
Part 2A of Form ADV: *Firm Brochure*



Strategic Capital Group LLC

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This brochure provides information about the qualifications and business practices of Strategic Capital Group LLC ("SCG"). If you have any questions about the contents of this brochure, please contact us at 253-853-4900 or blarson@scg-llc.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 Strategic Capital Group LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 133381.

Item 2 Material Changes

This Firm Brochure, dated September 14, 2012 is our amended disclosure document, which updates our last brochure dated March 15, 2012. The following is a description of the material changes that were made to this Firm Brochure from its previous version. Please be aware that other amendments were made to this brochure, which are not discussed in this summary, and consequently, we encourage you to read this version of our brochure in its entirety.

The Advisory Business section of the Firm Brochure was amended to remove disclosures regarding services that we may have previously offered to clients to select third-party, unaffiliated investment advisers to manage advisory client assets and to monitor the performance of those investment advisers on our clients behalf.

The Fees and Compensation section of the Firm Brochure was amended to update our standard advisory fee schedule to correspond with our current investment advisory agreements, to provide additional disclosure regarding "equity overly fees" that are charged in addition to our standard advisory fee for those accounts with an equity allocation, and to provide conflicts of interest disclosure regarding the receipt of commissions and/or other compensation by Strategic Capital Group LLC's affiliates or employees from advisory client transactions. Additional disclosures were also added to clarify our practice of automatically debiting advisory fees from clients' custodial accounts; to clarify how we calculate advisory fee refunds; and to clarify that our advisory fees, including equity overlay fees, are separate from and in addition to any management fees that may be charged by securities or other investments recommended to or selected for clients.

The Performance-Based Fees section of the Firm Brochure was amended to disclose that one of our affiliates may receive performance-based advisory fee compensation from Strategic Capital Group LLC clients who are invested in private investment funds for which that affiliate serves as the investment adviser.

The Risk of Loss section of the Firm Brochure was amended to provide disclosures regarding liquidity, counterparty, credit, and interest-rate risks that clients may be subject to when investing in alternative types of investments that we may recommend.

The Other Financial Industry Activities and Affiliations section of the Firm Brochure was amended to provide disclosure regarding the range of markups or markdowns that our affiliated broker-dealer may charge for executing fixed income transactions on behalf of Strategic Capital Group, LLC's clients. Additionally, we added disclosure regarding our expense sharing agreement with our affiliated investment advisers and broker-dealer. Furthermore, we added disclosure to make you aware of the conflicts of interest that exist when we recommended an investment in a mutual fund that is managed by one of our affiliated investment advisers, including the receipt of additional advisory fee compensation that is paid to our affiliate. We also added disclosure to make you aware that while we endeavor not to share portfolio management recommendations or related-information to our affiliates, our affiliates may become aware of this information on occasion, however, we have established a policy and procedures to ensure that our clients are not disadvantaged when this occurs.

Finally, the Brokerage Practices section of the Firm Brochure was amended to provide additional disclosures regarding our use of our affiliated broker-dealer to execute fixed income transactions on behalf of advisory clients and how we review and evaluate whether or not we are obtaining best execution on behalf of our clients.

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Item 4 Advisory Business

Strategic Capital Group LLC is a SEC-registered investment adviser with its principal place of business located at 7191 Wagner Way NW, Suite 302, Gig Harbor, Washington 98335. Strategic Capital Group LLC began conducting business in 2004.

Listed below are the firm's principal shareholders (i.e. those individuals and/or entities controlling 25% or more of this company):

- N. Gary Price, Managing Member & CEO
- Ronald J Robertson, Managing Member & President

Strategic Capital Group LLC offers the following advisory services to our clients:

INDIVIDUAL PORTFOLIO MANAGEMENT

SCG provides continuous asset management of client funds based on the individual needs of the client. Through personal discussions, in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that personal investment policy. During our information-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio monthly. If necessary, we rebalance the portfolio based on the client's individual needs following the monthly review, but no less frequently than annually.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following types of securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate, including private REITs
- Interests in partnerships investing in other private investment partnerships, e.g. hedge fund of funds
- Interests in other pooled investment vehicles, e.g. mutual funds

Because some types of investments involve certain additional degrees of risk, they will only be purchased when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. contact each client on a regular basis to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
2. be reasonably available to consult with the client; and
3. maintain client suitability information in each client's file.

CONSULTING SERVICES

Upon specific request, clients can also receive advice on isolated area(s) of concern such as estate planning, tax planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

AMOUNT OF MANAGED ASSETS

As of December 31, 2012, SCG had \$535,658,403 of discretionary assets under management.

Item 5 Fees and Compensation

PORTFOLIO MANAGEMENT SERVICES FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management according to the schedule below.

Assets under Management Annual Fee (%) Progressive Schedule

Under \$1 million	1.20%
\$1 million - \$3 million	0.85%
\$3 million - \$8 million	0.80%
\$8 million - \$20 million	0.75%

Advisory fees are initially deducted from a client's custodial account(s) within 15 days after the initial account setup or as additions are made to the account(s), then subsequently at the beginning of each calendar quarter. Our fees are billed quarterly, in advance, based on the custodial value of the client's account at the end of the previous calendar quarter multiplied by one-quarter of the applicable annual percentage rate. In the event of a reduction of account assets during a calendar quarter representing substantially all of the accounts' assets, a prorated refund of prepaid advisory fees shall be returned to the client. The amount of any refund is calculated by dividing the most recent advisory fee you paid by the total number of days in the current quarter and multiplying that figure by the number of calendar days remaining in the quarter following the date of reduction. In general, fees are automatically debited from a client's custodial account. Clients, however, may request to be invoiced for fees instead. Advisory client accounts with assets invested in equity securities will also be charged an "equity overlay fee" of 0.80% in addition to the fee described above.

The fee schedules noted above are applicable to all assets that are under SCG's management, including any assets invested in securities for which SCG or any of its affiliates serve as the investment adviser (e.g., mutual funds, including the SCA Absolute Return Fund and the SCA Directional Fund, and private investment funds). With respect to any such securities, SCG, together with its affiliates, will ultimately receive two sets of advisory fees on those assets, one based on the fee schedule noted above and one at the individual security level, and thus SCG has a conflict of interest when recommending those types of securities to you.

Transactions in securities, such as fixed income securities, private real estate investment trusts (REITs) and leasing programs, may be executed by SCG's affiliated broker-dealer, RP Capital LLC ("RPC"), on behalf of advisory clients. RPC charges commissions or markups or receives other compensation for effecting these securities transactions. This compensation is in addition to the fees noted in the schedule above. Management persons and employees of SCG that are also licensed as registered representatives of RPC may receive a portion of this compensation. Clients should be aware that this may create an incentive for them to recommend investment products based on the receipt of additional compensation, rather than the needs of the client or the quality of the investment, which creates a conflict of interest. SCG endeavors at all times to put the interests of its clients first as part of our fiduciary duty as an investment adviser.

Limited Negotiability of Advisory Fees: Although SCG has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client; assets to be placed under management; anticipated future additional assets under management; related accounts; portfolio style; and account composition, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the advisory fee.

Discounts, not generally available to our advisory clients, may be offered to family members and persons known to our firm.

CONSULTING SERVICES FEES

SCG's consulting services are provided on a limited basis and the fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. Generally, these services relate to the rendering of estate planning, insurance, and/or annuity advice. All fees are agreed upon prior to entering into a contract with any client. Fees for specific administrative and consulting services will be billed at a fixed rate, typically ranging between \$1,000 and \$7,000. The exact fee will be mutually agreed upon with the client, and shall be due and payable as earned.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 60 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable. In calculating a client's reimbursement of fees, we will determine the amount to be prorated according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to SCG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Private Investment Fund Fees: Clients should also be aware that private investment vehicles selected by the client for investments also charge separate management fees that are in addition to SCG's advisory fees. Accordingly, the client should review both the fees charged by the private investment vehicles and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Conflicts of Interest: Management personnel and other related persons of our firm are licensed as registered representatives of an affiliated broker-dealer, RPC. In their separate capacities, these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals may recommend that a client invest in a security, which results in a commission being paid to our affiliated broker-dealer and/or the individual that is in addition to SCG's fees. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Item 6 Performance-Based Fees and Side-By-Side Management

SCG does not charge performance-based fees although it may recommend pooled investment vehicles that do. In the past, SCG recommended that certain clients invest in pooled investment vehicles that were managed by an affiliate of SCG, Genesis Capital, LLC. These pooled investment vehicles, which charge performance-based

fees, are no longer recommended to advisory clients as they are in the process of winding down. Certain advisory clients, however, continue to hold interests in these pooled investment vehicles during the wind down process. One or more of SCG's management persons or employees are involved in the management of these pooled investment vehicles. This type of fee arrangement creates an incentive for the pooled investment vehicle's investment manager to recommend or take riskier investment strategies during the liquidation process, which could expose the pooled investment vehicle's portfolios to additional levels of risk than it would face if such a fee structure were not in place.

Item 7 Types of Clients

SCG provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine whether the manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment.

A risk of investing in a fund managed by a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund managed by a third-party manager, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less attractive investment for our clients. Moreover, as we do not control the third-party manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equity securities, fixed income securities, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equity securities, fixed income securities, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that

a poorly-managed or financially unsound company may underperform regardless of market movement.

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We may use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. Typically our equity transactions are based on the recommendation of our selected equity managers who provide their expertise in developing our equity platform.

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. We may purchase securities with the idea of selling them very quickly (typically within 30 days or less) based on the recommendation of our selected equity managers. This is done in an attempt to take advantage of our predictions of brief price swings.

Utilizing a Trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- having a long-term investment in a security that was designed to be a short-term purchase, or
- the potential of having to take a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

Clients for whom SCG recommends alternative investments such as private REITS, leasing programs and private investment funds should be aware that these types of investments expose the client to heightened levels of liquidity, credit, interest rate, and counterparty risks.

- **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.
- **Counterparty and Credit Risk.** Certain assets will be exposed to the credit risk of the counterparties when engaging in exchange-traded or off-exchange transactions, which may result in losses to the client based on the counterparty's unwillingness or inability to meet its obligations.

- **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.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Employees of SCG, including management personnel, may be separately licensed as registered representatives of RP Capital LLC, an affiliated broker dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation. For clients in need of brokerage or custodial services, SCG may recommend the use of RPC to a client in need of assistance, provided SCG can meet its fiduciary obligations including that of providing best execution. Gary Price, a Managing Member of SCG, is also a Managing Member of RPC and is registered with FINRA through RPC. RPC offers corporate debt securities, U.S. government securities, municipal securities, mortgage securities, as well as private placements (e.g., private REITs and leasing programs) and limited partnership interests. SCG client accounts may use RPC as the broker-dealer for the sale or acquisition of the above securities whereby RPC earns compensation for providing this service, such as markups/markdowns for debt securities and commissions for private placements. Corporate and municipal bond transactions for SCG clients are routinely executed by RPC, which charges a markup or markdown on these transactions in the range of 1% to 2%. Management persons and employees of SCG that are licensed as registered representatives of RPC may receive a portion of the compensation received by RPC for executing securities transactions on behalf of SCG advisory clients.

Gary Price and Ronald Robertson, both Managing Members of SCG, are also Managing Members of Genesis Capital LLC and Strategic Capital Alternatives, both SEC registered investment advisers.

The advisory services offered by Genesis and SCA are generally distinct from those offered by SCG and any direct advisory services rendered by Genesis or SCA to an SCG advisory client are provided for separate compensation. Genesis and SCA's advisory services may be recommended to our clients for whom it is appropriate. If SCG recommends the services of SCA, the client will not pay advisory fees to SCG and SCA on the same assets. There are no referral fee arrangements between our firm and Genesis or our firm and SCA. No SCG client is obligated to use Genesis or SCA or their services or to implement any of SCG's advisory recommendations to use Genesis or SCA or their services. Genesis, SCA, and RPC have an expense sharing agreement with SCG pursuant to which expenses such as office rent, administrative services, and office supplies are shared between the parties.

Genesis provides advisory services to private investment funds, which may have previously been recommended to SCG's advisory clients, but are currently in the process of winding down. The private investment funds for which Genesis continues to provide advisory services to during the wind down process are Genesis Strategic Investors, L.P. ("GSI"), Genesis Strategic Investors, (QP) L.P. ("GSI QP"), and Genesis Strategic Investors Offshore, Ltd. ("GSI OS"). Additionally, Genesis is the investment advisor for two mutual funds, the SCA Absolute Return Fund and the SCA Directional Fund, which may be recommended to SCG's advisory clients. Investments of these types may involve certain additional degrees of risk and will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity preferences, and suitability. A conflict of interest is created when SCG recommends that a client invest in a mutual fund for which Genesis serves as the investment adviser since Genesis may receive increased advisory fee revenue as a result of that recommendation. If a SCG client agrees to invest in a mutual fund advised by Genesis, the client will pay an additional management fee at the mutual fund level (1.95%). Clients choosing to implement SCG's recommendations to invest in mutual funds affiliated with Genesis should refer to the mutual fund's prospectus for full details regarding the mutual fund's services and fees.

SCG has an agreement with Genesis regarding payment of fees for providing relationship management and back-office, administrative, and custodial support to SCG clients that have invested in the mutual funds for which Genesis serves as the advisor. Please be aware that payment of these fees does not add any additional fees or

expenses to mutual fund shareholders.

We may occasionally trade the same or similar securities in client portfolios that are traded by Genesis and SCA in its client portfolios. When this occurs, our clients may receive a better or worse price or execution than Genesis and SCA depending on the order of trade execution, the type of security traded, and the broker-dealer used.

While SCG and its affiliated investment advisers endeavor not to share their portfolio management recommendations amongst one another, such recommendations may, on occasion, be shared with SCG's affiliated investment advisers, which creates a potential conflict of interest. We have established written policies and procedures that require, in those circumstances, that SCG treat the advisory clients of any effected affiliated investment adviser on an equal and fair basis with its own clients and vice versa.

Clients should be aware that the receipt of additional compensation by management persons or employees of SCG, because of their affiliation with other investment advisers or broker-dealers, may create a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. These individuals have an incentive to recommend investment products based on the compensation received, rather than the needs of the client or the quality of the investment. SCG endeavors at all times to put the interest of its clients first as part of our fiduciary duty as an investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain, and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code is administered by the firm's Chief Compliance Officer (CCO).

SCG and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

Our Code includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code also requires the prior approval by SCG's CCO of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement and recordkeeping provisions.

SCG's Code further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by emailing blarson@scg-llc.com, or by calling us at 253-853-4900.

Our Code is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts, securities identical to or different from those recommended to our clients. In addition, related persons may have an interest or position in certain securities which may also be recommended to a client.

It is the express policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing such employee from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

SCG has a material financial conflict of interest when it recommends to advisory clients that they invest in mutual funds (e.g., the SCA Absolute Return Fund and the SCA Directional Fund) that are managed by a related person of SCG (e.g., Genesis) or when it recommends the purchase of securities (e.g., corporate or municipal bonds) to clients and executes those transactions through a related person (e.g., RPC) of SCG. In both situations, SCG or a related person of SCG receives direct or indirect compensation from those recommendations that are in addition to the advisory fees paid to SCG, which may create an incentive for SCG to recommend these investments over others that may be more appropriate for clients.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolios where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction in the same security being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval by the CCO for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by SCG's CCO or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisers.
9. We require delivery to and acknowledgement of the Code by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our CCO.
11. Any individual who violates any of the above restrictions may be subject to termination.

Item 12 Brokerage Practices

For the great majority of our client accounts, SCG does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid. Advisory clients are solely responsible for selecting the custodian(s) to maintain their funds and securities. Where a custodian is selected that is a broker-dealer and no prime brokerage arrangement exists, SCG will place all non-fixed income brokerage orders with the custodial broker-dealer for execution. Fixed income orders are generally placed with RPC for execution. SCG's Investment Committee periodically reviews the overall qualitative execution received by advisory clients on their securities transactions, including fixed income transactions executed by RPC. In considering whether or not

clients are receiving best execution on fixed income transactions, the Investment Committee considers a number of factors, including net price, which incorporates the cost of any markups or markdowns applied by broker-dealers such as RPC. Please refer to Item 10 above for a further discussion regarding the use of RPC to execute securities transactions on our advisory clients' behalf, the conflicts of interest that arise as a result of that arrangement, and how SCG addresses those conflicts of interests.

Clients should be aware that when they select a custodial broker-dealer, SCG will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients who utilize a different custodial broker-dealer. SCG does have some fully discretionary advisory accounts where SCG selects brokers and negotiates commissions (see Item 16) and in those cases it may recommend its affiliate, RPC.

For clients in need of custodial services, we may recommend the use of one of several brokers (including, but not limited to Fidelity Brokerage Services LLC, TD Ameritrade, Sterling Trust Company, Schwab Institutional, and RPC), based on client circumstances and needs, provided that such recommendation is consistent with our firm's fiduciary duty to the client. SCG has evaluated these broker-dealers and believes that they provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients. Our clients must evaluate these brokers before opening an account. The factors considered by SCG when making these recommendations are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to select a custodial broker-dealer recommended by SCG. However, SCG reserves the right to decline the acceptance of any client account, for which the client directs us to use a broker other than the brokers listed above, if we believe that the choice would hinder our ability to fulfill our fiduciary duty to the client and/or our ability to service the account.

SCG participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers services to independent investment advisors, which include custody of securities, trade execution, clearance, and settlement of transactions. SCG receives some benefits from TD Ameritrade through its participation in the program.

SCG also participates in the Schwab Institutional ("SI") services program offered to independent investment advisers by Charles Schwab & Company, Inc., a SEC-registered broker-dealer, as well as the Fidelity Registered Investment Advisor Group ("FRIAG") program, sponsored by Fidelity Brokerage Services LLC, a SEC-registered broker-dealer.

Clients should note, while SCG has a reasonable belief that recommended custodial broker-dealers are able to obtain best execution and competitive prices, our firm will not independently seek best execution price capability through other brokers when a client has selected a custodial broker-dealer. Not all advisers require clients to direct it to use a particular broker-dealer.

SCG will place block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. SCG will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. SCG's block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with SCG, or our firm's order allocation policy.
2. The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
3. The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable SCG to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution is considered achieved when the client obtains the best overall qualitative execution and not necessarily the best net price.

4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made. In most cases, adjustments will be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, however, transaction costs may instead be based on the number of shares traded for such client.
7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the CCO no later than the morning following the execution of the aggregate trade.
8. SCG's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
9. Funds and securities for aggregated orders are clearly identified on SCG's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
10. No client or account will be favored over another.

SCG has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services that provide a direct benefit to us. The platform services include, among others, brokerage, custodial, administrative support, record-keeping and related services that are intended to support intermediaries like SCG in conducting business.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables SCG to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by SCG (within specified parameters).

As a result of receiving such services, for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of SCG's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while SCG recommends custodial broker-dealers to clients that offer competitive commission rates, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. SCG may recommend TD Ameritrade to clients for custody and brokerage services. SCG receives some benefits from TD Ameritrade through our participation in the program that are typically not available to TD Ameritrade retail investors. There is, however, no direct link between our firm's participation in the program and the investment advice or other recommendations that we give to our clients.

These benefits include the following products and services (provided without cost or at a discount): duplicate client confirmations; research related products and tools; consulting services ; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted

directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to SCG by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by SCG's related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for SGC's personnel to attend conferences or meetings relating to the program or to TD Ameritrade's adviser custody and brokerage services generally.

Some of the products and services made available by TD Ameritrade through the program may benefit SGC but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by SGC through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by SCG or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

Item 13 Review of Accounts

PORTFOLIO MANAGEMENT SERVICES

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, a more formal review of these accounts is performed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

Gary Price	Managing Member and CEO
Ron Robertson	Managing Member and President
Ryan C. Finnigan	Vice President
Craig D. Johnsen	Vice President
Michael Welk	Vice President, Investor Services
Joel M. Price	Vice President, Investor Services
James A. Robertson	Vice President, Investor Services
Will Hernandez	Portfolio Manager
Richard P. Conway	Vice President, Sales
Kenneth J. Peterson	Sr. Vice President/Managing Director
Chuck Borquist	Asst Vice President, Investor Services
Brooke McVey	Portfolio Manager
Doug Maurer	Director – Institutional Sales
Tony Ramirez	Vice President, Investor Services
Harry Maurer	Portfolio Analyst
Bert Raquel	Client Relations Specialist

REPORTS: In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients may receive from their broker-dealer custodian, SCG will provide monthly portfolio summaries which provide account performance and balances.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

SCG may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;

- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the advisory fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

ADDITIONAL COMPENSATION

SCG may also receive support service fees from its affiliated investment adviser, GC, which serves as the investment adviser to mutual funds and other pooled investment vehicles that are or were recommended to SCG's advisory clients. These fees are paid to SCG for providing relationship management and back-office, administrative, and custodial support to SCG clients that have invested in such mutual funds and other pooled investment vehicles. Please be aware that payment of these fees does not add any additional fees or expenses to fund shareholders.

SCA, Genesis, and RP Capital LLC, an affiliated broker dealer, share office space with SCG and have an expense sharing agreement that allows them to reimburse SCG for various ongoing shared expenses such as rent, administrative services, and office supplies.

While SCG endeavors at all times to put the interest of its clients first as part of SCG's fiduciary duty, clients should be aware that the receipt of additional compensation by SCG or individuals associated with SCG creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

As disclosed under Item 12 above, SCG participates in TD Ameritrade's institutional customer program. Please see our disclosure in that section regarding the economic benefits that SCG receives as a result of participating in TD Ameritrade's institutional customer program.

As disclosed under Item 12 above, SCG participates in the FRIAG program sponsored by Fidelity. While there is generally no direct linkage between the investment advice given to clients and SCG's participation in the FRIAG program, economic benefits are received by SCG which would not be received if SCG did not give investment advice to clients. These benefits include: a dedicated trading desk that services FRIAG participants exclusively; a dedicated service group and an account services manager dedicated to SCG accounts; access to real-time order matching system; ability to 'block' client trades; electronic download of trades, balances, and positions; access, for a fee, to an electronic interface with FRIAG's software; duplicate and batched client statements, confirmations, and year-end summaries; the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements); a quarterly newsletter; access to Fidelity mutual funds; access to AdvisorChannel.com (Internet access to statements, confirmations, and transfer of asset status); access to Account View (through which clients may access their account information over the Internet via the SCG website); access to over 350 mutual fund families and 4,500 mutual funds, of which over 2,000 have no transaction fees; ability to have loads waived for SCG clients who invest in certain Fidelity loaded funds when certain conditions are met and maintained, and the ability to have custody fees waived under certain circumstances.

As disclosed under Item 12 above, SCG participates in Charles Schwab & Co.'s SI program. While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits may be received which would not be received if SCG did not give investment advice to clients. These benefits may include any or all of the following: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SI program participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

The benefits received through participation in the FRIAG and SI programs do not depend upon the amount of transactions directed to, or amount of advisory client assets held in custody by, Fidelity and/or Charles Schwab & Co.

DIRECT OR INDIRECT COMPENSATION

Fidelity Advisor Access Program

SCG has entered into an arrangement with Fidelity Brokerage Services LLC, an independent and unaffiliated broker-dealer ("Fidelity"), to participate in the Fidelity Advisor Access Program ("Program") which is designed to make information about participating investment managers available to assist high net worth investors in finding an independent professional investment manager. In the event SCG obtains any advisory clients through the Program, SCG does not compensate Fidelity in any way.

SCG's participation in the Program may raise potential conflicts of interest. Although not required by the Program, advisers participating in the Program will use Fidelity to execute transactions for their advisory clients referred through the Program, because clients are likely to maintain their accounts with Fidelity. In view of this potential conflict, SCG acknowledges its duty to inform clients of the basis of its recommendation of Fidelity and other brokerage options.

TD Ameritrade AdvisorDirect Program

In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, SCG may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with SCG and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise SCG and has no responsibility for SCG's management of client portfolios or SCG's other advice or services. SCG pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to SCG ("Solicitation Fee"). SCG will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by SCG from any of a referred client's family members, including a spouse, child, or any other immediate family member who resides with the referred client and hired SCG on the recommendation of such referred client. SCG will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

SCG's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, SCG may have an incentive to recommend to clients that the assets under management by SCG be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, SCG has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. SCG's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

Schwab Advisor Network Service

SCG has entered into an agreement with Charles Schwab & Co., Inc. ("Schwab"), an independent and unaffiliated broker-dealer, to participate in Schwab Advisor Network Service (the "Service"), an adviser referral service designed to help investors find an independent professional investment manager in their area. SCG has agreed to pay Schwab an ongoing referral fee on all accounts participating in the Service that are maintained in custody at Schwab, as well as a one-time fee for accounts that are transferred from Schwab to another custodian. SCG has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs the firm charges its advisory clients who were not introduced by the Service and who have similar portfolios under management with SCG.

SCG's participation in the Service may raise potential conflicts of interest. Although not required by the Service, advisers participating in the Service are likely to recommend Schwab to their advisory clients referred through the Service for the execution of securities transactions. SCG acknowledges its duty to inform clients of the basis of its recommendation of Schwab and other brokerage options.

SCG may from time to time compensate, either directly or indirectly, persons (defined as a natural person or a

company) other than TD Ameritrade and Schwab for client referrals in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940.

Item 15 Custody

Our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a monthly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority generally includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell.

Clients give us discretionary authority when they sign SCG's Discretionary Investment Adviser Agreement, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies for securities in your account.

We will vote proxies in the best interests of clients and in accordance with our established policies and procedures. Our firm will retain all required proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision as to how to vote proxies, and a copy of each written client request for information on how we voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting SCA by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of a client in legal proceedings involving companies whose securities are held in the client accounts, including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These

requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at 7191 Wagner Way NW, Suite 302, Gig Harbor, WA 98335.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. SCG has no financial circumstances to report.

SCG has not been the subject of a bankruptcy petition at any time during the past ten years.