

WILSEY ASSET MANAGEMENT INC.

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**ADV**

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This Brochure provides information about the qualifications and business practices of Wilsey Asset Management Incorporated "WAM". Should you have any questions about its contents, please contact us at 858.546.4306 or Brent@WilseyAssetManagement.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

WAM is a Registered Investment Advisory Firm. CRD #130482. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about Wilsey Asset Management ("WAM") also is available on the SEC's website at <https://adviserinfo.sec.gov>

## **ITEM 2**

### **Material Changes**

- *No material changes to report.*

WAM's Brochure can be requested by contacting Eladia Medin at 858.546.4306 or Eladia@WilseyAssetManagement.com

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## **ITEM 4 -- ADVISORY BUSINESS-ASSET MANAGEMENT SERVICES**

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Wilsey Asset Management, Incorporated (“WAM”) offers personalized investment advisory services. WAM has been a Registered Investment Advisory firm since June 2009 and is an S Corporation owned by Brent M. Wilsey.

### *Investment Management Services*

WAM provides investment advisory services to its clients on a discretionary basis. The advisory services include, among other items, providing advice regarding asset allocation and selection of investments. WAM builds each of its client’s portfolios by using individual equities and bonds. WAM considers the client’s risk profile and financial status prior to making any recommendations. As of December 31st, 2018, WAM has over \$224 million under discretionary management.

### *CONSULTING SERVICES*

WAM offers consulting services to clients in specific financial related areas. These areas may include asset allocation, investment planning or financial decision making/negotiations, among others. Where the client contracts with WAM for consulting services, the client must acknowledge they only desire advice in the specific financial area to be reviewed and/or analyzed. Furthermore, the client must agree to hold WAM harmless from any liability arising out of any area(s) not reviewed by WAM.

### *FINANCIAL PLANNING SERVICES*

WAM’s Financial Planner, CFP Harrison Johnson will develop a relationship and gather information from the client to mutually define financial goals. The current financial status will be assessed and a comprehensive financial plan will be created. Different options will be weighed until a mutually agreeable strategy is developed. Bi-annual meetings will be scheduled to discuss any necessary changes or updates to the plan.

### *RETIREMENT SERVICES*

WAM manages the investments for 401k retirement plans which employ third party administrators. The third-party administrators include Aldrich Retirement Solutions, PMS Pension Wiz and Innovative Pensions. Ascensus is utilized for individual 401K plan documents. These 401K retirement plans are invested in the same manner as other investment accounts. The plan trustees are invited to attend our quarterly client events where WAM discusses companies held in their portfolios and relevant economic news.

For WAM clients with existing annuities, Vanguard Funds is recommended for their diversified investment options and lower account fees.

### *COMMENTATOR*

Brent M. Wilsey and Chase M. Wilsey host, “*The Smart Investing*” radio show, a one-hour interactive investment program on AM760 - KFMB.

## ITEM 5--FEES AND COMPENSATION

Charles Schwab & Co., management fees are paid monthly in advance and are based on the value of the assets on the last day of the month. LPL Financial management fees will be paid at the beginning of the quarter following the establishment of the account. Subsequent fee payments will be made at the beginning of each quarter based on the value of the assets at the close on the last business day of the preceding quarter. Annualized fees are as follows:

Account Balance	Our Annual Fee
\$100,000 - 249,999	1.5%
\$250,000 - 499,999	1.4%
\$500,000 - 749,999	1.3%
\$750,000 - 1,249,999	1.1%
\$1,250,000 - 1,999,999	0.8%
\$2,000,000 +	0.6%
\$5,000,000 +	0.5%

WAM may use its discretion to charge management fees between 0% and 1.75%. In addition to the investment management fee, accounts may incur transaction costs such as retirement plan administration fees, deferred sales charges on mutual funds initially deposited into the account, mutual fund marketing fees and other mutual fund annual expenses as described in the fund's prospectus. The account fee is calculated based on the client's net contributions.

### *Changes to Fee*

Fees are subject to change upon the Advisor giving the Client 30 days' notice in the manner prescribed in the Investment Advisory Agreement. The Client has the option of accepting the new fee schedule or terminating the Agreement pursuant to the termination provisions of the Agreement.

### *Wealth Builder Program*

With the Wealth Builder Program, new investors can start by adding a monthly electronic contribution to the investment account which allows for a consistent flow of funds. This improves WAM's ability to react to buying opportunities not only building the account value but also improving long term performance. Advisory fees will also be reduced as the next fee reduction level is reached. WBP may begin with as little as a \$100 monthly contribution. This program is beneficial for children and grandchildren enabling them to learn about investing and participate in the market. The account minimum is waived for client family members.

## *Consulting Services*

WAM's consulting fees are \$400.00 per hour and a one-hour minimum applies. WAM requires clients pay for the first hour in advance of services rendered with any remaining balance due upon completion of the contracted services. If clients elect to implement recommendations, there may be additional costs or charges associated with the implementation. These may include other compensation, transaction costs, retirement plan administration fees, or other fees. These fees are in addition to and separate from planning and consulting fees.

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

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WAM does not charge performance-based fees (fees based on a share capital gains on or capital appreciation of the assets of a client).

## **ITEM 7 -- TYPES OF CLIENTS**

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WAM provides portfolio management services to individuals, pensions, profit sharing plans, trusts, estates or charitable organizations, corporations, and business entities. There is a \$100,000 account minimum. For the Wealth Builder Program account minimum is waived with monthly electronic deposits.

## **ITEM 8 -- METHOD OF ANALYSIS**

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WAM uses primarily individual equities but will use ETF's, and bonds in managing client portfolios. Clients should keep in mind investing in securities involves risk of loss which clients should be prepared to bear.

WAM uses fundamental methods for analyzing investment opportunities for managed accounts. Fundamental analysis means the overall business is considered by reviewing a business' financial statements and financial health, its management and competitive advantages, and its competitors and markets.

Key factors WAM considers before adding or holding a company to its client's portfolio include:

- Growth rates on sales and earnings per share
- Management effectiveness, return on capital and equity
- Financial strength, current ratio and total debt to equity
- Valuation ratios, Price/Earnings, Price/Book/Sale & Price/Cash Flow
- Management efficiency, revenue and net income per employee, receivables and inventory turnover

WAM conducts weekly analysis of portfolios income statements, balance sheets and cash flow statements using different financial ratios and growth rates. Investing in securities involves risk of loss which clients should be prepared to bear. WAM also uses a variety of data sources to conduct analysis, such as financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, and company press releases.

## **ITEM 9 -- DISCIPLINARY INFORMATION**

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Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events material to the evaluation of the firm. WAM has no information to report applicable to this item.

## **ITEM 10 -- OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Both Charles Schwab and LPL's parent company, LPL Investment Holdings, Inc. are publicly traded companies with shares listed on the NASDAQ, Global Select Market under symbol "LPLA" and "SCHW". No employee of WAM is an LPLA or SCHW shareholder. LPL and Schwab are solely WAM custodians.

## **ITEM 11 -- CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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### *PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING*

WAM has adopted a Code of Ethics for all supervised persons, describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition of insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among others. All WAM supervised persons must acknowledge the terms annually, or as amended. Clients and prospective clients may request a copy of the firm's Code of Ethics.

WAM and its associated persons may buy or sell securities for their personal accounts identical to those recommended to clients. This creates a potential conflict of interest. It is WAM's express policy persons associated with WAM must place the interest of the client ahead of their own when making personal investments. In addition, WAM requires client transactions be placed before associated person's personal transactions except for block trades where there is no distinction.

## **ITEM 12 -- BROKERAGE PRACTICES**

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WAM does not maintain custody of its client's assets. The assets must be maintained at a qualified custodian. WAM requires clients use Charles Schwab & Co., Inc., or LPL Financial, both FINRA-registered broker-dealers, SIPC members, as qualified custodians. WAM is independently owned and operated and not affiliated with Schwab or LPL. The assets are held in a brokerage account and buys or sells of securities are executed as instructed by WAM.

Not all advisors require their clients to use a custodian selected by the advisor. WAM ~~seeks~~ a custodian to hold client assets and execute transactions on terms which are most advantageous when compared to other available providers. WAM considers a wide range of factors, including, among others:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, exchange traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them

- Reputation, financial strength and stability of the provider their prior service to us and our other client's availability of other products and services that benefit us, as discussed below

The accounts maintained at Schwab or LPL are generally not charged separately for custody services but are compensated by executed trade fees.

WAM may aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual price applicable to the aggregate transaction will be averaged, the client account will be deemed to have purchased or sold its proportionate share of the security involved at the average price obtained. WAM may determine to not aggregate transactions, for example, based on the size of trades, the number of client accounts, the timing of the trades, and the liquidity of the security and the discretionary nature of trades. If WAM does not aggregate orders, some clients purchasing securities about the same time may receive a less favorable price than other clients.

Schwab Advisor Services, like LPL Financial Services, serve independent investment advisory firms. They provide WAM's clients with access to its institutional brokerage platforms. Both Schwab and LPL also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. These support services are generally available on an unsolicited basis and at no charge.

### SERVICES THAT BENEFIT YOU

These services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might not otherwise have access or would require a significantly higher minimum initial investment by our clients.

### SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU

These products and services assist us in managing and administering our clients' accounts. They include investment research. We may use this research to service all or some substantial number of our clients' accounts. In addition to investment research, software and other technology is made available which:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from our clients' accounts; and assist with back-office functions, recordkeeping and client reporting.

## **ITEM 13 -- REVIEW OF ACCOUNTS AND CLIENT COMMUNICATION**

Clients receive monthly statements describing the activity in the account for the period, including transactions, contributions, withdrawals, fees, expenses, and beginning and ending account values. In addition, WAM requests clients contact the adviser with any changes or questions regarding investment objective, financial situations, or specific instructions. This ensures the client receives advice which is tailored to meet their specific needs. All client telephone calls are returned within 24 hours.

Performance Reporting is done through Modest Spark. Performance, account values, statements and more are shown in graphs, unlocking client data with interactive charts and easy to read reports.

Quarterly client conferences are offered to WAM clients to discuss current economic conditions and portfolio holdings. Clients unable to attend the event can view the event on our website, [www.WilseyAssetManagement.com](http://www.WilseyAssetManagement.com). WAM utilizes social media sites, Facebook, Twitter, LinkedIn and Constant Contact to provided updated economic news and information to its clients.

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

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We receive an economic benefit from Schwab and LPL in the form of the support products and services. The availability of Schwab or LPL's products and services is not based on WAM's investment advice, such as buying securities for our clients.

WAM has a Cash Solicitor relationship with Mr. Tracey Gaines of Gaines & Welsh Financial Services. The solicitor's role under this agreement is limited solely to the introduction of prospective investors. The solicitor will clearly identify WAM to prospective clients.

WAM will give disclosure information to clients. WAM will pay the solicitor a percentage of the investment advisory fees received from its clients in accordance with the fee schedule. WAM will not pay, and the solicitor will not earn, any compensation hereunder until WAM is in receipt of such fees from the client.

## **ITEM 15 --CUSTODY**

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The qualified custodian (Schwab or LPL) maintains custody of the assets. Clients will receive account statements directly from Schwab or LPL. Statements will be sent to postal mailing addresses provided. Client can select paperless statements with online account access through LPL Account View or Schwab Alliance. Clients can view transactions, statements, and tax documents. Statements should be carefully reviewed.

## **ITEM 16--INVESTMENT DISCRETION**

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WAM receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought and sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives of the client.

## **ITEM 17--VOTING CLIENT SECURITIES**

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As a matter of firm policy and practice, WAM does not have authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. WAM may provide advice to clients regarding the clients' voting of proxies upon request.

## **ITEM 18-- FINANCIAL INFORMATION**

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Registered investment advisers are required in this item to provide certain financial information or disclosures about WAM's financial condition. WAM does not have financial commitments which impair its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.