

Hamilton Advisors Inc. Brochure
(Part 2A of Form ADV)

HAMILTON ADVISORS INC.
373 STANWICH ROAD
GREENWICH, CT 06830
203 629-1112
203 629-1469
WWW.HAMILTONADVISORS.COM
djh@hamiltonadvisors.com

This brochure provides information about the qualifications and business practices of HAMILTON ADVISORS INC. If you have any questions about the contents of this brochure, please contact us at: 203 629-1112, or by email at: djh@hamiltonadvisors.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. HAMILTON ADVISORS INC. is a registered investment advisor which does not imply a certain level of skill or training.

Additional information about HAMILTON ADVISORS INC. is available on the SEC's website at www.adviserinfo.sec.gov

March 12, 2012

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 203 629-1112 or by email at: djh@hamiltonadvisors.com.

Table of Contents

Material Changes.....	i
Annual Update	i
Material Changes since the Last Update	i
Full Brochure Available	i
Advisory Business	1
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Tailored Relationships	2
Types of Agreements.....	2
Advisory Service Agreement.....	2
Asset Management	2
Fees and Compensation	3
Description	3
Fee Billing	3
Other Fees	3
Expense Ratios.....	4
Past Due Accounts and Termination of Agreement	4
Performance-Based Fees	4
Types of Clients.....	4
Description	4
Account Minimums.....	4
Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Methods of Analysis	5
Investment Strategies	5
Risk of Loss	5
Disciplinary Information	6
Legal and Disciplinary.....	6
Other Financial Industry Activities and Affiliations	6
Affiliations	6

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	7
Code of Ethics.....	7
Participation or Interest in Client Transactions.....	7
Personal Trading.....	7
Brokerage Practices.....	7
Selecting Brokerage Firms.....	7
Best Execution	8
Soft Dollars	8
Order Aggregation	8
Review of Accounts	9
Periodic Reviews	9
Regular Reports.....	9
Client Referrals and Other Compensation	9
Incoming Referrals.....	9
Referrals Out	9
Custody.....	9
Account Statements.....	9
Performance Reports.....	9
Investment Discretion.....	10
Discretionary Authority for Trading.....	10
Limited Power of Attorney	10
Voting Client Securities	10
Proxy Votes	10
Financial Information	10
Financial Condition	10
Business Continuity Plan	11
General	11
Disasters	11
Alternate Offices	11
Information Security Program.....	11
Information Security	11

Privacy Notice	11
Brochure Supplement (Part 2B of Form ADV)	13
Education and Business Standards	13
DEBORAH JANE HAMILTON	13
JOHN BROCK HAMILTON.....	13

Advisory Business

Firm Description

HAMILTON ADVISORS INC. was founded in 1980.

HAMILTON ADVISORS INC. provides personalized confidential investment management to individuals, pension and profit sharing plans, trusts, estates, and IRAs. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, investment management and risk tolerance.

HAMILTON ADVISORS INC. is strictly a fee-only investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted.

Investment advice is provided on a fully discretionary basis. HAMILTON ADVISORS INC. does not act as a custodian of client assets. HAMILTON ADVISORS INC. places trades for clients under a limited power of attorney.

A written evaluation of each client's situation is provided to the client on a quarterly basis. The custodian for each client's account provides the client with a month-end statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which investment management may be beneficial to the client.

Principal Owners

DEBORAH JANE HAMILTON is a 55% Stockholder and J. Brock Hamilton is a 45% Stockholder.

Types of Advisory Services

HAMILTON ADVISORS INC. provides investment supervisory services, also known as asset management services, furnishes investment advice through consultations; issues special reports about securities; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate securities.

As of December 31, 2011, HAMILTON ADVISORS INC. managed approximately ninety-one million nine hundred seventy three thousand two hundred fifty two dollars in assets for approximately thirty-six clients. All assets are managed on a discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Advisory Service Agreement

Most clients choose to have HAMILTON ADVISORS INC. manage their assets in order to obtain ongoing in-depth advice. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes investment management (including performance reporting) with the implementation of recommendations within each area.

Asset Management

Assets are invested primarily in stocks, bonds, money market funds, exchange-traded funds and occasionally mutual funds, usually through discount brokers. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. HAMILTON ADVISORS INC. does not receive any compensation, in any form, from fund companies.

Investments may include: equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through HAMILTON ADVISORS INC.

TERMINATION OF AGREEMENT

A Client may terminate the aforementioned agreement at any time by notifying HAMILTON ADVISORS INC. in writing. HAMILTON ADVISORS INC. may terminate the aforementioned agreement at any time by notifying the client in writing.

Fees and Compensation

Description

HAMILTON ADVISORS INC. bases its fees on a percentage of assets under management and are in certain circumstances negotiable.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

- 1.50% on the first \$1,000,000;
- 1.25% on the next \$2,000,000 (from 2,000,001 to 3,000,000); and
- 0.5% on the assets above \$3,000,000.

There is no minimum annual fee. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Fee Billing

Investment management fees are billed quarterly, in *advance* meaning that we invoice you before the three-month billing period has *begun*. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The

selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

HAMILTON ADVISORS INC., in its sole discretion may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. *The formula is based on gross assets and other financial considerations.*

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to HAMILTON ADVISORS INC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

HAMILTON ADVISORS INC. reserves the right to stop work on any account that is more than 180 days overdue.

Performance-Based Fees

HAMILTON ADVISORS INC. does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

HAMILTON ADVISORS INC. generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates and IRAs.

Client relationships vary in scope and length of service.

Account Minimums

HAMILTON ADVISORS INC. has no minimum account size.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases and use of the World Wide Web.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation to preserve capital and provide a reasonable rate of return. The investment strategy for a specific client is based upon the objectives stated by the client during consultations which are constantly reviewed and updated with the client. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Strategies may include long-term purchases, short-term purchases, trading, short sales, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors 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.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Affiliations

HAMILTON ADVISORS INC. has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

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

Code of Ethics

The employees of HAMILTON ADVISORS INC. have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. HAMILTON ADVISORS INC. abides by honest and ethical business practices.

Participation or Interest in Client Transactions

HAMILTON ADVISORS INC. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Clients will always get the best price in the purchase and sale of securities over that of employees. Employees comply with the provisions of the HAMILTON ADVISORS INC. *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of HAMILTON ADVISORS INC. is Deborah Jane Hamilton. She reviews all employee trades each quarter. Her trades are reviewed by John Brock Hamilton. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Most employee trades are small and the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

HAMILTON ADVISORS INC. does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. HAMILTON ADVISORS INC. recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

HAMILTON ADVISORS INC. recommends discount brokerage firms and trust companies (qualified custodians), such as FIDUCIARY TRUST COMPANY INTERNATIONAL.

HAMILTON ADVISORS INC. *does not* receive fees or commissions from any of these arrangements.

Best Execution

HAMILTON ADVISORS INC. reviews the execution of trades at each brokerage firm each quarter. The review is documented in the HAMILTON ADVISORS INC. *Compliance Manual*. Trading fees charged by the brokerage firms are also reviewed on a quarterly basis. HAMILTON ADVISORS INC. does not receive any portion of the trading fees.

Soft Dollars

HAMILTON ADVISORS INC. has a soft dollar arrangement with H.G. Wellington & Co. Inc. from which it receives proprietary news, research, research analysis, and software. Examples are TC2000, briefings.com and Grant's Interest Rate Observer. All are investment related products. Client brokerage commissions are used to pay for these products and services. HAMILTON ADVISORS INC. does receive a benefit from this arrangement in the sense that it does not have to produce or pay for the research, products or services. Soft dollar benefits are used for all clients' accounts. At certain times, clients may pay slightly higher commission rates for this arrangement but these are valuable tools in the investment decision-making process.

A monthly statement is received from H.G. Wellington & Co. Inc. showing a detailed breakdown of soft commission dollars and hard dollar conversions and soft dollar balances with year-to-date commission totals allowing HAMILTON ADVISORS INC. to track exactly what is owed Wellington throughout the year.

Order Aggregation

HAMILTON ADVISORS INC. aggregates client transactions and executes block trades in order to improve the efficiency of the execution and, in some cases, to reduce commission costs. Block trades will be executed in the name of the custodian and the executing broker will be informed that the trade is for the account of the Advisor's clients and not for the custodian. No account within the block trade will be favored over any other account, and each account will participate in an aggregated order at the same average share price and be charged the same per share commission rate. The custodian will be notified of the amount of each trade for each account.

Trades of HAMILTON ADVISORS' employees may be done on an aggregated basis with client orders. To the extent that these aggregated trades result in different prices, employees of HAMILTON ADVISORS will pay the highest price on purchases and receive the lowest price on sales.

These aggregation procedures are continually reviewed to ensure that they are adequate to prevent any account from being systematically disadvantaged...

Review of Accounts

Periodic Reviews

Account reviews are performed on a daily basis by Deborah Hamilton and Brock Hamilton.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least a quarterly basis. The written updates may include a portfolio statement and a summary of objectives and progress towards meeting the client's objectives.

Client Referrals and Other Compensation

Incoming Referrals

HAMILTON ADVISORS INC. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

HAMILTON ADVISORS INC. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record monthly.

Performance Reports

Performance reports are provided by the custodians and will be sent directly to clients at the address of record on a monthly, quarterly or yearly basis at the client's request.

Investment Discretion

Discretionary Authority for Trading

HAMILTON ADVISORS INC. accepts discretionary authority to manage securities accounts on behalf of clients. HAMILTON ADVISORS INC. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, HAMILTON ADVISORS INC. consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

HAMILTON ADVISORS INC. does not vote proxies on securities. Clients are expected to vote their own proxies. When assistance on voting proxies is requested by the Client, HAMILTON ADVISORS INC. will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

HAMILTON ADVISORS INC. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because HAMILTON ADVISORS INC. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per Client six months or more in advance.

Business Continuity Plan

General

HAMILTON ADVISORS INC. has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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 line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Information Security Program

Information Security

HAMILTON ADVISORS INC. maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

HAMILTON ADVISORS INC. is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process and information about transactions between you and third parties. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

HAMILTON ADVISORS INC. requires that advisors in its employ have a bachelor's degree. Additionally, advisors must have work experience that demonstrates their aptitude for investment management.

DEBORAH JANE HAMILTON

Born July 1, 1949

Educational Background:

- University of California 1972 – B.S. Degree in Finance

Business Experience:

- ISI Corporation 1972-1978
- Vestaur Corporation 1978 – 1980
- Hamilton Advisors Inc. 1980 - Present

There have never been any disciplinary or legal events.

Supervision: J. Brock Hamilton

JOHN BROCK HAMILTON

Born August 16, 1956

Educational Background:

- University of Texas 1978 - B.S. Degree in Finance

Business Experience:

- Drexel Burnham Lambert 1986 -1989
- Hamilton Advisors Inc. 1989 – Present

There have never been any disciplinary or legal events.

Supervision: Deborah J. Hamilton