

# Disclosure Brochure

May 18, 2012

## **Sachs Investment Group, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Sachs Investment Group, LLC (hereinafter "SIG"). If you have any questions about the contents of this brochure, please contact Ronald E. McGrath at (502) 637-1949. 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 Sachs Investment Group, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Sachs Investment Group, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

This Item discusses only the material changes that have occurred since SIG's last annual update dated May 2, 2011. SIG does not have any material changes to disclose in this Item.

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## Item 4. Advisory Business

SIG provides investment management services. Prior to engaging SIG to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with SIG setting forth the terms and conditions under which SIG renders its services (collectively the “*Agreement*”).

SIG has been in business as an SEC registered investment adviser since May 21, 2009. Morton H. Sachs is the principal owner of SIG.

SIG has \$65,426,962 of assets under management as December 31, 2011. \$63,239,297 of these assets are managed on a discretionary basis and \$2,187,665 are managed on a non-discretionary basis.

This Disclosure Brochure describes the business of SIG. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of SIG’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on SIG’s behalf and is subject to SIG’s supervision or control.

### Investment Management Services

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Clients can engage SIG to manage all or a portion of their assets on a discretionary or non-discretionary basis.

SIG primarily allocates clients’ investment management assets among individual equity securities, exchange-traded funds (ETFs), and/or mutual funds in accordance with the investment objectives of the client. SIG may also provide advice about any type of investment held in clients’ portfolios.

SIG also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client’s primary custodian. In so doing, SIG either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

SIG tailors its advisory services to the individual needs of clients. SIG consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients’ investment needs. SIG ensures that clients’ investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify SIG if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon SIG’s management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in SIG’s sole discretion,

the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

## **Sponsor of Wrap Program**

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SIG is the sponsor of the Sachs Investment Group Wrap Program (the "*Program*"), a wrap fee program. In the event the client participates in the *Program*, SIG provides its investment management services and arranges for brokerage transactions under a single annualized fee. Participants in the *Program* are charged an annual fee based on a percentage of the market value of the assets being managed by SIG which includes all commission or transaction fees that would otherwise be incurred by the client. Participants in the *Program* may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the *Program's* terms and conditions (including fees) are contained in the *Program's* wrap fee brochure.

Accounts that participate in the *Program* are managed by SIG in the same manner as those not participating in the *Program*. In some instances, smaller accounts may be more heavily invested in mutual funds.

## **Management of Collective Investment Vehicle**

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SIG's Principal, Morton Sachs, is the general partner of Windhurst I Partnership and Windhurst II, LLC (the "*Vehicles*"), which were formed to engage primarily in the business of owning and managing real property. Interests in the *Vehicles* are not offered to clients, although some existing clients have invested in the *Vehicles*.

## **Item 5. Fees and Compensation**

SIG offers its services on a fee basis, based upon assets under management.

### **Investment Management Fee**

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SIG provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by SIG. Unless clients have engaged SIG through the *Program*, the annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. SIG does not, however, receive any portion of these commissions, fees, and costs. SIG's annual fee is prorated and charged monthly, in advance, based upon the market value of the assets being managed by SIG on the last day of the previous month. The annual fee varies (between 0.25% and 2.0%) depending upon the market value of the assets under management and the type of investment management services to be rendered.

## **Fees Charged by Financial Institutions**

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As further discussed in response to Item 12 (below), SIG generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

SIG may only implement its investment management recommendations after the client has arranged for and furnished SIG with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, any other broker-dealer recommended by SIG, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to SIG's fee.

SIG's *Agreement* and the separate agreement with any *Financial Institutions* may authorize SIG to debit the client's account for the amount of SIG's fee and to directly remit that management fee to SIG. Any *Financial Institutions* recommended by SIG have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to SIG.

## **Fees for Management During Partial Billing Periods**

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For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between SIG and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. SIG's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to SIG's right to terminate an account. Additions may be in cash or securities provided that SIG reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to SIG, subject to the usual and customary securities settlement procedures. However, SIG designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. SIG may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the billing period.

### **Item 6. Performance-Based Fees and Side-by-Side Management**

SIG does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7. Types of Clients**

SIG provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

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

#### **Methods of Analysis**

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SIG's primary methods of analysis are fundamental, technical and cyclical analysis.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. SIG will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that SIG will be able to accurately predict such a reoccurrence.

*Cyclical analysis* is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that SIG is recommending. The risks with cyclical analysis are similar to those of technical analysis.

## Investment Strategies

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SIG's investment management goal is simple: to build "real" wealth for clients—returns after taxes, fees, and inflation. As a long-term, disciplined investment adviser, SIG believes this can be achieved by adhering to four key principles:

- *Portfolios Structured to the Client's Objectives* – Each client has a unique financial situation, attitude toward risk, and set of financial goals. SIG not only strives to identify those factors, but also to carefully determine each client's investment objectives. Once determined, SIG tailors an investment strategy accordingly.
- *Specialized Investment Team* – In today's complex investment environment, professionals who specialize in particular investment styles achieve the best results. That's why SIG believes its highly-focused, specialized investment management team supported by its own economic, equity, and fixed-income research, offers a great value to its clients.
- *Asset Diversification* – Wealth building and volatility reduction can only be achieved through disciplined diversification among many investment styles.
- *Active Investment Management* – SIG believes that an active approach to investing produces better results than passive (index) investing.

SIG works to understand and exceed its clients' needs. SIG does this by paying close attention to all costs associated with the investment process, by offering superior client service, and by maintaining its leadership position in the investment management industry.

SIG utilizes the following processes for determining its clients' investment objectives and for selecting investments to meet clients' needs:

- SIG converses with clients to understand their financial condition and expectations including, but not limited to, investment objectives, risk tolerances, and time horizons;
- SIG establishes asset allocations appropriate to clients' needs and builds portfolios suitable to them; and
- SIG reviews initial portfolios with its clients. Thereafter, SIG strives to meet with clients at least annually for portfolio reviews, but the frequency of meetings are based on each individual relationship. Of course, SIG's clients are welcome to contact the firm anytime.

SIG's expertise is in research and selection of domestic common stocks. SIG manufactures its ideas based on the combination of top-down macro analysis, market cycle analysis, contrarian views, and technical analysis. SIG reviews long-term charts to find securities low in price in relation to their historical price trends to determine when to buy and sell.

For asset and sub-asset classes other than domestic common stocks, SIG relies on exchange traded funds (ETFs) and institutional money managers via mutual funds to provide portfolio diversification as needed to accommodate clients' needs.



## *Value Investment Strategy*

SIG's value investment strategy consists of searching for undervalued securities with basic investment value and a reduced level of risk. SIG uses technical indicators and fundamental analysis to find and identify industries that meet its value criteria. This approach consistently produces superior returns with less risk than other methods of investing.

SIG's equity process includes:

- An emphasis on seasoned, established companies that are available at a price discount from their book or takeover value, and significantly below previous highs;
- Sound valuations with below average price-to-earnings or price-to-sales ratios;
- Real revenue and earnings growth, positive cash flow developments, and dividend growth; and
- Recent signs of accumulation indicating renewed investor interest.

SIG's investment managers' disciplined management process includes:

- Adhering to value style, given the advance of the market;
- Identifying attractive investment themes;
- Screening investment theme stock groups for value;
- Making informed selections; and
- Monitoring the selections.

## *Growth Investment Strategy*

SIG's growth investment strategy entails searching for companies who are offering new products or services that provide superior growth prospects. SIG seeks companies that are dominant within their respective industries.

In SIG's search for businesses that fit its growth criteria, SIG uses technical indicators to reveal stocks that break out on higher volumes and fundamental analysis to identify companies with high appreciation potential.

SIG's growth equity process includes:

- An emphasis on companies that have a history of superior growth rates;
- Chart patterns that show stock appreciation on higher than average relative volume;
- Revenue and earnings growth; and

- Recent signs of accumulation indicating renewed investor interest.

SIG's disciplined management process includes:

- Running daily stock screens for new potential buy candidates;
- Utilizing fundamental analysis to review potential candidates for buying;
- Identifying attractive investment themes;
- Making selections; and
- Monitoring the selections.

### *Income Investment Strategy*

SIG's general objective for fixed income accounts is to produce the highest level of income while remaining consistent with safety of principal. Because long-term investors are not paid to minimize risks with income instruments, SIG focuses on buying quality.

SIG's income investment strategy includes:

- A focus on investment grade quality to reduce risk and preserve capital;
- Evaluation of risk versus yield reward;
- Duration and forecast for interest rate environment; and
- Active management to reduce volatility and maintain income levels.

Income investments include BBB+ rated or better corporate bonds, U.S. Treasuries and, if appropriate, foreign government bonds. Preferred stocks, convertible bonds, and dividend producing income stocks provide a competitive level of income and a hedge against inflation with potential for an increasing income stream.

### **Risks of Loss**

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#### *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated

daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Market Risks*

The profitability of a significant portion of SIG's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that SIG will be able to predict those price movements accurately.

### *Use of Margin*

To the extent that a client authorizes the use of margin, and margin is thereafter employed by SIG in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to SIG will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to SIG. Accordingly, the decision as to whether to employ margin is left totally to the discretion of the client.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

## *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## **Item 9. Disciplinary Information**

SIG is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

Jennifer Dobbins, a *Supervised Person* of SIG was sanctioned by the National Association of Securities Dealers, Inc. ("NASD"), on January 15, 2003, during her employment with The Sachs Company for failing to establish and maintain a supervisory system reasonably designed to achieve compliance with SEC Regulation T S220.8, a violation of NASD rules 2110 and 3010(a). Ms. Dobbins was fined in the amount of \$10,000.00, and suspended from any principal or supervisory activity for ten (10) days on March 17, 2003 to March 28, 2003.

## **Item 10. Other Financial Industry Activities and Affiliations**

SIG is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. SIG does not have any required disclosures to this Item.

## **Item 11. Code of Ethics**

SIG has adopted a code of ethics ("*Code of Ethics*") made up of its personal securities transaction and insider trading policies and procedures. Its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by SIG or any of its associated persons. The *Code of Ethics* also requires that certain of SIG's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

As permitted in SIG's *Code of Ethics*, SIG's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of SIG's clients. In fulfilling its duties to its clients, SIG endeavors at all times to put the interests of its clients first. Generally, SIG combines or "batches" clients' securities orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among clients' differences in prices and commissions, or other transaction costs. Under this procedure, transactions will generally be averaged as to price and allocated among the SIG's clients pro rata to the purchase and sale orders placed for each client on any given day.

The foregoing policies and procedures are not applicable to (a) transactions effected in any account over which neither SIG nor any of its *Supervised Persons* (as defined in this Form ADV) has any direct or

indirect influence or control; and (b) transactions in securities that are: direct obligations of the government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies. This policy has been established recognizing that some securities being considered for purchase and sale on behalf of SIG's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities.

Due to the fact that not all client accounts are reviewed on the same day that a securities order is placed, securities orders for client accounts reviewed on subsequent days could be executed after certain *Access Person* trades are complete. SIG permits this policy because it believes that by taking part of the initial risk, it can ensure that certain investment opportunities are appropriate for client accounts before completing all transactions. SIG will make all efforts to ensure that this practice does not negatively impact its advisory clients.

Clients and prospective clients may contact SIG to request a copy of its *Code of Ethics*.

### Item 12. Brokerage Practices

As discussed above, in Item 5, SIG generally recommends that clients utilize the brokerage and clearing services of *Fidelity*.

Factors which SIG considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables SIG to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by SIG's clients comply with SIG's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where SIG determines that the commissions are 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 *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. SIG seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

SIG periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct SIG in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account

with that *Financial Institution*, and SIG will not seek better execution services or prices from other *Financial Institutions* or be able to “batch” client transactions for execution through other *Financial Institutions* with orders for other accounts managed by SIG (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, SIG may decline a client’s request to direct brokerage if, in SIG’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless SIG decides to purchase or sell the same securities for several clients at approximately the same time. SIG may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among SIG’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among SIG’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that SIG determines to aggregate client orders for the purchase or sale of securities, including securities in which SIG’s *Supervised Persons* may invest, SIG generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. SIG does not receive any additional compensation or remuneration as a result of the aggregation. In the event that SIG determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, SIG may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist SIG in its investment decision-making process. Such research generally will be used to service all of SIG’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the

allocation of the benefit of such investment research products and/or services poses a conflict of interest because SIG does not have to produce or pay for the products or services.

It is SIG's policy to minimize the occurrence of trade errors. Should any trade errors occur, SIG will take any steps necessary to put the client in the position it should have been but for the trade error. In the event SIG determines that a bona fide trade error has occurred, SIG may move offsetting trades into its error account. Depending on the internal trade error policies and procedures of the particular custodian/broker dealer for the account, SIG's error account may be debited if the offsetting trade results in a loss or credited if the offsetting trade results in a gain. In fulfilling its duties to its clients, SIG endeavors at all times to put the interests of clients first. Clients should be aware, however, that SIG's receipt of a credit for a gain creates certain potential conflicts of interest including SIG's choice of a particular broker-dealer over another that does not have a similar policy.

### **Software and Support Provided by Financial Institutions**

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SIG may receive from *Fidelity*, without cost to SIG, computer software and related systems support, which allow SIG to better monitor client accounts maintained at *Fidelity*. SIG may receive the software and related support without cost because SIG renders investment management services to clients that maintain assets at *Fidelity*. The software and related systems support may benefit SIG, but not its clients directly. In fulfilling its duties to its clients, SIG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that SIG's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence SIG's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, SIG may receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. SIG may also receive discounted pricing on Advent performance software.

### **Item 13. Review of Accounts**

For those clients to whom SIG provides investment management services, SIG monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by one of SIG's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with SIG and to keep SIG informed of any changes thereto. SIG contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts.

### Item 14. Client Referrals and Other Compensation

SIG is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, SIG is required to disclose any direct or indirect compensation that it provides for client referrals. SIG does not have any required disclosures to this Item.

### Item 15. Custody

SIG's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize SIG through such *Financial Institution* to debit the client's account for the amount of SIG's fee and to directly remit that management fee to SIG in accordance with applicable custody rules.

The *Financial Institutions* recommended by SIG have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to SIG. Clients should carefully review the statements sent directly by the *Financial Institutions*.

### Item 16. Investment Discretion

SIG may be given the authority to exercise discretion on behalf of clients. SIG is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. SIG is given this authority through a power-of-attorney included in the agreement between SIG and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). SIG takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Financial Institutions* to be utilized;

### Item 17. Voting Client Securities

SIG is required to disclose if it accepts authority to vote client securities. SIG does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.



## Item 18. Financial Information

SIG does not require or solicit the prepayment of more than \$500 in fees six months or more in advance. In addition, SIG is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. SIG has no disclosures pursuant to this Item.

## Item 19. Requirements for State Registered Investment Advisors

### Principal Executive Officers and Management Persons

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Below is the formal education and business background of each of SIG's principal executive officers and management persons:

#### **MORTON SACHS**

Born 1934

#### **Post-Secondary Education**

Indiana University | MBA, Finance | 1959

Indiana University | BS, Finance | 1956

#### **Recent Business Background**

Sachs Investment Group, LLC | Managing Member | May 2009 – Present

Louisville Trust Company | Chairman | February 1999 – December 2009

The Sachs Company | Chairman | March 1974 - Present

#### **JAMES E. BUCHHEIT**

Born 1971

#### **Post-Secondary Education**

Denison University | BA, History | 1994

#### **Recent Business Background**

Sachs Investment Group, LLC | Director of Advisory Services, Investment Advisor Representative | May 2009 – Present

Louisville Trust Company | Vice President | December 2008 – December 2009

Nat City Investment Inc. | Investment Advisor Representative | June 2007 – December 2008

Merrill Lynch | Investment Group | June 2005 – June 2007

## Sachs Investment Group, LLC Disclosure Brochure

None of the *Supervised Persons* of SIG are compensated for advisory services with performance-based fees. In addition, neither SIG nor its management persons have been the subject of the type of disciplinary event in the instructions to Item 19. Neither SIG nor any of its *Supervised Persons* have a relationship or arrangement with any issuers of securities not disclosed in response to Item 10 (above).

## **Sachs Investment Group, LLC**

*a Registered Investment Adviser*

1346 S. Third Street  
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