

**Item 1- Cover Page**

Firm Brochure  
(Part 2A of Form ADV)



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May 31, 2012

This Brochure provides information about the qualifications and business practices of Sigma Investment Counselors ("we", or "Sigma"). If you have any questions about the contents of this Brochure, please contact Shari A. Bilkie, CCO [sbilkie@sigmainvestments.com](mailto:sbilkie@sigmainvestments.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Sigma Investment Counselors is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Sigma Investment Counselors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

SEC File No. 801-9529

## **Item 2 – Material Changes**

1. There have not been any “material changes” incorporated into this Brochure since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).
2. We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).
3. If you would like another copy of this Brochure, please download it from the SEC Website, cited above, or contact our Chief Compliance Officer, Shari A. Bilkie at 248.223.0122 or [sbilkie@sigmainvestments.com](mailto:sbilkie@sigmainvestments.com).

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## **Item 4: Advisory Business**

### **History**

Sigma has been managing assets since it was founded and registered with the Securities and Exchange Commission in 1973. Sigma is headquartered in Southfield, Michigan with a satellite office in Cleveland, Ohio.

### **Principal Owners**

We are an independent investment advisory firm, 100% employee owned. The principal owner is Robert M. Bilkie, Jr., CFA, President and Chief Executive Officer.

### **Advisory Services**

#### **Wealth Management Services**

Sigma provides continuous investment advice to clients and makes investments for clients based on the individual needs of its clients. Through personal discussions and a survey of risk tolerance, goals and objectives are determined for each client's particular circumstances. Sigma will develop a client's personal investment policy statement. A portfolio of securities is created and managed based on that policy. Sigma manages advisory accounts with investment discretion. This allows Sigma to determine the securities to purchase or sell without obtaining specific client consent. Sigma also manages, in certain instances, accounts with no investment discretion, which means Sigma must obtain specific consent prior to each transaction. Portfolio composition is guided by the stated objectives (i.e., income, growth or balanced) as well as the client's risk profile and portfolio restrictions.

### **Account Composition**

In keeping with the Investment Policy Statement, Sigma will construct and manage the portfolio with a blend of securities. These can include:

- Individual stocks (recommendations are generally limited to an approved selection of securities comprised of multi-capitalization securities, with the majority comprising the model portfolio) we use to effectively manage your portfolios.
- Exchange traded funds (ETFs)
- Individual fixed income securities including: treasury bonds, notes or bills, certificates of deposit, municipal bonds, corporate bonds and money market funds.
- Mutual fund shares comprised of equities and fixed income securities.
- Options (offered on a limited basis using covered calls for concentrated positions.)
- Other types of investments: Real Estate investments in the form of real estate investment trusts and master limited partnerships. Sigma may consider, at the client's request, other investment classes. Sigma may not implement these if Sigma believes the asset is inconsistent with the client's risk tolerances.

Portfolio weightings are monitored based upon the model portfolio allocations and then customized for each client. Clients will have the opportunity to place reasonable restrictions on the types of investments that will be made on their behalf. Sigma reserves the right to decline management or terminate an account if Sigma believes the restrictions imposed by a client are not reasonable and/or are too restrictive on our services.

Sigma will manage accounts of friends of the firm including employees, family members and others for a discounted fee and possibly no fee. The advisory services provided to these accounts will be nearly identical to those services provided to fee paying clients. The services provided are consistent with our fiduciary obligations to our fee paying clients.

### **Assets under Management**

As of December 31, 2011, we managed approximately \$487 million on a discretionary basis. Sigma generally will not manage accounts on a non-discretionary basis but may make exceptions especially for existing account relationships. As of December 31, 2011, we do not have non-discretionary accounts under management.

## **Item 5 - Fees and Compensation**

### **Fee Schedule**

#### **Wealth Management Services**

The annual fee charged for wealth management services is a minimum of 1% of assets under management. A minimum of \$500,000 of assets under management is required for this service. The following schedule will apply:

Minimum fee of \$5,000 annually
1% per annum of the first \$2,000,000 of market value
.60% per annum of the next \$3,000,000 of market value
.50% per annum above \$5,000,000 of market value

Fees are subject to negotiation at Sigma's discretion. No particular ranges or terms of fees have been established with respect to accounts that are the subject of negotiated fees. Sigma reserves the right to waive the minimum annual fee requirement.

For purposes of fee calculations and portfolio/account performance, Sigma uses a combination of non-affiliated custodians' pricing to value portfolios. There may be a discrepancy between Sigma's portfolio value and the custodian's portfolio value reported to you, i.e., either may be higher or lower than the other. This may be due to security valuation issues, interest payments, dividend payments, transactions you place in your account not known to Sigma, among other factors.

Our fees are typically charged quarterly, in advance on the quarter end values of your accounts calculated by us. Fees are automatically deducted from your custodial account subject to your written authorization which is documented in the agreement we have with you. Clients may opt to use other methods to pay a fee.

Clients should be aware that that the Securities and Exchange Commission does not object to the direct payment of investment advisory fees from the client's brokerage account so long as the client provides written authorization. Such fees will be deducted pursuant to the following:

1. Sigma will send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, the period covered and the agreed upon rate at which the fee was calculated and;
2. The custodian will send you a statement, at least quarterly, indicating the amount of the fee paid directly to Sigma.

Clients should also be aware that it is their responsibility, not the custodian's, to verify the accuracy of the fee calculation.

Accounts opened or closed during a calendar quarter will have the advisory fees pro-rated for the number of days in the quarter that services were provided.

### **Termination**

A client agreement may be cancelled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. If an agreement is terminated within five days of its signing, you will have your fees refunded. However, Sigma is not responsible for refunding any fees charged by the custodian for transactions or custodial charges during this 5-day time.

### **Other Fees You Should Understand**

Sigma is not a custodian nor is it affiliated with any custodian; therefore, each client must appoint a custodian and may be required to pay other fees. Sigma's fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which are paid by you. Clients may incur certain charges imposed by custodians, brokers, third party investments and other third parties. Such fees include:

- charges by managers
- custodial fees
- 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.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Sigma's fee, and Sigma does not receive any portion of these commissions, fees, and costs.

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

### **Sharing of Capital Gains**

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account because of the potential conflict of interest. We believe that performance based compensation creates an incentive for an adviser to recommend an investment that may carry a higher degree of risk to the client. Our advisory fee compensation is charged only as disclosed above (Item5).

## **Item 7 – Types of Clients**

We provide services to the following types of Clients:

- Individuals
- High net worth individuals
- Trusts
- Estates
- Corporate pension and profit sharing plans
- Foundations and Endowments

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

### **Methods of Analysis**

Sigma's investment analysis process involves a combination of financial media publications, qualitative research sources and quantitative valuation resources. These include, but may not be limited to the following:

#### **Financial Media Publications:**

- Barron's
- New York Times
- Wall Street Journal

#### **Qualitative Research:**

- Company Issued Presentations
- Morgan Stanley Analyst Reports
- Morningstar Analyst Reports
- Securities and Exchange Commission Filings
- UBS Analyst Reports
- Value Line Analyst Reports
- Zacks Investment Research

#### **Quantitative Valuation Resources:**

- Bloomberg
- Credit Suisse HOLT
- Company Issued Financial Statements

### **Overall Investment Strategy**

Sigma's approach to wealth management involves identifying each client's financial goals and constraints, determining the appropriate asset allocation, implementing a diversified investment plan and continually monitoring the portfolio after implementation. (See Item 4)

Sigma's overall investment strategy places a great deal of focus on the client's ability and willingness to tolerate risk, while defaulting to the more conservative of the two. It should be noted that while Sigma attempts to mitigate risk in targeting client objectives, all investment strategies are subject to various risks of loss, which are highlighted below.

**Equity Objective:** Sigma's primary objective when investing in equities for clients is to fund long-term goals by providing diversified, after-tax growth above the rate of inflation. Equity exposure is often accomplished through the use of exchange-traded funds (ETFs), and when appropriate, individual common stocks.

**Equity Investing:** Sigma's equity investing strategy focuses on diversification across sectors, market capitalization and countries. Sigma's equity investments tend to be long-term in nature with relatively low turnover. Client portfolios obtain the majority of their equity exposure through a collection of core equity holdings, including U.S. large cap equities, U.S. mid cap equities, U.S. small cap equities, developed international equities and emerging market equities. These core holdings are often complemented by smaller

allocations to niche market segments, which may include exposure to commodities, real estate, international small cap equities or other diversifying equity based positions.

The allocation between the equity positions changes over time and is determined based on economic fundamentals, geopolitics, changes in monetary and fiscal policy, and changes in relative market valuation.

Sigma offers equity portfolios that consist entirely of exchange traded funds, which combine the low cost, instant diversification of traditional indexed mutual funds with the intraday tradability and control over tax management typically associated with individual common stocks. However, for situations where it is deemed appropriate, Sigma will augment this strategy by replacing the large cap ETF exposure with a portfolio of large cap individual common stocks.

Sigma's individual large cap common stock portfolio focuses on investing in companies that have the following attributes:

- Cash flow returns on invested capital exceeding the cost of capital
- Increasing cash flow returns on invested capital
- An ability to grow without sacrificing returns (i.e. scalability)
- Management with an ability to create shareholder wealth over time
- Increasing productivity
- Undervalued by the market based upon Sigma's expectations
- Compelling qualitative characteristics

For those clients that have individual stock representation for the large cap portion of their equity portfolios, Sigma assembles a group of common stocks that target a risk and return profile that is largely representative of the S&P 500 index. Sigma avoids aggressive sector bets and highly concentrated positions, unless unique client circumstances serve as an overriding factor.

**Fixed Income Objective:** The purpose of fixed income in client portfolios is to provide returns above inflation and taxes so that purchasing power is preserved over the long term. Principal preservation, certainty of principle value at maturity and predictability of ongoing cash flows are of paramount importance. Sigma does not desire to take undue credit, interest rate or other risks (ex: concentration risks, liquidity risks, etc.) with client assets in the fixed income markets.

**Fixed Income Investing:** Sigma's approach to building fixed income portfolios involves remaining within the guidelines of each client while taking into account the unique needs and circumstances. This is accomplished through a diversified ladder of fixed income securities designed to target an optimum balance between risk and return. For smaller accounts, bond mutual funds may be used to achieve the desired level of diversification in a cost effective manner.

Sigma does not wish to expose clients to substantial credit risk within their bond portfolios. There is often both a capacity and willingness on the client's part to accept risk beyond that of treasury bonds in looking to generate fixed income returns. However, Sigma is intellectually honest with clients about the risks that exist in trying to generate excess fixed income returns. For this reason, Sigma focuses on investing in investment grade bonds, barring unique client circumstances.



Sigma also looks to mitigate interest rate risk in fixed income portfolios. In a ladder portfolio of high quality bonds, there is no inherent bet being placed on changes in the level of interest rates, steepness of the yield curve, or potential twists in the yield curve. While a standard ladder of investment grade bonds serves as the starting point for our fixed income portfolios, adjustments are made at the margin in response to client needs and changes in the interest rate environment.

### **Risk of Loss**

All investment programs carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. Sigma's approach keeps the risk of loss in mind. Depending on the types of securities clients are invested in, they may face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Fixed income Risks:** Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from his or her portfolio. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.
- **Small/Mid Cap Risk:** Stocks of small or small, emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.
- **Diversification Risk:** Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of Sigma or the integrity of Sigma's management. Sigma Investment Counselors is proud that the firm and its employees have no reportable disciplinary history to report.

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

Sigma Investment Counselors is an independent advisory firm. The firm and its employees have no participation in other financial industry activities or affiliations with the exception of Robert M. Bilkie, Jr., CFA, President and CEO, who is a director of the Eagle Capital Growth Fund.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Sigma Investment Counselors has adopted a Code of Ethics for all employees of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the:

- confidentiality of client information
- a prohibition on insider trading
- restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items and
- personal securities trading procedures, among other things

All employees at Sigma Investment Counselors must acknowledge the terms of the Code of Ethics annually, or as amended.

We follow our own advice, as a result:

1. Sigma anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Sigma has management authority to effect, and will recommend to clients, the purchase or sale of securities in which Sigma and its employees, directly or indirectly, have a position or interest.
2. Sigma's employees and persons associated with Sigma are required to follow Sigma's Code of Ethics.
3. Subject to satisfying our code, officers, directors and employees of Sigma may trade for their own accounts in securities which are recommended to and/or purchased for Sigma's clients.
4. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Sigma will not interfere with a) making decisions in the best interest of advisory clients and b) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Sigma's clients. In addition, the Code restricts trading in securities held in the model portfolios to the last hour of regular trading. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, to reasonably monitor potential conflicts of interest between Sigma and you, our clients.

You may obtain a copy of our Code of Ethics by contacting Shari A. Bilkie, CCO, 248.223.0122 or [sbilkie@sigmainvestments.com](mailto:sbilkie@sigmainvestments.com)

## **Item 12 – Brokerage Practices**

### **Selecting Brokerage Firms**

If the client has no established relationship or is not being introduced by a broker, Sigma may recommend a suitable broker. In such instances, the choice of the broker recommended is predicated on such factors as the administrative competence, execution capability, commission rate, and research facilities. In addition, consideration is given to the diligence of the broker and their responsiveness to the Sigma's client's needs.

Clients in need of brokerage and custodial services will have Charles Schwab & Company, TD Ameritrade and/or Fidelity Brokerage Services, Inc. recommended to them.

### **Directed Brokerage**

In the event that a client directs Sigma to use a particular broker or dealer, it should be understood that under those circumstances Sigma will have limited authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. Trades for Directed Brokerage are generally effected after those of non-directed clients. When possible, Sigma may aggregate certain transactions for the account with transactions in the same security done on behalf of some of Sigma's other clients on the same day at this directed broker. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

### **Brokerage Discretion - Prime Brokerage**

For a number of clients Sigma has the authority to pick a broker other than your custodian to execute a trade. You must qualify to participate in these transactions. Each trade placed at a broker other than your custodian will cost \$15.00, which is charged by your custodian to settle the trade. This is in addition to the mark-up or mark down that you may pay the broker-dealer Sigma selects to execute the purchase or sale of securities. To qualify for prime brokerage trading authority, you must meet the required minimum account size and sign the required paperwork. Sigma may use this authority to trade away from your custodian when purchasing or selling fixed income securities only. If your account does not qualify for prime brokerage or Sigma does not have authority to trade-away, Sigma will not have the ability to trade at any other broker other than your custodian. For discretionary clients, Sigma requests that it be provided with written authority to determine the broker dealer to use for client transactions and the commission costs that will be charged to our clients for these transactions

### **Principal/Agency Cross**

It is Sigma Investment Counselors policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Sigma Investment Counselors will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. Principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. Agency cross transaction defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Best Execution**

As an investment advisory firm Sigma has a fiduciary and fundamental duty to seek best execution for client transactions. Best execution is not a defined term, it is a concept. Best execution is not necessarily the lowest commission but the best overall qualitative execution under the particular circumstances. Sigma monitors trading practices and reviews and evaluates the services provided by broker-dealers, commission rates and quality of execution. This information is reviewed on a quarterly basis.

## **Trade Errors**

If a trade error occurs and is Sigma's error, it is Sigma's intent to make the client "whole". The erroneous trade will be canceled once discovered and moved to an error account. The intended trade will be placed in the client account as of the original trade date and price. If a third party caused the error, such as the prime broker or custodian, that party will correct and make the client "whole" as necessary.

## **Block Trading and Allocations**

Sigma may aggregate purchases and sales of the same security for multiple accounts which allows Sigma to execute transactions in a more timely, equitable and efficient manner. Priority to order entry is given to Schwab, TD Ameritrade and Fidelity accounts and then on a rotational basis for all other broker-dealers. Block order entry is rotated each time between Schwab, TD Ameritrade and Fidelity. Each account participating in the block shall receive the average price if multiple executions are required to complete the order. Due to the nature of Sigma's business, this will occur by the custodian. Typically, any incomplete block order will be allocated on a random basis. This procedure is in place to provide the most equitable and fair allocation and to reduce the overall commission charges for each client transaction. Clients participating in block trades do not receive a pro-rata commission charge and will be charged the commission schedule charged by the broker custodian. Directed brokerage may be in multiple blocks rotated by directed broker.

## **Item 13 - Review of Accounts**

### **Reviews**

We review our managed portfolios frequently with a general review occurring daily, and more specific reviews made less frequently but at least monthly. There is no precise sequence or review schedule. Senior management of the firm engages in periodic internal reviews of managers to ensure conformance of portfolios to guidelines established in the Investment Policy Statement. Sigma does not have a limitation on the number of client relationships assigned to any particular portfolio manager.

Reviewers of accounts are comprised of the Investment Committee members which include: Robert M. Bilkie, Jr., CFA, President and Chief Executive Officer, Christopher J. Kress, CFA, Executive Vice President, Denise M. Farkas, CFA, Chief Investment Officer, David B. Bergman, Senior Portfolio Manager, Marisa A. Lenhard, CFA, CFP®, Senior Portfolio Manager, Suzanne M. Antonelli, CFP®, Senior Portfolio Manager, Christopher W. Frayne, CFA, CFP®, Portfolio Manager and Wenma Gorman, CFA, Research Analyst.

Sigma sends a report to clients quarterly as described below. We urge clients to compare the statements received from their custodian with the reports we send each quarter. The portfolio appraisal received from Sigma each quarter will have a reminder notice similar to the following: Please compare this report to the statement sent by your custodian. If you are not receiving statements from your custodian or find inconsistencies in your reports, please contact us immediately.

## **Reports provided to Clients**

Sigma will provide a quarterly report. This report will include an appraisal and will include some or all of the following: current positions, cost basis and current market value, contributions and withdrawals from the account. The quarterly report will also include a performance summary detailing the rate of return. In addition, taxable clients will receive a realized gain and loss report for tax purposes. Where applicable, clients will receive these reports on an annual basis to coincide with their fiscal year-end.

These reports are in addition to the brokerage statements and confirmations received from their custodian.

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

### **Incoming Referrals**

Sigma Investment Counselors receives client referrals from Fidelity Investments Institutional Brokerage Group through Sigma's participation in Fidelity Wealth Advisor Solutions ("the Service"). The Service is designed to help investors find an independent investment advisor. Fidelity is a broker-dealer independent of and unaffiliated with Sigma. Fidelity does not supervise Sigma and has no responsibility for Sigma's management of clients' portfolios or Sigma's other advice or services. Sigma does not pay Fidelity fees at this time to receive client referrals through the Service.

Sigma Investment Counselors has been fortunate to receive many client referrals from current clients, attorneys, accountants, employees, personal friends of employees and other similar sources. Sigma does not pay a fee to receive referrals from any of these sources.

## **Item 15 – Custody**

Sigma Investment Counselors has authority to debit fees directly from client accounts. For this reason and in situations where employees of Sigma serve as a Trustee, we are deemed to have custody of client funds. Clients should receive account statements from their custodian at least quarterly. These statements should be reviewed carefully.

## **Item 16 – Investment Discretion**

Sigma Investment Counselors usually receives discretionary authority from the client at the onset of an advisory relationship to select the identity and amount of securities to be bought or sold. The client signs a limited power of attorney with their custodian so that we may execute trades that are suitable for their account. Such discretion is to be exercised in a manner consistent with the stated investment objectives. See Item 5.

## **Item 17 – Voting Client Securities**

### **Proxy Voting**

Sigma has adopted policies and procedures to ensure that Sigma votes proxies in client's best interest. Sigma only votes proxies related to securities held by our clients who provide specific, written authority to do so through our wealth management agreement.

In an effort to provide the best service and to meet our proxy obligations Sigma has established Proxy Voting Guidelines. The Proxy Voting Guidelines summarize Sigma Investment Counselors position on various issues of concern to investors and indicate how Sigma will vote shares. Sigma has a fiduciary duty to clients to examine each resolution offered and the context in which it applies. Sigma will vote proxies after considering the issue

and what is in a client's best financial interest. For that reason, there may be rare instances in which shares may not be voted in strict adherence to these Guidelines. These Guidelines are subject to change without notice and are not meant to cover every possible issue that might arise.

Clients may obtain a copy of Sigma Investment Counselors complete proxy voting policies and procedures upon request. Clients may also obtain information from Sigma about how Sigma Investment Counselors voted any proxies on behalf of their account(s). Please contact Shari A. Bilkie, CCO at 248.223.0122 or [sbilkie@sigmainvestments.com](mailto:sbilkie@sigmainvestments.com)

## **Item 18 – Financial Information**

### **Financial Condition**

Sigma does not have any financial impairment that will preclude it from meeting contractual commitments to clients and has not been the subject of a bankruptcy proceeding.

## **Item 19 - Business Continuity Plan**

### **The following is a summary of Our Business Continuity Plan:**

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding employees and property, making a financial and operational assessment, protecting our books and records, and allowing customers to transact business. In short, Sigma's business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications and/or cable line outage, internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

### **Alternate Offices**

The plan includes options to establish an alternate location to support ongoing operations in the event the main office is unavailable. It is our intent to contact all clients promptly if a disaster forces us to move operations to an alternate location.

### **Loss of Key Personnel**

In the event of a loss of key personnel, we will contact all affected clients promptly to determine who the appropriate replacement person should be.

## **Item 20- Information Security Program**

### **Information Security**

We maintain an information security program to reduce the risk that client personal and confidential information may be breached. We employ the use of firewalls, virus scanners and other methods of securitization to ensure that your information is protected.

**Brochure Supplement**  
(Part 2B of Form ADV)

**Sigma Investment Counselors**  
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This brochure supplement is applicable to the following supervised individuals of Sigma Investment Counselors:

- Suzanne M. Antonelli, CFP<sup>®2</sup>, Senior Portfolio Manager,
- David B. Bergman<sup>3</sup>, Senior Portfolio Manager,
- Robert M. Bilkie, Jr., CFA<sup>1</sup>, President and CEO,
- Denise M. Farkas, CFA<sup>1</sup>, Chief Investment Officer,
- Christopher W. Frayne, CFA<sup>1</sup>, CFP<sup>®2</sup>, Portfolio Manager,
- Wenma Gorman, CFA<sup>1</sup>, Research Analyst,
- Christopher J. Kress, CFA<sup>1</sup>, Executive Vice President, and
- Marisa A. Lenhard, CFA<sup>1</sup>, CFP<sup>®2</sup>, Senior Portfolio Manager

This document supplements Sigma Investment Counselors' Part 2A brochure. You should have received a copy of that brochure as this supplement is attached. Please contact Shari A. Bilkie, Chief Compliance Officer at 248.223.0122 if you did not receive Sigma's brochure or if you have any questions about the contents of this supplement.

Additional information about Sigma's supervised persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

<sup>1</sup>**Chartered Financial Analyst:** to earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and **annually** reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. There are currently more than 90,000 CFA charter holders working in 135 countries.

<sup>2</sup>**CERTIFIED FINANCIAL PLANNER<sup>TM</sup>:** to earn the CFP<sup>®</sup> certification, candidates must: 1) have a bachelor's degree from an accredited college or university; 2) pass the comprehensive CFP<sup>®</sup> Certification Examination; 3) pass CFP Board's Fitness Standards for Candidates and Registrants; 4) agree to abide by CFP Board's Code of Ethics and Professional Responsibility; 5) have at least three years of qualified work experience.

<sup>3</sup>**Uniform Investment Adviser Law Examination - (Series 65)** is an examination comprised of a 130 multiple choice questions administered under a testing time of three hours. The Series 65 is designed to qualify candidates as investment adviser representatives.

**May 31, 2012**



## ***Suzanne M. Antonelli, CFP<sup>®</sup>, Senior Portfolio Manager***

### **Educational Background and Business Experience**

**Birth** 1963

**Experience:**

Senior Portfolio Manager, Investment Advisor Representative and Investment Committee Member with Sigma Investment Counselors, 07/11 to present.

Financial Advisor and Principal with LJPR, LLC, 12/06 to 07/11

**Educational Background:**

University of Michigan, Dearborn, MI

BA      1986,  
2009

<sup>2</sup>CERTIFIED FINANCIAL PLANNER<sup>™</sup>

**Profile:**

Suzanne recently joined Sigma but has more than 20 years of experience in fixed income research, portfolio development and asset allocation, tax and retirement planning. In 1986 she began her career with the Vanguard Group of Mutual Fund Companies in Investor Relations. She later joined Investment Counsel, Inc. a Grosse Pointe based wealth management firm in 1991 specializing in multi-million dollar account management, business plan development, and portfolio supervision. While with Investment Counsel, she performed in depth financial analysis and participated in formulating investment strategies for the firm. In 2006 Suzanne joined LJPR, LLC where she assisted clients in investment allocation, comprehensive tax planning and preparation, estate plan execution and funding, and retirement planning. Suzanne is a member of the Financial Planning Association of North America.

**Disciplinary History:**

None

**Other Business Activities:**

None

**Additional Compensation:**

None

**Supervision:**

Robert M. Bilkie, Jr., CFA, President and CEO of Sigma Investment Counselors. In addition to his role as CEO and President, Bob serves as a member of Sigma's Investment Committee and as a Portfolio Manager. Bob is responsible for the oversight of Suzanne Antonelli. He reviews investment decisions, portfolio activity, and client documentation through our client relationship management system among other systems. Suspected violations are investigated and if necessary, appropriate disciplinary action is taken.

Robert M. Bilkie Jr., CFA, President/CEO

Contact information:

Phone: 248.223.0122

Email: [rbilkie@sigmainvestments.com](mailto:rbilkie@sigmainvestments.com)

## **David B. Bergman, Senior Portfolio Manager**

### **Educational Background and Business Experience**

**Birth** 1953

**Experience:**

Senior Portfolio Manager, Investment Advisor Representative and Investment Committee Member with Sigma Investment Counselors, 02/91 to present.

**Educational Background:**

Illinois State University, Normal, IL	BA	1978,
<sup>3</sup> Series 65, Uniform Investment Adviser Law Examination		2010

**Profile:**

Dave has been at Sigma since 1990 and has more than 25 years of investment related experience. He spent a considerable amount of time as a licensed securities broker with Merrill Lynch, E.F. Hutton and Roney & Co. prior to joining Sigma. After earning his business degree from Illinois State University, Dave played professional baseball for 20 years and is perhaps best known for his contribution to the Detroit Tigers during the latter part of his career. Dave also participated on the Professional Baseball Players Pension Committee and Cooperstown Baseball Hall of Fame Advisory Board for several years. He is a partner of the firm and his primary responsibilities at Sigma include serving as a relationship officer and portfolio manager on client accounts as well as participating on the firm's Investment Committee.

**Disciplinary History:**

None

**Other Business Activities:**

Trustee and member of the Finance Committee for CATCH, a charity devoted to improving the quality of lives of pediatric patients associated with two Detroit-based hospitals.

**Additional Compensation:**

None

**Supervision:**

Robert M. Bilkie, Jr., CFA, President and CEO of Sigma Investment Counselors. In addition to his role as CEO and President, Bob serves as a member of Sigma's Investment Committee and as a Portfolio Manager. Bob is responsible for the oversight of Dave Bergman. He reviews investment decisions, portfolio activity, and client documentation through our client relationship management system among other systems. Suspected violations are investigated and if necessary, appropriate disciplinary action is taken.

Robert M. Bilkie Jr., CFA, President/CEO

Contact information:

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Email: [rbilkie@sigmainvestments.com](mailto:rbilkie@sigmainvestments.com)

## **Robert M. Bilkie, Jr., CFA, President and Chief Executive Officer**

### **Educational Background and Business Experience**

**Birth** 1960

#### **Experience:**

President, CEO, Investment Advisor Representative and Investment Committee Member with Sigma Investment Counselors, 01/87 to present

#### **Educational Background**

University of Michigan, Dearborn, MI,

BBA 1983

<sup>1</sup>Chartered Financial Analyst (#11052)

1988

#### **Profile**

In addition to acting as the CEO at the firm, Bob's responsibilities at Sigma include serving as a relationship officer and portfolio manager on client accounts as well as participating on the firm's Investment Committee. Bob has served as a Regional Director for CFA Institute, the Charles Schwab & Co Institutional Advisory Board and is a past President of the CFA Society of Detroit. He is a member of the Editorial and Securities Review Committee of the National Association of Investors Corp's magazine, *Better Investing*.

#### **Disciplinary History:**

None

#### **Other Business Activities:**

Bob is an independent director of a non-affiliated Mutual Fund. He spends approximately twelve hours per year of his professional time with Eagle Capital Growth Fund. Bob also provides consulting services to CFA Institute as it relates to the CFA Program Curriculum. He spends approximately twelve hours per year of his professional time with CFA Institute.

#### **Additional Compensation:**

As independent director of Eagle Capital he receives approximately \$7,500.00 annually. His compensation for consulting services provided to CFA Institute varies.

#### **Supervision:**

As CEO of Sigma, Bob Bilkie does not have direct oversight from any one individual at the firm for his client management responsibilities. However, his associates at the firm recognize the need to monitor a manager's activities and therefore it's implied that Bob's activities are peer reviewed. Compliance related activities pertaining to Bob are monitored by Sigma's Chief Compliance Officer.

Shari A. Bilkie, Chief Compliance Officer

Contact information:

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## ***Denise M. Farkas, CFA, Chief Investment Officer***

### **Educational Background and Business Experience**

**Birth** 1959

#### **Educational Background:**

Emory University, Atlanta, GA	BBA	1981
Case Western Reserve University, Weatherhead School of Management, Cleveland, OH	MBA	1985
<sup>1</sup> Chartered Financial Analyst (#14032)		1991

#### **Experience:**

Chief Investment Officer, Portfolio Manager and Investment Advisor Representative with Sigma Investment Counselors, 01/2007 to present

#### **Profile:**

Denise joined Sigma in 2007 and brings more than 25 years of investment related experience to the firm. Prior to joining Sigma, Denise was Director of Research at a Cleveland-based investment advisory firm. Denise is chair of Sigma's Investment Committee and oversees the investment research process. Denise also serves as a relationship officer and portfolio manager on client accounts. Denise currently serves as a member and past Chair of the Capital Markets Policy Committee of CFA Institute's Center for Financial Market Integrity and she is also a member of CFA Institute's Curriculum Executive Advisory Board.

#### **Disciplinary History:**

None

#### **Other Business Activities:**

Denise is a member of the Board of Trustees and serves as chair of the investment committee for Rainbow Babies and Children's Foundation. She is a member of the Jewish Community Federation of Cleveland's Finance and Investment Committee and a member and immediate past Chair of the Investment Committee of B'nai Jeshurun Congregation,

#### **Additional Compensation:**

None

#### **Supervision:**

Robert M. Bilkie, Jr., CFA, President and CEO of Sigma Investment Counselors. In addition to his role as CEO and President, Bob serves as a member of Sigma's Investment Committee and as a Portfolio Manager. Bob is responsible for the oversight of Denise Farkas. He reviews investment decisions, portfolio activity, and client documentation through our client relationship management system among other systems. Suspected violations are investigated and if necessary, appropriate disciplinary action is taken.

Robert M. Bilkie, Jr., CFA, President/CEO,

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## **Christopher W. Frayne, CFA, CFP®, Portfolio Manager**

### **Educational Background and Business Experience**

**Birth** 1985

#### **Experience:**

Portfolio Analyst, Sigma Investment Counselors, 05/07 to 04/11

Portfolio Manager, Sigma Investment Counselors, 05/11 to present

Investment Committee Member with Sigma Investment Counselors, 05/07 to present

#### **Educational Background:**

University of Michigan, Ann Arbor, MI

BSE 2007

<sup>1</sup>Chartered Financial Analyst (#122,602)

2011

<sup>2</sup> CERTIFIED FINANCIAL PLANNER™

2011

<sup>3</sup>Series 65, Uniform Investment Adviser Law Examination

2010

#### **Profile:**

Chris joined Sigma in 2006 as an intern following his junior year of college. After graduation, Chris joined Sigma full-time where his current responsibilities include the management of fixed income investments, research and investment analysis. He is also a member of Sigma's Investment Committee. During his college career, Chris was recognized by the dean's office for outstanding academic performance four times and was awarded all-Greek academic honors by the University of Michigan Office of Greek Life. Chris earned both the Chartered Financial Analyst (CFA) designation and the CERTIFIED FINANCIAL PLANNER™(CFP®) certification in 2011.

#### **Disciplinary History:**

None

#### **Other Business Activities:**

None

#### **Additional Compensation:**

None

#### **Supervision:**

Robert M. Bilkie, Jr., CFA, President and CEO of Sigma Investment Counselors. In addition to his role as CEO and President, Bob serves as a member of Sigma's Investment Committee and as a Portfolio Manager. Bob is responsible for the oversight of Chris Frayne. He reviews investment decisions, portfolio activity, and client documentation through our client relationship management system among other systems. Suspected violations are investigated and if necessary, appropriate disciplinary action is taken.

Robert M. Bilkie, Jr., CFA, President/CEO,

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## **Wenma Gorman, CFA, Research Analyst**

### **Educational Background and Business Experience**

**Birth** 1978

#### **Experience:**

Private Client Specialist, Fidelity Investments, 06/07 to 06/12

Research Analyst, Sigma Investment Counselors, 06/12 to present

Investment Committee Member with Sigma Investment Counselors, 06/12 to present

#### **Educational Background:**

Eastern China Normal University, Shanghai, China

BA 2000

Macquarie University, Sydney, Australia

MA 2005

<sup>1</sup>Chartered Financial Analyst (#125824)

2011

#### **Profile:**

Wenny joined Sigma in 2012 with over ten years of diversified working experience. While in China, she instructed executives from Fortune 500 Companies on the Chinese language, customs & business strategies. After immigrating to the US, she joined Fidelity Investments In 2007. At Fidelity Investments, she served as a relationship officer on client accounts and provided investment-related support to a team of five investment advisors. Wenny obtained her bachelor degree of Arts from Eastern China Normal University in Shanghai, China and a master degree of Arts from Macquarie University in Sydney, Australia. Her responsibilities at Sigma include managing the fixed income segment of client portfolios, investment research, and equity trading for block and program trades. Wenny earned the Chartered Financial Analyst (CFA) designation in 2011 and is a member of CFA Institute as well as the CFA Society of Detroit.

#### **Disciplinary History:**

None

#### **Other Business Activities:**

None

#### **Additional Compensation:**

None

#### **Supervision:**

Robert M. Bilkie, Jr., CFA, President and CEO of Sigma Investment Counselors. In addition to his role as CEO and President, Bob serves as a member of Sigma's Investment Committee and as a Portfolio Manager. Bob is responsible for the oversight of Wenny Gorman. He reviews investment decisions, portfolio activity, and client documentation through our client relationship management system among other systems. Suspected violations are investigated and if necessary, appropriate disciplinary action is taken.

Robert M. Bilkie, Jr., CFA, President/CEO,

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## **Christopher J. Kress, CFA, Executive Vice President**

### **Educational Background and Business Experience**

**Birth** 1959

#### **Experience:**

Executive Vice President with Sigma Investment Counselors, 09/03 to present  
Portfolio Manager and Investment Committee Member with Sigma, 06/99 to present.

#### **Educational Background:**

University of Notre Dame, Notre Dame, IN	BBA	1981
Indiana University, Bloomington, IN	MBA	1983
<sup>1</sup> Chartered Financial Analyst (#9867)		1987

#### **Profile:**

Chris joined Sigma in 1999 with an extensive background in security analysis, stock selection and portfolio management following a 16-year career with National Bank of Detroit (now JPMorgan Chase). He also cultivated a strong background in estate and financial planning given his tenure in the bank's Personal Trust Division. Chris received his undergraduate degree in Finance from the University of Notre Dame and an MBA degree in Finance and Accounting from Indiana University. Chris is a partner of the firm and his primary responsibilities at Sigma include serving as a relationship officer and portfolio manager on client accounts as well as participating on the firm's Investment Committee.

#### **Disciplinary History:**

None

#### **Other Business Activities:**

None

#### **Additional Compensation:**

None

#### **Supervision:**

Robert M. Bilkie, Jr., CFA, President and CEO of Sigma Investment Counselors. In addition to his role as CEO and President, Bob serves as a member of Sigma's Investment Committee and as a Portfolio Manager. Bob is responsible for the oversight of Chris Kress. He reviews investment decisions, portfolio activity, and client documentation through our client relationship management system among other systems. Suspected violations are investigated and if necessary, appropriate disciplinary action is taken.

Robert M. Bilkie, Jr., CFA, President/CEO

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## **Marisa A. Lenhard, CFA, CFP®, Senior Portfolio Manager**

### **Educational Background and Business Experience**

**Birth** 1978

#### **Experience:**

Senior Portfolio Manager, Investment Committee Member and Investment Advisor Representative with Sigma Investment Counselors, 05/97 to present

#### **Educational Background:**

Michigan State University, East Lansing, MI	BA	1999
<sup>1</sup> Chartered Financial Analyst (#61447)		2003
<sup>2</sup> CERTIFIED FINANCIAL PLANNER™		2011

#### **Profile:**

Marisa first came to Sigma in 1997 as an intern and joined the firm on a full-time basis in 1999 after completing her degree in General Business Administration/Pre-Law from Michigan State University. Marisa's primary responsibilities at Sigma include serving as a relationship officer and portfolio manager on client accounts as well as participating on the firm's Investment Committee. Marisa is a member of the Editorial Advisory and Securities Review Committee of the National Association of Investors Corp's magazine, *Better Investing*, serves on the Board of Directors of InForum, and also co-chairs InForum's Emerging Leaders Affinity Group. Marisa earned the Chartered Financial Analyst (CFA) designation in 2003. She is a member of CFA Institute, past President of the CFA Society of Detroit and has also served as an instructor for the Stalla CFA Exam review program. Marisa earned the CERTIFIED FINANCIAL PLANNER™ (CFP®) certification in 2011.

#### **Disciplinary History:**

None

#### **Other Business Activities:**

None

#### **Additional Compensation:**

None

#### **Supervision:**

Robert M. Bilkie, Jr., CFA, President and CEO of Sigma Investment Counselors. In addition to his role as CEO and President, Bob serves as a member of Sigma's Investment Committee and as a Portfolio Manager. Bob is responsible for the oversight of Marisa Lenhard. He reviews investment decisions, portfolio activity, and client documentation through our client relationship management system among other systems. Suspected violations are investigated and if necessary, appropriate disciplinary action is taken.

Robert M. Bilkie, Jr., CFA, President/CEO

Contact information:

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