

**Item 1: Cover Page**

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

February 10, 2021

**A.D. Beadell Investment Counsel, Inc.**

SEC File No. 801-10677

10224 North Port Washington Road  
Mequon, WI 53092

phone: 262-241-0331  
email: [beadell@adbeadell.com](mailto:beadell@adbeadell.com)  
website: [www.adbeadell.com](http://www.adbeadell.com)

This brochure provides information about the qualifications and business practices of A.D. Beadell Investment Counsel, Inc. If you have any questions about the contents of this brochure, please contact us by phone at 262-241-0331 or email at [beadell@adbeadell.com](mailto:beadell@adbeadell.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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Additional information about A.D. Beadell Investment Counsel, Inc., is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## Item 4: Advisory Business

### A. A. D. Beadell Investment Counsel, Inc.

A. D. Beadell Investment Counsel, Inc. ("A. D. Beadell") is an SEC-registered investment adviser and a corporation organized in the state of Wisconsin. A. D. Beadell Investment Counsel is wholly owned by Anthony Beadell, President, and has been conducting business since 1975.

### B. Advisory Services Offered

A. D. Beadell offers professional investment management services to individuals including high-net-worth individuals, pension and profit sharing plans, trusts, estates, nonprofit organizations, corporations, and other business entities. The firm's objective is to provide positive and consistent investment results from year to year under all economic conditions. Conservation of principal is the guiding objective in any investment decision. Equities are selected based on an evaluation of historical earnings and a fundamental analysis of a company's business prospects given the firm's outlook for future economic conditions. The firm seeks to identify stocks that offer uncommon value in light of technical and fundamental conditions. Fixed income portfolios are usually constructed with short-term maturities (1 to 6 years), unless outstanding opportunities exist at the longer end of the spectrum.

A. D. Beadell works closely with clients to define individualized investment objectives in relationship to the client's expectation for portfolio return and acceptable levels of risk. In meeting a client's objectives, A. D. Beadell emphasizes broad portfolio diversification as a means of managing risk. The firm may invest in domestic and foreign common stocks, preferred shares, convertible securities, corporate bonds, U.S. Treasury bonds, tax-exempt municipals, and certificates of deposit (CDs). In addition, the firm may invest in exchange-traded funds (ETFs) and mutual funds in cases where these offer diversification that is not otherwise obtainable. For example, these vehicles may be used to gain exposure to commodities and foreign bonds. The firm may also use option contracts on securities. Target allocation to any particular asset class (e.g. equities vs. bonds) may be determined by the client. Within predetermined guidelines, A. D. Beadell may, at the discretion of the firm, adjust asset allocation in order to take advantage of transient changes in expected risk/reward relationships in the capital markets. The firm's timing of investment decisions is closely aligned with its perception of future economic conditions as well as technical patterns in the markets.

*Investment Advice and Supervision* – Investment theses are explored and developed by the team of investment advisor representatives comprised of Jon and Anthony Beadell. Investment activity and advice to clients is consistent with the outcome of team discussions. All discretionary investment decisions are ultimately approved by Anthony Beadell.

In addition to providing A. D. Beadell with information regarding their personal financial circumstances, investment objectives and tolerance for risk, clients are obligated to provide A. D. Beadell with any reasonable investment restrictions that should be imposed on the management of their portfolio, and to promptly notify A. D. Beadell of any changes in writing to such restrictions or in the client's personal financial circumstances, investment objectives, goals and

tolerance for risk. A. D. Beadell's will remind clients of their obligation to inform A. D. Beadell of any such changes or any restrictions that should be imposed on the management of the client's account. A. D. Beadell will also contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives, and tolerance for risk.

### **C. Client-Tailored Services and Client-Imposed Restrictions**

Each client's account will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

### **D. Wrap Fee Programs**

A.D. Beadell does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

### **E. Client Assets Under Management**

As of December 31, 2020, A.D. Beadell managed approximately \$195 million in client assets on a discretionary basis.

## Item 5: Fees and Compensation

### A. Methods of Compensation and Fee Schedule

#### A.1. Fee Schedule

A. D. Beadell is compensated based on the assets under management. The annual fee schedule is as follows:

<u>Assets Under Management</u>	<u>Annual Fee Rate</u>
On the first \$1,000,000	0.7%
On the next \$1,000,000	0.5%
On any amount over \$2,000,000	0.3%

Fees may be negotiable under special conditions and circumstances. Portfolios considered for management by A. D. Beadell generally have a minimum of \$500,000 in assets. Portfolios with smaller values may be considered in certain cases.

A. D. Beadell deducts fees quarterly in advance as directed by the client. Clients may elect to be billed directly for investment management services or to have fees deducted from assets held with a custodian. If billed directly, clients will be notified by first class mail of the exact amount due. If clients choose to have fees withdrawn from managed assets, A. D. Beadell will notify both the client (by mail) and the custodian (by fax) of the exact amount due. Clients authorize A. D. Beadell to direct the custodian to pay the fees and authorize the custodian to release the funds. The custodian will notify the client, at least quarterly, of the amount paid to A. D. Beadell. The client, rather than the custodian, must verify the accuracy of fee calculation. A client, whether billed directly or via a custodian, may object to the invoiced amount in writing, by telephone, or by fax at any time. The fees will be prorated if the investment advisory relationship commences otherwise than at the beginning of a calendar quarter. No adjustments will be made for withdrawals during a quarter. However, at the discretion of A. D. Beadell, fees may be reduced to reflect significant cash balances held at the beginning of a quarter at the request of a client.

A client investment advisory agreement may be canceled at any time by either party upon written notice. In the event that an advisory contract is terminated before the end of the billing period, fees will be prorated to the date of termination and the remaining amount will be refunded to the client. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

### B. Client Payment of Fees

A.D. Beadell generally requires clients to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to the firm's consent for clients to be billed directly for our fees. For directly debited fees, the custodian's periodic statements will show each fee deduction from the account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

A. D. Beadell will deduct advisory fees directly from the client's account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account.

The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

### **C. Additional Client Fees Charged**

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using A.D. Beadell may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

### **D. Prepayment of Client Fees**

The firm requires prepayment of its advisory fee. A. D. Beadell's fees will either be paid directly by the client or disbursed to A. D. Beadell by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

A client investment advisory agreement may be canceled at any time by either party upon written notice. Upon termination of any account, any unearned, prepaid fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

### **E. External Compensation for the Sale of Securities to Clients**

A.D. Beadell financial advisors are compensated solely through a salary and bonus structure. A.D. Beadell is not paid any sales, service or administrative fees for the sale of mutual funds or any other investment products.

### **F. Important Disclosure – Custodian Investment Programs**

Please be advised that the firm utilizes certain custodians/broker-dealers. Under these arrangements we can access certain investment programs offered through such custodian(s)



that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please note the following:

***Limitation on Mutual Fund Universe for Custodian Investment Programs:*** There are certain programs in which we participate where a client's investment options may be limited in certain of these programs to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the client should be aware that the firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the client.

***Conflict Between Revenue Share Class (12b-1) and Non-Revenue Share Class Mutual Funds:*** Revenue share class/12b-1 fees are deducted from the net asset value of the mutual fund and generally, all things being equal, cause the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The client is under no obligation to utilize such programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of interest in instances where the custodian receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm clients.

***Additional Disclosure Concerning Wrap Programs:*** To the extent that we either sponsor or recommend wrap fee programs, please be advised that certain wrap fee programs may (i) allow our investment adviser representatives to select mutual fund classes that either have no transaction fee costs associated with them but include embedded 12b-1 fees that lower the investor's return ("sometimes referred to as "A-Shares," depending on the mutual fund issuer), or (ii) allow the use of mutual fund classes that have transaction fees associated with them but do not carry embedded 12b-1 fees (sometimes referred to as "I-Shares," depending on the mutual fund sponsor). Wrap fee programs offer investment services and related transaction services for one all-inclusive fee (except as may be described in the applicable wrap fee program brochure). The trading costs are typically absorbed by the firm and/or the investment representative. If a client's account holds A-Shares within a wrap fee program, the firm and/or its investment adviser representative avoids paying the transaction fees charged by other mutual fund classes, which in effect decreases the firm's costs and increases its revenues from the account. Effectively, the cost is transferred to the client from the firm in the form of a lower rate of return on the specific mutual fund. This creates an incentive for the firm or investment adviser representative to utilize such funds as opposed to those funds that may be equally appropriate for a client but do not carry the additional cost of 12b-1 fees. As a policy matter, the firm does not allow funds that impose 12b-1 or revenue sharing fees on the client's investment within its wrap fee programs. Clients should understand and discuss with their investment adviser representative the types of mutual fund share classes available in the wrap fee program and the basis for using one share class over another in accordance with their individual circumstances and priorities.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

A.D. Beadell does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

## **Item 7: Types of Clients**

A. D. Beadell provides investment advisory services to individuals including high-net-worth individuals, pension and profit sharing plans, trusts, estates, nonprofit organizations, corporations, and other business entities. Portfolios considered for management by A. D. Beadell generally have a minimum of \$500,000 in assets. Portfolios with smaller values may be considered in certain cases.

## **Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss**

### **A. Methods of Analysis and Investment Strategies**

A. D. Beadell employs both fundamental and technical analysis in managing investments for clients. At the core, A. D. Beadell, conducts fundamental analysis to provide insight into a company's business history and health, its management and competitive advantages, and its competitors and markets. A. D. Beadell considers the historical growth and stability of earnings and dividends and generates future expectations for a company's equity based on global macro- economic trends as well as current perceptions of a company in the market. Fixed income instruments are evaluated based on the strength of the companies issuing the bonds, their credit rating, and current yield-to-maturity relative to expectations for future movements in interest rates. In order to help refine the timing of investment, A. D. Beadell may take account of technical analyses, which use price patterns and trends in financial markets to predict future movements in prices. A. D. Beadell conducts primary fundamental analysis, generates economic forecasts and accesses technical analyses by assembling information from financial newspapers and magazines, research materials prepared by others, timing services, corporate rating services, annual reports, prospectuses, filings made with the SEC, and company press releases.

A. D. Beadell does not specialize in or recommend any particular type of strategy or security, but instead, tailors its strategy to comply with the investment objective and risk tolerance of each client. A. D. Beadell may hold securities for the long term ( $> 1$  year) or for shorter periods ( $< 1$  year) depending on expected changes in the market. Holding securities for less than one year may incur higher capital gains taxes and higher transaction costs. A. D. Beadell may also use strategies involving short sales, margin transactions and option writing, including covered options, uncovered options and spreading strategies. In short sales, where securities may need to be bought back at a price above which they were sold, the potential loss is unlimited. Likewise, uncovered options can also expose clients to significant loss. A. D. Beadell does not employ these latter strategies frequently; however, clients should be aware that there is a risk of loss involved in any type of investment and A. D. Beadell does not guarantee the outcome of any investment strategy.

#### **A.1. Material Risks of Investment Instruments**

The firm may invest in domestic and foreign common stocks, preferred shares, convertible securities, corporate bonds, U.S. Treasury bonds, tax-exempt municipals, and certificates of deposit (CDs). In addition, the firm may invest in exchange-traded funds (ETFs) and mutual funds in cases where these offer diversification that is not otherwise obtainable.

- Equity securities
- Warrants and rights
- Mutual fund securities
- Convertible securities
- Exchange-traded funds
- Fixed income securities

- Corporate debt securities, commercial paper, and certificates of deposit
- Municipal securities
- U.S. government securities
- Real Estate Investment Trusts ("REITs")

#### **A.1.a. Equity Securities**

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

#### **A.1.b. Warrants and Rights**

Warrants are securities, typically issued with preferred stock or bonds that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer.

Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes worthless.

#### **A.1.c. Mutual Fund Securities**

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

#### **A.1.d. Equity Securities**

Convertible securities are equity or fixed income securities that may be exchanged for other assets, especially a fixed number of shares in ordinary stock. Convertible securities have characteristics similar to equity securities as described in A.1.a. above.

#### **A.1.e. Exchange-Traded Funds ("ETFs")**

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs<sup>®</sup>, streetTRACKS<sup>®</sup>, DIAMONDS<sup>SM</sup>, NASDAQ 100 Index Tracking Stock<sup>SM</sup> ("QQQs<sup>SM</sup>") iShares<sup>®</sup> and VIPERs<sup>®</sup>. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employ the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

#### **A.1.f. Fixed Income Securities**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

#### **A.1.g. Corporate Debt, Commercial Paper, and Certificates of Deposit**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the

length of maturity there can be pre-payment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

#### **A.1.h. Municipal Securities**

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

#### **A.1.i. U.S. Government Securities**

U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

#### **A.3.w. Real Estate Investment Trusts ("REITs")**

A REIT is a tax designation for a corporate entity which pools capital of many investors to purchase and manage real estate. Many REITs invest in income-producing properties in the office, industrial, retail, and residential real estate sectors. REITs are granted special tax considerations, which can significantly reduce or eliminate corporate income taxes. In order to qualify as a REIT and for these special tax considerations, REITs are required by law to distribute 90% of their taxable income to investors. REITs can be traded on a public exchange like a stock, or be offered as a non-traded REIT. REITs, both public exchange-traded and non-traded, are subject to risks including volatile fluctuations in real estate prices, as well as fluctuations in the costs of operating or managing investment properties, which can be substantial. Many REITs obtain management and operational services from companies and service providers that are directly or indirectly related to the sponsor of the REIT, which presents a potential conflict of interest that can impact returns on investments.

Non-traded REITs include: (i) A REIT that is registered with the Securities and Exchange Commission (SEC) but is not listed on an exchange or over-the-counter market (non-exchange traded REIT); or, (i) a REIT that is sold pursuant to an exemption to registration (Private REIT). Non-traded REITs are generally blind pool investment vehicles. Blind pools are limited partnerships that do not explicitly state their future investments prior to beginning their capital-raising phase. During this period of capital-raising, non-traded REITs often pay distributions to their investors.

The risks of non-traded REITs are varied and significant. Because they are not exchange-traded investments, they often lack a developed secondary market, thus making them illiquid investments. As blind pool investment vehicles, non-traded REITs' initial share prices are not related to the underlying value of the properties. This is because non-traded REITs begin and continue to purchase new properties as new capital is raised. Thus, one risk for non-traded REITs is the possibility that the blind pool will be unable to raise enough capital to carry out its investment plan. After the capital raising phase is complete, non-traded REIT shares are

infrequently re-valued and thus may not reflect the true net asset value of the underlying real estate investments. Non-traded REITs often offer investors a redemption program where the shares can be sold back to the sponsor; however, those redemption programs are often subject to restrictions and may be suspended at the sponsor's discretion. While non-traded REITs may pay distributions to investors at a stated target rate during the capital-raising phases, the funds used to pay such distributions may be obtained from sources other than cash flow from operations, and such financing can increase operating costs.

With respect to publicly traded REITs, publicly traded REITs may be subject to additional risks and price fluctuations in the public market due to investors' expectations of the individual REIT, the real estate market generally, specific sectors, the current yield on such REIT, and the current liquidity available in public market. Although publicly traded REITs offer investors liquidity, there can be constraints based upon current supply and demand. An investor when liquidating may receive less than the intrinsic value of the REIT.

## **B. Investment Strategy and Method of Analysis Material Risks**

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

### **B.1. Margin Leverage**

Although A. D. Beadell, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, A. D. Beadell will utilize leverage. In this regard please review the following:

The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.



Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

### **B.2. Short-Term Trading**

Although A. D. Beadell, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

### **B.3. Short Selling**

A. D. Beadell generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

### **B.4. Option Strategies**

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

A. D. Beadell as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases

#### **B.4.a. Covered Call Writing**

Covered call writing is the sale of in-, at-, or out-of-the money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses

if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

**B.4.b. Long Call Option Purchases**

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

**B.4.c. Long Put Option Purchases**

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

**C. Security-Specific Material Risks**

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There is nothing to report on this item.

### **B. Administrative Enforcement Proceedings**

There is nothing to report on this item.

### **C. Self-Regulatory Organization Enforcement Proceedings**

There is nothing to report on this item.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Broker-Dealer or Representative Registration**

Neither A.D. Beadell nor its affiliates are registered broker-dealers and do not have an application to register pending.

### **B. Futures or Commodity Registration**

Neither A.D. Beadell nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading adviser and do not have an application to register pending.

### **C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

A.D. Beadell does not have any material relationships that create a conflict of interest.

### **D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

A.D. Beadell does not recommend separate account managers or other investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

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

### **A. Code of Ethics Description**

In accordance with the Advisers Act, A.D. Beadell has adopted policies and procedures designed to detect and prevent insider trading. In addition, A.D. Beadell has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of A.D. Beadell's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of A.D. Beadell. A.D. Beadell will send clients a copy of its Code of Ethics upon written request.

A.D. Beadell has policies and procedures in place to ensure that the interests of its clients are given preference over those of A.D. Beadell, its affiliates, and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

### **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

A.D. Beadell does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, A.D. Beadell does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

### **C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

A.D. Beadell, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which A.D. Beadell specifically prohibits. A.D. Beadell has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account

- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow A.D. Beadell's procedures when purchasing or selling the same securities purchased or sold for the client.

#### **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

A.D. Beadell, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other A.D. Beadell clients. A.D. Beadell will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation (please refer to Item 12.B.3 Order Aggregation). It is the policy of A.D. Beadell to place the client's interests above those of A.D. Beadell and its employees.

## Item 12: Brokerage Practices

### A. Factors Used to Select Broker-Dealers for Client Transactions

#### A.1. Custodian Recommendations

A. D. Beadell places trades with broker-dealers with whom clients have an existing relationship. In evaluating an ongoing relationship with a broker-dealer, A. D. Beadell considers a variety of factors such as pricing, brokerage commissions, execution capabilities, and availability of proprietary and third-party research. However, A. D. Beadell does not seek to alter the broker-client relationship unless requested by the client.

For those clients who do not have an existing broker-dealer relationship, A.D. Beadell may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although A.D. Beadell may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. A.D. Beadell is independently owned and operated and not affiliated with Schwab.

For A.D. Beadell client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

In certain instances and subject to approval by A.D. Beadell, A.D. Beadell will recommend to clients certain broker-dealers and/or custodians based on the needs of the individual client, taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by A.D. Beadell will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

##### A.1.a. How We Select Brokers/Custodians to Recommend

A. D. Beadell seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- 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 client accounts)

- 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, mutual funds, 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 clients
- availability of other products and services that benefit us, as discussed below

#### **A.1.b. Client's Custody and Brokerage Costs**

For client accounts that the firm maintains, the custodian generally does not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the custodian's accounts. The custodian's commission rates applicable to the firm's client accounts were negotiated based on the firm's commitment to maintain a certain minimum amount of client assets at the custodian. This commitment benefits the client because the overall commission rates paid are lower than they would be if the firm had not made the commitment. In addition to commissions, the custodian charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's custodian account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, the firm has the custodian execute most trades for the account.

#### **A.1.c. Soft Dollar Arrangements**

A. D. Beadell does not utilize soft dollar arrangements. A. D. Beadell does not direct brokerage transactions to executing brokers for research and brokerage services.

#### **A.1.d. Institutional Trading and Custody Services**

Schwab provides A. D. Beadell with access to its institutional trading and custody services, which are typically not available to Schwab's retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a certain minimum amount of the adviser's clients' assets are maintained in accounts at Schwab. 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.



**A.1.e. Other Products and Services**

Schwab may also make available to A. D. Beadell software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of A. D. Beadell's fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

Schwab may also offer other services intended to help A. D. Beadell manage and further develop its business enterprise. These services may include

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

Schwab may also provide other benefits such as educational events or occasional business entertainment of A. D. Beadell personnel. In evaluating whether to recommend that clients custody their assets at Schwab, A. D. Beadell may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

**A.1.f. Independent Third Parties**

Schwab may make available, arrange, and/or pay for these types of services rendered to A. D. Beadell by independent third parties. Schwab may discount or waive fees they would otherwise charge for some of these services, or pay all or a part of the fees of a third party providing these services to A. D. Beadell.

**A.1.g. Additional Compensation Received from Custodians**

A. D. Beadell may participate in institutional customer programs sponsored by broker-dealers or custodians. A. D. Beadell may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between A. D. Beadell's participation in such programs and the investment advice it gives to its clients, although A. D. Beadell receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving A. D. Beadell participants

- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to A. D. Beadell by third-party vendors

The custodian may also pay for business consulting and professional services received by A. D. Beadell's related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for A. D. Beadell's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit A. D. Beadell but may not benefit its client accounts. These products or services may assist A. D. Beadell in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help A. D. Beadell manage and further develop its business enterprise. The benefits received by A. D. Beadell or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

A. D. Beadell also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require A. D. Beadell to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, A. D. Beadell will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by A. D. Beadell's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for A. D. Beadell's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, A. D. Beadell endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by A. D. Beadell or its related persons in and of itself creates a potential conflict of interest and may indirectly influence A. D. Beadell's recommendation of broker-dealers such as Schwab for custody and brokerage services.

#### **A.1.h. The Firm's Interest in Schwab's Services**

The availability of these services from the custodian benefits the firm because the firm does not have to produce or purchase them. The firm does not have to pay for the custodian's services so long as a certain minimum of client assets is kept in accounts at the custodian. This minimum of client assets may give the firm an incentive to recommend that clients maintain their accounts with the custodian based on the firm's interest in receiving the custodian's services that benefit the firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This

is a potential conflict of interest. The firm believes, however, that the selection of the custodian as custodian and broker is in the best interest of clients. It is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only the firm.

### **A.2. Brokerage for Client Referrals**

A. D. Beadell does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

### **A.3. Directed Brokerage**

#### **A.3.a. A.D. Beadell Recommendations**

A. D. Beadell typically recommends Schwab as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

#### **A.3.b. Client-Directed Brokerage**

Occasionally, clients may direct A. D. Beadell to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage A. D. Beadell derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. A. D. Beadell loses the ability to aggregate trades with other A. D. Beadell advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

## **B. Aggregating Securities Transactions for Client Accounts**

### **B.1. Best Execution**

A. D. Beadell, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, the price of such securities, the amount of commissions to be paid, and the executing broker. A. D. Beadell recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. A. D. Beadell will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement

- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, A. D. Beadell seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of A. D. Beadell's knowledge, these custodians provide high-quality execution, and A. D. Beadell's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, A. D. Beadell believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

## **B.2. Security Allocation**

Since A. D. Beadell may be managing accounts with similar investment objectives, A. D. Beadell may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by A. D. Beadell in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

A. D. Beadell's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. A. D. Beadell will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

A. D. Beadell's advice to certain clients and entities and the action of A. D. Beadell for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of A. D. Beadell with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of A. D. Beadell to or on behalf of other clients.

## **B.3. Order Aggregation**

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also

be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if A. D. Beadell believes that a larger size block trade would lead to best overall price for the security being transacted.

#### **B.4. Allocation of Trades**

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

A. D. Beadell acts in accordance with its duty to seek best price and execution and will not continue any arrangements if A. D. Beadell determines that such arrangements are no longer in the best interest of its clients.

## **Item 13: Review of Accounts**

### **A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Client portfolios are reviewed at the time a portfolio evaluation is prepared, and at least monthly during the period between evaluations. All accounts are reviewed by Anthony Beadell (Senior Portfolio Manager) and by Jon Beadell (Analyst and Portfolio Manager). Reviews take into consideration the suitability of the securities in the client's account in relationship to the objectives of the portfolio and cash requirements.

### **B. Review of Client Accounts on Non-Periodic Basis**

A.D. Beadell may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how A.D. Beadell formulates investment advice.

### **C. Content of Client-Provided Reports and Frequency**

Reports detailing securities owned, cost basis, current price, value of each security and the total value of the portfolio, are sent to clients semi-annually, or more often if requested by the client. In addition, the custodian of the client's account sends a statement of activity in the client's account to the client at least quarterly.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Other than what is disclosed in Item 12 regarding benefits the firm receives from its custodian(s), A. D. Beadell does not receive economic benefits from third parties for the advisory services provided to its clients.

### **B. Advisory Firm Payments for Client Referrals**

A. D. Beadell does not pay for client referrals.

## Item 15: Custody

Under government regulations, A. D. Beadell is deemed to have custody of a client's assets if the client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account. The custodian maintains actual custody of clients' assets. Clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances and portfolio holdings in the client's account. A. D. Beadell urges its clients to compare the account balance(s) shown on their A. D. Beadell account statements to the quarter-end balance(s) on their custodian's statement. The custodian's statement is the official record of the account.



## **Item 16: Investment Discretion**

A. D. Beadell accepts discretionary authority to manage securities on behalf of its clients. This authority is conveyed to the firm by a limited power of attorney, signed by the client and authorizing A. D. Beadell to choose the securities to be bought and sold and the amount of securities in the transaction, the price of such securities, the amount of commissions to be paid, and the executing broker. The discretionary authority conveyed to A. D. Beadell does not preclude a client from directing a specific transaction by specifying that a certain quantity of a particular security be bought or sold.

## Item 17: Voting Client Securities

A. D. Beadell does not take discretion with respect to voting proxies on behalf of its clients. A. D. Beadell will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of A. D. Beadell supervised and/or managed assets. In no event will A. D. Beadell take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, A. D. Beadell will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. A. D. Beadell has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. A. D. Beadell also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, A. D. Beadell has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where A. D. Beadell receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

## **Item 18: Financial Information**

### **A. Balance Sheet**

As of 3<sup>rd</sup> quarter 2018, A. D. Beadell began deducting fees quarterly in advance. Prior to this time, for certain clients, A. D. Beadell billed on a semi-annual basis, and as such is required to provide a balance sheet and audit report for the most recently completed fiscal year. Please see Exhibit A to this disclosure brochure for a copy of the firm's balance sheet for CYE 2018. An audit is in process and will be distributed when completed.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Please be advised the firm deducts its investment advisory fees three (3) months in advance from advisory client accounts and therefore, at the beginning of such billing cycle, has unearned income which gradually reverts to earned income as each passing month in the billing cycle transpires. On or about December 31 of each year, the firm withdraws its excess capital (earnings) from the firm's corporate bank account. Although the withdrawal is done for tax reasons, clients should be aware that, until such unearned income accretes to earned income, the firm's financial obligations may be greater than the firm's capital. Please understand the firm retains at least 5% of its fee income in reserve to satisfy its refund obligations and/or extraordinary expenses. We believe this 5% cushion to be adequate.

### **C. Bankruptcy Petitions During the Past Ten Years**

A. D. Beadell and its employees have not been the subject of a bankruptcy petition at any time in the past 10 years.

**Exhibit A**  
**Balance Sheet CYE 2018**