

Strategic Capital Advisers, Inc.
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Disclosure Brochure

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This brochure provides information about the qualifications and business practices of Strategic Capital Advisers, Inc. ("SCA" or "the Company"). If you have any questions about the contents of this brochure, please contact us at 303-333-0060. 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 SCA also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

There were no material changes since our last brochure dated March 2013.

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Advisory Business

SCA is an independent investment management firm located in Denver, Colorado. It was founded in 1994. It is totally owned by its principals (John Hancock, Jonathan Ahalt, Mark Hauserman, and Phil Woodford).

SCA provides investment advisory services on a discretionary and non-discretionary basis to individuals, trusts, tax exempt funds (such as pension and profit sharing plans), charitable organizations (such as foundations and endowments), government entities and corporations (such as for profit, non-profit and not for profit).

SCA's business is divided into investment management (discretionary) and consulting (non-discretionary).

Investment Management

Strategic Capital Advisers, Inc. serves as a fully discretionary manager of client investments.

Before beginning the management of a client portfolio, Strategic Capital Advisers, Inc., works with the client to identify the considerations that will affect the management of the client's account. These include assets, liabilities, cash flow requirements, tax sensitivity, risk tolerance, and long-term investment goals. SCA then arrives at a mutually agreed-upon asset allocation policy to govern the account. Once this policy and investment return goals have been established, SCA accepts full discretionary responsibility for selecting the various investment vehicles used to implement the client's investment strategy. A detailed description of portfolio holdings and portfolio activity is provided to the client on a quarterly basis and is available on request at any time during the calendar year. SCA works closely with its clients to achieve

returns consistent with their individual risk profiles and investment objectives. From time to time clients may impose restrictions on investing in certain securities or types of securities. This would be defined in the asset allocation.

Consulting

Strategic Capital Advisers, Inc. (“SCA”) provides investment consulting services to Pension Plans, Government entities, and other organizations.

The primary goal is for SCA is to help the Pension Plan Sponsor comply with its fiduciary responsibilities. These responsibilities include selecting an appropriate variety of sound investment options, monitoring those options, and providing ongoing education to Plan participants with regards to the plan’s investment options. The services provided may include:

- Investment Policy Review and Development
- Evaluation of the Current Investment Options
- Performance Review of the Investment Options
- Design and Implementation of Pension Plans
- Evaluation of Existing or Prospective Pension Plan Service Providers
- Participant Education
- Board Education
- Ongoing Quarterly Evaluation of Investment Performance
- Fund Searches when necessary

As of December 31, 2013 SCA had \$1,041,485,571 of discretionary assets under management and \$2,811,049,242 of non-discretionary assets under management.

Fees and Compensation

SCA is paid directly by its clients and receives no commissions or income from any other financial services firms in conjunction with the services provided. All clients are billed quarterly.

SCA’s fee schedules are as follows:

Investment Management

Annual fees range from 1.50% on the first \$1 million of assets under management to 0.05% on assets over \$200 million. These fees are negotiable and vary within the range depending on the amount of assets and the needs of the client.

Consulting

Annual fees range from 0.15% to 0.02% on assets under management. The minimum fee is \$5,000 per year. The fees are negotiable and vary within the range depending on the amount of assets and the needs of the client.

All clients are sent a bill for fees on a quarterly basis during the first month of each quarter. Clients can have fees deducted from their accounts or pay by check. All fees are calculated on the client’s prior quarter ending value. Client fees are due by the end of the quarter being billed.

Clients may incur other fees not paid to SCA in connection to services rendered such as custodian fees, mutual fund expenses, and transaction costs. Please see Brokerage Practices on

page 5 for more information about fees.

Client fees arrive at different times during the billing period. If a client relationship is terminated with 30 days notice being given by either party, the client will be due a prorated portion of any prepaid fee remaining after the 30 day period. The amount will be prorated per day for the remaining days in the quarter after the 30 day period. New clients will not be billed until after a quarter ending balance can be determined.

Performance –Based Fees and Side by Side Management

SCA does not use performance based fees.

Types of Clients

SCA works with individuals, trusts, tax exempt funds (such as pension and profit sharing plans), charitable organizations (such as foundations and endowments), government entities and corporations (such as for profit, non-profit and not for profit). SCA also works with both Defined Benefit and Defined Contribution Plans.

Method of Analysis, Investment Strategies and Risk of Loss

For investment management clients SCA uses Fundamental Analysis, Technical Analysis and Cyclical Analysis when analyzing appropriate securities for a client's account. SCA uses different sources of information for securities analysis. This could include financial newspapers, magazines, inspections of corporate activities, research material prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, or other sources of financial information and data purchased or discovered by SCA.

SCA may invest in securities using different strategies. SCA may make long term purchases (securities held longer than one year), short term purchases (securities held less than one year), and margin transactions depending on the client and their investment policy or asset allocation. Although the intent of SCA is to hold securities for a longer term horizon, SCA may engage in short term trading, depending on market conditions, which can affect performance through increased transaction costs and taxes.

SCA uses different types of investment vehicles depending on the client's situation. The different types of instruments are equity securities (both domestic and foreign), corporate debt securities, commercial paper, certificates of deposit, municipal securities, ETF's, mutual funds, government debt securities (both foreign and domestic), Real Estate and Partnership (using a fund of funds) investments.

All of these investment vehicles can suffer substantial investment losses depending on market conditions. The risks that relate to these types of investment vehicles which can result in substantial losses include market risk, liquidity risk, operational risk, credit risk, volatility risk and risk to future purchasing power.

Disciplinary Information

SCA has not been involved in any legal or disciplinary events in the past 10 years.

Other Financial Industry Activities and Affiliations

SCA does not have any relationships or arrangements that are material with other investment advisers.

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

SCA's code of ethics is available free to any client or prospective client and is provided in the following:

SCA will conduct its business within the framework of applicable professional standards, laws, regulations and internal policies. SCA also acknowledges that these standards, laws, regulations and policies do not govern all types of behavior. In addition, all employees or supervised persons of SCA will comply with applicable federal securities laws.

The Code provides a broad range of guidance about the standards of integrity and business conduct, no code can address every situation that individuals are likely to encounter. As a result, this Code is not a substitute for our responsibility and accountability to exercise good judgment and obtain guidance on proper business conduct.

SCA invests assets belonging to SCA and to its clients, including tangible, intellectual and electronic assets, in a manner both responsible and appropriate to the business and only for legal and authorized purposes.

SCA meets its contractual obligations and charges honestly for its services.

SCA respects the confidentiality and privacy of its clients, and others with whom SCA does business. Unless authorized, SCA does not use confidential information for personal use or to benefit a third party. SCA discloses confidential information or personal data only when necessary, and when appropriate approval to do so has been obtained, and/or SCA is compelled to do so by legal, regulatory or professional requirements.

It is the responsibility of each of us to follow the Code of Ethics consistently and appropriately. When non-compliance with our Code of Ethics is reported or otherwise suspected, steps will be taken to investigate and, if appropriate, remedy the situation.

Those who violate the Code of Ethics will be subject to disciplinary action, up to and including dismissal. Disciplinary measures will also apply to anyone who directs or approves infractions or has knowledge of them and does not promptly move to correct them.

All employees will provide a quarterly and annual securities holding report to the Compliance Officer and will obtain approval before investing in IPO's and private placements.

SCA maintains a Profit Sharing retirement plan and its employees may maintain IRA's or individual accounts that may buy and sell publicly traded mutual funds and securities that may or may not be held by client accounts. When orders are placed for individual securities' purchases or sales, they are grouped and allocated to all accounts on a same-price basis. When securities are purchased or sold for client's accounts and for SCA accounts or other client accounts, all purchases and sales shall be aggregated by SCA and allocated to each account on a same price basis.

Brokerage Practices

SCA's goal is to use a low cost but efficient trading platform. The platform should provide timely execution with regards to both speed and pricing. SCA will disclose any actual or potential trading related conflict of interest. This will be addressed in SCA's Investment Management Agreements. SCA will document the compliance with these guidelines. Copies of disclosures will be retained in permanent records. SCA will trade to maximize the value of client portfolios. SCA will control the buy or sell decision so as not to have excessive impact on market liquidity. SCA will review the transactions on a daily basis. SCA will monitor industry trading costs. From time to time SCA will contact other providers for pricing. SCA will also interview other advisors to determine what costs they are seeing in the industry. SCA will only use trading platforms that offer security, such as redundant trading systems. SCA currently can place trades by phone, the internet and by fax. SCA will reconcile all trades within one business day of the transaction.

SCA does not receive soft dollar benefits.

As mentioned previously, when orders are placed for individual securities' purchases or sales, they are grouped and allocated to all accounts on a same-price basis. When securities are purchased or sold for client's accounts and for SCA accounts or other client accounts, all purchases and sales shall be aggregated by SCA and allocated to each account on a same price basis.

Review of Accounts

Reviews are conducted by advisers and Principals employed by SCA. Review for clients which do not involve investment management services are conducted on a quarterly basis. Reviews for investment management clients are conducted on a monthly or quarterly basis. The results of both the quarterly and monthly reviews are included in a report to clients by SCA on a monthly or quarterly basis.

SCA's investment review process is based upon a team concept, and all or each of the firms key professionals individually are authorized to conduct reviews.

Quarterly reports to the clients include asset allocation, performance returns, and a statement of holdings. These are produced using charts and have a cover letter.

Client Referrals and Other Compensation

SCA does not compensate anyone for providing referrals.

Custody

SCA does not take custody of client funds. The client will receive a statement from the Custodian on a monthly basis. They will also receive reports from SCA on either a monthly or quarterly basis. The clients should always review and compare the account statements from the Custodian and those received from SCA.

Investment Discretion

For investment management clients, SCA will accept discretionary authority. This authority is approved by the client in the investment management agreement with SCA. Also, the client must authorize discretion in direction and authorization to the custodian.

Voting Client Securities

SCA exercises its voting responsibilities solely with the goal of serving the best interests of its clients as shareholders of a company. SCA has long been active in voting proxies on behalf of shareholders with the belief that the proxy voting process is a significant means of addressing crucial corporate governance issues and encouraging corporate actions that SCA believes enhance shareholder value. In determining how to vote on any proposal, SCA will consider the proposal's expected impact on shareholder value and will not consider any benefit to SCA or its employees.

SCA will consider the reputation, experience and competence of a company's management when evaluating the merits of investing in a particular company, and SCA invests in companies in which SCA believes management goals and shareholder goals are aligned. Therefore, on most issues, SCA casts its votes in accordance with management's recommendations. This does not mean SCA does not care about corporate governance. Rather, it is a confirmation that SCA's process of investing with shareholder aligned management is working. However, when SCA believes management's position on a particular issue is not in the best interests of SCA's clients, SCA will vote contrary to management's recommendation.

Procedures

SCA has established a number of proxy voting guidelines on various issues of concern to investors. SCA will normally vote proxies in accordance with these guidelines unless SCA determines that it is in the best economic interests of SCA's clients to vote contrary to the guidelines. SCA's voting guidelines generally address issues related to boards of directors, auditors, equity based compensation plans, and shareholder rights.

- With respect to a company's board of directors, SCA believes there should be a majority of independent directors and that audit, compensating and nominating committees should consist solely of independent directors, and SCA will normally vote in favor of proposals that insure such independence.
- With respect to auditors, SCA believes that the relationship between a public company and its auditors should be limited primarily to the audit engagement, and SCA will normally vote in favor of proposals to prohibit or limit fees paid to auditors for any services other than auditing and closely related activities that do not raise any appearance of impaired independence.
- With respect to equity based compensation plans, SCA believes that appropriately designed plans approved by a company's shareholders can be an effective way to align the interests of long term shareholders and the interests of management, employees and directors. However, SCA will normally vote against plans that substantially dilute SCA's client's ownership interest in the company or provide participants with excessive awards. SCA will also normally vote in favor of proposals to require the expensing of options.
- With respect to shareholder rights, SCA believes that all shareholders of a company should have an equal voice and that barriers that limit the ability of shareholders to effect corporate change and to realize the full value of their investment are not desirable. Therefore, SCA will normally vote against proposals for supermajority voting rights,

against the adoption of poison pill plans, and against proposals for different classes of stock with different voting rights.

- With respect to socially responsibility issues, SCA believes that matters related to a company's day to day business operations are primarily the responsibility of management. SCA is focused on maximizing long term shareholder value and will normally vote against shareholder proposals requesting that a company disclose or change certain business practices unless SCA believes the proposal would have a substantial positive economic impact on the company.
- With respect to conflicts of interest, SCA will monitor and resolve any potential conflicts of interest with respect to proxy voting. A conflict of interest might exist, if example, when an issuer who is soliciting proxy votes also has a client relationship with SCA or when one of SCA's employees has a personal interest in a proxy matter. When a conflict of interest arises, in order to insure that proxies are voted solely in the best interests of the client, SCA will vote in accordance with its written guidelines. If SCA believes that voting in accordance with the guidelines would not be in the collective best interests of the client, the compliance officer will determine how shares should be voted.

How to obtain SCA's Proxy Voting Record

Information regarding how SCA has voted proxies with respect to a client's securities or to receive a copy of the proxy voting policies and procedures is available by written request to SCA's office.

Financial Information

SCA does not require prepayment six months or more in advance.