

# Disclosure Brochure

March 22, 2011

## **Barry Capital Management, Inc.**

*a Registered Investment Adviser*

435 Washington Street  
Hackettstown, New Jersey 07840

(908) 979-1505

[www.barrycapital.com](http://www.barrycapital.com)

This brochure provides information about the qualifications and business practices of Barry Capital Management, Inc. (hereinafter "Barry Capital" or the "firm"). If you have any questions about the contents of this brochure, please contact Robert L. Barry at (908) 979-1505. 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. Additional information about Barry Capital Management, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Barry Capital Management, Inc. is a state registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

This Item discusses only the material changes that have occurred since Barry Capital's last annual update dated March 11, 2010. Barry Capital does not have any material changes to disclose in this Item.

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## Item 4. Advisory Business

Since March 1998, Barry Capital has been in business as a registered investment adviser, providing clients with a range of comprehensive wealth management services. Founded by its current principal owner, Robert L. Barry, CFP<sup>®</sup>, the firm seeks provide each of its clients with a highly personalized experience and customized financial solution that effectively accounts for their individual needs and objectives. As of December 31, 2010, Barry Capital had \$30,058,000 in assets under management, of which \$29,533,000 were managed on a discretionary basis and \$525,000 were managed on a non-discretionary basis.

Barry Capital provides financial planning, consulting, and investment management services. Prior to engaging Barry Capital to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Barry Capital setting forth the terms and conditions under which Barry Capital renders its services (collectively the “*Agreement*”).

This Disclosure Brochure describes the business of Barry Capital. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Barry Capital’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Barry Capital’s behalf and is subject to Barry Capital’s supervision or control.

### **Financial Planning and Consulting Services**

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Barry Capital may provide its clients with a broad range of comprehensive financial planning and consulting services through the firm’s four core financial planning programs: Genesis, Partner, Coach and Personal Wealth Manager. Each of these graduated service offerings is designed to address the specific needs and considerations of its clients during varying stages of their financial lifecycle. Among the multitude of investment and non-investment related matters addressed are areas such as:

- Cash flow planning
- Estate planning
- Retirement planning
- Income tax planning
- Educational planning
- Risk management

In performing its services, Barry Capital is not 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. Barry Capital may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Barry Capital recommends its own services. The client is under no obligation to act upon any of the recommendations made by Barry Capital under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Barry Capital itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Barry Capital’s recommendations. Clients are advised that it remains their responsibility to promptly notify Barry Capital

if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Barry Capital's previous recommendations and/or services.

### **Investment Management and Wealth Management Services**

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Clients can engage Barry Capital to manage all or a portion of their assets on a discretionary or non-discretionary basis. Barry Capital typically provides portfolio management to clients in conjunction with the firm's ongoing comprehensive wealth management offerings (which include continuous financial planning and consulting services), but may also render such investment management services on a standalone basis.

Barry Capital primarily allocates clients' investment management assets among exchange-traded funds ("ETFs") and/or index funds. Barry Capital may also provide advice about any legacy positions or investments otherwise held in clients' portfolios.

Barry Capital also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, Barry Capital either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

Barry Capital tailors its advisory services to the individual needs of clients. Barry Capital consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. Barry Capital seeks to ensure that the firm's clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Barry Capital if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Barry Capital's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in Barry Capital's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

## Item 5. Fees and Compensation

Barry Capital offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

### **Financial Planning and Consulting Fees**

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Barry Capital charges a fixed fee and/or hourly fee for standalone financial planning and consulting services. These fees generally range from \$2,500 to \$5,000 on a fixed fee basis and/or from \$125 to \$150 on an hourly rate basis, depending upon the level and scope of the services.

Prior to engaging Barry Capital to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Barry Capital setting forth the terms and conditions of the engagement. Generally, Barry Capital requires one-third (1/3) of the financial planning or consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due in two (2) equal installments in the two (2) months following execution of the written agreement. Following the first year of a financial planning or consulting relationship, the payments terms are negotiable.

### **Investment Management and Wealth Management Fees**

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Barry Capital generally renders investment management and wealth management services to clients for a fixed annual fee. This fee typically varies between \$2,300 and \$10,000 per annum, but may range up to \$25,000 annually for highly complex engagements. This fee is largely determined by the core program level selected, additional services to be rendered and the amount of assets to be managed by the firm. The annual fee is prorated and charged quarterly in advance. As a general matter, clients can re-negotiate fees on the second anniversary of the initial engagement date and then every two years thereafter.

To a lesser extent, the firm may also provide portfolio management to clients for an annual fee equal to a percentage of the assets being managed by Barry Capital. Barry Capital's asset-based fee varies between 0.20% and 1.00%, depending upon the amount of assets under management and the type of investment management services to be rendered. Except for certain retirement plans, this fee is prorated and charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter.

Barry Capital's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Barry Capital does not, however, receive any portion of these commissions, fees, and costs.

## Fee Discretion

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Barry Capital, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

## Fees Charged by Financial Institutions

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As further discussed in response to Item 12 (below), Barry Capital generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("*Schwab*") for investment management accounts.

Barry Capital may only implement its investment management recommendations after the client has arranged for and furnished Barry Capital with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Schwab*, any other broker-dealer recommended by Barry Capital, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers* (as defined below), custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Barry Capital's fee.

## Fee Debit

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Barry Capital's *Agreement* and the separate agreement with any *Financial Institutions* may authorize Barry Capital or *Independent Managers* to debit the client's account for the amount of Barry Capital's fee and to directly remit that management fee to Barry Capital or the *Independent Managers*. Any *Financial Institutions* recommended by Barry Capital have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Barry Capital. Alternatively, clients may elect to have Barry Capital send an invoice for payment.

## Fees for Management During Partial Quarters of Service

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For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

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The *Agreement* between Barry Capital and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Barry Capital's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to Barry Capital's right to terminate an account. Additions may be in cash or securities provided that Barry Capital reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Barry Capital, subject to the usual and customary securities settlement procedures. However, Barry Capital designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Barry Capital may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter that exceed \$25,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. For partial withdrawals in excess of \$25,000 within a billing period, the firm credits the unearned portion of any fees towards the next quarter's fee.

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

Barry Capital does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7. Types of Clients

Barry Capital provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### **Minimum Account Size**

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As a condition for starting and maintaining a relationship, Barry Capital generally imposes a minimum portfolio size of \$50,000.

Barry Capital, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities. Barry Capital only accepts clients with less than the minimum portfolio size if, in the sole opinion of Barry Capital, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Barry Capital may aggregate the portfolios of family members to meet the minimum portfolio size.

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

### Methods of Analysis and Investment Strategies

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It is the firm's philosophy to closely align "client goals" with "portfolio goals." Accordingly, the firm strives to recommend allocations that are consistent with both the return and risk attributes that have been framed in the initial phases of the investment process and/or have been derived from the firm's financial planning analyses.

Barry Capital evaluates new and existing clients using a range of conventional measurement tools, which include efficient frontier analysis, risk measurements, correlation of assets, and similarly related metrics. Each of these analytical instruments is part of the basis underpinnings of the Modern Portfolio Theory ("MPT"). While the firm does not rely on past performance as an indicator, Barry Capital does at times review past performance as a basis for assessing consistency and a corresponding relationship to the MPT analysis. The firm may also utilize certain risk profiling tools, such as profiling questionnaires, to further gauge a client's true understanding of the capital markets and the characteristics of their portfolio.

Barry Capital's portfolio recommendations are driven by a host of "client centric" issues. Both the analytical findings, as they relate to MPT, and the risk profile results are incorporated into the conversation and dialogue that Barry Capital has with clients, as it relates to their specific goals, time horizons and related personal factors. For financial planning clients, the results of the firm's planning, in combination with scenario modeling of potential outcomes, are among the core metrics to the decision-making process, as are the client's behavioral factors.

The firm believes that limiting transaction costs, taxes and operating expenses are a key component to helping clients realize returns over the long-term that are consistent with their expectations. As such, Barry Capital generally utilizes ETFs and index funds as its preferred investment vehicles. However, at times, Barry Capital may select other asset classes when the firm determines that such allocations present a more favorable opportunity for its clients.

### Risks of Loss

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#### *Model Portfolio Theory (MPT)*

MPT is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nonetheless, Barry Capital's investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

## *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## *Options*

Options allow investors to buy or sell a security at a contracted "strike" price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

## *Market Risks*

The profitability of a significant portion of Barry Capital's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Barry Capital will be able to predict those price movements accurately.

### *Management Through Similarly Managed Accounts*

For certain clients, Barry Capital may manage portfolios by allocating portfolio assets among various mutual funds and securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "*investment strategy*"). In so doing, Barry Capital buys, sells, exchanges and/or transfers shares of mutual funds and securities based upon the *investment strategy*.

Barry Capital's management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Barry Capital's clients may be limited. As further discussed in response to Item 12B (below), Barry Capital allocates investment opportunities among its clients on a fair and equitable basis.

### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## **Item 9. Disciplinary Information**

Barry Capital is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Barry Capital does not have any required disclosures to this Item.

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

Barry Capital is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. The firm has no disclosures to report in response to this Item.

## Item 11. Code of Ethics

Barry Capital and persons associated with Barry Capital (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with Barry Capital’s policies and procedures.

Barry Capital 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 Investment Advisers Act of 1940 (the “Advisers Act”), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Barry Capital or any of its associated persons. The *Code of Ethics* also requires that certain of Barry Capital’s 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.

Unless specifically permitted in Barry Capital’s *Code of Ethics*, none of Barry Capital’s *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Barry Capital’s clients.

When Barry Capital 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 Barry Capital 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.

Clients and prospective clients may contact Barry Capital to request a copy of its *Code of Ethics*.

## Item 12. Brokerage Practices

As discussed above, in Item 5, Barry Capital generally recommends that clients utilize the brokerage and clearing services of *Schwab*.

Factors which Barry Capital considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* enables Barry Capital to obtain no-load mutual funds without transaction charges and other no-load and load-waived funds at nominal transaction charges. *Schwab* charges commission rates that are generally considered discounted from customary retail commission rates; however, these commissions and/or transaction fees charged by *Schwab* may still be higher (or lower) than those charged by other *Financial Institutions*.

The commissions paid by Barry Capital's clients comply with Barry Capital's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Barry Capital determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Barry Capital seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Barry Capital periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Barry Capital in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Barry Capital will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Barry Capital (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Barry Capital may decline a client's request to direct brokerage if, in Barry Capital's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless Barry Capital decides to purchase or sell the same securities for several clients at approximately the same time. Barry Capital may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Barry Capital's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed

independently. Under this procedure, transactions will generally be averaged as to price and allocated among Barry Capital's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Barry Capital determines to aggregate client orders for the purchase or sale of securities, including securities in which Barry Capital's *Supervised Persons* may invest, Barry Capital generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Barry Capital does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Barry Capital determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Barry Capital may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Barry Capital in its investment decision-making process. Such research generally will be used to service all of Barry Capital's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Barry Capital does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

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Barry Capital may receive from *Schwab*, without cost to Barry Capital, computer software and related systems support, which allow Barry Capital to better monitor client accounts maintained at *Schwab*. Barry Capital may receive the software and related support without cost because Barry Capital renders investment management services to clients that maintain assets at *Schwab*. The software and related systems support may benefit Barry Capital, but not its clients directly. In fulfilling its duties to its clients, Barry Capital endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Barry Capital's receipt of economic benefits from a broker-dealer creates a conflict of

interest since these benefits may influence Barry Capital's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Barry Capital may receive the following benefits from *Schwab* through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

## Item 13. Review of Accounts

For those clients to whom Barry Capital provides investment management services, Barry Capital monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Barry Capital provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by the firm’s principal, Robert L. Barry. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Barry Capital and to keep Barry Capital informed of any changes thereto. Barry Capital contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Barry Capital provides investment advisory services will also receive a report from Barry Capital that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from Barry Capital.

Those clients to whom Barry Capital provides financial planning and/or consulting services will receive reports from Barry Capital summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Barry Capital.

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

Barry Capital is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. Barry Capital may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

In addition, Barry Capital is required to disclose any direct or indirect compensation that it provides for client referrals. Barry Capital does not compensate for referrals.

## Item 15. Custody

Barry Capital's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Barry Capital through such *Financial Institution* to debit the client's account for the amount of Barry Capital's fee and to directly remit that management fee to Barry Capital in accordance with applicable custody rules.

The *Financial Institutions* recommended by Barry Capital have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Barry Capital. In addition, as discussed in Item 13, Barry Capital also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Barry Capital.

## Item 16. Investment Discretion

Barry Capital may be given the authority to exercise discretion on behalf of clients. Barry Capital is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Barry Capital is given this authority through a power-of-attorney included in the agreement between Barry Capital and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Barry Capital takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

**Item 17. Voting Client Securities**

Barry Capital is required to disclose if it accepts authority to vote client securities. Barry Capital does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

## **Item 18. Financial Information**

Barry Capital does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Barry Capital is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Barry Capital has no disclosures pursuant to this Item.

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435 Washington Street  
Hackettstown, New Jersey 07840

(908) 979-1505

[www.barrycapital.com](http://www.barrycapital.com)

Prepared by:

