

FIRM BROCHURE

Part 2A of Form ADV

November 15, 2013

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Sigdestad Financial, Inc. If you have any questions about the contents of this Brochure, please contact us at (858) 695-6600 and/or www.retiremeasap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Sigdestad Financial, Inc. is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”); however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Sigdestad Financial, Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

Sigdestad Financial, Inc. (“SFI”) is amending this Brochure to reflect the Firm’s registration change to the Securities and Exchange Commission (“SEC”) from the state of California registration with the Department of Business oversight (“DBO”). Items 4 Advisory Business, Types of Services, Item 5 Fees and Compensation, Conflicts of Interest, Item 10 Other Financial Industry Activities and Affiliations information regarding Eric Sigdestad’s relationship with an unaffiliated broker-dealer has been removed. Item 4 Advisory Business has updated the Assets under management as of October 31, 2013. In addition Item 19 Requirements for State Registered Advisers has been removed. The Firm’s prior Disclosure Brochure was dated June 11, 2013.

Pursuant to SEC Rules, Sigdestad Financial, Inc. will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of Sigdestad Financial, Inc.’s fiscal year end. Additionally, as Sigdestad Financial, Inc., experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. For more information about the firm, please visit www.retiremeasap.com.

Additional information about Sigdestad Financial Inc. and its investment adviser representatives is available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 4: Advisory Business

A. Description of Firm

Sigdestad Financial, Inc. (“SFI” or the “Firm”) is a San Diego, California based investment advisory firm, founded in 2010 (previously Sigdestad Financial since 2005). SFI is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser and is organized under the laws of the State of California as a corporation. SFI offers customized investment management, separately managed accounts, and financial consulting services to individuals and high net worth individuals. Some of the investment instruments SFI advises its clientele on include, among other things, mutual funds, exchange traded funds (“ETFs”), stocks, bonds, treasuries, REITS (real estate investment trusts), separately managed accounts, and Master Limited Partnerships. No minimum is required to open and maintain an investment advisory account. SFI periodically sends newsletters, e-mails, and other correspondence of general market and retirement related information and items of interest to its clients and prospective clients on a complimentary basis. In addition, SFI may occasionally hold complimentary informational seminars for its clients and prospective clients geared towards retirement and investment needs.

B. Principal Owner

SFI is 100% owned by Eric Sigdestad, who serves as the firm’s CEO and Chief Compliance Officer.

C. Types of Advisory Services Offered

SFI offers clients financial consulting and investment management services, which are fully described below. A client may engage Sigdestad Financial for financial consulting services and/or investment advisory services.

1. Financial Consulting Services

SFI provides clients with customized financial consulting services and charges an hourly rate for said services. Financial planning services will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. SFI will first conduct a complimentary initial consultation. After the initial consultation, if the client decides to engage SFI for financial planning services, pertinent information about the client’s financial circumstances and objectives is collected and such information will be reviewed and analyzed. A written financial plan – designed to achieve the clients’ stated financial goals and objectives – may be produced and presented to the client- depending on the complexities and needs of the individual client. The primary objective of this process is to allow SFI to assist the client in developing a strategy for the successful management of income, assets, and liabilities in meeting the client’s financial goals and objectives.

Should a client decide to implement any recommendations contained in their financial plan, the client may, but is under no obligation to, utilize SFI to implement those recommendations. There can be no

assurance that SFI's financial planning services or any products recommended by a financial plan are at the lowest available cost. Clients are advised that potential conflicts of interest exist if SFI recommends its own portfolio management services or if SFI recommends products or services offered in such representative's capacity as a registered representative of a broker-dealer. Specifically, clients should be aware of the following conflicts that may exist between SFI's interests and the interest of the client.

If the client implements the financial plan through SFI, the Firm will receive additional payment from the client in the form of advisory fees. This may act as an incentive to SFI to make certain recommendations in the financial plan or to advise the client to instruct SFI to implement the plan. Other firms may charge lower fees for providing such services.

2. Investment Advisory Services

SFI provides discretionary portfolio management on a continuous basis. The investment advice provided is variable depending upon the desires, investment objectives, and other preferences of the client and in accordance with a written Investment Advisory Agreement entered into between SFI and the client. SFI offers comprehensive investment advisory services, which encompasses portfolio management as well as providing financial consulting/financial planning to clients, and is designed to assist clients in meeting their financial goals through the use of financial investments. SFI will conduct one or more meetings (in person if possible, otherwise via telephone conference) with the client in order to understand the client's current financial situation, existing resources, financial goals, and tolerance for risk. Based on this information SFI will recommend an investment approach to the client. Upon written execution of the Investment Advisory Agreement, SFI will work with the client to establish or transfer investment accounts so that the Firm is able to manage the client's portfolio. SFI may periodically rebalance or adjust client accounts under its management.

Investment advisory recommendations are based on the client's financial situation at the time the services are provided and are based on financial information disclosed by the client. If the client experiences any significant changes to his/her financial or personal circumstances, it is the client's responsibility to timely notify the Firm so that such information can be used in managing the client's portfolio. In addition, SFI does not assume any responsibility for the accuracy of the information provided by clients. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and past trends and performance of the market and economy. Past performance is in no way an indication of future performance.

D. Participation in Wrap Fee Programs

SFI does not participate in wrap fee programs.

E. Investment Advisory Agreements

Prior to engaging SFI to provide investment advisory services, each client is required to enter into a written Investment Advisory Agreement with the Firm, which will describe the management fees to be charged and the terms and conditions under which SFI will render its services. SFI will provide a Brochure and one or more Brochure Supplements to each client or

prospective client prior to or at the same time a client executes SFI's Investment Advisory Agreement. SFI will continue to provide services until terminated by the client or SFI in accordance with the provisions outlined within the agreement.

Neither SFI nor the client may assign the Investment Advisory Agreement without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of SFI shall not be considered an assignment.

F. Assets Under Management as of October 31, 2013

As of October 31, 2013, the following represents the amount of client assets under management by SFI on a discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$108,367,051.66
Non-Discretionary	\$0.00
Total:	\$108,367,051.66

ITEM 5: FEES AND COMPENSATION

Fees for investment advisory services will be calculated and paid quarterly in advance based on the market value of the account at the end of the previous quarter end. Fees are generally not negotiable. Any exceptions made to the published fee schedule are under certain circumstances pursuant to a written Investment Advisory Agreement with the client. No increase in the fee schedule shall be effective without prior written notification to the client.

Assets Under Management	Annual Advisory Fee
Up to \$50,000	2.00%
\$50,001 to \$100,000	1.75%
\$100,001 to \$250,000	1.50%
\$250,001 to \$500,000	1.25%
\$500,001 to \$1,000,000	1.00%
Over \$1,000,000	0.90%

The first advisory fee is calculated based on the market value of the account at the end of the calendar quarter following execution of the Investment Advisory Agreement. SFI does not prorate advisory fees for new accounts opened mid quarter, contributions, or withdrawals. Therefore, should a client execute an Investment Advisory Agreement and fund an account in the middle of a quarter, billing will not start until the first day of the following quarter.

SFI's fee schedule does not include the following separately incurred expenses, of which the Firm does not receive any part: mutual fund, index fund and/or exchange traded fund expenses, trading costs, separately managed account expenses, and custodial costs. These fees will be separately charged by the relevant parties and borne by the client. Unless the client requests direct billing, fees will be automatically deducted from the account. If fees are automatically

deducted from the client's account as per the Investment Advisory Agreement, the client adheres and acknowledges the following:

- The custodian sends statements at least quarterly to the client showing all disbursements from the brokerage account, including the amount of the advisory fees; and
- The client provides authorization through the written Investment Advisory Agreement to the custodian permitting SFI to be directly paid by these terms.

The client may terminate the Investment Advisory Agreement within five business days of execution without incurring any charges or penalties. Either party may terminate the Investment Advisory Agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the investment advisory agreement. After five (5) business days, the client will receive a pro-rata refund of any unearned fees. The client will incur charges for bona fide advisory services rendered to the point of termination, and such fees will be due and payable by the client. No interest will be added to refunds under these circumstances.

SFI provides clients with customized financial consulting services. Fees for financial consulting services are separate from investment advisory services. With respect to financial consulting, the Firm will generally charge an hourly fee of \$200/hour, which may be negotiable in certain circumstances, depending upon the level and scope of these services. The total number of hours will be estimated prior to the engagement for hourly billing, and the total estimated fees will be specified in SFI's Financial Consulting Agreement. Half of the total amount of fees is due upon the execution of Adviser's Financial Consulting Agreement, and the remaining amount of fees will be due upon completion of the consultation.

SFI's financial consulting fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Financial consultations shall be completed within six (6) months of the prepayment of any fees.

Either party may terminate the financial consulting agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the financial consulting agreement. After five (5) business days, clients will receive a pro-rata refund, which takes into account work completed by SFI on behalf of the client. The client will incur charges for bona fide financial consulting services rendered to the point of termination, and such fees will be due and payable by the client.

A. Additional Information Concerning Fees

All fees paid for investment advisory accounts are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. Such fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of SFI. In that case, the client would not receive the services provided by SFI which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate for the client's financial situation

and objectives. Accordingly, clients should review both the fees charged by the funds and the fees charged by SFI to fully understand the total amount of fees to be paid, and to evaluate the advisory services being provided.

In addition, some clients may have assets with a third-party manager selected by SFI and incur additional costs of the services provided by the third-party manager. Please note: SFI no longer offers a selection of third-party managers to clients.

B. Conflicts of Interest

Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations. Lower fees for providing comparable services may be available from other sources. The Firm does not have physical custody of any client funds or securities, and a qualified and independent custodian will be used to hold client assets.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

SFI does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets). Consequently, SFI does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management). As described above, the Firm provides its services for a fixed fee, hourly charges and/or based upon a percentage of assets under management. Notably, accounts that are managed in the same style (*e.g.*, moderately aggressive) may not be managed the same way due to the client's overall investment objective, discretion of the investment professional assigned to the account, asset size and account restrictions.

ITEM 7: TYPES OF CLIENTS

SFI provides independent, objective advice regarding investments and planning for individuals, and high net-worth individuals. There is no minimum required to open and maintain an investment advisory account.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis, Sources of Information and Investment Strategies

When SFI is engaged to provide investment advice, the client's current financial situation, needs, goals, objectives and tolerance for risk are first evaluated.

In addition to several in person or telephonic interviews with a new client, the client is required to complete a questionnaire to assist SFI in formulating the client's investment objectives. Copies of certain client documents may be requested by SFI to assist in conducting a more complete evaluation of the client's objectives and to devise an investment objective. SFI may reasonably request certain of the following documents: insurance policies, wills, tax returns, and

other documents depending upon the client's circumstances, in order to permit a complete financial evaluation. SFI shall not be required to verify any information obtained from the client, client's attorney, accountant or other professionals, and is expressly authorized to rely thereon.

Investment management is the design and management of balanced investment portfolios tailored to meet the client's specific needs. The Sigdestad Financial investment committee consists of Jane Edmondson and Eric Sigdestad. Jane has an MBA in Finance, and is a former Institutional Portfolio Manager who provides independent consulting and research to Sigdestad Financial. Eric Sigdestad serves as the Chief Investment Officer of Sigdestad Financial and makes all final investment decisions for clients of the firm. It is the investment committee's core belief that asset allocation and portfolio diversification is a crucial element of long-term investment success. The appropriate asset allocation strategy is derived by assessing the goals and circumstances of each client and selecting the portfolio model that best suits their level of risk tolerance, overall investment objective, and time horizon.

Asset level and sector classifications are sourced from the Schwab research platform and Morningstar. The asset allocation mix of each model is based on past historical risk-adjusted asset class performance dating back to 1970 sourcing Schwab's historical data. In addition to the use of mutual funds and ETF's (exchange traded funds) in specific asset class categories, 5-20% of each model portfolio is also allocated to a Balanced/Tactical fund manager consistent with the risk tolerance of the overall portfolio. The use of these funds creates a diversifying, macro-economic, top-down tactical/rotation element to the overall portfolio. World allocation mutual funds may also be utilized facilitate an element of country rotation.

The Schwab Institutional research platform and Morningstar research is utilized to select investments in each category. Past historical performance of each fund is reviewed over a 3, 5, 10, and inception-to-date basis. Investments should be above median in performance relative to their peers and must consistently outperform their respective benchmarks in both up and down markets. Funds with a longer track record of performance (at least 5 years) are preferred. When a 5 year track record is not available for an fund, the investment committee may review similar investments manufactured by that same firm for guidance (e.g. If a firm who manages a Separately Managed Account were to roll out a mutual fund designed to mimic the SMA's investment philosophy, portfolio holdings, trading, etc.). Fund family, manager tenure, current fund assets and historic asset growth, portfolio holdings, asset allocation, expense ratio, portfolio turnover, risk-adjusted return, alpha, beta, standard deviation of returns, up/down performance, correlation among funds, yield, and portfolio overlap are all considered during the selection of funds for use in the model portfolios.

Model investments are continuously monitored for performance, personnel or organization change, style drift, and/or ratings changes. In the event that changes have occurred with any of the underlying model investments, the investment will be placed under "review" for a specified period of time before any action is taken. However, if significant changes have occurred within the model investment(s), changes can be made immediately. This is consistent with the disciplined and unemotional approach utilized during our manager selection process. Past performance is not guarantee of future results.

B. Risk of Loss

SFI's investment recommendations are subject to various markets, geographical, currency, economic, political and business risk and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of their account, which clients should be prepared to bear. There can be no assurance that a client's investment objectives will be obtained and no inference to the contrary is being made.

The primary risks involved in the securities recommended by SFI may include, among others:

- *Stock market risk*, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- *Non-diversification risk*, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- *Value investing risk*, which is the risk that value stocks may not increase in price, may not issue the anticipated stock dividends, or may decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks, but may lag behind growth stocks in an up market.
- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company may go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities may result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Investments in emerging markets are generally more volatile than investments in developed foreign markets.

- *Interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates. Similarly, the income from bonds or other debt instruments may decline because of falling interest rates.
- *Credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by SFI may not produce the desired results and that legislative, regulatory, or tax developments, may affect the investment techniques available to the Firm. There is no guarantee that a client's investment objectives will be achieved.

Prior to entering into an agreement with SFI, a client should carefully consider:

- committing to investment management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to five years;
- that volatility from investing in global capital markets can occur; and
- that over time the client's assets may fluctuate and at anytime be worth more or less than the amount invested

SFI does not represent, guarantee or imply that the services or methods of analysis employed can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Past performance is no guarantee of future results.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as SFI are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of SFI or the integrity of its management. Please refer to the Brochure Supplement, Part 2B of Form ADV for further information.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Mr. Sigdestad is licensed to sell fixed and variable insurance products (CA Insurance License 0C43424). He may receive the normal commissions for insurance sales in his separate role as an insurance agent. This activity constitutes less than 5% of his time. Mr. Sigdestad is also a Notary Public and provides this service to his clients on a complimentary basis.

Although Mr. Sigdestad will devote as much time to the business and affairs of SFI as he believes is necessary to deliver the financial planning, consulting, investment advisory services and separately managed accounts described herein, he may devote a portion of his time to these other businesses activities.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics Summary

SFI has adopted a Code of Ethics ("Code") in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended. SFI as a fiduciary has a duty of utmost good faith to act solely in the best interests of clients. Clients entrust us with their money and financial future, which in turn places a high standard on conduct and integrity. Fiduciary duty compels all employees to act with the utmost integrity in all of dealings.

Because SFI's investment professionals and associated persons may transact in the same securities for their personal accounts as they may buy or sell for client accounts, it is important to mitigate potential conflicts of interest. To that end, SFI has adopted a standard of conduct for all of its supervised persons in the form of a Code of Ethics ("Code"), which all SFI associated persons must follow. This Code provides personnel with guidance in their ethical obligations regarding their personal securities transactions and fiduciary duties formulating the basis of all of our client dealings. Specifically, the Code requires personnel to obtain written pre-approval of certain securities, report personal trades and holdings and prohibits certain trades in certain circumstances (*e.g.*, insider trading). The Code also contains procedures for reporting violations and enforcement. The Code is distributed to personnel for review initially upon hire, annually and anytime an amendment is made. SFI will provide a copy of the Code to any client or prospective client upon request.

SFI obtains information from a wide variety of publicly available resources. SFI and its personnel do not have, nor claim to have, insider or private knowledge.

B. Participation or Interest in Client Transactions

Clients are advised that they are not required to affect any securities transactions SFI may recommend as a result of a Financial Consulting engagement and may use any broker/dealer they chose to implement recommendations made by SFI. Clients are also under no obligation to act upon any recommendations we may make as a result of a Financial Consulting engagement.

SFI's employees may buy or sell securities for their own accounts that the firm buys or sells for its client accounts. The Firm understands that this could create a conflict of interest, where the employee's interest may be at odds with the interest of clients. To mitigate the appearance of or actual conflict, SFI has adopted a Code of Ethics ("Code") with which all employees must comply.

It is SFI's policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Should SFI ever decide to affect cross-trades between client accounts, it will comply with the provisions of Rule 206(3) of the Advisers Act.

ITEM 12: BROKERAGE PRACTICES

A. Selection Criteria

SFI may recommend that clients establish accounts with certain custodian brokers, such as Schwab Institutional division, a of Charles Schwab & Co., Inc. ("Schwab"), in order to maintain custody of client assets and effect trades for their accounts. Factors considered by SFI in recommending custodian brokers include but are not limited to, the reasonableness of their commissions, their financial strength, product availability, research and other services available to both the client and the Firm.

SFI places trades for its clients' accounts subject to its duty to seek best execution and its other fiduciary duties. The Firm will generally place client trades with the appointed custodian broker since the custodian broker, such as Schwab, does not charge separately for custody services so long as client transactions are executed by the custodian broker.

B. Soft Dollar Consideration

As part of a "bundled package" provided from the custodial broker-dealer, SFI may receive certain benefits, such as interface software, investment research or invitations to attend seminars and conferences. These benefits are paid for with clients' commissions/transaction fees or assets known as "soft dollars." The use of soft dollar arrangements, which is governed by §28(e) of the Securities Exchange Act of 1934, presents a potential conflict of interest by reason of the fact that the Firm could potentially select a particular broker-dealer custodian that charges higher commission/transaction fees than what may be available elsewhere. Section 28(e) permits soft dollar arrangements so long as certain conditions and requirements are met. For example, the benefits which the Firm receives must be eligible research or brokerage products and services. For these purposes, "research" means services or products used to provide lawful and appropriate assistance to SFI in making investment decisions for its clients. "Brokerage" services and products are those used to effect securities transactions for the Firm's clients or to assist in effecting those transactions. Furthermore, in accordance with §28(e), SFI must, among other things, determine that commissions/transaction fees paid are reasonable in light of the qualitative

execution received and value of the brokerage and research services and products acquired. Clients should be aware that the research and services acquired with soft dollars may or may not be utilized across the Firm's entire client base and client accounts may not benefit equally from research derived from soft dollars.

C. Directed Brokerage

Under limited circumstances, SFI may allow a client to direct SFI to execute all or a portion of client transactions through a specific broker (aka "Directed Brokerage"). If that is the case, the client should understand that: (1) SFI does not negotiate specific brokerage commission rates with the broker on client's behalf, or seek better execution services or prices from other broker/dealers and, as a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case, (2) transactions for that account generally will be effected independently unless SFI decides to purchase or sell the same security for several clients at approximately the same time (block trade), in which case the Firm may include such client's transaction with that of other clients for execution by the same broker. If transactions are not able to be traded as a block, SFI may have to enter the transactions for the client's account after orders for other clients, with the result that market movements may work against the client, and (3) conflicts may arise between the client's interest in receiving best execution with respect to transactions effected for the account and SFI's interest in receiving future client referrals from the broker. Therefore, prior to directing SFI to use a specific broker-dealer, a client should consider whether, under that restriction, execution, clearance and settlement capabilities, commission expenses and whatever amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable.

D. Order Aggregation

Transactions for each client generally will be effected independently, unless SFI decides to purchase or sell the same securities for several clients at approximately the same time. SFI 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 SFI'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 the Firm's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that SFI determines to aggregate client orders for the purchase or sale of securities, SFI shall generally do 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. SFI shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that SFI 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, SFI 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.

E. Trade Errors

From time-to-time the SFI may make an error in submitting a trade order on a client's behalf. When this occurs, the Firm may place a correcting trade with the broker-dealer which has custody of the client's account. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain. If the gain does not remain in the client's account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, the Firm will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the client's account, they will be netted.

ITEM 13: REVIEW OF ACCOUNTS

Eric Sigdestad, Chief Investment Officer and Chief Compliance Officer, reviews all model portfolios on at least a quarterly basis. More frequent reviews may be necessary due to the client's individual circumstances, economic conditions, and other general factors affecting the performance of a client's portfolio. Clients will receive transaction confirmations and/or statements at least on a quarterly basis from their account custodians. Collectively, these reports will list clients' account holdings as well as interest and dividends for the reporting period.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Compensation for Client Referrals

Adviser does not pay referral or solicitation fees for the referral of clients to SFI.

B. Additional Compensation

SFI requires certain custodians to clients. While there is no direct link between the investment advice given to clients and SFI's recommendation to use a specific custodian, certain benefits are received by SFI due to this arrangement. For example, the Firm may receive computer software and related systems support, which allow it to better monitor client accounts maintained at the custodian broker. The software and related systems support may benefit SFI, but not its clients directly. In fulfilling its duties to its clients, SFI endeavors at all times to put the interests of its clients first. Clients should be aware however, that SFI's receipt of economic benefits from the

custodian broker creates a conflict of interest since these benefits may influence SFI's choice of a recommended custodian broker over another broker-dealer/custodian that does not furnish similar software, systems support, or services. To the extent the Firm receives benefits in exchange for soft dollars, this could be deemed to be additional compensation. From time to time, SFI may in the future accept payment from individual mutual fund sponsors to help off-set the cost or partial cost of client events, speaking engagements or educational seminars.

ITEM 15: CUSTODY

Pursuant to Rule 206(4)-2 of the Advisers Act, SFI is deemed to have custody of client funds because the Firm has the authority and ability to debit its fees directly from clients' accounts. To mitigate any potential conflicts of interests, all SFI client account assets will be maintained with an independent qualified custodian.

For clients receiving investment advisory services, SFI suggests the account assets to be custodied with Schwab Institutional, a division of Charles Schwab & Co., Inc. ("Schwab"). In addition to the advisory fee charged by SFI, there are transaction charges involved when purchasing and selling securities in client accounts, which are charged by Schwab. A written confirmation of each transaction including all transaction charges will be sent by Schwab to the client immediately following execution of each transaction.

Payment of SFI's fees will be made by Schwab provided the client has given Schwab written authorization permitting the advisory fees to be deducted and paid directly from the client's account. SFI will not have access to client account assets for payment of fees without client consent in writing. Further, Schwab will deliver a monthly account statement directly to the client, which will include all transactions that took place in the account during the period covered and reflect any advisory fees deducted and paid to SFI. Clients are encouraged to review their account statements for accuracy.

ITEM 16: INVESTMENT DISCRETION

A. Discretionary Authority; Limitations

For investment advisory account clients that have granted SFI limited power of attorney and discretion via the written client agreement, SFI will have discretionary authority over:

- the securities to be bought and sold;
- the dollar amounts of the securities to be bought and sold; the broker-dealer through which transactions will be executed;
- whether a client's transaction should be combined with those of other clients and traded as a "block"; and
- the commission rates and/or transactions costs paid to effect the transactions.

However, the Firm's authority may be subject to conditions imposed by a client, an example of which may include where the client restricts or prohibits transactions in securities of a specific company or industry.

For clients that are receiving financial consulting services the client has full discretion to accept or reject the Firm's recommendations and is responsible for implementing any accepted recommendations with any broker-dealer the client chooses.

ITEM 17: VOTING CLIENT SECURITIES

It is SFI's policy and practice to not vote proxies on behalf of its clients and therefore, shall have no obligation or authority to take action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account. Consequently, the client retains the responsibility for receiving and voting all proxies for securities held within the client's account. SFI shall not be deemed to have proxy authority solely as a result of providing advice or information about a particular proxy vote to a client. SFI typically does not advise or act for clients with respect to any legal matter, including bankruptcies and class actions, for securities held in client's accounts.

ITEM 18: FINANCIAL INFORMATION

SFI does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. SFI does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.