**

Whelan Financial does not charge performance-based fees.

## **VII. Types of Clients**

Whelan Financial typically accepts clients with a minimum investment size of \$1,000,000 and provides advisory services to the following types of clients:

- High net worth individuals
- Those other than high net worth individuals subject to special consideration
- Trustees of trusts

- Defined-contribution plans such as 401(k)s
- Defined-benefit plans such as Cash Balance plans
- 501(c)(3) non-profit organizations
- Corporations or other businesses not listed above

## **VIII. Investment Strategies, Methods of Analysis, and Risk of Loss**

### **Investment Strategies**

Based on the needs of the client and consistent with the client's investment objectives, risk tolerance, time horizons, financial plan, and other considerations, we combine the following strategies:

**Asset Allocation:** We custom build a portfolio for each client using asset allocation targeting certain percentages of the portfolio over broad categories of investments. When using asset allocation, the target percentages, the ratio of securities, fixed income, and cash will change over time due to market movements. We rebalance periodically to minimize the risk associated with such change.

Whelan Financial does not engage in market timing or focus on individual securities selection. Using asset allocation we custom design client portfolios of mutual funds and ETFs suitable to the client's investment goals and risk tolerance. Security types such as individual Treasuries and CDs are also used.

**Long-Term Strategy:** Using a client's investment objectives, we recommend diversified investments that are appropriate for the client's long-term horizon. We advise exposure to particular asset classes, regardless of the current outlook for this class. Our strategy for the long-term, is to buy, hold, and rebalance.

**Short-Term Strategy:** Should a short-term need arise regarding a client's asset under management, client is advised to reposition appropriate amounts to short-term instruments commensurate with such need.



## Methods of Analysis

Whelan Financial's Investment Committee (Committee) is responsible for researching, approving, and monitoring all investments and portfolio designs offered by Whelan Financial. The Committee regularly re-evaluates the list of selected investments to ensure the investments have maintained their value within the portfolio and their competitive standing against their peer groups.

**Mutual Fund and/or ETF Analysis:** Each investment has been selected from a list of potential alternatives that satisfy the Committee's research and analysis criteria. Initial search parameters include, but are not limited to:

- Expense
- Risk
- Performance
- Rank vs. category
- Manager tenure and track record
- Underlying holdings
- Morningstar® Ratings: Star and Analyst Ratings

**Portfolio Analysis:** Once the funds have been selected, we leverage third-party software to analyze the composition of the underlying holdings in the construction of the portfolio. Each portfolio is designed to meet the client's individual goals, needs, and objectives using parameters established by the Committee such as:

- Stock-to-bond ratio
- Beta spread
- Growth vs. value
- Fixed income quality, maturity and duration
- Geometric market capitalization
- Foreign vs. total stock percentage
- Overlap of underlying investments

Whelan Financial manages portfolios of mutual funds and ETFs. The portfolio will be managed through broad diversification in order to minimize non-systemic (or "business") risk. Systemic (market, interest rate, purchasing power, currency, etc.) risk shall be managed via asset allocation which will diversify the client's portfolio between stock, bond, and other markets as deemed

appropriate by the Committee. The objective of a client's portfolio is to obtain a return, over time, commensurate with the level of risk it has against a suitable and widely used benchmark, such as the Standard & Poor's 500 of the CRSP Total Market Index. The mutual funds that comprise the portfolio, however, have their own assigned manager to select the underlying investments. Please note that past investment performance does not guarantee future results.

**Risks for all Forms of Analysis:** All analysis relies upon the accuracy of information provided by third-party research software. We rely on the assumption that all sources of information about these securities are accurate and unbiased.

**Material Risks of Investing:** Investment in securities involves the potential for loss, which clients should be prepared to bear. A fund may offer several share classes for investment at varying expenses. Whelan Financial may be limited in our ability to select the lowest costing share class. Investors in higher costing share classes generally experience lower returns than investors exposed to lower costing share classes. Whelan Financial is not responsible for the taxes generated from the sale of investments, which may lower a client's net reported gain.



## IX. Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Whelan Financial has no such reportable legal or disciplinary events to disclose.

## X. Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

## XI. Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading

Whelan Financial places the highest priority on maintaining its reputation for integrity and professionalism. That reputation is a vital business asset. The confidence and trust placed in our firm and its employees by our clients is something we value and endeavor to protect. Whelan Financial and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics (Code) but to the general principles that guide the Code.

Whelan Financial's Standards of Business Conduct set forth policies and procedures to achieve these goals. The Code is intended to comply with the various provisions of the Advisors Act and also requires that all supervised persons comply with the various applicable provisions of the Investment Company Act of 1940, as amended, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and applicable rules and regulations adopted by the Securities and Exchange Commission (SEC).

Our firm has adopted a Code which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

The Code includes policies and procedures for the review of employee quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, the Code prohibits any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering (IPO). The Code also provides for oversight, enforcement and record keeping provisions.

The Code further includes the firm's policy prohibiting the use of material non-public information. All employees are reminded that such information may not be used in a personal or professional capacity.

A copy of the Code is available to our advisory clients and prospective clients. You may request a copy by email sent to [info@whelanfinancial.com](mailto:info@whelanfinancial.com), or by calling us at 559.228.8002.

Whelan Financial and individuals associated with our firm are prohibited from engaging in principal transactions and in agency cross transactions.

The Code is designed to assure that the personal securities transactions, activities and interests of Whelan Financial employees will not interfere with our ability to make decisions and implement strategies that are in the best interest of advisory clients while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell, for their personal accounts, securities identical to or different from those recommended to our clients. Additionally, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. All security recommendations, however, must first be approved by the Whelan Financial Investment Committee.

It is the expressed policy of our firm that no person employed by us may knowingly purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

## **XII. Brokerage Practices**

Whelan Financial is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. (Charles Schwab). However, we are best equipped to manage client accounts held at the Institutional division of Charles Schwab, a FINRA registered broker-dealer and SIPC member. As such, we recommend that clients hold (custody) their assets at Charles Schwab. This allows us to affect trades, assist with account maintenance and facilitate client service needs. Although we suggest that clients establish accounts at Charles Schwab, it is ultimately their decision. Whelan Financial has evaluated Charles Schwab and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm in meeting our fiduciary obligations to clients. Not all advisors recommend that their clients use one custodian over another. The use of Charles Schwab may lead to transactions that are potentially not the most favorable available, therefore

costing clients more money. It is Whelan Financial's policy to routinely review Charles Schwab's best execution practices against other custodians to ensure that clients are receiving reasonable value for custodian rates charged. Our review includes comparing overall service received for fees charged.

Charles Schwab provides Whelan Financial with access to its institutional trading and custody services, which are typically not available to Charles Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Charles Schwab.

These services are not contingent upon our firm committing to Charles Schwab any specific amount of business over \$10 million (assets in custody or trading commissions). Charles Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Charles Schwab generally does not charge separately for custody





services but is compensated by account holders through transaction fees and other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab or that settle into Charles Schwab accounts.

Charles Schwab also makes available to our firm other products and services that benefit Whelan Financial but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Charles Schwab.

Charles Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- Provide access to client account data (such as trade confirmations and account statements)
- Facilitate trade execution
- Provide research, pricing, and other market data
- Facilitate payment of our fees from clients' accounts
- Assist with back-office functions, client record keeping and client reporting.

Charles Schwab may also provide other benefits such as educational events to our personnel. In evaluating whether to recommend that clients custody their assets at Charles Schwab, we do not take into account the educational events. We consider the nature, cost and quality of custody and brokerage services provided by Charles Schwab. Discounts on various Charles Schwab and other products may create a potential for conflict of interest.

The signed broker dealer application evidences the client's acceptance of a referral to Charles Schwab. This application includes specific powers of attorney granted by client including but not limited to:

- Authorization to make trades in the account
- Authorization to disburse money to accounts with like registrations
- Authorization to deduct fees

Clients should review the application for specific language pertaining to these authorizations.

Whelan Financial does not have any soft-dollar arrangements and does not receive any soft-dollar benefits. Our broker-dealer of choice is selected solely on their ability to provide competitive commissions, execution speed, bid-ask spreads, among other factors.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Charles Schwab if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. Should the client direct the use of Charles Schwab, Whelan Financial will negotiate commissions but not obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker). Clients should note, while Whelan Financial has a reasonable belief that Charles Schwab is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisory firms require their clients to direct brokerage.

## XIII. Review of Accounts

### Individual Portfolio Management

**Reviews:** All portfolios are reviewed on a quarterly basis. In addition, investments are monitored by the Whelan Financial Investment Committee. Accounts are reviewed in the context of each client's stated risk tolerance, investment objectives, IPS and financial plan (where the client has provided enough documentation to allow for a financial plan). More frequent reviews may be triggered by material changes in the client's individual circumstances.

These accounts are reviewed by:

Vincent J. Whelan, CFP®, President, Senior Wealth Advisor  
Portia L. White, CFP®, Vice President, Senior Wealth Advisor  
Taylor J. Whelan, CFP®, Wealth Advisor  
Stephen C. Detweiler, CFP®, Wealth Advisor

**Reports:** Clients with assets held at Whelan Financial's recommended custodian, Charles Schwab, will receive quarterly statements unless an account has qualifying transactions such as deposits or withdrawals, in which case, they will receive a monthly statement as well as confirmations of transactions. Monthly statements are available online at Schwab Alliance (<https://client.schwab.com>). Additionally, Whelan Financial will provide quarterly reports, online, which summarize investment performance net of expense, balances, and holdings.

## Financial Planning

**Reports:** Whelan Financial does financial planning for wealth management clients. Our clients will be presented with a retirement capital analysis which we review quarterly against their balance sheet. More frequent planning may be triggered by material changes in the client's individual circumstances. We do not do comprehensive financial planning which would include analyses in areas such as: tax returns, employee benefits,

estate planning and multiple lines insurance. For more information about financial planning services please refer to Item IV.

## XIV. Client Referrals and Other Compensation

It is Whelan Financial's policy not to pay related or non-related persons for referring potential clients to our firm.

It is Whelan Financial's policy not to accept or allow our Wealth Advisors or any staff to accept any form of compensation, including cash, from a non-client in conjunction with the advisory services we provide to our clients.

## XV. Custody

In accordance with SEC guidance issued in 2017, Whelan Financial is considered to have custody in certain client accounts. Whelan Financial and Charles Schwab collectively satisfy all necessary requirements to preclude annual surprise audits. Clients receive brokerage statements directly from their broker/dealer, frequency may vary.

In order from left to right: Taylor J. Whelan, CFP®, Portia L. White, CFP®, Vincent J. Whelan, CFP®, Stephen C. Detweiler, CFP®



Our firm directly debits advisory fees from client accounts. As part of this billing process, the client's actual custodian (Charles Schwab) is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

The custodian does not calculate the amount of the fee to be deducted. Although we make every effort to ensure the accuracy of our billing, we encourage clients to review their custodial statements to verify the accuracy of the calculation. Clients should contact us directly if they believe that there is an error.

We send remittance and no remittance required invoices on a quarterly basis.

In addition to the periodic brokerage statements that clients receive directly from their custodians, we provide investment performance reports to our clients on a quarterly basis. We notify our clients in writing to carefully compare the information provided on these reports to the statements provided by their custodian(s) to ensure that all account transactions, holdings and values are accurate.

## XVI. Investment Direction

Clients hire us to provide discretionary asset management services by signing an Asset Management Agreement. Investment discretion is attained through the custodian's Limited Power of Attorney signed by the client. These authorities and limitations may be changed and/or amended by providing the custodian with written instructions.

Client gives advisor the discretion to rebalance, reallocate, add, or remove investment categories, and add or remove investments. Changes must be consistent with the client's stock-to-bond ratio and tolerance for risk as outlined within the client's Investment Policy Statement (IPS).

**Initial Portfolio Design:** Using asset allocation, advisor will propose a portfolio design based on client's needs and risk tolerance. Based on the client's feedback, the advisor may revise the proposed portfolio. Once the portfolio design is approved by client, advisor will prepare an IPS with the client approved stock-to-bond ratio. The portfolio design will be reviewed by advisor no less frequently than quarterly.



**Ongoing Investment Management:** Whelan Financial's Investment Committee is responsible for researching, approving and monitoring all investments and portfolio designs offered by Whelan Financial. These investments will be primarily, but not limited to, no-load mutual funds and ETFs. All investments will be made pursuant to an asset allocation and into specific investments recommended by the advisor and approved by the Committee.



## XVII. Voting Proxy

We only vote proxy for our ERISA clients, unless they have elected to exercise this responsibility themselves. These clients can exercise this right by instructing us in writing not to vote proxy on their behalf.

We will vote proxy in the best interest of our ERISA clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision on how to vote proxy, and a copy of each written client request for information on how the advisor voted proxy. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Whelan Financial by telephone, email, or in writing. Clients may request, in writing, information on how proxy for the plan shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxy for his/her account(s), we will promptly provide such information to the client.

We will vote proxy for ERISA clients only on securities that fall within our management.

With respect to ERISA accounts, we will vote proxy unless we are advised by the client that the plan documents specifically reserve the plan sponsor's right to vote proxy. To direct us to vote proxy in a particular manner, clients should contact [info@whelanfinancial.com](mailto:info@whelanfinancial.com).

We do not vote proxy for the following types of accounts which include but may not be limited to:

- Individual Retirement Accounts (including Traditional, Roth, SEP and Simple)
- Estate Trust accounts
- Joint Tenant/WROS
- Community Property/WROS
- Corporations

For accounts where we do not vote proxy and our firm provides investment advisory services, clients' maintain exclusive responsibility for: (1) directing the manner in which proxy statements solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxy and shareholder communications relating to the clients' investment assets.

## XVIII. Financial Information

Whelan Financial has no adverse financial circumstances to report.

Under no circumstances do we require or solicit payment of fees more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Whelan Financial has not been the subject of a bankruptcy petition at any time.