

## **ADV Part 2a – Firm Brochure**

**35 Mason Street, 4<sup>th</sup> Floor  
Greenwich, CT 06830**

**(203) 742-5450**

**[www.raylorinvestments.com](http://www.raylorinvestments.com)**

**Dated March 20, 2012**

**For further information, please contact either:**

- **Gregory Rogers – Founder & President or**
- **Irene Mays – Office Manager**

**This ADV Part 2A brochure provides information about the qualifications and business practices of Raylor Investments, LLC. If you have any questions about the contents of this brochure, please contact us at (203) 742-5450. 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 Raylor Investments, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Raylor Investments, LLC is an SEC-registered investment adviser. This registration does not imply any level of skill or training.**

## **Material Changes**

There are material changes since the last ADV update.

The previous update to this brochure was on August 15, 2011.

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**Item 4: Advisory Business**

- A. Raylor Investments LLC is a registered investment advisor with the SEC under the 1940 Act. Raylor Investments was founded by Gregory T. Rogers on December 31, 2004 and is headquartered in Greenwich, CT. Raylor Investments is a wholly-owned affiliate of Raylor Asset Management Group LLC, owned equally by John R. Annicelli, Damon L. Hart, and SEC registered investment advisor RayLign Advisory, LLC, also founded by Gregory T. Rogers and headquartered in Greenwich, CT. Raylor Asset Management Group LLC also owns Xplor Capital, a CTA/CPO.
- B. Raylor Investments provides investment management services of separately managed portfolios, primarily through sub-advisory relationships for financial advisors and financial institutions, including independent advisors, Registered Investment Advisors, wealth advisory practices, and family offices. Raylor Investments offers four “Strategic Series” portfolios, known respectively as the Strategic World Equity, Strategic World Income, Strategic US Equity and Strategic World Opportunity portfolios. These portfolios seek to provide low cost, tax efficient, long-only core, equity investments, using exchange traded funds (ETFs).
- C. Acting primarily as asset managers for financial advisors, we leave questions regarding individual client needs (including risk tolerance, investment objectives, time horizons and related suitability concerns) to the client’s financial advisor. We engage in a conversation with each financial advisor regarding which Strategic Portfolio is appropriate to use for a given client’s situation, but the ultimate decision is made by our clients in concert with their financial advisor. When clients come directly to Raylor Investments, we evaluate financial objectives and fit per given strategy.
- D. Raylor Investments does not participate in any wrap fee programs. We charge all of our clients an investment management fee based on negotiated terms related to assets under management and service expectations.
- E. As of December 31, 2011, Raylor Investments managed \$30.3M of client assets on a discretionary basis (Raylor Investments has discretion to make trades and manage portfolios based on our approach). We do not manage any accounts on a non-discretionary basis at this time.

**Item 5: Fees & Compensation**

- A. Raylor Investments charges clients a flat investment management fee related to assets under management and service expectations. Our fees indicated may be tailored with respect to particular clients, based on customization and service demands.
- B. Our client contracts provide for quarterly debits in arrears (withdrawals after the quarter) of the investment management fee directly from the client account.

- C. To access our investment portfolios, clients primarily have a relationship with an investment advisor, who may charge the client an additional advisory fee. Additionally, the investment advisor will usually direct the client to open an account with a custodian, who also may charge a custodial or related fee. Each custodial trading platform we trade through may charge additional trading costs and commissions from the buying and selling of ETFs within the portfolio. These costs are borne by the client.
- D. Our clients pay nothing in advance of services rendered so there are no refunds.
- E. We do not accept compensation for the sale of securities or any investment products.

#### **Item 6: Performance Based Fees and Side by Side Management**

Raylor Investments does not have any performance-based fees. Our affiliate company Xplor Capital does offer performance based fees.

#### **Item 7: Types of Clients**

We generally provide our investment management services to independent advisors, including advisors affiliated with an independent broker-dealer, RIAs and Family Offices. The minimum account size for our portfolios ranges from \$50,000 - \$100,000, depending upon the custodian and related fee structure for trading and commissions.

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

- A. Our Raylor Investments Strategic Portfolios seek to fulfill a long-term, core investment program allocation. Our lengthy experience working in investment management due diligence and consulting cause us to maintain a healthy skepticism towards strict “active” and “passive” investing. On the one hand, active management has the ability to provide down-side protection and produce alpha (or relative outperformance). However, active management can have meaningfully higher management fees, producing greater headwind – in some cases up to 200 bps more per annum that need to be overcome. Additionally, active management can face human distractions that can negatively impact long-term investor outcomes. Passive investing generally has the advantage of low cost, transparency, liquidity, greater tax-efficiency and consistency. However, blind passive investing can open investors to unintended momentum and concentration risks, and a dependency on index construction biases. **Our investment philosophy seeks to combine the best attributes of both passive and active management.**

Our portfolio allocation is based upon a dynamic weighted method. Our research focuses upon the dynamic nature of volatility and correlations between sectors and countries.

Based upon historic daily prices of all available Exchange Traded Funds (ETFs), our risk management system rigorously tests each ETF over multiple time periods on an absolute and relative basis to all other ETFs that are eligible for allocation to determine which combination of ETFs is best suited to fulfill each of our four Raylor Investments Strategic Series portfolios.

Investing in securities, especially equity-based securities, involve certain risks, including the risk of loss of principal. Clients should only allocate those monies into our portfolios that can bear these potential risks.

- B. As Raylor Investments's Strategic Series of portfolios consist primarily of equity-based ETF securities, these portfolios involve certain risks, including the risk of loss of principal. We are very mindful of the impact frequent trading can have on costs and taxes borne by our clients. As a result, we have historically re-balanced on a quarterly basis to limit the transaction costs & tax impact on the investor's portfolio. We will run our allocation procedure more frequently if market conditions warrant it. Clients should only allocate those monies into our portfolios that can bear these potential risks. A full performance disclosure presentation detailing historical investment results is available upon request.
- C. As Raylor Investments's Strategic Series of portfolios invest primarily in equity-based ETF securities, these portfolios involve certain risks, including the risk of loss of principal. Additional risks involved with investing in ETFs include limitations on international investing, trading volumes, limited assets, counterparty risk, liquidity (trading activity) and possible tax implications.

**Item 9: Disciplinary Information**

- A. Neither Raylor Investments, LLC, nor any of our employees, has had any civil or criminal actions brought against them.
- B. Neither Raylor Investments, LLC, nor any of our employees, has had any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- C. Neither Raylor Investments, LLC, nor any of our employees, has had any proceedings before a self-regulatory organization.

**Item 10: Other Financial Industry Activities and Affiliations**

- A. We affirm that Raylor Investments is not registered, nor has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. We affirm that Raylor Investments management persons are registered, commodity pool operators, commodity trading advisors, and our associated persons of the

foregoing entities.

- C. Raylor Investments LLC is affiliated with Xplor Capital, a CTA-registered firm that provides research, investment advisory and allocation services. Raylor Investments's relationship with Xplor Capital does not create a material conflict of interest with our clients.
- D. Raylor Investments LLC does not recommend or select other investment advisors for our clients and therefore we receive no compensation from other advisors.

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

- A. Raylor Investments LLC holds itself and its employees to the highest standards of lawful and ethical conducts. While the employee manual is intended to provide general guidance with respect to acceptable and unacceptable employee activities, it is also intended to be supplemented by good judgment and common sense to avoid even the appearance of impropriety. Raylor Investments' Compliance Manual and Code of Ethics cover our policies on confidentiality of information, outside activities, restrictions or securities transactions and conflicts of interest. Any questions concerning these policies should be directed to Raylor Investments' Chief Compliance Officer. Raylor Investments LLC will provide a complete copy of our Code of Ethics upon request.
- B. Neither Raylor Investments LLC, nor any of its employees, recommend to clients or buys or sells for client accounts, securities in which we have a direct material financial interest.
- C. Raylor Investments LLC does not buy securities for its own account, therefore no conflict of interest exists at the firm level. We do not believe that our investment management process create any material conflicts of interest. Our internal controls, including our Code of Ethics, prevent our staff from buying and/or selling securities contemporaneously with client transactions.

**Item 12: Brokerage Practices**

- A. Our clients primarily access our investment portfolios through a financial advisor intermediary. These advisors have pre-established custodial relationships. All related client transactions, including trading and related costs, are performed using the custodial platform as determined by the financial advisor of the client. Cost reasonableness of the ETFs, trading costs/commissions, play key roles in the allocation process of our portfolios. We neither seek nor receive any research or soft dollar benefits.
- B. Raylor Investments LLC does not consider referrals when we select or recommend



custodial and related trading platforms.

- C. We do not recommend, request or require our clients to direct us to execute transactions through specific custodial and related trading platforms. Raylor Investments LLC will aggregate the purchase or sale of securities for client accounts at custodians with aggregating abilities when the timing of orders or rebalancing allows it. The benefit to clients is a decrease in potential dispersion of similarly managed client returns among accounts.

**Item 13: Review of Accounts**

- A. Raylor Investments LLC periodically reviews client accounts. These account reports are produced daily for cash balances and monthly for alignment with their respective model portfolio and composite inclusion. Gregory Rogers, Damon Hart, John Annicelli, and Irene Mays perform these reviews.
- B. Client account reports are reviewed on the period basis listed above and on an ad hoc basis at the request of the client or financial advisor.
- C. Raylor Investments LLC produces quarterly written fact sheets with market commentary and updated performance, holding and other attribution and related portfolio analysis. We disseminate these reports within 15 days after quarter end. Custodians also deliver statements directly to clients at least on a quarterly basis.

**Item 14: Client Referrals and Other Compensation**

- A. Neither Raylor Investments LLC, nor any of our employees, receives any economic benefits from others to provide investment advice or related advisory services to our clients.
- B. Raylor Investments LLC has engaged the services of an individual (the “Introducing Agent”) to solicit prospective clients for our investment advisory services. Raylor Investments LLC employs a family member of the Introducing Agent, but otherwise is not affiliated with the Introducing Agent, and the Introducing Agent performs its services for the Advisor pursuant to a written agreement between the Advisor and the Introducing Agent.

The Introducing Agent will be compensated by Raylor Investments LLC for his solicitation services. This compensation will take the form of a waiver of fees otherwise payable to Raylor Investments LLC by the Introducing Agent in connection with assets of the Introducing Agent that are managed by Raylor Investments LLC and the payment of certain expenses connected to the solicitation services. **This compensation to the**

**Introducing Agent does not in any way affect any advisory fees to which client accounts would be subject as a client of Raylor Investments.**

**Item 15: Custody**

Raylor Investments LLC has authority to debit fees directly from client accounts. Clients receive account statements from their custodian at least quarterly. These statements should be reviewed carefully by each client. Raylor Investments LLC sends a written report to clients quarterly as described above.

**Item 16: Investment Discretion**

Raylor Investments LLC has discretionary investment authority over the accounts we manage. Prior to assuming discretionary authority, clients are provided with an Agreement, which includes the current ADV Part 2A and Part 2B as exhibits. By signing the Agreement, clients grant Raylor Investments LLC discretionary investment authority over their account.

**Item 17: Voting Client Securities**

- A. Raylor Investments LLC does accept proxy authority and it is our custom to vote with the Board's recommendation. We do not let clients direct our votes in any particular solicitation. For more information on our proxy voting process, including the option of obtaining a copy of our proxy voting policies and procedures, please contact Irene Mays, Chief Compliance Officer, at 203.742.5450.

**Item 18: Financial Information**

Raylor Investments LLC does not have any debt currently, nor has the firm carried any debt since inception. We do not plan on borrowing any money in the future. The firm holds excess cash in case of business needs.

1. We do not require prepayment of fees.
2. We have discretionary authority over client accounts. We do not anticipate any financial conditions that are likely to impair our ability to meet our contractual commitments to clients.
3. Raylor Investments LLC has not been the subject of a bankruptcy petition.

## **ADV Part 2B – Firm Brochure**

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**Dated March 20, 2012**

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**Item 2: Biographical Information**

**Gregory T. Rogers**

DOB: 12/11/1965

Educational Background and Business Experience

New York University, Stern School, M. B. A. 1995  
New York City, NY

Brown University, B. A. 1988  
Providence, RI  
Economics & Organizational Behavior

Business Background

Raylor Investments, LLC  
President 2004 – present

Raylor Asset Management Group, LLC 2011 – present  
Managing Partner

RayLign Advisory, LLC  
President 2004 - present

Disciplinary Information

Mr. Rogers has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Rogers or of Raylor Investments.

Other Business Activities

Mr. Rogers is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Raylor Investments and its affiliated company RayLign Advisory, LLC (separate ADV II).

Additional Compensation

Mr. Rogers does not receive economic benefits from any person or entity other than Raylor Investments and its affiliated company RayLign Advisory (separate ADV II), LLC in connection with the provision of investment advice to clients.

Supervision

Mr. Rogers' investment recommendations and activities are overseen by Raylor Investments' Compliance Officer, Irene Mays. She can be reached directly by calling 203.742.5450.

**Damon Hart**

DOB: 08/18/1965

Educational Background

Rice University, Master of Computer Science 1993  
Houston, TX

Rice University, B.A. Chemical Physics 1987  
Houston, TX

Business Background

Raylor Asset Management Group, LLC 2011 - present  
Managing Partner for Investments

Xplor Capital Management, LLC 2001 - present  
Managing Partner

DLH Technical Services, Inc 2001 - present  
President

Millburn Ridgefield 1993 - 2001  
Partner & Senior Vice President, Research

Mr. Hart is a member of the National Futures Association (NFA) and is registered with the NFA as a Principal and Associated Person of Xplor Capital Management LLC, including successfully completing the National Commodity Futures Examination (NCFE or Series 3).

Disciplinary Information

Mr. Hart has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Lambers or of Raylor.

Other Business Activities

In his capacity as Managing Partner for Investments of Raylor Asset Management Group, LLC, Mr. Hart directs the investment activities of both subsidiary entities: Raylor Investments, LLC and Xplor Capital Management, LLC. He also serves as President of DLH Technical Services, Inc., a technology services company which supports the activities of Raylor Asset Management Group, LLC. and its subsidiaries.

Additional Compensation

Mr. Hart does not receive economic benefits from any person or entity other than Raylor in connection with the provision of investment advice to clients.

Supervision

Mr. Hart's investment recommendations and activities take place in the context of Raylor's management committee consisting of Mr. Hart and Raylor's other Managing Partners, Gregory Rogers and John R. Annicelli. John Annicelli can be reached by calling 203.742.5464.

**John R. Annicelli**

Date of Birth: 03/10/1966

Educational Background and Business Experience

University of Tulsa, B.A./B.S. Tulsa, OK	1988
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New York University, MBA New York City, New York	1998
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Business Background

Raylor Asset Management Group LLC Managing Partner	2011-present
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Xplor Capital Management Managing Partner	2004 - present
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The Millburn Corporation Manager, Trading Desk	1995 – 2004
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License

Series 3, NCF Exam

Disciplinary Information

John Annicelli has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Budge or of RayLign Advisory LLC.

Other Business Activities

In his capacity as Managing Partner of Raylor Asset Management Group, LLC, John Annicelli directs the investment activities of both subsidiary entities: Raylor Investments, LLC and Xplor Capital Management, LLC.

Additional Compensation

John Annicelli does not receive economic benefits from any person or entity other than Raylor Asset Management Group LLC in connection with the provision of investment advice to clients.

Supervision

John Annicelli's investment recommendations are overseen by Gregory Rogers, Founder & President of RayLign & Managing Partner of Raylor Asset Management Group LLC. Greg can be reached directly by calling 203.742.5450.

**Lauris Lambergs**

DOB: 3/5/1973

Educational Background and Business Experience

Riga Business School, MBA 1998  
Riga, Latvia

Duke University, BA 1995  
Durham, NC  
French & Political Science

Business Background

Raylor Asset Management Group, LLC 2011 – present  
Principal, Business Development

Raylor Investments, LLC  
Business Development and Sales 2009 - present

StrategicPoint Investment Advisors  
Director 2009

AllianceBernstein  
Vice President 2006 - 2008

Mr. Lambergs is a Certified Investment Management Analyst (CIMA) designee. The CIMA designation is issued by the Investment Management Consultants Association (IMCA). In order to earn a CIMA designee, Mr. Lambergs met IMCA's requirements, including having 3 years of verifiable financial services experience, as well as answering 'no' to all disclosure questions on Form U-4 that cover criminal and regulatory violations, civil judicial actions and customer complaints or else satisfactorily justify a 'yes' answer. Additionally, Mr. Lambergs completed a self-study education component as well as a one-week classroom education program by an AACSB accredited university business school. Mr. Lambergs is required to complete 40 hours of continuing education requirements every 2 years.

Disciplinary Information

Mr. Lambergs has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Lambergs or of Raylor Investments.

Other Business Activities

Mr. Lambergs is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Raylor Investments.

Additional Compensation

Mr. Lambergs does not receive economic benefits from any person or entity other than Raylor Investments in connection with the provision of investment advice to clients.

Supervision

Mr. Lambergs' investment recommendations and activities are overseen by Raylor Investments's President, Gregory Rogers. He can be reached by calling 203.742.5450.

**Irene Mays**

DOB: 7/22/1968

Educational Background and Business Experience

Providence College – B.A. Program	1988
Providence, RI	

Business Background

Raylor Asset Management Group, LLC	2011 – present
Business Manager, Compliance Officer	

Raylor Investments, LLC	
Business Manager, Compliance Officer	2007 - present

RayLign Advisory, LLC	
Business Manager, Compliance Officer	2007 - present

Burton Capital Management	2005 - 2007
Administrative & HR Officer	

Disciplinary Information

Irene Mays has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Irene Mays or of Raylor Investments or affiliate organization RayLign Advisory LLC (separate ADV II).

Other Business Activities

Irene Mays is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Raylor Asset Management Group or affiliate organization RayLign Advisory LLC (separate ADV II).



Additional Compensation

Irene Mays does not receive economic benefits from any person or entity other than Raylor Investments or affiliate organization RayLign Advisory LLC (separate ADV II) in connection with the provision of investment advice to clients.

Supervision

Irene Mays does not make investment recommendations. Irene Mays is supervised by Gregory Rogers, Founder & President of Raylor Investments and its affiliate organization RayLign Advisory LLC (separate ADV II). He can be reached directly by calling 203.742.5450.