

FORM ADV PART 2A: FIRM BROCHURE

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(d/b/a SF INVESTMENT ADVISERS)**

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF SF INVESTMENTS, INC. (D/B/A SF INVESTMENT ADVISERS). IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 847-926-5700. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT SF INVESTMENT ADVISERS ALSO IS AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.

MATERIAL CHANGES

There have been no material changes since our last brochure dated May 31, 2011.

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ADVISORY BUSINESS

SF Investments, Inc. (d/b/a SF Investment Advisers) (“SFI”) has operated its investment advisory business since 2003. SFI is principally owned by three trusts for the benefit of certain executive officers of SFI and members of their family: the Steven Shapiro Gift Trust, the Daniel Shapiro Gift Trust and the Lesley Shapiro Beider Gift Trust. SFI is also registered as a broker-dealer with the SEC and is a member of the Financial Industry Regulatory Authority (“FINRA”).

SFI acts as a discretionary investment adviser to numerous investment accounts maintained by its advisory clients (“Clients”), and generally has full power and authority to buy and sell various financial instruments for their accounts, pursuant to the terms of their respective investment advisory agreements. Among the securities that SFI may purchase for Client accounts are fixed income securities including Federal Government, municipal and/or corporate bonds, and long and short positions in listed and unlisted common equities, preferred equities and convertible securities of issuers domiciled in developed or in emerging market countries. SFI may invest in equity securities regardless of market capitalization, including securities of micro- and small-cap companies.

SFI strives to implement a forward-looking, value based investment philosophy across a broad range of securities and asset classes, with a focus on the risk/return profile of each Client. SFI manages Client assets based on the Client’s individual investment goals and needs, including consideration of existing portfolio investments, cash/liquidity needs, risk tolerance, tax considerations and investment planning time horizons. SFI discusses these and other factors with its Clients in an effort to develop appropriate investment strategies for each Client. SFI may agree, upon Client request, to specific investment restrictions or guidelines as to the types or amounts of particular financial instruments traded for such Client’s account, which may include restrictions on investing in certain securities, types of securities or general industry sectors.

As of March 01, 2012, SFI managed approximately \$469,391,697 of Client assets on a discretionary basis.

FEES AND COMPENSATION

Advisory Fees. SFI charges each Client an asset-based fee equal to a percentage of the assets in such Client’s account, as set forth in the Client’s investment advisory agreement. SFI’s fee is charged at different rates based on the portion of the Client’s account consisting of (i) equity and equity-related securities, and (ii) fixed-income instruments, with the overall rate decreasing as the Client’s assets under management with SFI increase. SFI’s current fee schedule is as follows:

Aggregate Dollar Value of Assets in Client’s Account	Annualized Equity Fee Rate	Annualized Fixed Income Fee Rate
\$0 - \$499,999	1.75%	0.4%
\$500,000 - \$999,999	1.50%	0.4%
\$1,000,000 - \$1,999,999	1.25%	0.4%
\$2,000,000 and up	1.00%	0.4%

Accounts of multiple Clients who reside in the same household will be combined and charged fees on an aggregate basis. However, these fees may be negotiated by SFI with respect to certain Client accounts based on a variety of factors, which may include the size and composition of the Client's account, special services agreed upon with the Client or other factors deemed relevant by SFI.

The annualized fee payable to SFI by a Client is paid on a quarterly basis, in advance. Fees generally are deducted from the Client's account in custody at Pershing, LLC, the clearing broker for Client accounts (the "Clearing Broker"). The first payment generally is due upon execution of the Client's investment advisory agreement, and will be prorated for a partial quarter in the event the investment advisory agreement is executed at any time other than the first day of a calendar quarter. Subsequent payments generally are due and will be assessed on the first day of each calendar quarter based on the value of the Client's assets under management at the beginning of such quarter.

If a Client deposits assets in its account during a calendar quarter and subsequently withdraws all or a portion of such assets prior to the end of the same quarter, the prorated fee chargeable with respect to such assets for the partial quarter will be payable as of the beginning of the following quarter.

In the event that a Client's investment advisory agreement with SFI is terminated during a calendar quarter, SFI will calculate and refund to the Client the "unearned" portion of its fee for such calendar quarter, based on the number of days remaining in the quarter after the agreement is terminated.

Other Fees and Expenses. SFI's fees are exclusive of transaction fees, and other related costs and expenses that will be incurred by a Client with respect to the transactions in its account. (See "*Brokerage Practices*" below for additional information regarding the brokerage arrangements for Client accounts.) Additionally, SFI's fees described above do not include Individual Retirement Account ("IRA") and Qualified Retirement Plan account termination fees (if applicable), which will also be billed to the Client (as applicable). Clients will also bear the investment management or other fees charged by any mutual funds or ETFs (as defined below) in which the Client's account may invest, as disclosed in the prospectus for the applicable fund. Such fees are in addition to SFI's investment advisory fees as described above.

PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

SFI does not charge its Clients any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client). Please see "*Other Financial Industry Activities and Affiliations -- Other Activities of SFI and Related Persons*" for a discussion of the management of accounts with different fee structures by SFI and its affiliates.

TYPES OF CLIENTS

SFI provides investment advice primarily to high net worth individuals, but also advises other individuals, pension and profit sharing plans, charitable organizations and corporations and other businesses.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

SFI's investment approach is based upon consideration of each Client's short, intermediate and long term investment goals and places a particular emphasis on the Client's risk tolerance. After obtaining initial information about a Client's investment goals and needs, SFI typically will develop one or more asset allocation strategies for that Client and design a preliminary model portfolio, as well as an execution timeline for implementation. These are reviewed with the Client and may be revised based on Client feedback. Once the model portfolio and execution timeline have been finalized with the Client, SF will begin implementing the Client's investment program.

Methods of Analysis.

SFI's investment team utilizes analytical tools, proprietary screens, industry and market experts, direct company contact and a wide variety of research from leading institutional providers and independent research firms in evaluating investment opportunities for its Clients' accounts. In particular, SFI uses the following methods of analysis in formulating investment advice and managing client assets:

Asset Allocation. Rather than focusing simply on securities selection as a means of maximizing investment returns, SFI initially attempts to identify an appropriate ratio of securities, fixed income instruments and cash to implement each Client's indicated investment goals and risk tolerance. Asset allocations are reviewed periodically and may be adjusted from time to time, based on changing market conditions and/or client needs and goals. Although this method of investing may help to mitigate the effect of declines in the value of a particular security, industry or market sector on a Client's overall portfolio, a potential drawback of constructing Client portfolios in this manner is that a Client similarly may not benefit (or may benefit to a lesser extent) from sharp increases in the value of a particular security, industry or market sector. In addition, this method of investing requires periodic reevaluation and rebalancing to ensure that the ratio of securities, fixed income and cash in the Client's account, which will change over time due to stock and market movements, remains consistent with the Client's investment goals and risk tolerance.

Fundamental Analysis. SFI also attempts to measure the intrinsic value of the securities that it purchases for its Clients by considering various economic and financial factors (including the overall economy, industry conditions and the financial condition and management of the issuer) from a variety of sources to determine if the security is underpriced (indicating it might be a good time to buy) or overpriced (indicating it might be a good time to sell). Fundamental analysis does not attempt to anticipate broad market movements or trends, seeking instead to ascertain the intrinsic value of specific securities and to identify mispricings. However, this presents a potential risk, as the price of a security nonetheless may rise or fall as a result of overall market movements, regardless of the economic and financial factors considered in evaluating its intrinsic value.

Investment Strategies.

SFI's investment strategy has two key features, pairing an opportunistic value investment philosophy with a mid- to long-term time horizon, subject to each Client's indicated investment objectives, risk tolerance and time horizons.

Opportunistic Value Investing. Opportunistic value investing is an investment strategy that seeks out attractive investment opportunities across a broad range of securities and asset classes, while at the same

time considering the composition, time horizon and risk profile of the Client's overall portfolio. As SFI seeks to optimize its Clients' risk-adjusted returns (subject to each specific Client's investment objectives and needs), its strategies typically emphasize capital preservation, predictable income and long-term capital appreciation, rather than short-term, high turnover trading profits (as further described below). However, although SFI generally intends to invest in securities that it determines are valued favorably in comparison to peers or historically, there can be no guarantee that such securities will appreciate in value or that any anticipated gains in value (which may take a significant period of time to occur) will be realized during the life of a Client's investment.

Mid- to Long-term Time Horizon. SFI generally purchases securities for its Clients with the intention of holding the securities for a year or longer, and positions its portfolio based on a 3 to 5 year time horizon (subject to the specific needs or objectives of each Client). Although this manner of investing will reduce portfolio turnover and the associated transaction costs in Client accounts (as compared to more active trading strategies), and may help to protect Clients from the effect of short-term price drops with respect to their securities, Clients also may not benefit from short-term gains in the value of their securities that might otherwise be profitable to the Client. Moreover, if SFI's mid- to long-term value predictions are incorrect (for example, if what is perceived to be a short-term decline in value proves to be a longer-term decline, or if a predicted long-term increase in value takes longer to materialize than initially anticipated), a Client's investment returns may be diminished and/or the Client may realize a loss on such investments.

Certain Risk Factors.

The identification of attractive investment opportunities is difficult and involves a significant degree of uncertainty. Although SFI's methodology seeks to minimize some of the risks and volatility associated with investing in securities and other financial instruments, there can be no assurance that SFI will be successful in doing so and, accordingly, Clients will be subject to those market risks common to investing in all types of financial instruments, including market volatility, which could result in a substantial or total loss to a Client's account. In addition to the risks described above, potential Clients should consider the following additional risks before engaging SFI to manage their accounts.

Equity Securities. SFI will trade in equity securities on behalf of its Clients. Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments. The securities of smaller companies may involve more risk and their prices may be subject to more volatility. SFI may also invest in distressed equity securities, which are generally considered to be riskier, speculative and relatively illiquid.

Fixed-Income Investments. SFI may invest in fixed-income instruments on behalf of its Clients. The value of fixed-income instruments will change as the general levels of volatility and interest rates fluctuate. When interest rates decline, the value of fixed-income instruments can be expected to rise. Conversely, when interest rates rise, the value of such instruments can be expected to decline. Investments in lower rated or unrated fixed-income instruments, while generally providing greater opportunity for gain and income than investments in higher rated instruments, usually entail greater risk (including the possibility of default or bankruptcy of the issuers of such instruments).

Small- to Micro-Cap Stocks. SFI may invest in small- to micro-cap companies on behalf of its Clients. While smaller companies may have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger corporations. In addition, Clients may be unable to sell certain small- or micro-cap stocks at an advantageous time or price. In most cases, the frequency and volume of their trading is in substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. Also, due to thin trading in some of these stocks, an investment in these stocks may be considered less liquid than an investment in many larger-capitalization stocks, making purchases or sales at desired prices or in desired quantities more difficult. When making large sales, it may be necessary to sell the securities at discounts from quoted prices or to make a series of small sales over an extended period of time due to the trading volume of the securities of smaller companies. Accordingly, such stocks may be required to be held for a lengthy period of time and often require more time to sell and result in higher selling expenses than does the sale of securities for which there is an active market. In some cases, a Client's disposition of the securities may be dependant upon a major issuer liquidity event (i.e., a sale of the issuer).

Trading in ETFs. SFI may invest in ETFs on behalf of its Clients, both long and short. ETFs are funds that track a particular basket or index of securities traded on a public exchange such as the American Stock Exchange. ETF investments are subject to the risks arising from the portfolio of underlying stocks, including market and issuer risks, but may also present certain unique risks. It is possible for the value of ETFs to fall or to rise more slowly than the stock market as a whole even when stock prices in general are rising. In addition, the fees and expenses charged by such ETFs result in an additional level of fees and greater expense to Clients than would be associated with direct investment.

Sovereign Debt. SFI may invest in sovereign debt securities on behalf of its Clients, including debt obligations issued or guaranteed by national, state or provincial governments, political subdivisions or quasi-governmental or supranational entities, in developed and emerging markets. Certain sovereign debt may have non-investment grade ratings or be in distress or even default. Sovereign debt issued by many emerging market countries is considered to be below investment grade, and should be viewed as speculative with respect to the issuing government's ability to make payments on interest and principal. Risks that are inherent in sovereign debt, such as the ability of the issuing country to make timely payments, amounts outstanding, market liquidity, limited legal recourse, economic and fiscal factors affecting the price of the sovereign debt, and other external factors, all could have a material impact on the market value of the securities in which Clients may invest. Additionally, all the aforementioned risks inherent in sovereign debt may impact the ability of SFI to execute hedging strategies involving sovereign debt.

High Yield Securities. SFI may invest on behalf of its Clients in "high yield" bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominately speculative with respect to the issuer's capacity to pay interest and repay principal. They also are generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Subordinated Securities. SFI may invest in securities that are subordinate to one or more senior classes on behalf of its Clients. Generally, such subordinated securities bear the first risk of loss on the collateral underlying such securities. As a result, changes in the value of the performance of subordinated securities are expected to be greater than the change in the value or payment performance of the underlying collateral. In the event of a default, proceeds from any realization on the underlying collateral will first be allocated to the senior classes of securities in accordance with the priority of payments prior to any allocation to the subordinated securities held by a Client.

Credit Risk of Issuer. SFI may invest in securities that have built-in convertibility (from debt to equity) features on behalf of its Clients. The risks associated with such securities include credit risk. Credit risk is the possibility that an issuer will be unable to make interest payments and repay principal when due. Changes in an issuer's financial strength or in a security's credit rating may affect a security's value. Securities rated below investment grade, sometimes called "junk bonds," generally have more credit risk than higher rated securities.

INVESTMENT IN SECURITIES AND OTHER FINANCIAL INSTRUMENTS INVOLVES CERTAIN SIGNIFICANT INVESTMENT RISKS, INCLUDING LOSS OF AN INVESTOR'S ENTIRE INVESTMENT.

DISCIPLINARY INFORMATION

SFI is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of SFI or the integrity of SFI's management. The following matters relate to SFI's operation as a FINRA-registered broker-dealer.

On October 2, 2006, without admitting or denying the findings, SFI settled an NASD (n/k/a FINRA) inquiry by acceptance, waiver and consent ("AWC"). NASD's findings related to trade reporting deficiencies under NASD and Municipal Securities Rulemaking Board ("MSRB") rules, including the filing of certain reports that were untimely and/or inaccurate in certain respects. SFI was censured and fined \$10,000 in connection with this matter.

On June 7, 2005, SFI consented to the entry of an order in an action initiated by the Tennessee Department of Commerce and Insurance Securities Division finding violations of the registration requirements of the Tennessee Securities Act of 1980, as amended, and the rules promulgated thereunder. In November 2002, SFI opened an IRA account in Tennessee, in reliance upon an exemption from Tennessee state broker-dealer registration which allowed for fifteen (15) exempt transactions on a twelve (12)-month rolling basis. However, SFI inadvertently exceeded the number of transactions permitted under such exemption, executing thirty-eight (38) such transactions on behalf of the Tennessee customer between November 2002 and September 2004. SFI subsequently filed (and was ultimately approved) for registration as a broker-dealer in Tennessee and submitted an analysis of the account activity, after which a consent order was entered in the state of Tennessee, fining SFI \$19,000, requiring the disgorgement of \$2,325 in commissions paid by SFI's Tennessee customer and enjoining SFI from violations of Tennessee securities laws.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

SFI is also a registered broker-dealer and FINRA member of which Nathan Shapiro, Daniel Shapiro, Steven Shapiro and Gary Just are Registered Principals. Nathan Shapiro, Daniel Shapiro and Steven Shapiro are minority owners of (i) New Vernon Investment Management LLC (“NVIM”), an investment management firm that is managed by Steven Shapiro and provides investment advice to several private investment funds, and (ii) New Vernon Partners LLC (“NVP”), a firm managed by Steven Shapiro which operates the private investment funds advised by NVIM. SFI also provides analysis to Baldwin & Lyons Capital Markets, LLC (“BLCM”), a separate investment management firm which operates a family of private investment funds. Members of the Shapiro family have significant ownership interests in Baldwin & Lyons, Inc. (“B&L”), a property and casualty insurer that is the parent company of BLCM.

Affiliated Brokerage. It is anticipated that SFI will act as executing broker for its Client accounts; however, SFI will not charge Clients brokerage commissions in addition to the advisory fees payable to SFI pursuant to such Clients’ investment advisory agreements (although Clients will be subject to fees and charges payable to the Clearing Broker). See “*Brokerage Practices*” for additional information.

Other Clients. As described above, affiliates of SFI act as investment adviser to private investment funds, and may also act as investment adviser to other clients. SFI also provides brokerage services to other clients in addition to its advisory Clients, including, but not limited to, the private funds operated and advised by NVIM and NVP.

Although SFI and its affiliates may manage investments on behalf of a number of client accounts, investment decisions and allocations will not necessarily be made in parallel among all such accounts. Other accounts managed by SFI, NVIM, NVP or their respective principals or affiliates may make investments and utilize investment strategies that may not be made or utilized by SFI on behalf of all (or any) of its Clients, and may take positions that are opposite those of all or some Clients. Accordingly, the various accounts managed by SFI, NVIM, NVP and their respective principals and affiliates may produce results that are materially different from those experienced by a particular Client, and the records of any investment management activities that SFI, NVIM, NVP and their respective principals and affiliates may engage in on behalf of other clients will not be available to any such Client.

Other Activities of SFI and Related Persons. NVIM and NVP are advisory affiliates of SFI and advise and/or operate various private investment funds. As described above, certain key personnel of SFI are also members of and/or involved in the operations of NVIM and NVP. Although these individuals are expected to commit an appropriate amount of their business efforts to SFI, they are not required to devote all of their time to the affairs of SFI or of a particular Client.

SFI, NVIM, NVP and their respective principals and affiliates may engage in, invest in, participate in or otherwise enter into other business ventures of any kind, nature or description, alone or with others, including, without limitation, the management of or investment in other investment or trading accounts, entities or vehicles, and Clients shall have no right in or to any such activities or the income or profits derived therefrom. SFI may have a conflict of interest in rendering advice to a Client because the financial benefit to SFI or one of its affiliates from managing some other client’s account may be greater, which could provide an incentive to favor such other account.

SFI, NVIM, NVP and their respective principals and affiliates may invest and trade for their own accounts, including in securities which are the same as or different or opposite from those traded or held by SFI's Clients. As a result, SFI, NVIM, NVP and their respective principals and affiliates may from time to time have proprietary investments in securities in which a Client may take a position, may trade and invest simultaneously with Clients and may take investment positions that are different or opposite from the positions taken by Clients. As a result, conflicts of interest may arise between SFI's Clients and SFI, NVIM, NVP or their respective principals or affiliates with respect to matters such as the allocation of investment opportunities, purchases and sales of securities in connection with particular trading situations and allocation of personnel, resources and expenses. The records of trading by SFI, NVIM, NVP and their respective principals and affiliates will not be made available to Clients, except to the extent required by law. However, it is SFI's policy that the interests of its advisory Clients must precede the interests of SFI's own proprietary trading on a given trading day, with Client transactions to be executed at the same price or better than SFI's proprietary transactions. In addition, trading by principals and personnel of SFI will be subject to SFI's Code of Ethics and personal trading policy, as described below in "*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*," which seeks to further mitigate the conflicts described above.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

SFI has adopted a Code of Ethics for all supervised persons 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, and personal securities trading procedures, among other things. All supervised persons at SFI must acknowledge the terms of the Code of Ethics annually, or as amended. SFI's Clients or prospective Clients may request a copy of SFI's Code of Ethics by contacting Gary Just at (847) 926-5724.

As a matter of policy, SFI does not cause Client accounts to effect transactions in which such Client purchases securities or other instruments from, or sells securities or other instruments to, SFI or its principals or affiliates (i.e., principal trades), or in which SFI or one of its affiliates acts as broker for both the Client's account and the other party to the transaction (i.e., agency cross transactions).

SFI anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause Client accounts to purchase or sell securities in which SFI, its affiliates and/or clients, directly or indirectly, have a position or interest. Several Clients currently hold positions in the stock of B&L, a property and casualty insurance company in which Daniel Shapiro, Steven Shapiro and members of their family also hold a substantial ownership stake. Nathan Shapiro, currently an investment adviser representative of SFI, and Steven Shapiro are also members of B&L's board of directors, and BLCM is a subsidiary of B&L. SFI provides no advice to its clients as to the advisability of purchasing or selling B&L stock.

SFI's employees and persons associated with SFI are required to follow SFI's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of SFI and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Clients, as described above in "*Other Financial Industry Activities and Affiliations*." The Code of Ethics is designed to assure that the personal transactions, activities and interests of the employees of SFI will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while at the same time allowing employees to invest for their own accounts. The Code of Ethics requires pre-clearance of certain transactions, and requires that the interests of Client accounts be placed ahead of

those of SFI employees in their personal 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 regularly monitored under the Code of Ethics, in an effort to prevent conflicts of interest between SFI and its clients.

BROKERAGE PRACTICES

SFI does not select brokers or recommend brokers to its Clients. Pursuant to the investment advisory agreement between SFI and each Client, SFI will effect all transactions for a Client's account, and Pershing, LLC will clear and carry the Client's account as Clearing Broker. SFI directs the execution of all orders to purchase or sell for a Client's account with the Clearing Broker or such other brokers (including SFI itself) as SFI, in its sole discretion, may select. Clients should note that not all advisers require their clients to direct brokerage. Because Clients of SFI are required to direct brokerage to SFI, they may be unable to achieve most favorable execution of their transactions. However, where SFI acts as broker to a Client's trades, it does not charge the Client brokerage commissions in addition to the advisory fees otherwise payable to SFI pursuant to its investment advisory agreement with such Client.

A Client will bear other fees and charges, such as a "ticket charge" and execution charge per transaction as imposed by the Clearing Broker as well as any regulatory fees and taxes which may apply to any transactions. A Client may also be charged a negotiated fee for special transactions and any related fees and charges, if applicable. "Special Transactions" include sales pursuant to SEC Rules 144 and 144A, other sales of control and/or restricted securities, private placement activities, block positioning and related transactions, so-called "reorganization" items and other similar situations. In each case, the relevant fee for a Special Transaction will be provided to and negotiated with the applicable Client no later than the time of the transaction or trade.

Aggregation and Allocation of Client Orders/Investments. SFI may aggregate orders for a Client's account with orders for other Client accounts (and/or for certain SFI-affiliated accounts) in the same security, when consistent with SFI's obligation of best execution. In such circumstances, the participating Client accounts (and, if applicable, SFI-affiliated accounts) will share transaction costs equally and receive securities at a total average price. SFI will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the trade order ticket.

REVIEW OF ACCOUNTS

Account Reviews. Client accounts are generally reviewed on at least a monthly basis by Nathan Shapiro (Investment Adviser Representative), Daniel Shapiro (CEO and Chief Compliance Officer) and/or Steven Shapiro (Vice President and Chief Investment Officer).

Client Reporting. Clients receive all brokerage confirmations and monthly statements with respect to their accounts. Upon Client request, SFI will provide a Client with a written portfolio appraisal.

CLIENT REFERRALS AND OTHER COMPENSATION

SFI may invest Client cash balances through sweep arrangements to bank deposit accounts pursuant to the Liquid Insured DepositsSM Program and, in connection therewith, SFI may receive payments from Pershing, LLC for certain administrative and/or recordkeeping services. The amount of such payments is based upon the average amount of Client cash balances invested through the program, and averaged approximately 15 bps per month of such amounts during 2010 and approximately 6 bps per month of such amounts during 2011. In 2010, SFI received payments with respect to Client assets invested through the program of approximately \$119,856, which represented approximately 7.64% of SFI's total revenues for 2010, and in 2011, SFI received payments with respect to Client assets invested through the program of approximately \$43,731, which represented approximately 2.8% of SFI's total revenues for 2011. In addition, SFI may in the future invest Client cash balances through other cash management deposit or money market products for which it may receive similar payments, including in connection with shareholder servicing, distribution of fund shares (12b-1 payments) and/or certain other administrative or recordkeeping services. As a result of these payments, SFI may receive greater revenue in connection with the investment of Client assets through these programs than it might receive if such assets were invested in other cash management alternatives that might be available to Clients. Clients are free to direct that their cash balances instead be managed through investment in U.S. Treasury securities or investment in other money market products that would not result in the receipt by SFI of the payments described above. Clients may also make arrangements to have their cash managed by persons or entities other than SFI.

Except as described above, SFI currently has no other arrangements whereby it receives an economic benefit from any person who is not a Client for providing investment advice or other advisory services to its Clients, and does not directly or indirectly compensate any third-parties for client referrals.

CUSTODY

SFI is deemed to have custody of its Clients' funds and securities, which are maintained at one or more "qualified custodians," as defined under Rule 206(4)-2 of the Advisers Act, due to SFI's ability to withdraw its advisory fee from Client accounts. A "qualified custodian" generally is a bank or savings association that has deposits insured by the U.S. Federal Deposit Insurance Corporation, an SEC registered broker-dealer, a futures commission merchant or a foreign financial institution that holds segregated customer assets. The Clearing Broker currently acts as the qualified custodian for SFI client accounts.

Clients should receive at least quarterly statements from the qualified custodian that holds and maintains the Client's investment assets. SFI urges each Client to carefully review such statements and compare such official custodial records to any account statements that SFI may provide such Client. SFI's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

INVESTMENT DISCRETION

SFI accepts discretionary authority to manage the accounts of its Clients. SFI usually receives discretionary authority from the client at the outset of an advisory relationship, by means of an investment advisory agreement which grants a power of attorney in favor of SFI to select the identity and amount of any securities to be bought or sold for its Clients. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account. Although Clients do not commonly impose limitations on SFI's investment discretion, SFI may agree, upon Client request, to specific investment restrictions or guidelines as to the types or amounts of particular securities traded for such Client's account.

VOTING CLIENT SECURITIES

As a matter of Firm policy and practice, SFI does not, and does not have any authority to, vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client accounts.

FINANCIAL INFORMATION

SFI is required to provide certain financial information or disclosures about its financial condition. SFI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

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