

Savant Investment Advisers, Inc. Brochure

Presented In Lieu of Part II ADV

*1135 W. 175th Street
Homewood, Illinois 60430
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Item #1 **ADVISORY SERVICES AND FEES**

The Adviser offers **financial planning and/or investment advisory** services to its Clients. Such services are offered through its Investment Advisory Representatives (“Advisory Representatives”).

Separate and apart from their registration as Advisory Representatives of the Adviser, the Advisory Representatives are also Registered Representatives of Royal Alliance Associates, Inc., (“Royal Alliance”), a SEC registered broker/dealer and investment adviser. Royal Alliance is also a member of the Financial Industry Regulatory Authority (“FINRA”) and various other regulatory bodies. Royal Alliance **does not** provide any investment advisory services in conjunction with or as part of the **financial planning and/or investment advisory** services provided by the Adviser.

I. Financial Planning Services

The Adviser, through its Advisory Representatives, will typically provide a variety of financial planning services, principally advisory in nature, to individuals or families regarding the management of their financial resources, based upon an analysis of client’s needs. Generally, such financial planning services will involve preparing a financial program for clients based on the client’s financial circumstances and objectives. This information normally would cover present and anticipated assets and liabilities, including insurance, savings, investments, and anticipated retirement or other employee benefits.

The program developed for the clients will usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or invest funds in securities. The Advisory Representatives may develop tax or estate plans for clients or refer clients to an accountant or attorney.

The Advisory Representatives may also create a cash flow analysis or work with and advise the clients as to the rearrangement of cash flow in order to fund certain long term objectives such as buying a house, planning for college, retirement, etc.

AND/OR

II.

Portfolio Monitoring and Performance Appraisal

The Adviser will emphasize personal client contact and interaction rather than continuous and regular account supervision. The Advisory Representatives will work with clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their clients' educational, income, and retirement funding goals and objectives etc. The Advisory Representatives will create a portfolio, consisting of individual stocks or bonds; no-load funds, (funds with no front-end or deferred sales charges and whose total charges against net assets for sales related expenses and or services do not exceed .25%); load-waived funds (front-end commissions will not be charged); and, front-load fee offset (advisory fees will be offset against commissions earned) mutual funds purchased prior to engaging the Adviser's services. Such portfolios may also consist of variable life and/or variable annuity sub-accounts, which the Adviser's Representatives may have already sold to their clients on a full commission basis, in their capacity as Registered Representatives of Royal Alliance. The Adviser will provide a two-year fee and commission offset for such variable contracts.

Investment strategy will focus primarily on a buy and hold approach as opposed to short-term trading. Each portfolio will be initially designed to meet a particular investment goal, which the Adviser has determined to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, the Adviser will review the portfolio quarterly, and if necessary, rebalance such portfolio, based upon the client's individual needs and stated goals and objectives. However, each client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. The Adviser's strategy, generally, will be to seek long-term portfolio growth while providing clients with access to the personal advisory services of its Advisory Representatives on at least an annual basis, or more often, depending upon prior agreement between each Advisory Representative and clients. The Advisory Representatives will not attempt to manage short-term market fluctuations with active trading (market-timing/ allocation etc.)

FEE SCHEDULE: Financial Planning Services

- III. As a fixed fee, typically ranging from \$500 - \$4,500, depending on the nature and complexity of each client's circumstances.**

On an hourly basis, ranging from \$75 - \$175 per-hour, depending on the nature and complexity of each client's circumstances. An estimate for total hours will be determined at the start of the advisory relationship.

50% of the estimated fee will be due upon signing the advisory agreement, with the balance due upon presentation of the written plan to the clients. Typically the financial plan will be presented to the clients within 90 days of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the clients.

***SELECTION OF BROKERAGE PLATFORM FOR TRADE/ CLEARANCE/
CUSTODY OF INVESTMENT ADVISORY TRANSACTIONS***

☐ Pershing

In their separate capacity as Registered Representatives of Royal Alliance, the Adviser's Advisory Representatives and Royal Alliance are subject to certain FINRA supervisory obligations (see Item #8) which have caused Royal Alliance to select the Pershing division of Donaldson, Lufkin and Jenrette as an approved third-party clearing broker/dealer, which will execute trades, settle securities transactions and custody clients assets on behalf of the Adviser and its Advisory Representatives.

Factors considered in selecting Pershing include its existing broker/dealer clearing relationship with Royal Alliance, its extensive financial strength, reputation, reporting, and execution pricing and research. Royal Alliance and Pershing charge commission rates which are generally considered discounted from customary retail commission rates. However, the commissions and/or transaction fees charged by Royal Alliance and Pershing may be higher or lower than those charged by other broker-dealer/custodians. Further, the fees charged by Royal Alliance and Pershing, or any other designated broker-dealer/custodian, are exclusive of, and in addition to, the Adviser's investment management fees. In addition, the clients shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).

FEE SCHEDULE: INVESTMENT ADVISORY SERVICES

Portfolio Monitoring Services

The Adviser uses the following compensation options for its services:

☐ *Fee Plus Transaction Costs (“RASA”)*

☐ *VISION2020 Advisor Program*

UNBUNDLED FEE AND TRANSACTION COSTS ACCOUNT (“RASA ACCOUNT”) INITIAL ACCOUNT MINIMUM BALANCE, \$50,000

The RASA Account is a non-commission, fee and transaction cost account where the Adviser provides investment advisory services with securities execution, custodial and other administrative services provided by Royal and its clearing broker/dealer, Pershing.

The annual management fee for the Adviser’s investment advisory services is negotiable. Such investment advisory services will be described in detail in the RASA Account Client Services Agreement provided to each client.

VISION2020 ADVISOR PROGRAM - INITIAL ACCOUNT MINIMUM BALANCE, \$50,000

The VISION2020 Advisor Program (the PROGRAM) is offered as a ☐Wrap Account, which bundles advisory and administrative fees, as well as transaction charges into one asset-based fee. It is also offered as a ☐Non-Wrap account where the transaction Charges can be unbundled from the asset-based fee. Clients opting for the Wrap or Non-Wrap option may be charged a maximum fee of up to 2.5%. However, Non-Wrap Accounts are billed separately for Transaction Charges.

The PROGRAM Account provides comprehensive investment management of client assets utilizing web based asset allocation tools, as well as execution, clearing, and custodial services provided by Royal and its clearing broker/dealer Pershing. With respect to its asset allocation services, the PROGRAM utilizes Ibbotson Associates to provide clients access to risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, as well as portfolio optimization and re-balancing tools. The PROGRAM is a non-commission, fee and transaction cost account.

The PROGRAM is offered on a *Discretion Limited To Maintenance Of The Initial Agreed Upon Asset Allocation* and the Independent Advisory Representative will only purchase or sell securities which have been approved by clients in advance. The Independent Advisory Representative will structure an initial asset allocation with the client’s prior review and approval. However, the IAR may re-balance the account to maintain the initial agreed upon asset allocation, without prior client consent.

The PROGRAM is sponsored by Royal Alliance Associates, Inc. As PROGRAM sponsor, Royal Alliance has created a Program Brochure, which will be distributed to the Advisor's clients prior to or concurrent with their engagement in the PROGRAM. Clients should read it thoroughly before investing.

The annual management fee for the Adviser's investment advisory services is negotiable. Such investment advisory services will be described in detail in the RASA or PROGRAM Account Client Services Agreement provided to each client. The annualized investment management fee is a percentage of assets in the account and will be charged according to the following schedule:

Schedule Of Rasa & PROGRAM Fees *

<u>Portfolio Value [Sample Breakpoints]</u>	<u>Advisory Fee [Maximum Schedule]*</u>
From \$50000 - \$ 149,999	2.50 %
From \$ 150,000- \$249,999	2.30 %
From \$ 250,000 - \$499,999	2.05 %
From \$ 500,000 - \$749,999	1.80 %
From \$ 750,000 - 1,249,999	1.55 %
From \$ 1,250,000 – 1,999,999	1.30 %
From \$ 2,000,000 – 4,999,999	1.05 %
Over \$ 5,000,000	1.00 %

*The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

**In addition to the investment advisory fee, the clients will be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to Pershing and are partially retained by Pershing for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to Royal for its supervisory services. In addition to a portion of the PROGRAM fees, these transaction charges represent the only payment to Royal and Pershing for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to each client. If the account is opened with securities previously purchased through Royal Alliance or the Adviser, Royal Alliance and the Adviser may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through Royal or the Adviser, Royal Alliance and/or the Adviser may have already received commissions on the sale.

RASA & PROGRAM pricing may be suitable for clients with a more passive trading strategy who wish to unbundle the transaction costs from advisory and custodian costs.

GENERAL INFORMATION CONCERNING FEES

In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. The fees charged are calculated as described above and are not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

All fees paid to the Adviser for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. Such fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

Clients could invest in a mutual fund directly, without the services of the adviser. In that case, the clients would not receive the services provided by the Adviser which are designed, among other things, to assist the clients in determining which mutual fund or funds are most appropriate to the client's financial condition and objectives. Accordingly, the clients should review both the fees charged by the funds and the fees charged by the Adviser to fully understand the total amount of fees to be paid by the clients and to thereby evaluate the advisory services being provided.

All Advisory fees are charged, in advance, at the start of each calendar quarter, based upon the fair market value of the assets in the portfolio as of the last business day of the prior quarter. The initial fee will be payable when the account is established, prorated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures. No fee adjustments will be made for partial withdrawals and account depreciation.

Upon clients written authorization, fees will be automatically deducted from the account. Clients will be provided with an invoice setting forth the fee calculation and a quarterly statement reflecting deduction of the advisory fee.

ENGAGING THE ADVISER

All clients wishing to engage the Adviser for the provision of its investment supervisory and/or portfolio appraisal and reporting services, must, in addition to completing the Adviser's internal documents and Investment Advisory Agreement, complete a Royal

Alliance non-brokerage new account form. Please refer to Item # 8 for more information concerning this requirement.

Upon completion of the aforementioned documents, together with the Advisory Representatives securing the relevant approvals, the Adviser will be considered engaged by the clients. The term of engagement will either be one time or continuous, as set forth in the Advisory Agreement. For continuous agreements, clients will be responsible for ensuring that the Adviser has been timely informed of changes in investment objectives and risk tolerance.

Clients can terminate, without penalty, the Adviser's Agreement within five business days thereafter, the client can serve written notice. Clients will then receive, where applicable, a prorated refund of any prepaid advisory fees. Such prorated refund will be based upon actual services and termination costs incurred up to and at the time of termination of the Adviser's services.

Item # 2 TYPES OF CLIENTS

The Adviser's Advisory Representatives provide the aforementioned personal advisory services to individuals, pension and profit sharing plans, trusts, estates or charitable organizations, corporations or other business entities.

Item #3 TYPES OF INVESTMENTS

In addition to providing advice and recommending equity securities, certificates of deposit, investment company and debt instruments, that is solely incidental to the conduct of their business as registered Representatives of Royal Alliance, the adviser's Advisory Representatives will also provide clients with the aforementioned continuous investment supervision or portfolio monitoring services upon the Adviser's engagement by their clients.

Item # 4 METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES

The Adviser's Advisory Representatives may use, without limitation, any of the following methods of analysis, sources of information and investment strategies: financial newspapers and magazines; inspections of corporate activities; corporate rating services such as Morningstar; and, annual reports, prospectuses and press releases. Advisory Representatives may also utilize different investment strategies, based upon the needs of the clients, which include long-term purchases as well as trading.

Item#5**EDUCATION AND BUSINESS STANDARDS**

The Adviser does generally maintain specific educational or business background requirements for its Advisory Representatives. However, all Advisory Representatives--in their capacity as Royal Alliance Registered Representatives-- are required to pass appropriate securities examination(s) and must participate in general compliance courses and training conducted by Royal Alliance in its capacity as their broker-dealer.

Item #6**EDUCATIONAL AND BUSINESS BACKGROUND**

The following Biographical information is provided for the Adviser's principal executive officers:

Name	Title	D.O.B.	Formal Education After High School	Business Background (For Prior Five Years)
Edward H. Savant	Chief Compliance Officer,, RR, IAR	07/21/1943	MBA, 1979 University of Chicago	Royal Alliance Associates, Inc.3/2002- present Pim Financial Service 05/84 – 03/2002 Savant & Associates, Inc. 12/84 - present Savant Investment Advisers 07/83-present
Elizabeth A. Savant	President	01/03/1943	Loyola University, Chicago DNG	Savant Medical Supply, Inc. 1986-2004, President. Savant Investment Advisers, Inc. 2004-present. Results Now Inc. President 1984-present, Southern Solutions, Inc. 2001-present President.

Item #7**OTHER BUSINESS ACTIVITIES**

The Advisor's Representatives are Registered Representatives of Royal Alliance and provide brokerage services to Clients in that capacity. Royal Alliance's principal business is as a full services general securities broker-dealer registered with the Securities Exchange Commission, FINRA, and various other regulatory bodies. Royal Alliance is also a registered investment adviser and provides access to Third-Party Investment Advisory Services to Clients through its own Advisory Representatives. In that regard, the Adviser's Advisory Representatives may also be affiliated with Royal's Investment Adviser for the provision of such Third-Party Advisory Services and products.

Although Royal Alliance maintains supervisory and administrative relationships with certain of the Adviser's Advisory Representatives, the Firm does not control the Adviser with respect to the conduct of its Investment Advisory activities. Notwithstanding, because the Advisory Representatives are dually registered agents of Royal Alliance and the Adviser, Royal Alliance has certain supervisory and administrative duties pursuant of the requirements of FINRA Conduct Rule 3040. In that regard, Royal Alliance will require and furnish certain account opening documentation to be completed by the clients and the Advisory Representatives. Once all such materials and forms have been completed by clients in consultation with their Advisory Representatives, the Advisory Representatives are required to submit these materials and forms to Royal Alliance for its review and approval, in its capacity as the Broker/Dealer of record. Such review does not include the provision of investment advisory services to the Adviser's clients accounts. In certain instances, Royal Alliance will collect, as paying agent for the Adviser, the investment advisory fee due the Adviser from the account custodian. Royal Alliance will retain a portion as an administrative charge to the Adviser (not the Clients) for the functions Royal Alliance is required to carry out by the FINRA. Royal Alliance does not provide investment advisory services in connection with such programs.

PRIVACY STATEMENT

The Adviser is committed to safeguarding the confidential information of its clients. The Adviser holds all personal information provided to the Firm in the strictest confidence. These records include all personal information that the Adviser collects from its clients or receives from other firms in connection with any of the financial services it provides. The Adviser also requires other firms with whom its deals to restrict the use of clients information. The Adviser's Privacy Policy is available upon clients engagement of the Adviser's services or by prior request of the clients.

Item #8**OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS**

The Adviser's Advisory Representatives are Registered Representatives of Royal Alliance and provide brokerage services to clients in that capacity. Royal Alliance's principal business is as a full services general securities broker-dealer registered with the Securities Exchange Commission, FINRA, and various other regulatory bodies. Royal Alliance is also a registered investment adviser and provides access to Third Party Investment Advisory Services to clients through its own investment adviser Representatives. In that regard, the Adviser's Advisory Representatives may also be affiliated with Royal's Investment Adviser for the provision of such Third Party Advisory Services and products.

In addition, the Adviser's Advisory Representatives may also be licensed as insurance agents with various insurance companies, and in such capacity, may recommend, on a fully disclosed basis, the purchase of insurance-related products. The Adviser and its Advisory Representatives currently devote **67%** of their time to securities and life insurance commission business.

Item #9**PARTICIPATION OR INTEREST IN CLIENTS TRANSACTIONS**

As Registered Representatives of Royal Alliance, the Adviser's Advisory Representatives may recommend to clients the purchase or sale of investment products in which the Advisory Representatives and Royal Alliance or a related entity, may have some financial interest, including the receipt of compensation. Certain mutual funds (and/or their related persons) in which a client may invest make 12b-1 fee payments to broker-dealers. Such payments may be distributed pursuant to a 12b-1-distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets. Royal Alliance and/or the Adviser's Advisory Representatives may receive such 12b-1 fees or other compensation to the extent permitted by applicable law.

A fund that imposes a front end sales load but which waives that front-end sales load for purchases made on behalf of the client's account (a "front-end load" fund at net asset value) may bear 12b-1 distribution or services fees in excess of .25% of the Account's net assets invested in such fund (the minimum allowed for no-load funds). The 12b-1 fee deferred sales charges and other fee arrangements will be disclosed upon request of the clients and are typically described in the applicable fund's prospectus. Because of these compensation arrangements, a conflict of interest may exist in connection with the recommendation of particular mutual fund investment for a client's account.

Certain investment advisers may also execute transactions through Royal Alliance. SunAmerica Trust Company, an affiliate of Royal Alliance, or another affiliate of SunAmerica may act as custodian and receive compensation in connection with certain third party advisory programs.

Royal Alliance may, from time to time, recommend to clients investment products, including mutual funds, variable and fixed annuities, and other insurance products sponsored by SunAmerica or AIG affiliates. Such recommendations might be deemed to create a conflict of interest because they may result in an increase in compensation for Royal Alliance affiliates.

CODE OF ETHICS

The Adviser or its Advisory Representatives may buy or sell securities identical to those recommended to customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be recommended to the clients.

It is the expressed policy of the Adviser that its Advisory Representatives may not purchase or sell any individual stock or bond prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such Advisory Representatives from benefiting from transactions placed on behalf of advisory accounts.

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

- 1) A Director, officer or Advisory Representative 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 affiliation with the Adviser or Royal Alliance, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory clients. ⁽¹⁾ ⁽²⁾
- 2) All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
- 3) The Adviser emphasizes the unrestricted right of the clients to decline to implement any advice rendered, except in situations where a Third Party Advisory Service is granted discretionary authority in the client's account.
- 4) The Adviser requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 5) Any individual not in observance of the above may be subject to termination.

Footnotes

- (1) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of the Adviser's clients' trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of

these trades, including the reasons for the exceptions, will be maintained with the Adviser's records in the manner set forth above.

- (2) Open-end mutual funds and/or the investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by the Adviser's Investment policies and procedures.

In accordance with Section 20A of the Investment Advisers Act of 1940, the Adviser also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Adviser or any person associated with the Adviser.

Item # 10 CONDITIONS FOR MANAGING ACCOUNTS

The Adviser has set forth requirements for minimum account investments and fees, as well as mutual Adviser and Clients responsibilities in Item #1.

Item # 11 REVIEW OF ACCOUNTS

Accounts under a portfolio monitoring and performance appraisal agreement will be reviewed on at least a quarterly basis or more often, if appropriate.

Clients will be contacted at least annually by their Advisory Representatives to review each client's financial status, goals and objectives. The Adviser's principal is responsible for ensuring that such reviews and contacts are made.

Clients will receive reports, generally quarterly, as set forth in their advisory agreements and other disclosure materials.

Item # 12 INVESTMENT OR BROKERAGE DISCRETION

The Adviser does not have the authority to determine, without obtaining specific clients discretionary authority, securities to be bought or sold; the amount of securities to be bought or sold; the broker or dealer to be used; or the commission rates paid. However, as aforementioned, the Adviser's principal and Advisory Representatives are also registered representative(s) of Royal Alliance. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities be conducted through Royal Alliance's clearing relationships with **Pershing**. As a result, the Adviser does not have the discretion to choose the broker/dealer or commission rates to be paid. However, the Adviser reasonably believes that **Pershing's** blend of execution services, commission

and transaction costs as well as professionalism will allow the Adviser to seek best execution and competitive prices. However, clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through the Adviser's Advisory Representatives, in their separate capacities as Registered Representatives of Royal Alliance or as independent insurance agents.

Item #13 ADDITIONAL COMPENSATION

The Adviser's Advisory Representatives may, from time to time, receive incentive awards for the recommendation and introduction of investment products, or 12-b-1 distribution fees from investment companies in connection with the placement of clients funds into investment companies. Therefore, the receipt of this compensation may affect the Adviser's judgement in recommending products to its Clients.

Royal Alliance sponsors the *Elite Focus Program*. In this program, selected vendors will be invited to pay additional marketing fees to Royal Alliance for its enhanced marketing and distribution efforts. As part of such compensation, such vendors will, at no additional charge, be invited to participate in Royal Alliance's educational and sales seminar's included in the Firm's *Sourcebook* publication, and will also be granted access to Registered Representative lists and marketing information. In addition, ticket charges for purchasing such funds may be reduced or waived. A list of Royal Alliance's *Elite Focus Program* members is available to clients upon request of their Advisory Representatives.