



Form ADV Part II

March 2011

2240 Ridgewood Road, Wyomissing, PA 19610

610-376-6970 or 1-800-566-4325

www.BerkshireAdvisors.net

SCHEDULE F OF FORM ADV

Updated 3-31-11

1.A.(1-3)

INTRODUCTION

Berkshire Advisors, Inc. (hereinafter referred to as “Berkshire Advisors”) doing business as Berkshire Advisor Investment Advisory Services (hereinafter referred to as “BAIAS”) is an SEC-registered investment Advisor. Berkshire Advisors utilizes and executes mutual funds, stocks, bonds and certain variable annuities through Schwab & Company (hereinafter referred to as “SCHWAB”). Berkshire Advisors permits certain Purshe Kaplan Sterling Investments (hereinafter referred to as “PKS”) Registered Representatives (hereinafter referred to as RRs) to become Investment Advisor Representatives of the firm. Berkshire Advisors may open its advisory programs to Investment Advisor Representatives and PKS RRs who operate Investment Advisor Representatives (hereinafter referred to as “IARs”), a variety of investment advisory services known collectively as Berkshire Advisors Investment Advisory. At this time Jay R. Kemmerer and Francis G. Post are serving in that capacity.

These include closed & open ended mutual funds and variable annuities, individual securities such as stocks, bonds and etf's as well as a wide range of other products such as asset allocation. BAIAS offers clients the ability to take advantage of the opportunities offered by enlisting the help of some of the best investment professionals available. BAIAS services are designed to accommodate a wide range of investment philosophies and objectives. Berkshire Advisors and/or its IARs play a crucial role in assisting clients in matching their individual financial objectives, risk tolerance and investment time horizons to the proper service. This enables the client to select the service that best fits his or her individual needs.

Jay R. Kemmerer, CEO of Berkshire Advisors, serves as an OSJ (Branch Office) for the securities RRs of PKS (located at 18 Corporate Woods Blvd., Albany New York 12211).

Berkshire Advisors, Inc.'s relationship with PKS may be deemed material but they are not related persons. Berkshire Advisors, Inc. is not affiliated with PKS. SCHWAB and PKS are not affiliated companies of BAI. PKS is not a party to the primary business (IA Services). PKS is not involved in the RIA aspects of the business, such as financial planning, investment selection, due diligence, etc.

RRs of PKS may receive commissions and 12-B1 fees from investments purchased in retail brokerage client accounts, not advisory client accounts, through the PKS broker dealer, from various Mutual Funds, Stocks, Bonds, ETFs, fixed and variable annuities. All commission products are sold via prospectus and are fully disclosed to client prior to purchase.

Berkshire Advisors serves as investment advisor to The Penn Street Fund, Inc. and the Berkshire Select Equity Fund, a mutual fund of the Penn Street Fund, Inc., a U.S. registered management Investment Company. Berkshire Advisors provides such services to the Fund under a written agreement between itself and Penn Street Fund, Inc.

Berkshire Advisors has implemented policies to maintain physical, electronic and procedural safeguards to protect the confidentiality of the client. Access to personal information is available only to those people who need to know it in order to service financial interests. Should the clients relationship with Berkshire Advisors, Berkshire Advisors will continue to follow the privacy policies described in this notice to the extent that we retain information. If we no longer need to retain that information, we will dispose of it in a secure manner.

1.A.(7)/I.D.
PPS Consulting)

Berkshire Advisors and its IARs may provide financial consulting services relating to general non-securities (advice on topics including, but not limited to; financial organization, portfolio evaluation, educational funding, financial independence analysis, asset allocation, tax planning, , risk management, cash flow analysis, investment analysis, insurance needs and policy analysis, estate planning and analysis, business and/or retirement analysis, employee benefit analysis, long term care analysis and risk tolerance. IARs may utilize a computer-generated program(s) that is offered by certain party software vendors for financial analysis to provide general guidance toward accomplishing a stated investment goal. The analysis will only provide generic

recommendations and shall not make recommendations for specifically named investments. Fees are billed at the individual IAR's specific rate schedule and are paid in full when services are rendered. Fees may be negotiable; however, in no event shall the fees for this service exceed \$250/hour. The extent of this agreement does not extend beyond the agreed upon services mentioned in said agreement. The client may cancel the consulting agreement in writing within five (5) business days of execution without penalty if the client did not receive Berkshire Advisors' Form ADV Part II at least forty-eight (48) hour prior to execution of such agreement. Termination requests should be sent via the U.S. Postal Service to: Berkshire Advisors 2240 Ridgewood Road Wyomissing, PA 19610.

1.A.(1&2)/I.D.
(TPA)

DESCRIPTION OF THIRD-PARTY INVESTMENT ADVISOR SERVICES

Berkshire Advisors enables IARs to assist clients identifying a third-party registered investment advisor (hereinafter "TPA") from a select list of available advisors who counsel clients with respect to investment of their funds. Berkshire Advisors provides to its IARs and their clients data concerning the investment advisor's past performance, management style, location, minimum account size, assets under management, fees and other similar information. IARs assist clients in choosing an appropriate asset allocation from the listing provided by Berkshire Advisors, and/or SCHWAB.

Clients are asked to provide detailed financial and other pertinent data to the IAR. The IAR helps the client determine his/her risk tolerance, investment goals and other relevant investment guidelines. In consultation with the IAR, the client will choose an advisor based on these investment guidelines. IARs of Berkshire Advisors are required to provide clients with both Berkshire Advisors' and the chosen TPA's Form ADV Part II or equivalent brochure, if applicable. RRs of PKS who also operated as independently registered investment advisors will be required to provide clients with their own advisors' Form ADV Part II along with that of Berkshire Advisors and/or that of the chosen their-party investment advisor.

Upon selection of a TPA, the client will sign the applicable advisor's Advisory Contract and deposit funds in an appropriate account. Thereafter, the client's funds will be invested as recommended by the TPA. IARs will not actively participate in executing any securities transactions.

Where a TPAs services are furnished with respect to assets located in accounts maintained by Berkshire Advisors in its capacity, the accounts are generally carried on a "fully disclosed" basis with a clearing broker dealer, generally C. SCHWAB.

Berkshire Advisors has a direct relationship with TPA Saratoga/Gemini Fund Service, Albany, NY. In its capacity Berkshire Advisor's President and CEO, Jay R. Kemmerer, has a solicitor's agreement to offer SGFS money management, separate accounts and other related funds offered by SGFS to Berkshire Advisors respectful clients and or interested parties. IAR's may receive compensation from SGFS for its service. BAI, Jay R. Kemmerer, and BAI investment advisor representatives may receive fee-based compensation. All compensation is fully disclosed to clients referred to TPA Saratoga/Gemini.

1.A. (3)/1.C./1.D.
PPS Consulting)

Berkshire Advisors and its IARs may provide financial consulting services relating to general securities advice on topics including, but not limited to; financial organization, portfolio evaluation, educational funding, financial independence analysis, asset allocation, tax planning, risk management, cash flow analysis, investment analysis, insurance needs and policy analysis, estate planning and analysis, business and/or retirement analysis, employee benefit analysis, long term care analysis and risk tolerance. IAR's may utilize a computer-generated program(s) that is offered by certain third party software vendors for financial analysis to provide general guidance toward accomplishing a stated investment goal. The analysis will only provide generic recommendations and shall not make recommendations for specifically named investments. Generic recommendations utilized will be based on Berkshire Personalized Portfolios – A Disciplined Allocation Process (see Exhibit #1). Fees are billed at an hourly rate, which may be changed from time to time and/or adjusted to accommodate a particular client's individual

circumstances. Fees are billed at the individual IAR's specific rate schedule and are paid in full when services are rendered. Fees may be negotiable; however, in no event shall the fees for this service exceed \$250/hour. The extent of this agreement does not extend beyond the agreed upon services mentioned in said agreement. The client may cancel the consulting agreement in writing within five (5) business days of execution without penalty if the client did not receive Berkshire Advisors' Form ADV Part II at least forty-eight (48) hours prior to execution of such agreement.

Upon the termination of an investment advisory agreement between Berkshire Advisors and a client, any unpaid fees that have been earned by Berkshire Advisors shall be paid within fifteen (15) days of the termination of the agreement. Unearned prepaid fees shall be refunded to the client upon termination for any reason. There is no provision for refunds for work, which has already been performed.

1.A.(1&2)/1.D.
(Berkshire
Advisors
Consulting)

DESCRIPTION OF THE BERKSHIRE ADVISORS ASSET MANAGEMENT ACCOUNT PROGRAM

The Berkshire Advisors Asset Management Account Program offers clients an asset management account (hereinafter referred to as "Advisory Account") in which Berkshire Advisors, in its capacity as a registered investment advisor, assists clients in developing a personalized asset allocation program.

Advisory Accounts are designed primarily to assist clients in developing a custom-tailored portfolio of mutual fund shares (including no-load mutual funds and/or loaded funds purchased at net asset value), variable annuities, individual equity securities, individual fixed income securities or a combination of mutual fund shares, variable annuities (including no-load or low-load variable annuity contracts), individual equity securities, individual fixed income securities, and alternative investments including but not limited to: hedge funds, private equity funds, mezzanine funds, venture funds, REITs, REMICs, and privately placed debt and/or equity to achieve their investment objectives. The IARs manage accounts, which may include mutual fund shares, variable annuities, individual equity securities, individual fixed-income securities or a combination thereof. Berkshire Advisors typically clears transactions pursuant to its clearing agreement with SCHWAB. From time to time, Berkshire Advisors reserves the right to designate alternative clearing and custody arrangements similar to those of SCHWAB. Custody of funds and securities is maintained by the various clearing firms, and not by Berkshire Advisors.

Investment Advisors of Berkshire Advisors will offer the Advisory Account to interested clients. The IAR will obtain the necessary financial data from the client, assist the client in determining the suitability of the Advisory Account and help the client set the appropriate investment objectives. Each client's Advisory Account will be opened through a contract in which the client will authorize the IAR to purchase and sell no-load and load-waived mutual funds and/or variable annuity contract sub-accounts (hereinafter referred to collectively as "mutual funds") and/or individual equities and/or individual fixed income securities on a discretionary basis and to liquidate previously purchased mutual funds and other securities pursuant to the investment objectives chosen by the client.

Each client's Advisory Account will consist of a percentage mix of asset classes to assist the client in meeting their needs may be and or not limited to the Berkshire Select Equity Portfolio (see exhibit #2). The percentage weightings within the asset classes will be based on the client's risk profile, investment objectives, individual preferences and availability.

The client will have the opportunity to meet with the RIA and/or IAR to periodically review the assets in the Advisory Account. The Advisory Account may be, during that time, or at other times as the RIA and/or IAR of Berkshire Advisors deems necessary, rebalanced in order to reestablish the targeted percentages of the client's asset allocation program. In addition, the IAR and/or Berkshire Advisors may reallocate the client's Advisory Account mutual fund and individual securities holdings if market conditions, client circumstances or other factors suggest, in Berkshire Advisors' or its IAR's judgment, that reallocation may be appropriate. The client

will be responsible for any and all tax consequences resulting from any client, IAR, or Berkshire Advisors-initiated rebalancing or reallocation of the Advisory Account.

During any month in which there is activity in the Advisory Account, the client will receive a monthly account statement from SCHWAB or similar clearing firm showing account activity as well as positions held in the account at month end. In addition, the client will receive a confirmation of each transaction that occurs within the Advisory Account. The client will also receive a detailed quarterly performance report describing all activity in the client's account, along with account performance information prepared in accordance with AIMR performance reporting standards (including portfolio appraisals, realized and unrealized gains and losses, return percentages and comparative indices). Lastly, the client will receive an annual tax-reporting statement.

The client at all times maintains full and complete ownership rights (i.e. the right to add or withdraw securities or cash, pledge securities, vote securities and/or receive timely confirmations) to all assets held in his/her Advisory Account. Advisory Account assets will at no time be "pooled for investment" by Berkshire Advisors.

Information Source – See Article 13-C on Page 13.

Individual Advisory Account- The Advisory Account is available for individuals, small corporations and small corporate retirement plans. Fees will be paid according to Schedule A. The minimum asset level required to participate in the Advisory Account is normally \$250,000.00. The minimum for subsequent investments is normally \$1,000.00. However, at its discretion, Berkshire Advisors may open accounts with less. Accounts opened with less than \$250,000.00 will normally follow the same fee schedule as clients with less than \$500,000.00.

Separate Accounts – Institutional, Union and High Net Worth Clients, Large Cap Value Strategy

Berkshire Advisors can engage institutions, unions, non-profit organizations and high net worth clients. The Advisors minimum asset level normally available for high net worth separate accounts is \$1 Million. Institutional, union, non-profit, etc. is \$5 Million. However, at its discretion, Berkshire Advisors may open accounts with less. Fee will be paid according to Schedule B with subsequent payments at \$250,000.00. Participants will pay an annualized investment advisory fee in accordance with the following schedule:

SCHEDULE A

Individual Advisory Acct. <u>Account Size</u>	Maximum Annual <u>Individual Fee</u>
\$ 250,000 – 499,999	1.25% – 2.25%
\$ 500,000 – 999,999	1.00% – 1.75%

SCHEDULE B

Institutional, Union, Foundations <u>High Net Worth Individuals, Corporate</u>
Fees vary from .10% (10 bps) to 1.50% (150 bps)

The Annual Account fee is computed and payable in advance as one or three twelfth(s) of the Annual Fee percentage based on the account balance on or around the last business day of the month or quarter whichever is applicable. The initial fee will be prorated and the remainder of the months will be billed at the standard fee. Additional deposits of funds and/or securities will be subject to the same billing procedures. The maximum Annual Fee is negotiable by account value and account type. Other methods of fee calculation may be possible depending on client circumstances and account size.

(For accounts opened prior to the third quarter of 1999): The Annual Account Fee is computed and payable monthly in advance as one month of the Annual Fee percentage of the average daily market value of the assets during the previous month. The account size shall be calculated by SCHWAB or Berkshire Advisors on or about the last business day of each month by determining the average fair market value of the securities held in the account during the preceding month. The initial monthly fee will be prorated and the remainder of the months will be billed at the standard fee. Additional deposits of funds and/or securities will be subject to the same billing procedures. The maximum Annual Fee is negotiable by account value and type.

The annual Fee for accounts with check-writing privileges will be computed based on the account balance on the last business day of the previous month (see above), regardless of when the account was opened. The Account will also be assessed any and all transaction charges (hereinafter referred to as "Transaction Charges") related to activity in the Account. Such Transaction Charges shall be in accordance with Berkshire Advisors then-current transaction fee schedule. A copy of such fee schedule will be provided to the client by Berkshire Advisors at the time the account is opened and at any other time thereafter upon the client's request.

Transaction charges for mutual fund and equity/bond trades are paid for by client per the C. SCHWAB schedule. (See C. Schwab addendum.) BAI receives zero compensation from those transaction charges.

Berkshire Advisors, through SCHWAB, may automatically debit the Annual Fee and Development Fee from this account or client may choose to pay Berkshire Advisors directly from personal funds. These fees are debited in strict accordance with SEC Investment Advisor Release No. IA-1000. The annual Fee will be payable first from fee credit balances, money market funds or cash equivalents, if any, and second, from the liquidation of the client's shares of no-load or load-waived mutual funds, individual securities, and/or fixed income securities pursuant to the discretionary authority granted herein.

Although the client will not be charged a commission for transactions in mutual funds, certain mutual funds charge service fees. Berkshire Advisors may receive a portion of these service fees. The amount of mutual funds' 12b-1s and/or other service fees, are included among normal mutual fund expenses and reflected on the funds' prospectus.

Clients participating in the Advisory Account program may pay either more or less than a client might otherwise pay if purchasing the services separately. There are several factors which may determine whether such costs would be more or less, including by not limited to the following: the size of the portfolio; the specific investments made by the client, the amount of trading effected by Berkshire Advisors and the actual costs of such services if purchased separately. In light of the services provided by Berkshire Advisors, including research, supplemental advisory and client-related services that may be offered through IARs, the advisory fees charged may exceed those of other investment advisors.

Upon thirty (30) days written (non-electronic) notification, either party may terminate the Advisory Account Agreement. Clients will be entitled to a prorated refund of any pre-paid quarterly Account Fee based upon the number of days remaining in the quarter after the termination date.

Item 1.D. (Advisor's Choice/General) RESPONSES RELATED TO GENERAL INVESTMENT ADVISORY SERVICES

In addition, the principals of Berkshire Advisors may provide investment advisory services consistent with the Individual client's financial and risk/reward objectives. Fees are charged in accordance with the individual client agreements for each project and are agreed upon in advance. The duration of the agreements is dependent on the services offered, however, most agreements are for a period of one year and renew automatically at the client's discretion and may be terminated at any time.

RESPONSES RELATED TO ALL BERKSHIRE ADVISORS ADVISORY SERVICES

The following responses relate to each of the programs discussed above unless otherwise contradicted by their specific descriptions.

Berkshire Advisors, Inc.'s relationship with PKS may be deemed material but they are not related persons. Berkshire Advisors, Inc. is not affiliated with PKS. SCHWAB and PKS are not affiliated companies of BAI. PKS is not a party to the primary business (IA Services). PKS is not involved in the RIA aspects of the business, such as financial planning, investment selection, due diligence, etc.

Client is advised that the investment recommendations and advice offered by Berkshire Advisors and/or its IARs are not legal advice or accounting advice. Client should coordinate and discuss the impact of financial advice with their attorney and/or accountant. Client is advised that it is necessary to inform their IAR promptly with respect to any changes in the client's financial situation and investment goals and objectives. Failure to notify IAR of any such changes could result in investment recommendations not meeting the needs of the client.

Neither Berkshire Advisors nor its IARs represent, warrant or imply that the services or methods of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate client from losses due to major market corrections or crashes.

All fees paid to Berkshire Advisors for investment advisory services are separate from the fees and expenses charged to shareholders of mutual fund shares by the mutual funds. A complete explanation of these mutual fund fees and expenses is contained in each mutual fund's prospectus.

The fees charged to clients for each program are calculated as described above in the program specific descriptions. Berkshire Advisors shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds invested by the client.

Berkshire Advisor's investment advisory services may include the discretionary management of investment portfolios and consulting for individuals, investment limited partnerships, pension and profit sharing plans, trusts, estates, charitable organizations, and business entities in accordance with the investment objective(s) of the client. Berkshire Advisors may provide consulting services on investment-related matters for which Berkshire Advisors may or may not receive additional compensation, as further discussed below.

- 1.E. Berkshire Advisors also may render non-discretionary investment management services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer-sponsored retirement plans. In so doing, Berkshire Advisors either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product

which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan.

The client may make additions to and withdrawals from the account at any time, subject to Berkshire Advisors right to terminate an account. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter. Clients may withdraw account assets on notice to Berkshire Advisors, subject to the usual and customary securities settlement procedures. Berkshire Advisors designs its portfolios as long-term investments and asset withdrawals may impair the achievement of a client's investment objectives.

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a *pro rata* basis. The *Agreement* between Berkshire Advisors and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Berkshire Advisors annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

3.K.(3) Berkshire Advisors or its IARs may offer advices related to direct participation programs including alternative energy programs, research and development programs and leasing programs.

3.L. Berkshire Advisors engages in a review of the services and disclosures provided by each third-party advisor and maintains a select list of approved advisors. Berkshire Advisors provides its IARs with data concerning this approved menu of third-party investment advisors. IARs may offer the approved advisors' services to clients. IARs aid clients in their selection of a third-party investment advisor. Berkshire Advisors and its IARs do not provide advice relative to any investment managed by the client's chosen third-party investment advisor.

Berkshire Advisors may recommend that clients that are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the client's investment objectives. When Berkshire Advisors recommends that the client invest in private placement securities, Berkshire Advisors will not receive additional compensation from the issuer but will receive applicable investment advisory fees on the client's assets under management.

When determining valuation of securities in a client's portfolio, Berkshire Advisors shall generally rely upon securities pricing furnished by the broker-dealer, custodian, trust company, or other financial institution that maintains the client's account. Where pricing is either unavailable from the financial institution or Berkshire Advisors deems that pricing for a particular security is inconsistent with other reliable sources, Berkshire Advisors may engage the services of one or more qualified independent pricing services. Private partnerships invested in public equity or debt generally provide capital account balance and performance data quarterly, monthly or even mid-month which Berkshire Advisors reflects on its statement as it receives the data. Private partnerships invested in private debt, private equity, real estate or real estate debt are highly illiquid with generally no public or private market. For these securities, Berkshire Advisors conducts an individualized review of each investment to establish its "fair value" on a quarterly basis. The process varies depending on the information available to Berkshire Advisors with regard to the investment. Berkshire Advisors gets input from the general partner and from management of the underlying investment, and reviews available financial information (including both past performance and management's projections for future performance, where available). In some cases, Berkshire Advisors has a third-party valuation that was obtained by management for other reasons, which Registrant use as a guideline, rather than as a firm indication of value, as these usually presume an immediate sale and Berkshire Advisors views these as hold-to-maturity investments.

Berkshire Advisors may also provide advice about any type of investment held in a client's portfolio at the beginning of the advisory relationship.

As discussed in the response to Item 1D (above), Berkshire Advisors may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain *Independent Manager(s)*, based upon the stated investment objectives of the client. Berkshire Advisors shall continue to render services to the client relative to the monitoring and review of account performance and client investment objectives.

3.M. As discussed in the response to Item 1D (above), Berkshire Advisors may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Manager(s), based upon the stated investment objectives of the client. When recommending or choosing an Independent Manager for a client, Berkshire Advisors shall review information about the Independent Manager(s) such as its disclosure statement and/or material supplied by the Independent Manager(s) or independent third parties for a description of the Independent Manager's investment strategies, past performance, and risk results to the extent available.

4.A.5,4.B.8 & 4.C.7. Berkshire Advisors conducts a review of the services and advisory disclosures. This analysis may include a review of the following characteristics: ownership, asset selection methodology, investment selection methodology, past performance, disclosure reporting and research capabilities.

Berkshire Advisors utilizes fundamental, quantitative and third party research when developing an asset allocation model for its fee based clients.

Berkshire Advisors sources of research information may include but is not limited to Charles Schwab, Credit Suisse, ARGUS, Ned Davis, Standard & Poors, and Reuters.

5. EDUCATION AND BUSINESS STANDARDS

All IARs of Berkshire Advisors must satisfy, at a minimum, the experience and education requirements set out by the individual states where they intend to offer or recommend services, as such requirements may apply to their particular function. Employees of Berkshire Advisors who provide investment advice or make investment decisions must acquire and maintain appropriate FINRA securities licenses. Often this will require the IAR to pass either the North American Securities Administrators Association, Inc.'s Series 65 or 66 Uniform Investment Advisor Law Examination and/or the Series 7 examinations. Berkshire Advisors also examines the overall experience and capability of the individual before allowing him or her to offer financial planning and/or other services.

6. JAY R. KEMMERER, born 1959; entered securities industry 1984. Currently holds the following licenses: Series 7-General Securities License; Series 65-Registered Investment Advisor; Series 24-General Securities Principal License; PA Insurance Department Licenses: Life; Accident; Variable Licenses; PA Department of Banking; Mortgage Loan Correspondent and Secondary Mortgage Broker. Jay currently is CEO of Berkshire Advisors, Inc., CEO of Kemmerer and Company Financial Services and CEO of Berkshire Mortgage Company. He also serves as CEO & President of the Penn Street Funds, Portfolio Manager for Berkshire Select Equity Portfolio, and President and 100% owner of American Farmers Insurance.

FRANCIS G. POST, born 1976 ; Fran received a Bachelor of Arts degree in Political Science from Dickinson College in Carlisle, Pennsylvania and currently holds Securities Licenses including his Series 7, 6, 63, and 65 as well as his Pennsylvania Life and Health Insurance licenses. Fran serves as Vice President of Wealth Management for Berkshire Advisors, Inc. Prior to joining Berkshire, Fran served as a Registered Representative for a branch of Cambridge Investment Research located in Exeter, Pennsylvania. His investment experience was attained while employed with Wachovia Bank and Wachovia Securities, LLC. Mr. Post's practice will be focused on Individual/Executive Asset Management and Corporate Retirement Plans to include 401(k)s.

7.A.B.C.

OTHER BUSINESS ACTIVITIES

RRs of PKS may receive commissions and 12-B1 service fees from the retail products they sell. All fees and commissions are disclosed to retail clients.

Jay R. Kemmerer serves as President of the Penn Street Funds and Portfolio Manager for the Berkshire Select Equity Portfolio. As Berkshire Advisors CEO, Jay R. Kemmerer, serves as OSJ Principal (Branch Office) for PKS and also serves as President of Berkshire Mortgage Co. (herein referred to as "BMC"); a licensed PA correspondent mortgage broker. All compensation paid to BMC for organization of residential or commercial loans is paid by the said banks to BMC as required by state banking laws. All fees are fully disclosed.

In certain circumstances, Berkshire Advisors may provide consulting services to entities financed by issuers of private placement securities while Berkshire Advisors concurrently recommends that its clients invest in such private placement securities. While Berkshire Advisors may not directly profit from this type of recommendation there may be a conflict of interest due to the relationship between Berkshire Advisors, its consulting client, and the issuer of the private placement securities. This conflict will be disclosed prior to recommending that a client purchase such a security.

Berkshire Advisors may provide certain of its clients with consulting services (which may include non-investment related matters). Berkshire Advisors may or may not charge a fee for these services. Berkshire Advisor's consulting fees are negotiable, but generally range from \$5,000 to \$150,000 annually on a fixed fee basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services.

Where Berkshire Advisors charges a fee for consulting services, the client will generally be required to enter into a written agreement with Berkshire Advisors setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to Registrant commencing services. Generally, Berkshire Advisors annual fee is prorated and paid quarterly, in advance. Either party may terminate the agreement by written notice to the other. In the event the client terminates Berkshire Advisors consulting services, the balance of Berkshire Advisors unearned fees (if any) shall be refunded to the client. If termination occurs within five business in performing its services, Berkshire Advisors shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Berkshire Advisors may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Berkshire Advisors recommends its own services. The client is under no obligation to act upon any of the recommendations made by Berkshire Advisors under a consulting engagement and/or engage the services of any such recommended professional, including Berkshire Advisors itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Berkshire Advisors recommendations. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Berkshire Advisors if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Berkshire Advisors previous recommendations and/or services.

Berkshire Advisors may render investment and non-investment related consulting services to various institutions and independent third parties as part of its institutional consulting services. Berkshire Advisors institutional consulting services are specialized engagements individually negotiated with each institution based upon their specific needs. Berkshire Advisors institutional consulting services are generally not available to individuals, but rather address fundamental issues affecting various institutions within Berkshire Advisors area of concentration. Berkshire Advisors will charge a fixed fee and/or hourly fee for these services and shall not render such institutional consulting services to its investment advisory clients. In certain circumstances, Berkshire Advisors may provide consulting services to entities financed by issuers of private placement securities while Registrant concurrently recommends that its clients invest in such private placement securities. While Berkshire Advisors may not directly profit from this type of

recommendation there may be a conflict of interest due to the relationship between Berkshire Advisors, its consulting client, and the issuer of the private placement securities. This conflict will be disclosed prior to recommending that a client purchase such a security.

8.C.1.C.3. OTHER FINANCIAL INDUSTRY AFFILIATIONS

Berkshire Advisors also employs RRs of PKS who can earn commissions from stock, bonds, mutual funds, life insurance and limited partnership sales. These activities are conducted through PKS, 18 Corporate Woods Blvd, Albany, New York 12211. Any and all commissions are fully disclosed.

Jay R. Kemmerer has executed selling agreements with various investment companies through PKS and variable annuity companies, and therefore, may be deemed to have an arrangement that is material to its advisory business with those investment companies.

Berkshire Advisors' RIAs, IAR, and RRs clear all commission based security activity through PKS, a Financial Industry Regulatory Authority ("FINRA") licensed broker-dealer firm since 1989. Currently, PKS has approximately 200-300 RRs who sell mutual funds, variable annuities, individual stocks and bonds and a variety of other securities and insurance products to their clients. PKS has a fully disclosed clearing arrangement with NFS.

Berkshire Advisors, Inc.'s relationship with PKS may be deemed material but they are not related persons. Berkshire Advisors, Inc. is not affiliated with PKS. SCHWAB and PKS are not affiliated companies of BAI. PKS is not a party to the primary business (IA Services). PKS is not involved in the RIA aspects of the business, such as financial planning, investment selection, due diligence, etc.

8.C.2. Berkshire Advisors serves as an Advisor to the Penn Street Fund (see disclosure in 1.A.).

8.C.3. Please refer to Berkshire Advisors' response to Item 1.D. (see "DESCRIPTION OF THIRD-PARTY INVESTMENT ADVISOR SERVICES").

8.C.6. Jay R. Kemmerer, CEO of Berkshire Advisors, also serves as CEO of Berkshire Mortgage Co., a PA licensed mortgage broker. BMC provides first and second mortgages to predominately individual clients.

8.C.9. Jay R. Kemmerer, CEO of Berkshire Advisors, also owns and operates Kemmerer and Company Financial Services (hereinafter referred to as "KFS") which is a full-service financial services corporation providing retail brokerage services. Mr. Kemmerer directs all commissions paid thru PKS into this company, in which he may draw a salary. He also serves as President and 100% owner of American Farmers Insurance which was used in the past to sell certain insurance products such as Long-Term Care and/or Disability coverage.

9.A.B.C. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Berkshire Advisors is in, and shall continue to be, in compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Berkshire Advisors has adopted a firm-wide policy statement outlining insider-trading compliance by Berkshire Advisors and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of Berkshire Advisors and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, Berkshire Advisors has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm-wide policy. These materials are also distributed to all associated persons and other employees of Berkshire Advisors, are signed, dated and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Berkshire Advisors' employees may have non-public information, (4) requiring all of Berkshire Advisors' employees to conduct their trading through a specified broker or reporting all transactions promptly to Berkshire

Advisors, and (5) monitoring the securities trading of the firm and its employees and associated persons.

Berkshire Advisors or individuals associated with Berkshire Advisors may buy or sell securities identical to those recommended to customers for their personal account.

Berkshire Advisors or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations may represent a conflict of interest, Berkshire Advisors has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of Berkshire Advisors shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public or reasonable inquiry. No associated personal Berkshire Advisors shall prefer his or her own interest to that of the advisory client.
- 2) Applicant maintains a list of all securities holding for itself, and anyone associated with this advisory practice. These holdings are reviewed on a regular basis by Mr. Jay R. Kemmerer, CEO of Berkshire Advisors (or other appropriate officer).
- 3) Berkshire Advisors requires that all directors, officers and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 4) Berkshire Advisors emphasizes the unrestricted right of the client to decline to implement any investment advice rendered, except in situations where Berkshire Advisors is granted discretionary authority over the client's account.
- 5) Any individual not in observance of the above may be subject to termination.

9.B.

Berkshire Advisors and the IAR will receive and share in the portion of the management and administrative fees charge Berkshire Advisors. A portion of these fees will also be shared with the appropriate IARs. In the event that Berkshire Advisors, or its IAR, is to receive commission revenues from clients in connection with investments purchased in advisory or managed accounts, such commissions shall be "fully disclosed."

9.C.

Code of Ethics

BAI has adopted a Code of Ethics under the Investment Company Act of 1940 which state: This code is intended to establish policies and procedures reasonably designed to ensure that persons subject to the Rule do not:

- . use any information concerning the investments or investment intentions of the Company, or his or her ability to influence such investment related information, for personal gain or in a manner detrimental to the interests of the Company; and
- . engage in activities that result in a conflict of interest, or apparent conflict of interest, between such persons and the Company.

This code of Ethics acknowledges, supports and is designed to enforce the general principles that persons affiliated with the Company and/or the Advisor:

- . owe fiduciary obligations to the Company;
- . must at all times to place the interests of Company shareholders before their own personal interests;
- . must at all times conduct all their personal securities transactions so as to avoid any actual or potential conflict of interest or abuse of such person's position of Company and responsibility; and
- . never take inappropriate advantage of their positions in relation to the Company.

BAI will provide a copy of its Code to any client or prospective client upon request.

9.D. In very limited circumstances, Berkshire Advisors may engage in transactions pursuant to which Berkshire Advisors assists clients in the sale of illiquid securities by arranging transactions between a client's account and the accounts of other individuals and/or entities which may include other clients of Berkshire Advisors. Berkshire Advisors will only engage in such transactions at the request of the client and with full disclosure of its role to the client acquiring the illiquid security.

9.E. As further discussed in Items 3K(3) and 3L (above), Berkshire Advisors may recommend that certain clients invest in private placement securities. For those clients, Registrant (or an entity under common control with Berkshire Advisors) may provide consulting services involving (i) the identification of suitable private placement securities investments based on clients' investment objectives, (ii) due diligence research of the issuer and the business and management of the issuer of the private placement securities, and (iii) structuring of investments in the private placement securities which may include forming a special purpose entity to pool investments in the private placement securities. Additionally, Berkshire Advisors may be able to name an individual to the board of such issuer due to Berkshire Advisors and client's investment. Any such services and/or board membership shall be fully disclosed to the client prior to the client's investment in the private placement securities. Berkshire Advisors will not act as a client's "purchaser representative" (as defined under Rule 501 of the Securities Act of 1933, as amended) in connection with an investment in private placement securities unless specifically acknowledged by Berkshire Advisors in writing. Rather, Berkshire Advisors directs the client to consult with their tax advisor and attorney regarding the purchase of the private placement securities.

In certain circumstances, Berkshire Advisors may recommend the investment of client assets in securities of Berkshire Advisors clients or client related parties. While Berkshire Advisors may not directly profit from this type of recommendation there may be a conflict of interest due to the relationship between Berkshire Advisors, the client and the issuer. This conflict will be disclosed prior to recommending that a client purchase such a security.

9.F. Berkshire Advisors does not buy nor sell for itself securities that it also recommends to clients. However, persons associated with Berkshire Advisors ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Berkshire Advisors policies and procedures.

Berkshire Advisors has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Advisers Act, its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Berkshire Advisors or any of its associated persons. The Code of Ethics also requires that certain of Berkshire Advisors personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients may contact Berkshire Advisors to request a copy of its Code of Ethics.

When Berkshire Advisors is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Berkshire Advisors is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

10. Berkshire Advisors normally requires two hundred fifty thousand dollars (\$250,000) minimum investment in its Advisory Accounts. However, at its discretion, Berkshire Advisors may open and maintain accounts with less.

TPA may impose a minimum dollar value of assets or other conditions for starting or maintaining accounts. Such minimum account sizes are determined by TPA and not Berkshire Advisors. Clients should refer to TPA's Form ADV Part II or equivalent brochure for more information.

- 12.A.1., 12.A.2,
12.A.3. & 12.B.

Neither Berkshire Advisors nor any related person shall have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, or the broker-dealer to be used for the purchase or sale of securities. Instead, these decisions shall be made according to the terms of the investment advisory agreement executed by the client and his/her chosen TPA or co-advisor. The client's TPA may have discretionary authority in the client's account. Clients should refer to the TPA's Form ADV Part II or equivalent brochure for more information.

- 12.A.1-3

DISCRETIONARY AUTHORITY

Berkshire Advisors Inc. serves as investment Master Adviser to a U.S. mutual fund. In such capacity, Berkshire Advisors, Inc. has discretion to choose securities to be purchased or sold, the amount and timing of such purchases and sales, and the broker/dealer to be used to execute such purchases and sales. Berkshire Advisors executes such transaction in accordance with best execution requirements imposed under law and by the board of directors of the mutual fund. Berkshire Advisors' activities are subject to supervision and periodic review by the fund's board.

For clients of Berkshire Advisors portfolio management services, Berkshire Advisors will be provided with written discretionary authority to determine the securities that are to be purchased or sold and the amounts of securities that are purchased or sold for the client's account. This discretionary authority shall apply to initial purchases/sales, subsequent purchases/sales, rebalancing and reallocation of securities which are held in the client's account.

All clients have the right to restrict this discretionary authority provided to Berkshire Advisors. If applicable, limitations shall be included in the initial written authority. Clients may amend any limitation as necessary. Berkshire Advisors requires that all such amendments be submitted in writing. Changes shall be effective upon receipt and acceptance by Berkshire Advisors.

Proxy Policy

A proxy on any security represents an important right of ownership for every shareholder in that it is an investment decision with economic implications. Our clients have a right to exercise this right or delegate this to Berkshire Advisors. It is our policy not to vote client proxies without a separate proxy agreement for us to be engaged in that capacity. Berkshire Advisors may from time to time provide clients with advice about voting proxies themselves. If a client chooses to vote proxies, all relevant information will be sent to the client.

Proxies voted by Berkshire Advisors will be handled in a consistent manner to insure that all proxies are voted in favor of the shareholder's interests and plan participant's interest in ERISA related accounts.

The following is our policy.

Publicly Traded Securities

Generally, we support the board of directors' implicit approval in the initial decision to retain or invest in a security of a corporation of its existing articles of incorporation, its management and its operations. Accordingly, proxy proposals which would change the existing structure of a corporation, will be reviewed carefully and supported only when it seems clear that the proposed changes are likely to benefit the corporation and its shareholders. Notwithstanding this

favorable predisposition, management will be assessed on an ongoing basis both in terms of its business capability and its dedication to the shareholders to insure that our continue confidence remains warranted. If it is determined that management is acting on its own behalf instead of for the well being of the corporation, we will vote to support the shareholder.

Voting Guidelines

Routine Matters

Routine Proxy proposals are usually proposed by management and usually meet the following criteria:

1. They do not measurably change the structure, management control, or operation of the corporation.
2. They are consistent with industry standards, as well as, the corporate laws of the state of incorporation.

Voting Recommendations

Berkshire Advisors will normally support the following routine proposals.

1. The increase authorized common shares.
2. To increase authorized preferred shares as long as there are not disproportionate voting rights per preferred share.
3. To elect or re-elect directors.
4. To appoint or elect auditors.
5. To approve indemnification of directors and limitations of directors' liability.
6. To establish compensation levels.
7. To establish employee stock purchase or ownership plans.
8. To set time and location of annual meeting.

Social Issues

Typically proposals in this category involve issues of social conscience that are put forth by shareholders who feel the internal adopted corporate policies are ill advised or misguided.

Voting Recommendations

If our research had determined that management is generally socially responsible, we will generally vote against the following shareholders proposals:

1. To enforce restrictive energy policies.
2. To place arbitrary restrictions on military contracting.
3. To bar or place arbitrary restrictions on trade with other countries.
4. To limit corporate political activities.
5. To bar or restrict charitable contributions.
6. To restrict the marketing of controversial products.
7. To enforce a general policy regarding human rights based on arbitrary parameters.
8. To enforce a general policy regarding employment practices based on arbitrary parameters.
9. To enforce a general policy regarding animal rights based on arbitrary parameters.
10. To placer arbitrary restrictions on environmental practices.

Financial/Corporate Issues

Proxy proposals in this category are usually offered by management and seek to change a corporation's legal, business or financial structure.

Voting Recommendation

We generally vote in favor of the following management proposals provided the position of current shareholders is preserved or enhanced:

1. To change the state of incorporation.
2. To approve mergers, acquisitions, dissolution.
3. To institute indenture changes.
4. To change capitalization.

Shareholder Rights

Both management and shareholders make proposals in this category and generally involve issues, which transfer or realign Board or Shareholder voting power. Based on the general nature of proposals in this category, we should oppose any proposal aimed at thwarting potential takeover offers by requiring, for example, super majority approval. Although we believe stability and continuity promote profitability, we also believe that any proposal in this category must be carefully assessed in the context of their particular circumstances.

Voting Recommendations

We will generally vote for the following management proposals:

1. To require majority approval of shareholders in acquisitions of a controlling share in the corporation.
2. To institute staggered board of directors.
3. To require shareholder approval of not more than 66 2/3% for a proposed amendment of the corporation's by-laws.
4. To eliminate cumulative voting.
To adopt anti-greenmail charter or by-law amendments or to otherwise restrict a company's ability to make greenmail payments.
5. To create a dividend reinvestment program.
6. To eliminate preemptive rights.
7. To eliminate any other plan or procedure designed primarily to discourage a takeover or other similar action (commonly known as a "poison pill").

We will generally vote against the following management proposals:

1. To require greater than 66 2/3% shareholder approval for a proposed amendment to the corporation's by-laws ("super majority provisions").
2. To require that an arbitrary fair price be offered to all shareholders that is derived from fixed formula ("fair price amendments").
3. To authorize a new class of common stock or preferred stock which may have more votes per share than the existing common stock.
4. To prohibit replacement of existing members of the board of directors.
5. To eliminate shareholder action by written consent without a shareholder meeting.
6. To allow only the board of directors to call shareholder meeting or to propose amendments to the articles of incorporation.
7. To implement any other plan or procedure designed primarily to discourage a takeover or other similar action (commonly known as a "poison pill").
8. To limit the ability of shareholders to nominate directors.

We generally vote for the following shareholder proposals:

1. To rescind share purchases rights or require that they be submitted for shareholder approval, but only if the vote required for approval is not more than 66 2/3%.
2. To opt out of state anti-takeover laws deemed to be detrimental to the shareholder.

3. To change the state of incorporation for companies operating under the umbrella of anti-shareholder state corporation laws if another state is chosen with favorable laws in this and other areas.
4. To eliminate any other plan or procedure designed primarily to discourage a takeover or other similar action (commonly known as a "poison pill").

12.B. SUGGESTION OF BROKERS TO CLIENTS

Clients in need of brokerage and/or custodial services will have PKS, in its capacity as a broker-dealer, recommended to them. Although no client is required to select PKS for execution or custodial services, Berkshire Advisors will not be able to allow the client to participate in its investment advisory services if PKS, or SCHWAB, is not selected by the client. Berkshire Advisors does not have discretion to select the broker-dealer in use, however, transactions executed through PKS, in its broker-dealer capacity, as part of one of the Advisory Account services may be subject to Berkshire Advisor's then-current transaction fee and/or PKS's commission schedule. If applicable, such commissions and fees will be "fully disclosed."

Berkshire Advisors Investment Advisory practice, due to the nature of its business and client needs, does not include negotiating commissions with broker-dealers or obtaining volume discounts, nor necessarily obtaining best execution. Berkshire Advisors may aggregate transactions for a client with other clients to improve the quality of the execution. Allocations of aggregated orders are made under procedures designed to treat all clients fairly.

The investment advisory services provided by Berkshire Advisors may cost the client more or less than purchasing similar services separately. Clients should consider whether or not the appointment of PKS as the sole broker-dealer may or may not result in certain costs or disadvantages to the client as a result of possibly less favorable executions. Factors to consider include the type and size of the account and the client's historical and/or expected size or number of trades.

13.A. ADDITIONAL COMPENSATION

Berkshire Advisors, from time-to-time, receive trail commissions (i.e. 12b-1 distribution fees) for a period of time. Load and no-load mutual funds pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. 12b-1 fees may be initially paid to Berkshire Advisors and a portion passed to the RR and/or IAR. The receipt of such fees could represent an incentive for RR and/or IARs to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest. Berkshire Advisors may receive such benefits, such as assistance with conferences and educational meetings by product sponsors assisting with the cost of such events.

Berkshire Advisors may receive administrative, investment advisory or other fees for providing support services, administrative help and/or client referrals to other investment advisory firms. In all such cases, these arrangements are fully disclosed to the affected clients. Please see previous response to Item 13.A. for program specific discussions of these arrangements.

- 13.B. Berkshire Advisors or its IARs may from time-to-time compensate persons, either directly or indirectly, for client referrals. Oftentimes these referrals will come from professionals (e.g. attorneys and accountants). Berkshire is aware of the special considerations promulgated under Section 206(4)-3 on the Investment Advisers Act of 1940. In all cases, these referral fee arrangements shall be fully disclosed to the client(s) affected, and all appropriate disclosures shall be made, including the nature of the arrangement and the amount of any compensation provided. In addition, any further disclosures required by federal or state statutes, regulations or rules will be provided. Required disclosure shall include delivery of Berkshire Advisors Form ADV Part II. Where required, the individuals receiving referral fees shall be licensed as IARs of Berkshire Advisors.

Berkshire Advisors and its IARs may execute Referral Agreements between themselves, and individuals or outside professional (e.g. attorneys and/or accountants). The outside professional will meet all necessary licensing requirements in order to receive this fee. Through this agreement, the IAR and the properly registered outside professional engage in an investment advisory fee splitting/referral fee arrangement under specified terms and conditions set by Berkshire Advisors. Fees shared through this arrangement are advisory fees paid to compensate for the referral, and are not based on any commissions received from the purchase/sale of securities.

See response to Item 9.B. (see “DESCRIPTION OF THIRD PARTY INVESTMENT ADVISORY SERVICES”).

13.C.

Quantitative Investment Analysis is provided through a third party named Valley Forge Capital Advisors, Inc. of Malvern, PA. Coordinating of this research data is provided by Kenneth Kiess, President of Q-Prime, Inc. Kenneth Kiess serves as research coordinator for Berkshire Advisors Select Equity Portfolio, one of the Penn Street Funds. He is a senior member of the BAI research team directly responsible for maintaining the BAI proprietary model utilized by BAI in the management of the Penn Street Fund PSA Select Equity Portfolio and other BAI institutional portfolios.

Addendum:

Charles Schwab Trade Commission Schedule

Equities — Electronic Trades

Standard pricing for electronic trades including automated phone is 3-tiered pricing (\$19.95/\$12.95/\$8.95) determined by the client's household assets and other eligibility requirements.

- For account holders with <\$1mm in household assets whose accounts are not enrolled in eDelivery (eConfirm and eStatement), electronic equity pricing is \$19.95 for the first 1,000 shares, plus 1.5¢ per share thereafter.
- For account holders with <\$1MM in household assets whose accounts are enrolled in eDelivery (eConfirms and eStatements), electronic equity pricing is \$12.95 for the first 1,000 shares, plus 1.5¢ per share thereafter.
- For account holders with \$1MM+ in household assets, electronic equity pricing is \$8.95 per trade.
- Penny Stock: \$8.95, \$12.95, or \$19.95 per trade

SI Electronic Equity Pricing At-A-Glance

	Household Balance \$1MM or greater	Household Balance Less than \$1MM e-Delivery	Household Balance Less than \$1MM no e-Delivery
Stocks \$1 or more	\$8.95	\$12.95 for 1,000 + \$.015/sh thereafter	\$19.95 for 1,000 + \$.015/sh thereafter
Stocks < \$1	\$8.95	\$12.95	\$19.95

Equities — Broker Assisted Trades

Stocks >= \$1 per share:

\$0-\$2,499:	\$30 + 1.7% of principal
\$2,500-\$6,249:	\$56 + 0.66% of principal
\$6,250-\$19,999:	\$76 + 0.34% of principal
\$20,000-\$49,999:	\$100 + 0.22% of principal
\$50,000-\$499,999:	\$155 + 0.11% of principal
\$500,000+:	\$255 + 0.09% of principal

Minimum:

Stocks < \$5 Per Share: Greater of \$39 or \$0.09 per share for the first 1,000 shares, plus \$0.04 per share thereafter

Stocks >= \$5 per share: Greater of \$39 or \$0.09 per share for the first 1,000 shares, plus \$0.05 per share thereafter

Maximum: \$55 for the first 100 shares, plus \$0.55 per share thereafter

Options

Electronic Trades & Automated Phone: \$8.95 + \$1.40 per contract

Live Trades: \$38.95 + \$1.40 per contract

Fixed Income Investments

	Broker Assisted Trades	Electronic Trades
New Issues, including Certificates of Deposit	No Mark-up	No Mark-up
Treasury Auctions	\$25 per trade	\$0 per trade
Secondary Treasury – Bills, Notes, Bonds and TIPS	\$25 per trade	\$0 per trade
Agencies	\$0.24 per bond (\$10 min, \$275 max)	\$0.20/bond (\$10 min, \$250 max)
Corporate Bonds in which Schwab acts as principal	\$1.20 per bond (\$10 min, \$275 max)	\$1.00/bond (\$10 min, \$250 max)
Corporate Bonds in which Schwab acts as agent (usually exchange traded corporate bonds)	\$1.20 per bond (\$10 min, \$275 max)	\$1.00/bond (\$10 min, \$250 max)
Munis	\$1.20 per bond (\$10 min, \$275 max)	\$1.00/bond (\$10 min, \$250 max)
Other – Secondary traded CDs, zero coupon Treasury Bonds, STRIPS and Mortgage-Backed Securities	\$1.20 per bond (\$10 min, \$275 max)	\$1.00/bond (\$10 min, \$250 max)

Schwab reserves the right to act as principal on any fixed income transaction, public offering or securities transaction. When Schwab acts as agent, a commission will be charged on the transaction. When Schwab acts as principal, the markup is included in the bond price.

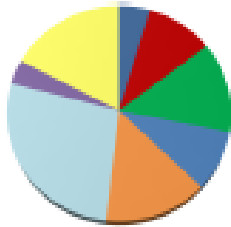
Certificates of Deposit: No commission or markup, Schwab receives fee from depository institution.

Mutual Fund Transaction Fees

Broker Assisted Rate:
0.7% of principal (\$39 min / \$74.95 max)
Electronic Discount: 20% discount off broker assisted rates (\$31 min, \$49.95 max)
OneSource Broker Assisted Fee: None

Berkshire's Personalized Portfolios

A Disciplined Allocation Process

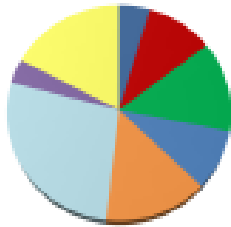


- 5% - Large Cap Growth
- 11% - Large Cap Value
- 0% - Mid Cap Equities
- 0% - Small Cap Equities
- 15% - International Equities
- 0% - Emerging Markets
- 10% - Long Term Bonds
- 16% - Interm Term Bonds
- 30% - Short Term Bonds
- 4% - High Yield Bonds
- 0% - International Bonds
- 19% - Short Term Reserves

Berkshire Conservative Portfolio

Investment Objective: The Portfolio seeks to provide income with some growth potential.

Investment Target:
 21% Equity 60% Bonds 19% Short Term Reserves
 3-15% Alternative Investment Class Consideration Not Reflected

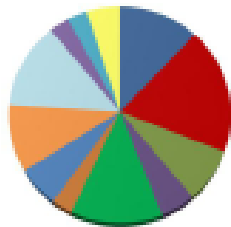


- 8% - Large Cap Growth
- 14% - Large Cap Value
- 6% - Mid Cap Equities
- 5% - Small Cap Equities
- 11% - International Equities
- 0% - Emerging Markets
- 8% - Long Term Bonds
- 13% - Interm Term Bonds
- 19% - Short Term Bonds
- 5% - High Yield Bonds
- 3% - International Bonds
- 12% - Short Term Reserves

Berkshire Balanced Portfolio

Investment Objective: The Portfolio seeks to provide growth of capital and current income.

Investment Target:
 42% Equity 46% Bonds 12% Short Term Reserves
 3-15% Alternative Investment Class Consideration Not Reflected

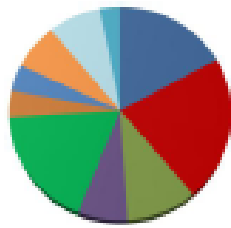


- 12% - Large Cap Growth
- 19% - Large Cap Value
- 8% - Mid Cap Equities
- 5% - Small Cap Equities
- 13% - International Equities
- 3% - Emerging Markets
- 6% - Long Term Bonds
- 10% - Interm Term Bonds
- 13% - Short Term Bonds
- 3% - High Yield Bonds
- 3% - International Bonds
- 5% - Short Term Reserves

Berkshire Moderate Portfolio

Investment Objective: The Portfolio seeks to provide growth of capital and a low to moderate level of current income.

Investment Target:
 60% Equity 35% Bonds 5% Short Term Reserves
 3-15% Alternative Investment Class Consideration Not Reflected

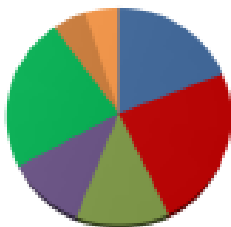


- 17% - Large Cap Growth
- 22% - Large Cap Value
- 10% - Mid Cap Equities
- 7% - Small Cap Equities
- 18% - International Equities
- 4% - Emerging Markets
- 4% - Long Term Bonds
- 7% - Interm Term Bonds
- 8% - Short Term Bonds
- 0% - High Yield Bonds
- 3% - International Bonds
- 0% - Short Term Reserves

Berkshire Moderate Aggressive Portfolio

Investment Objective: The Portfolio seeks to provide growth of capital and some current income.

Investment Target:
 78% Equity 22% Bonds 0% Short Term Reserves
 3-15% Alternative Investment Class Consideration Not Reflected



- 19% - Large Cap Growth
- 24% - Large Cap Value
- 15% - Mid Cap Equities
- 11% - Small Cap Equities
- 23% - International Equities
- 5% - Emerging Markets
- 0% - Long Term Bonds
- 5% - Interm Term Bonds
- 0% - Short Term Bonds
- 0% - High Yield Bonds
- 0% - International Bonds
- 0% - Short Term Reserves

Berkshire Aggressive Portfolio

Investment Objective: The Portfolio seeks to provide growth of capital.

Investment Target:
 95% Equity 5% Bonds 0% Short Term Reserves
 3-15% Alternative Investment Class Consideration Not Reflected