



Wallick Investments ADV Brochure

Wallick Investments, LLC

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This brochure provides information about the qualifications and business practices of Wallick Investments, LLC. If you have any questions about the contents of this brochure, please contact us at (803) 699-9400 or danwallick@wallickinvestments.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. Being “registered” does not imply a certain level of skill or training.

Additional information about Wallick Investments, LLC is also available at the SEC’s website at www.adviserinfo.sec.gov or by calling the Securities Division of the South Carolina Attorney General’s Office.

Date of current brochure: March 30, 2012

2. Material changes from our last brochure/ADV Form Part 2, dated March 24, 2011 include updates to our Advisory Business section due to a change in ownership structure and updates to our Methods of Analysis section due to the addition of two new model portfolios.

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4. Advisory Business

- A. Wallick Investments is a Limited Liability Company established in Camden, South Carolina in June of 2005. In January of 2007 we relocated to Columbia, South Carolina. We have two principle owners, Rita Moore and Daniel Wallick. Mr. Wallick is our managing partner.
- B. Wallick Investments, LLC specializes in discretionary portfolio management services. We also provide educational or research services, non-discretionary and non-continuous portfolio review and second opinion services.
- C. Advisory services are tailored to an investor’s time horizon and risk tolerances. Clients may purchase securities outside the Wallick Investments, LLC models but may not define what is included in the individual models. On request, Wallick Investments may create a customized model.
- D. Wallick Investments, LLC does not participate in any wrap fee program.
- E. As of December 31, 2010, Wallick Investments, LLC managed \$17.09million in assets on a discretionary basis and .9 million in assets on a non-discretionary basis.

5. Fees and Compensation

- A. Wallick Investments’ fees are a percentage of a client’s assets under management. The percentage is based on a client’s risk tolerance and assets under management. Wallick Investments can add greater value to portfolios weighted more heavily towards equities. Following is the Wallick Investments fee schedule.

Assets Managed	Aggressive	Growth	Balanced	Moderate	Conservative	401K
<\$100,000	1.75%	1.70%	1.65%	1.60%	1.55%	
\$100,000-249,999	1.50%	1.45%	1.40%	1.35%	1.30%	Equity Models 1%
\$250,000-499,999	1.25%	1.20%	1.15%	1.10%	1.05%	ETF Models .70%
\$500,000-999,999	1.00%	.95%	.90%	.85%	.80%	Individual ETFs .35%
\$1,000,000-4,999,999	.75%	.70%	.65%	.60%	.55%	
>\$5,000,000	.50%	.45%	.40%	.35%	.30%	

Fees may be negotiable based on an individual client’s circumstances.

B. All client's using FOLIOfn Investments for brokerage services have fees deducted directly from their accounts. Client's not using FOLIOfn will be billed for the fees incurred. Fees are deducted and invoices are sent on a quarterly basis.

C. In addition to quarterly Wallick Investments advisory fees, clients will also incur brokerage and custodian fees. For clients using FOLIOfn brokerage and custodian services the related fee schedule is as follows:

Fee as a % of Assets	On Assets (per Client) Above:	Up to and Including Assets (per Client) of :
.35%	0	\$250,000
.25%	\$250,000	\$500,000
.20%	\$500,000	Unlimited

There is a \$200.00 minimum brokerage fee for all FOLIOfn clients.

When Wallick Investments purchases mutual funds or exchange traded funds for a client's portfolio, the client will incur the associated management fees. These fees are deducted directly from the reported value of the funds. Please see section 12 for additional brokerage related information.

D. The associated fees are charged quarterly in advance and are based upon assets under management. The first billing will occur within the first 30 days of signing the client agreement. If a written request to terminate the client agreement is received, Wallick Investments will issue a pro-rated refund for the remainder of that quarter.

E. Wallick Investments does not accept any reimbursement for the sale of any investment products.

6. Performance-Based Fees

Wallick Investments does not accept performance based fees.

7. Types of Clients

Wallick Investments offers our services to individuals, trusts, pensions, endowments, foundations and other non-affiliated advisors. The minimum account size, due to associated minimum fees, is \$25,000.

8. Methods of Analysis, Investment Strategies and Risk of Loss

A. Wallick Investments relies heavily on quantitative analysis for security selection. We have two primary strategies for equities, growth and value. For both strategies Wallick Investments, LLC uses a proprietary security-selection strategy that leverages research data from two well-known independent providers, Morningstar® and Zacks®.

This process identifies companies with the following characteristics:

- Above-average growth
- Above-average profitability
- Above-average financial health
- Reasonable valuation ratios
- Strong price and earnings momentum

Our growth strategy (Core Growth, Large Cap, Mid Cap, Small Cap, Socially Responsible and International) over-weights the price and earnings momentum criteria and our value strategy (Core Value) over-weights the valuation criteria.

Wallick Investments, LLC' Fidelis model uses a combination of our Core Growth and Core Value Criteria. It also eliminates companies that compromise moral and ethical criteria.

Wallick Investments, LLC has one absolute return strategy. It over-weights the price and earnings momentum criteria and shorts what we believe to be the weakest two industrial sectors. The shorts may represent up to 65% of the overall portfolio.

Wallick Investments, LLC has one preferred stock strategy. Depending on the interest rate environment, we adjust the allocations to a diversified set of preferred stocks.

Wallick Investments, LLC has one fixed income/bond strategy. Depending on the interest rate environment, we adjust the allocations to a diversified set of fixed income exchange traded funds.

Wallick Investments, LLC has one hedge fund. Depending on inflation we adjust the allocations to a diversified set of commodity and currency related exchanged traded funds.

Investing in equity, fixed income and hedge related securities involve risk of loss that clients should be prepared to bear. The amount of risk (from an academic perspective) is directly correlated with the level of expected return.

B. For each of our strategies there is a "material risk" of loss of principal. Following is the brief discussion of the types of risks associated with all investment strategies.

- *Equity risk*, the risk that stock prices and/or the implied volatility will change.
- *Interest rate risk*, the risk that interest rates and/or the implied volatility will change.

For each of our strategies there is also a “material risk” of loss of principal specific to each model. Following is the brief discussion of the types of risks associated with our specific models.

- *Market cap risk*, the risk that stock prices and/or the implied volatility will change due specifically to the size of the companies held (Large, Mid, Small).
- *Style risk*, the risk that interest rates and/or the implied volatility will change due to a specific style of investing (growth, value, momentum, absolute, socially or morally responsible, etc.)
- *Currency risk*, the risk that foreign exchange rates and/or the implied volatility will change. (Hedge, International)
- *Commodity risk*, the risk that commodity prices (e.g. corn, copper, crude oil) and/or implied volatility will change. (Hedge)

In addition to the risk associated with all investment strategies and our specific models, the Wallick Investment strategies have risks associated with active management. Active strategies tend to increase portfolio turnover and if a client does not use a broker such as FOLIOfn which charges a flat fee based on assets under management clients’ may incur additional costs. Higher turnover also has the potential to increase taxes associated with capital gains. There is no guarantee that the Wallick Investment selection criteria will add value to clients’ portfolios.

C. Wallick Investments strongly recommends asset allocation and security diversification. Our equity model portfolios, except absolute return maintain sector diversification of +- 8% of the benchmark and all client portfolios are allocated according to the individual clients’ risk tolerance and time horizon. Individual client’s allocations will be defined in their Investment Policy Statements.

9. Disciplinary Information

Wallick Investments, LLC has no legal or disciplinary events to disclose.

10. Other Financial Industry Activities and Affiliations

Wallick Investments, LLC has no other financial industry activities or affiliations to disclose.

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

A. Wallick Investments, LLC agrees to uphold the CFA Society’s code of Ethics.

B. Members and managers may buy or sell securities that are also recommended to Wallick Investment clients. The potential conflict of interest associated with these transactions will be included in every client agreement. In order to fully disclose and/or minimize any risk of possible conflicts of interest, Wallick Investments:

1. Limits managers and members individual equity holdings to a maximum of 3%. This does not include mutual funds or exchange traded funds.
2. Requires all managers and members to disclose all of their holdings to our corporate compliance officer at least annually.
3. Not transact member/manager trades prior to discretionary client transactions.
4. Upon request, we will provide clients with a listing of all member/manager holdings and activity for the previous three months.

12. Brokerage Practices

For all standard client relationships, except where a client has directed Wallick Investments, LLC to use a specific broker, Wallick Investments has the discretion over the custodian/broker to be utilized. For non-discretionary accounts Wallick Investments, LLC will recommend a broker. Wallick Investments, LLC selects and recommends brokers based on best available price (commissions) and most favorable execution.

Occasionally, clients will request or require Wallick Investments, LLC to select a certain broker-dealer to execute transactions on their behalf. By directing brokerage, clients forego potential benefits from savings on commissions and execution costs that Wallick Investments may be able to obtain for other clients through negotiated volume discounts.

Wallick Investments does not direct brokerage to any broker-dealers as compensation for client referrals and we do not have any commission recapture agreements with broker-dealers under which a portion of the commission dollars are used to pay our operating costs or expenses. We also do not accept “soft dollars” for research provided by any brokers or their affiliates.

Wallick Investments will recommend clients establish a custodian account with select firms. These relationships will allow Wallick Investments to trade directly with that custodian. If a client elects to have another broker/dealer or custodian, we will require them to acknowledge in writing that Wallick Investments will not have authority to negotiate commissions and the best execution may not be achieved. In addition, these client may pay commission rates higher than our other clients.

13. Review of Accounts

Every continuously managed account with assets under \$1,000,000 will be reviewed quarterly.

Every continuously managed account with assets of \$1,000,000 or more may receive monthly reviews if requested.

All reviews will include analysis of overall portfolio performance. There will be one reviewer for each account. The reviewers will be titled “portfolio specialist.” Initially, Daniel Wallick will be the only portfolio specialist.

In addition to reports provided by a client's custodian, Wallick Investments will provide every client with a regular report no less than quarterly. These reports will include a formal performance evaluation.

14. Client Referrals and Other Compensation

A. Wallick Investments, LLC does not receive any economic benefit from anyone who is not a client.

B. Wallick Investments, LLC enters into written agreements with solicitors (referring parties) to refer clients to Wallick Investments, LLC. If a referred client enters into an agreement with Wallick Investments, LLC, a referral fee (based upon a percentage of the client advisory fee generated) is paid to the referring party. The referral arrangement between any referring party and Wallick Investments, LLC will not result in any charges to the client in addition to the normal level of advisory fees charged.

Pursuant to Rule 206(4)-3, in addition to a Wallick Investments, LLC Disclosure Document, a "Solicitor's Separate Written Disclosure," listing compensation to be paid to solicitors, is provided to the client prior to or at the signing of a Wallick Investments, LLC Advisory Agreement.

Applicant's referral agreement is in compliance with the federal regulations as set out in 17 C.F.R. Section 275-206(4)-3, and each client is required to sign a copy of the "Solicitor's Separate Written Disclosure" document at the time of entering into an advisory contract in any jurisdiction. Wallick Investments, LLC will evaluate appropriate risk tolerances and investment time frames for all new clients.

Anyone who solicits business for Wallick Investments, LLC will register as a registered investment advisory representative either of Wallick Investments, LLC or another registered investment advisory firm.

15. Custody

Wallick Investments, LLC do not have custody of clients' funds or securities.

16. Investment Discretion

A client's investment agreement with Wallick investments will state whether or not the agreement is for a discretionary or non-discretionary account. For discretionary accounts, Wallick Investments, LLC has the authority to execute transactions on behalf of the client without obtaining specific client consent. This includes the securities to be bought or sold and amount to buy or sell. The only limitations on the investment authority will be those limitations imposed in writing by the client.

In non-discretionary accounts, the securities to be bought or sold and amount to buy or sell must be approved in advance by the client.

The adviser will also develop with the client (both discretionary and non-discretionary) an investment policy statement which will outline some of the portfolio management parameters such as asset allocation and stock selection criteria.

17. Voting Client Securities

Wallick Investments does not vote proxies for our clients. All clients have access to proxy information through their broker dealer. If a client has a question about voting a proxy, they may call us to discuss.

18. Financial Information

Wallick Investments does not require or solicit prepayment of \$1,200 in fees per client, six months or more in advance.

Wallick Investments is not aware of any conditions that are reasonably likely to impair our ability to meet contractual commitments to our clients.

19. Requirements for State-Registered Advisors

Wallick Investments requires a college degree and at least two years of investment experience in addition to state required licenses for all individuals providing investment advice. Daniel Wallick is responsible for all portfolio management and investment advisory services. Dan was born in 1967. He received his Bachelors of Science degree in Business Administration with a major in Finance and Economics from the University of South Carolina (USC). He graduated Phi Beta Kappa from USC in 1991. In January 2000, after working 7 years at Blue Cross and Blue Shield of South Carolina, the last three years as an Accounting Manager/Supervisor, Dan became a Financial Consultant for Merrill Lynch. In April of 2003, Dan became an Investment Consultant for South Carolina Bank and Trust. In June 2005, Dan established Wallick Investments, LLC. He has also successfully passed the Level 1 examination of the CFA Institute's Chartered Financial Analyst (CFA) program and is a member of the CFA Society of South Carolina.

Additional Information – Brochure Supplement

Wallick Investments, LLC's Managing Partner, Daniel Wallick is currently the only company representative providing investment advisory services and making portfolio management decisions.