

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

### **QUESTIS ADVISOR PARTNERS, LLC**

112 Bull St.  
Charleston, SC 29401

Telephone: (843) 376-1320

Facsimile: (877) 681-3293

E-mail: [info@myquestis.com](mailto:info@myquestis.com)

Web Address: <http://www.myquestis.com/>

01/26/2011

**This brochure provides information about the qualifications and business practices of Questis Advisor Partners, LLC (“Questis” or the “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (843) 416-1078 or at [info@myquestis.com](mailto:info@myquestis.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.**

**Additional information about Questis is 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. The CRD number for Questis is 130157.**

## **Item 2. Material Changes**

The SEC adopted “Amendments to Form ADV” in July, 2010. This Firm Brochure, dated 01/26/2011, is our new disclosure document prepared according to the SEC’s new requirements and rules. As a state-registered investment adviser, our firm is required to comply with the new reporting and filing requirements. Although the format of this document is similar in many respects to previous versions, it does contain additional new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new 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.

## **Item 3. Table of Contents**

<b>Item</b>	<b>Section</b>	<b>Page Number</b>
1.	Cover Page	1
2.	Material Changes	2
3.	Table of Contents	2
4.	Advisory Business	3
5.	Fees and Compensation	6
6.	Performance-Based Fees and Side-by-Side Management	8
7.	Types of Clients	9
8.	Methods of Analysis, Investment Strategies and Risk of Loss	9
9.	Disciplinary Information	10
10.	Other Financial Industry Activities and Affiliations	10
11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	11
12.	Brokerage Practices	12
13.	Review of Accounts	14
14.	Client Referrals and Other Compensation	14
15.	Custody	14
16.	Investment Discretion	15
17.	Voting Client Securities	15
18.	Financial Information	15
19.	Requirements for State-Registered Advisers	16

## **Item 4. Advisory Business**

Questis is a state-registered investment adviser with its principal place of business located in Mount Pleasant, South Carolina. Questis began conducting business in January of 2004. Questis is wholly owned by Stephen P. Wilbourne, President and Chief Compliance Officer of Questis.

Questis will offer the following advisory services to its clients.

### Portfolio Management

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer, investment company or insurance company and will generally include advice regarding the following securities: mutual funds and exchange-traded funds ("ETFs"). The mutual funds and ETFs used will come primarily from fund families such as Dimensional<sup>1</sup> and Vanguard<sup>2</sup>.

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 and suitability.

As of 01/11/2011, we were actively managing \$ 6,582,200 of clients' assets on a discretionary basis plus \$ 1,694,170 of clients' assets on a non-discretionary basis.

### Financial Planning

In addition, we may provide financial planning services. Financial planning involves a comprehensive evaluation of a client's current and future financial state by using

---

<sup>1</sup> "Dimensional" refers to the Dimensional worldwide group of investment management companies. These companies are Dimensional Fund Advisors, Dimensional Fund Advisors Canada ULC, DFA Australia Limited, and Dimensional Fund Advisors Ltd.

<sup>2</sup> "Vanguard" refers to The Vanguard Group, an American investment management company.

currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients obtaining this service receive a written report which provides the client with an action plan designed to assist the client with achieving his or her financial goals and objectives.

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

- **Personal:** We review family records, budgeting, personal liability, estate information and financial goals.
- **Tax & Cash Flow:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **Investments:** We analyze investment alternatives and their effect on the client's portfolio.
- **Insurance:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Retirement:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **Death & Disability:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **Estate:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client also work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Financial Planning recommendations are not limited to any specific product or service offered by a broker dealer, investment company or insurance company.

## Financial Consulting

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Financial Consulting recommendations are not limited to any specific product or service offered by a broker dealer, investment company or insurance company.

## Pension Consulting

Further, we provide several advisory services separately or in combination to 401(k) and other retirement plans. Pension Consulting is comprised of four distinct services. Clients may choose to use any or all of these services.

- **Investment Policy Statement Preparation ("IPS"):** We will meet with a client to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing intervals for monitoring of investment performance.
- **Selection of Investment Vehicles:** We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds and ETFs to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.
- **Monitoring of Investment Performance:** We monitor client investments continually, based on the procedures and timing intervals set forth in the IPS. Although our firm is not involved in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.
- **Employee Communications:** For retirement plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide periodic educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

## **Item 5. Fees and Compensation**

### Fees for Portfolio Management

The annualized fee for this service is typically based upon a percentage of assets under management, according to the following blended fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
0 – \$500,000	1.00%
\$500,001 – \$1,000,000	0.75%
\$1,000,001 – \$10,000,000	0.50%
Over \$10,000,000	Negotiable

For example, if a client's account is valued at \$1,500,000, the annual fee would be calculated as follows:  $(\$500,000 \times 1.00\%) + (\$500,000 \times 0.75\%) + (\$500,000 \times 0.50\%)$ .

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with client authorization.

A minimum annual fee of \$500 is required for this service. An annual fee below this minimum may be negotiated.

### Fees for Financial Planning

Our Financial Planning fees are calculated and charged in one of the following ways:

1. On an hourly basis, ranging from \$75 to \$300 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.
2. On a fixed fee basis, typically ranging from \$2,500 to \$25,000, depending on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan. Any prepaid, unearned fees will be promptly refunded at the completion of these services.

Questis' fee will be determined based on the nature of the services being provided, the experience and skill of the individual providing the service, and the complexity of each

client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

A minimum fee of \$500 is required for this service.

#### Fees for Financial Consulting

Our Consulting services fees are calculated and charged on an hourly basis, ranging from \$75 to \$300 per hour. An estimate for the total hours is determined at the start of the advisory relationship.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan. Any prepaid, unearned fees will be promptly refunded at the completion of these services.

Questis' fee will be determined based on the nature of the services being provided, the experience and skill of the individual providing the service, and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

A minimum fee of \$500 is required for this service.

#### Fees for Pension Consulting

The annualized fee for this service is typically based upon a percentage of plan assets, according to the following blended fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
0 – \$5,000,000	0.500%
\$5,000,0001 – \$10,000,000	0.375%
\$10,000,001 – \$20,000,000	0.250%
Over \$20,000,000	Negotiable

For example, if a client's account is valued at \$11,500,000, the annual fee would be calculated as follows:  $(\$5,000,000 \times 0.50\%) + (\$5,000,000 \times 0.375\%) + (\$1,500,000 \times 0.250\%)$ .

Our fees are billed monthly or quarterly, in advance, at the beginning of each billing period based upon the value (market value or fair market value in the absence of market value), of the plan at the end of the previous period. Fees will typically be debited from a plan account in accordance with client authorization.

A minimum annual fee of \$500 is required for this service. An annual fee below this minimum may be negotiated.

## General Information

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Negotiability of Fees:** In certain circumstances, all fees and minimum fees may be negotiable. We may also group certain related client accounts for the purposes of determining the annualized fee. Further, discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

**Grandfathering of Minimum Account Requirements and Advisory Fees:** Pre-existing advisory clients may be subject to the minimum fee requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum fee requirements and advisory fees will differ among clients.

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

**Fund Fees:** All fees paid to Questis for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Additional Fees and Expenses:** In addition to our advisory fees, clients will also be responsible for all fees and expenses charged by their broker dealer(s) and custodian(s).

## **Item 6. Performance-Based Fees and Side-By-Side Management**

We do not charge performance-based fees (i.e., fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7. Types of Clients**

Questis provides its advisory services, where appropriate, to individuals, trusts, estates, charitable organizations, retirement plans, and corporations or other business entities.

Please see the disclosure in Item 5 for our minimum fee requirements.

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

### Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Technical Analysis:** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Asset Allocation:** Rather than focusing primarily on investment selection, we attempt to identify an appropriate ratio of equities, fixed income, and cash or cash equivalents suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual fund and/or ETF analysis:** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client

may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis:** Our securities analysis methods rely on the assumption that the securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### Investment Strategies

We employ a long-term investment strategy which entails the purchasing of securities with the idea of holding them in a client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

### Risk of Loss

Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9. 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. Our firm and our management personnel have no reportable disciplinary events to disclose.

## **Item 10. 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.

## **Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable state and federal securities laws. Questis and our personnel owe a duty of loyalty, fairness and good faith toward our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of 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, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Questis' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is also designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions 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. In addition, any of our related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. It is the expressed policy of our firm that no person employed by us may 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.

Questis and individuals associated with our firm are prohibited from engaging in principal transactions.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [info@myquestis.com](mailto:info@myquestis.com) or by calling us at (843) 416-1078.

## **Item 12. Brokerage Practices**

### Directed Brokerage

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct Questis as to the broker-dealer to be used.

Questis suggests that clients establish brokerage accounts with the Schwab Institutional 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 we suggest that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Questis is independently owned and operated and not affiliated with Schwab. Questis has evaluated Schwab and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients.

Schwab provides Questis with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). 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, 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.

Schwab Institutional also makes available to our firm other products and services that benefit Questis 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 Schwab.

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 and allocate aggregated trade orders for multiple client accounts;

- provide research, pricing and other market data;
- facilitate payment of our fees from clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

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

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Questis. Schwab Institutional may discount or waive fees it 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 our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we 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 we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Schwab, it should be understood that Questis will not have authority to negotiate commissions or to necessarily 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 Questis has a reasonable belief that 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 advisers require clients to direct it to use a particular broker-dealer.

### Block Trading

As a matter of policy and practice, Questis does not typically block client trades. We implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades. As a result, our clients may pay higher transaction costs.

## **Item 13. Review of Accounts**

### Portfolio Management

**Reviews:** While the underlying securities within Portfolio Management services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by Stephen P. Wilbourne, President and Chief Compliance Officer of Questis.

**Reports:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer and/or custodian, we provide quarterly reports summarizing account performance, balances and holdings.

### Financial Planning, Financial Consulting and Pension Consulting

Clients receiving these services will receive reviews and reports as contracted for at the inception of the advisory relationship.

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

It is Questis' policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

## **Item 15. Custody**

We previously disclosed in the Fees and Compensation section (Item 5) of this brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian 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.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our

clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16. Investment Discretion**

Clients hire us to provide discretionary portfolio management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell.

Clients give us discretionary authority when they sign a discretionary advisory agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17. Voting Client Securities**

Questis does not vote client proxies. Although we may provide investment advisory services relative to client investment assets, our clients maintain exclusive responsibility for: (1) directing the manner in which proxies 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 proceedings or other types of events pertaining to the client's investment assets. Therefore, Questis and/or the client shall, as required in each case, instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Questis also does not typically provide advice to clients regarding the clients' voting of proxies.

## **Item 18. Financial Information**

Under no circumstances will we earn fees in excess of \$500 more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

## **Item 19. Requirements for State-Registered Advisers**

Stephen P. Wilbourne, President and Chief Compliance Officer, is the sole management person of Questis. Information regarding his formal education and business background is provided in his Brochure Supplement.

As disclosed above in Item 6, neither Questis nor its supervised persons charge performance based fees for investment advisory services.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted. Our firm and our management personnel have no applicable reportable disciplinary events to disclose.

As disclosed in Item 10 ("Other Financial Industry Activities and Affiliations"), neither Questis nor our management personnel have a relationship or arrangement with any issuer of securities.