

# Disclosure Brochure

August 14, 2012

## **NIKE INVESTMENT PARTNERS, LLC**

*a Registered Investment Adviser*

114 68th Street  
Virginia Beach, VA 23451

(757) 271-5690

This brochure provides information about the qualifications and business practices of Nike Investment Partners, LLC (hereinafter “Nike Investment Partners” or the “Firm”). If you have any questions about the contents of this brochure, please contact Theodore D. Galanides at (757) 271-5690. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about Nike Investment Partners is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Nike Investment Partners is a state registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

In this Item, Nike Investment Partners is required to discuss any material changes which have been made to the brochure since the last annual amendment. While the format and verbiage of the brochure are different from the previous version, no material changes have been made to the substance of the document. Therefore, there is no information to disclose in relation to this Item.

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## Item 4. Advisory Business

Nike Investment Partners has been in business as an independent registered investment adviser since November 2009 and is principally owned by Theodore D. Galanides.

Nike Investment Partners offers investment portfolio management services to individuals, pension and profit sharing plans, trusts, estates, corporations and other business entities. As of December 31, 2011, Nike Investment Partners had approximately \$60,207,000 in assets under management, all of which was managed on a discretionary basis. Prior to the rendering of the foregoing advisory services, clients are required to enter into a written agreement with Nike Investment Partners setting forth the relevant terms and conditions of the advisory relationship (the "*Agreement*").

While this brochure generally describes the business of Nike Investment Partners, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm'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 Nike Investment Partners' behalf and is subject to the Firm's supervision or control.

### Investment Advisory Services

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Nike Investment Partners manages client investment portfolios on a discretionary or non-discretionary basis. Nike Investment Partners primarily allocates client assets among common and preferred stocks, individual tax-free and taxable debt securities, options, mutual funds and exchange-traded funds ("ETFs") in accordance with the client's investment objectives.

Clients may also engage Nike Investment Partners to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Nike Investment Partners directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's sponsor. The Firm also provides advice about any type of legacy position or investment otherwise held in its clients' portfolios.

Nike Investment Partners tailors its advisory services to accommodate the needs of its individual clients and continuously seeks to ensure that its clients' portfolios are managed in a manner consistent with their specific investment profiles. Nike Investment Partners consults with clients on an initial and ongoing basis to determine their individual investment objectives, liquidity and cash flow needs, risk tolerance, time horizon, and other factors relevant to the management of their portfolios. Clients are advised to promptly notify Nike Investment Partners if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Nike Investment Partners determines, in its sole

discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

These investment advisory services do not include securities brokerage services, as the Firm does not currently serve as the sponsor or manager to a wrap fee program (i.e., an arrangement where brokerage commissions and transaction costs are absorbed by the Firm).

## Item 5. Fees and Compensation

Nike Investment Partners offers its services on a fee basis, meaning that clients pay a single annualized fee based upon the amount of assets being managed by the Firm. This fee varies between 10 and 100 basis points (0.10% – 1.00%), depending upon the size of a client's portfolio (which may include multiple accounts) and the type of investment management services rendered, as follows:

### EQUITY (COMMON / PREFERRED), ETFs & OPTIONS

| PORTFOLIO VALUE            | ANNUAL FEE |
|----------------------------|------------|
| Up to \$1,000,000          | 1.00%      |
| \$1,000,001 - \$5,000,000  | 0.80%      |
| \$5,000,001 - \$10,000,000 | 0.65%      |
| Above \$10,000,000         | 0.50%      |

### MUTUAL FUNDS

| PORTFOLIO VALUE            | ANNUAL FEE |
|----------------------------|------------|
| Up to \$1,000,000          | 0.60%      |
| \$1,000,001 - \$5,000,000  | 0.50%      |
| \$5,000,001 - \$10,000,000 | 0.40%      |
| Above \$10,000,000         | 0.30%      |

### FIXED INCOME

| PORTFOLIO VALUE            | ANNUAL FEE |
|----------------------------|------------|
| Up to \$1,000,000          | 0.25%      |
| \$1,000,001 - \$5,000,000  | 0.20%      |
| \$5,000,001 - \$10,000,000 | 0.15%      |
| Above \$10,000,000         | 0.10%      |

This fee is prorated and billed quarterly in arrears, as derived from the average daily value of the assets being managed by Nike Investment Partners during the previous quarter. Since the fee is determined by average daily account balance, 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 is adjusted accordingly.

For the initial term of an engagement, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding balance is charged to the client, as appropriate.

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**Fee Discretion**

Nike Investment Partners, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

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**Additional Fees and Expenses**

In addition to the fee paid to Nike Investment Partners, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies and banks, amongst others (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or ETF in the account, as 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.

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**Fee Debit**

The Firm's Agreement and the separate agreement with any *Financial Institutions* generally authorize Nike Investment Partners to debit its clients' accounts for the amount of the management fee and to directly remit that fee to Nike Investment Partners. Any Financial Institutions recommended by Nike Investment Partners have agreed to send statements to clients not less than quarterly indicating all amounts disbursed from the account, including the amount paid directly to Nike Investment Partners. In addition, Nike Investment Partners also sends a duplicate quarterly invoice to clients, which describes the amounts deducted for payment of the Firm's management fee, as required under applicable state securities laws.

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**Account Additions and Withdrawals**

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

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

Nike Investment Partners does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).



## Item 7. Types of Clients

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

### Account Requirements

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Nike Investment Partners does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. The Firm does, however, generally require at least \$200,000 in holdings for equity accounts and \$100,000 for accounts comprised of mutual funds and ETFs. Nike Investment Partners, in its sole discretion, may elect to waive these minimum account requirements for clients with multiple accounts under the Firm's management or clients with whom the Firm has a pre-existing relationship.

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

### Methods of Analysis

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Nike Investment Partners generally utilizes a combination of largely fundamental and technical methods of analysis.

Fundamental analysis involves an evaluation of an issuer's fundamental financial condition and competitive position. Nike Investment Partners generally analyzes the financial condition, capabilities of management, earnings capacity, new products and services, as well as the company's markets and position amongst its industry competitors in order to determine the recommendations made to clients. A substantial risk in relying upon 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 examination of past market data rather than specific company information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon 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 Nike Investment Partners will be able to accurately predict such a reoccurrence.

### Investment Strategies

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Once a client's investment objective and risk tolerance has been determined and the tax implications of the account are established the account can be invested. The equity exposure of any account can range from ninety-five percent (95%) to zero percent (0%). The same ratios apply to fixed income securities. the only constant and fixed ratio is that every account will hold up to five percent (5%) in money market funds or cash equivalents.

After the allocation for the account has been determined, the first priority before any equity security can be purchased is to determine the perceived "direction" of the overall stock market. This is accomplished by reviewing market statistics to determine if more stocks are rising than falling and *vice versa*. The same analysis is then applied to the 40 sectors and sub-sectors of the S&P 500 universe. This process then determines the exposure to the allocated portion of the equity component.

If, for example, the client's investment objective and risk tolerance suggest that a \$1,000,000 account should be invested sixty percent (60%) in equity securities and forty percent (40%) in fixed income securities, and the overall "market conditions" indicated that the equity component be restricted to fifty percent (50%) then the account would hold up to \$300,000 in common stocks and up to \$400,000 in fixed income and cash equivalents. The maximum number of securities that compose the common stock equity exposure is limited to 32 positions and no position can be established that is greater than three

percent (3%) of the equity exposure component. In the example of the \$1,000,000 account that was to have a sixty percent (60%) equity exposure but was reduced to thirty percent (30%) because of market conditions, the average equity position would be no greater than \$9,000 dollars.

To further control the equity risk exposure no single sector may be greater than ten percent (10%) of the portfolio. If mutual funds and ETFs are employed for the equity exposure, the position size is limited to no more than two percent (2%) of the total equity exposure. Once the allocation has been determined and the securities are selected, a computer driven analysis determines the upside appreciation and the downside risk and from that a risk return ratio is established. Before a security can be purchased that risk return ratio has to be at least two to one; that is the security must be projected to rise two dollars for every one dollar of downside risk in the next 12 months. These ratios are determined from momentum and relative strength for each security.

Once the stock is purchased, if it rises by fifty percent (50%), then one-third of the position is sold. If the security continues to rise and achieves a one hundred percent (100%) gain over the original cost basis, another third is sold. The remaining one-third is then held until the security turns down. In the event that the security begins to decline after the purchase, the "sell" price has already been established, which limits the amount of loss the account is subject to.

The fixed income exposure for the account is determined at the time the account is to be invested by determining the peak of the yield curve for the tax-free or taxable bonds to be used. Once the peak of the curve is determined the number of years back to the date the account is to be invested is divided into the dollar amount of fixed income securities to be purchased. This process then determines the position size for the fixed income securities, which is rounded off to \$5,000 increments for practical purposes. Only investment grade debt securities are ever considered and only after careful examination and research utilizing Standard & Poor's, Moody's and Fitch rating services are employed.

For those clients that may be more aggressive in their investment objective and risk, option strategies will sometimes be employed to obtain equity exposure to some securities by either buying call options or selling put options. This strategy is limited to securities that are intended for purchase in the account but at a lower cost than the current market price. For some clients, whose risk tolerance and risk objectives indicate that they seek greater income, covered call options may be sold on securities currently in their accounts. In the event a client holds a security that they prefer it not be sold as a result of market volatility, then put options may be purchased as a hedge against market declines.

Mutual funds and ETFs are evaluated using Morningstar and Standard & Poor's research and are utilized based on the type of equity exposure that is being sought, that is the micro-capital markets, the emerging markets, foreign markets or precious metals and commodity markets. Mutual funds and ETFs are subject to the same risk return ratios and sell discipline that is employed for common stocks. The overall investment strategy dictates that if risk is managed then the desired returns are likely to be achieved.

## Risks of Loss

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### *General Risk of Loss*

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

### *Market Risks*

The profitability of a significant portion of Nike Investment Partners' 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 Nike Investment Partners will be able to predict those price movements accurately.

### *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 actual 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.

### *Options*

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on

the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

**Item 9. Disciplinary Information**

Nike Investment Partners has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

## Item 10. Other Financial Industry Activities and Affiliations

Nike Investment Partners is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Nike Investment Partners has described such relationships and arrangements below.

### **Real Estate Ventures**

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The Firm's Managing Member, Theodore D. Galanides, in his individual capacity, serves as the secretary and treasurer of two real estate companies – Galanides Realty Inc. and Mathews Enterprises, Inc. He does not engage in any investment-related activity in this capacity and does not devote a significant amount of time to these ventures. As such, these affiliations do not present any conflicts of interest with regard to the Firm's advisory clients.

## Item 11. Code of Ethics

Nike Investment Partners and its *Supervised Persons* are permitted to buy and sell securities that it also recommends to clients consistent with Nike Investment Partners' policies and procedures.

Nike Investment Partners has adopted a code of ethics ("*Code of Ethics*") made up of its personal securities transaction and insider trading policies and procedures. When Nike Investment Partners is purchasing or considering for purchase any security on behalf of a client, no *Covered Person* (as defined below) may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Nike Investment Partners is selling or considering the sale of any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

Unless specifically defined in Nike Investment Partners' procedures, neither Nike Investment Partners nor any of Nike Investment Partners' *Supervised Persons* may effect for himself or herself, for a *Supervised Persons*' immediate family (i.e., spouse, minor children, and adults living in the same household as the Associated Person), or for trusts for which the *Supervised Person* serves as a trustee or in which the Associated Person has a beneficial interest (collectively "*Covered Persons*"), 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 Nike Investment Partners' clients.

The foregoing policies and procedures are not applicable to:

- Transactions effected in any account over which neither Nike Investment Partners nor any of its *Supervised Persons* (as defined in this brochure) has any direct or indirect influence or control; and
- 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 Nike Investment Partners' clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above. Nike Investment Partners will maintain records of these trades, including the reasons for any exceptions.

In accordance with Section 204A of the Advisers Act, and related state regulations, Nike Investment Partners also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by Nike Investment Partners or any of its *Supervised Persons*.

Clients and prospects may contact Nike Investment Partners to request a copy of its *Code of Ethics*.



## Item 12. Brokerage Practices

Nike Investment Partners generally recommends that investment management clients utilize the brokerage and custodial services of Pershing, LLC through Pershing Investment Manager Services (“*Pershing*”). Nike Investment Partners may only implement its investment management recommendations after the client has arranged for and furnished Nike Investment Partners with all information and authorization regarding accounts held at their respective *Financial Institutions*.

Factors which Nike Investment Partners considers in recommending *Pershing* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Pershing* enables Nike Investment Partners to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. In addition, *Pershing* has agreed to compensate clients for transfer fees of up to \$100, which may be assessed for moving their account(s) to *Pershing*. The commissions and/or transaction fees charged by *Pershing* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Nike Investment Partners’ clients comply with Nike Investment Partners’ 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 Nike Investment Partners 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. Nike Investment Partners seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

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

A client may direct Nike Investment Partners 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 Nike Investment Partners 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 Nike Investment Partners. 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, Nike Investment Partners may decline a client’s request to direct brokerage if, in Nike Investment Partners’ sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless Nike Investment Partners decides to purchase or sell the same securities for several clients at approximately the same time. Nike

Investment Partners 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 Nike Investment Partners’ 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 Nike Investment Partners’ clients *pro rata* to the purchase and sale orders placed for each client on any given day.

To the extent that Nike Investment Partners determines to aggregate client orders for the purchase or sale of securities, including securities in which Nike Investment Partners’ *Supervised Persons* may invest, Nike Investment Partners generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the SEC. Nike Investment Partners does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Nike Investment Partners 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:

- 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;
- 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;
- 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);
- With respect to sale allocations, allocations may be given to accounts low in cash;
- In cases when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Nike Investment Partners may exclude the account(s) from the allocation and the transactions may be executed on a *pro rata* basis among the remaining accounts; or
- 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 Nike Investment Partners in its investment decision-making process. Such research generally will be used to service all of Nike Investment Partners’ 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 Nike Investment Partners does not have to produce or pay for the products or services.

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

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

Additionally, Nike Investment Partners may receive the following benefits from *Pershing* through the Pershing Advisor Solutions division:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its Pershing Advisor Solutions 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.

## Item 13. Review of Accounts

### Account Reviews

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Nike Investment Partners monitors the portfolios of its investment management clients as part of a continuous and ongoing process, while regular account reviews are conducted at least quarterly. All reviews are conducted by the Principal of Nike Investment Partners, Theodore D. Galanides. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Nike Investment Partners and to keep Nike Investment Partners informed of any changes thereto. Nike Investment Partners 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.

### Account Statements and Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. On a quarterly basis, investment advisory clients also receive written or electronic reports from Nike Investment Partners which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from Nike Investment Partners.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

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Nike Investment Partners does not have any arrangements in place whereby it provides compensation to a third party for client referrals.

### Other Economic Benefit

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Nike Investment Partners may receive an economic benefit from a third party (non-client) for providing investment advice to the Firm's advisory clients. This type of relationship poses a conflict of interest, as discussed in Item 12.

## Item 15. Custody

Nike Investment Partners is deemed to have custody over a client's assets when it is authorized to directly debit a client's account for payment of the Firm's quarterly management fee. In accordance with applicable custody rules, the *Financial Institutions* recommended by Nike Investment Partners have agreed to send statements to clients, not less than quarterly, indicating all amounts paid to Nike Investment Partners. As stated in Item 5, the Firm also sends to clients a duplicate fee invoice, detailing the amounts deducted for payment of the quarterly management fee, where required under applicable state securities laws.

Nike Investment Partners may also send periodic reports to clients, as discussed in Item 13. Clients are advised to carefully review the statements and confirmations sent directly by the *Financial Institutions* and to compare them with any reports received from Nike Investment Partners

## Item 16. Investment Discretion

Clients may grant Nike Investment Partners the authority to exercise discretion on their behalf. Nike Investment Partners 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. Nike Investment Partners is given this authority through a power-of-attorney included in the *Agreement* between Nike Investment Partners and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold).

Specifically, Nike Investment Partners 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**

Nike Investment Partners does not accept the authority to vote client securities (i.e., proxies) on their behalves. Clients receive proxies directly from the *Financial Institutions* where their assets are custodied and may contact the Firm at the number listed on the cover of this brochure with questions about proxies and/or other such solicitations.



**Item 18. Financial Information**

Nike Investment Partners is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$500 in fees six months or more in advance;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

## Item 19. Requirements for State Registered Investment Advisers

### Principal Executive Officers and Management Persons

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#### **THEODORE D. GALANIDES**

Born 1937

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

College of William & Mary | B.B.A., Economics | 1959

#### **Recent Business Background**

Nike Investment Partners, LLC | Managing Member | 2009 – Present

UBS Financial Services, Inc. | Financial Advisor | 2001 – 2009

PaineWebber | Financial Advisor | 1995 – 2001

GE Financial | Financial Advisor | 1991 – 1995

Kidder, Peabody & Co. | Financial Advisor | 1989 – 1991

E.F. Hutton | Financial Advisor | 1982 – 1989

### Performance Based Fees

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Neither the Firm nor its management persons provide any services for performance based fees, as stated in Item 6.

### Civil and Administrative Proceedings

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Neither the Firm nor its management persons have been subject to an award or otherwise found liable in an action involving a violation of any investment related statute.

### Relationships with Issuers

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Neither the Firm nor its management persons have a relationship with any issuer of securities.

## **NIKE INVESTMENT PARTNERS, LLC**

*a Registered Investment Adviser*

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