

Firm Brochure
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Saint Louis Investment Advisors. If you have any questions about the contents of this brochure, please contact us at: 618-344-5808, or by email at: cdavis@slia.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.

Additional information about Saint Louis Investment Advisors is available on the SEC's website at www.adviserinfo.sec.gov

March 31, 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.

There are no material changes to the brochure dated March 31, 2011.

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: 618-344-5808 or by email at: cdavis@slia.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
Hourly Planning Engagements	3
Asset Management	3
Termination of Agreement	3
Fees and Compensation	3
Description	3
Fee Billing	4
Other Fees.....	4
Expense Ratios.....	4
Past Due Accounts and Termination of Agreement	4
Performance-Based Fees	4
Sharing of Capital Gains	4
Types of Clients.....	5
Description	5
Account Minimums.....	5
Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Methods of Analysis	5
Investment Strategies	6
Risk of Loss	6

Disciplinary Information	7
Legal and Disciplinary.....	7
Other Financial Industry Activities and Affiliations	7
Financial Industry Activities.....	7
Affiliations	7
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
Code of Ethics.....	8
Participation or Interest in Client Transactions.....	8
Personal Trading.....	8
Brokerage Practices.....	8
Selecting Brokerage Firms.....	8
Best Execution	8
Soft Dollars	9
Order Aggregation	9
Review of Accounts	9
Periodic Reviews	9
Review Triggers.....	9
Regular Reports.....	9
Client Referrals and Other Compensation	9
Incoming Referrals.....	9
Referrals Out	9
Custody.....	10
Account Statements.....	10
Performance Reports.....	10
Investment Discretion.....	10
Discretionary Authority for Trading.....	10
Limited Power of Attorney.....	10
Voting Client Securities	10
Proxy Votes	10
Financial Information	11
Financial Condition	11

Business Continuity Plan	11
General	11
Disasters	11
Alternate Offices	11
Loss of Key Personnel	11
Information Security Program.....	11
Information Security	11
Privacy Notice.....	12
Brochure Supplement (Part 2B of Form ADV)	13
Education and Business Standards	13
Professional Certifications	13
EMPLOYEE NAME 1, CERTIFICATIONS	13
EMPLOYEE NAME 2, CERTIFICATIONS	13

Advisory Business

Firm Description

Saint Louis Investment Advisors was founded in 1985.

Saint Louis Investment Advisors provides personalized confidential investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. 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 retirement planning.

Saint Louis Investment Advisors is strictly a fee-only financial planning and investment management firm. The firm does not receive commissions for purchasing or selling 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. No finder's fees are accepted.

Investment advice and management are provided, with the client making the final decision on portfolio design. Saint Louis Investment Advisors does not act as a custodian of client assets. The client always maintains asset control. Saint Louis Investment Advisors places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client. Periodic reviews are also communicated to inform clients of the specific courses of action that need to be taken.

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

Clark Davis is a 80% stockholder. Larry Fuller is a 20% stockholder.

Types of Advisory Services

Saint Louis Investment Advisors provides asset management services and furnishes investment advice through consultations.

On an occasional basis, Saint Louis Investment Advisors furnishes advice to clients on matters not involving securities.

As of 12/31/2011, Saint Louis Investment Advisors manages approximately \$30,761,713.00 in assets for approximately 85 clients. Approximately \$30,761,713.00 is managed on a discretionary basis. No portfolios are managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Each client's financial situation is documented via detailed personal data on Form Schedule "A" that reflects 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

Clients employ the services of Saint Louis Investment Advisors to manage their assets. 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 necessary changes are 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 Investment Management Agreement includes cash flow management and investment management (including performance reporting).

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

1.25% on the first \$1,000,000,000;

1.00% on the next \$2,000,000,000 and

0.75% on the assets above \$3,000,000.

A setup fee of \$250 may apply for multi-asset accounts. The minimum annual fee is \$1,200 and negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

The Investment Management is an ongoing agreement that allows for adjustments as 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-rated 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.

Hourly Planning Engagements

Saint Louis Investment Advisors provides hourly consulting services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$150.00 with a 30 minute minimum.

Asset Management

Assets are invested in individual issues consistent with the client's needs, risk tolerance and objectives through the broker selected by the client.

Investments and bonds are purchased or sold through a brokerage account. The brokerage firm charges a fee for stock and bond trades. Saint Louis Investment Advisors does not receive any compensation, in any form, from brokerage companies.

Investments may include: equities (stocks), warrants, corporate debt securities, commercial paper, exchange traded funds (ETFs) derivatives, certificates of deposit, municipal securities, investment company securities, U. S. government securities, and interests in partnerships.

Initial public offerings (IPOs) are periodically available through Saint Louis Investment Advisors.

Termination of Agreement

A Client may terminate the aforementioned agreement at any time by notifying Saint Louis Investment Advisors in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Saint Louis Investment Advisors will refund any unearned portion of the advance payment on a pro-rated basis.

Saint Louis Investment Advisors may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Saint Louis Investment Advisors will refund on a pro-rated basis, any unearned portion of the advance payment.

Fees and Compensation

Description

Saint Louis Investment Advisors bases its fees on a percentage of assets under management. Non managed assets consulting fees are based on an hourly rate. (See Advisory Service Agreement and Hourly Planning Engagements)

Fees are negotiable.

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. The client has the option to pay fees from sources outside the account.

Other Fees

Any custodian the client selects may charge transaction fees on purchases or sales of certain securities. 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.

Expense Ratios

Mutual funds and exchange traded funds (ETFs) 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 fund company charges 0.5% for their services. These fees are in addition to the fees paid to Saint Louis Investment Advisors.

Performance figures quoted by fund companies in various publications are after their fees have been deducted. Saint Louis Investment Advisors does not, unless directed by the client, employ mutual funds; however, in the interest of diversification, Saint Louis Investment Advisors may acquire ETFs when appropriate.

Past Due Accounts and Termination of Agreement

Saint Louis Investment Advisors reserves the right to stop work on any account that is more than 60 days overdue. In addition, Saint Louis Investment Advisors reserves the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Saint Louis Investment Advisors' judgment, to providing proper investment management. Any unused portion of fees collected in advance will be refunded within by the end of the then current quarter.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Saint Louis Investment Advisors 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

Saint Louis Investment Advisors generally provides investment management services to individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

Saint Louis Investment Advisors does not have an account minimum. When an account falls below \$100,000 in value, the minimum annual fee of \$1,200 is charged. Depending upon circumstances, Saint Louis Investment Advisors may sign an Hourly Agreement with the client if fees relative to asset value are not in the client's best interest.

Saint Louis Investment Advisors has the discretion to waive the account minimum. Small accounts may be set up when the client and the advisor anticipate the client will add additional funds to the accounts within a reasonable time. Other exceptions will apply to employees of Saint Louis Investment Advisors and their relatives, or relatives of existing clients.

Because the fee scales downward as asset values increase, small accounts may pay a higher percentage than larger accounts. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods include fundamental analysis of a company's balance sheet and income/expense statement as well as historic relationships of price to sales, earnings and growth rates and technical analysis. Technical analysis is a method of measuring evidence of investor buying or selling, based on various configurations of time, volume and price.

Among the sources of research information used are financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Investment Strategies

The primary investment strategy recommended for client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities for added return. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Management Agreement that documents their objectives and their desired investment strategy.

Strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, 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 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

Financial Industry Activities

Saint Louis Investment Advisors is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

Affiliations

Saint Louis Investment Advisors does not have any 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 (*name each as applicable*).

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

Code of Ethics

The employees of Saint Louis Investment Advisors have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Saint Louis Investment Advisors 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. Employees comply with the provisions of the Saint Louis Investment Advisors Compliance Manual.

Personal Trading

The Chief Compliance Officer of Saint Louis Investment Advisors is Clark Davis. He reviews all employee trades each quarter. His trades are reviewed by Douglas Ramey. 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. Since most employee trades are small they do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

Saint Louis Investment Advisors does not have any affiliation with product sales firms. The selection of brokerage/custodian services are at the client's direction.

Should the client not have an existing brokerage/custodian relationship Saint Louis Investment Advisors will assist in selecting such firms based on integrity, service, and order execution.

Saint Louis Investment Advisors does not receive fees or commissions from any of these arrangements. A client directed brokerage may cause the client to pay higher transaction cost and less favorable executions than might be available at another firm.

Best Execution

Saint Louis Investment Advisors reviews the execution of trades at each broker/custodian on an annual basis. The review is documented in the Saint Louis Investment Advisors Compliance Manual. Saint Louis Investment Advisors does not receive any portion of the trading fees.

Soft Dollars

Saint Louis Investment Advisors does not receive any compensation (soft dollars) from any firm.

Order Aggregation

Where possible trades are aggregated to provide consistent average executions for clients.

Review of Accounts

Periodic Reviews

Account reviews are performed no less often than quarterly by advisors Clark Davis CEO and/or Douglas Ramey, Portfolio Manager. Account reviews are performed more frequently when market conditions dictate, or at the client's request.

Review Triggers

Other conditions that may trigger a review are new investment information or changes in a client's own situation.

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 detailed investment reports monthly.

Client Referrals and Other Compensation

Incoming Referrals

Saint Louis Investment Advisors 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

Saint Louis Investment Advisors 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 brokerage/custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their brokerage/custodians to the performance report statements provided by Saint Louis Investment Advisors.

Investment Discretion

Discretionary Authority for Trading

Saint Louis Investment Advisors accepts discretionary authority to manage securities accounts on behalf of clients. Saint Louis Investment Advisors 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.

The client directs the brokerage/custodian to be used and the commission rates paid. Saint Louis Investment Advisors does not receive any portion of the transaction fees or commissions paid by the client to the brokerage/custodian on any transactions.

Discretionary trading authority facilitates placing trades in client accounts on the client's behalf so that we may promptly implement and maintain the investment guidelines that the client has approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Each client signs a limited power of attorney where required by the brokerage/custodian so that we may execute the transactions.

Voting Client Securities

Proxy Votes

Saint Louis Investment Advisors does not vote proxies on securities. Clients are responsible for voting their own proxies.

When assistance on voting proxies is requested, Saint Louis Investment Advisors will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

Saint Louis Investment Advisors 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 Saint Louis Investment Advisors 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, and six months or more in advance.

Business Continuity Plan

General

Saint Louis Investment Advisors 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 and man-made disasters. Electronic files are backed up daily and archived offsite. Key personnel have remote access to files for all systems.

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.

Loss of Key Personnel

A procedure is in place to provide continuity should one or more key personnel become disabled, die or terminate employment.

Information Security Program

Information Security

Saint Louis Investment Advisors maintains an information security program to reduce the risk that client's personal and confidential information may be breached.

Privacy Notice

Saint Louis Investment Advisors 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 client's personal finances and information about transactions between clients and third parties. We use this information to help clients meet their personal financial goals.

With the client's permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. The client 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. With the client's permission, we share a limited amount of information about the client with the client's brokerage firm in order to execute securities transactions on the client's behalf.

We maintain a secure office to ensure that the client's 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 the client's personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and the client's personal records as permitted by law.

Personally identifiable information about the client will be maintained while the agreement is in effect, 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 the client in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to the client annually, in writing.

Education and Business Standards

Saint Louis Investment Advisors requires that advisors in its employ have a minimum of 5 years experience in investing and have passed all applicable examinations.

Clark Davis, Certifications**Educational Background**

- Date of Birth: June 6, 1938
- Institutions (Year) University of Illinois 1956-1957
Southern Illinois University 1957-1960

Business Experience

- Investment Broker 1968-1972
- Investment Wholesaler 1973-1975
- Trust Investment Officer 1975-1985
- CEO Saint Louis Investment Advisors 1985-Present

Supervision:

Clark Davis, as CEO, is self-supervised. His personal portfolio transactions are reviewed for policy compliance by Doug Ramey, Portfolio Manager.

Doug Ramey, Certifications**Educational Background:**

- Date of birth: August 6, 1967
- Institutions (Year) Multiple while in Military Service 1985-1995

Business Experience:

- Edward Jones 1999-2004
- Advest 2004-2005
- Saint Louis Investment Advisors 2005-Present

Supervision:

Doug Ramey is supervised by Clark Davis, CEO. He reviews Doug Ramey's work through frequent office interactions. He also reviews all Doug Ramey's activities through our client relationship management system and by monthly reviews of all personal investment transactions.

SUPERVISOR'S CONTACT INFORMATION:

Clark Davis, 618-344-5808, cdavis@slia.com