

**SLOY, DAHL & HOLST, INC.**

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**January 30, 2014**

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Sloy, Dahl & Holst, Inc. If you have any questions about the contents of this brochure, please contact us at 503-248-9800. 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 Sloy, Dahl & Holst, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Sloy, Dahl & Holst, Inc. is 110102.**

**Sloy, Dahl & Holst, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 11, 2013, there are no material changes to report.

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## Item 4 Advisory Business

A. Sloy, Dahl & Holst, Inc. is a privately held Registered Investment Advisory Firm with two principal owners, James C. Holst, CFP® and Ronald Sloy, CFP®. The firm has been in business since 1988.

B. Sloy, Dahl & Holst, Inc. is a full service advisory firm. We offer services in financial planning, retirement planning, asset management and pension management.

C. Asset management clients have the option of selecting a discretionary or non-discretionary relationship in their advisory agreement. The election of a discretionary relationship allows the advisor to act independently on behalf of the client's best interest. The non-discretionary relationship requires the advisor discuss each course of action with the client prior to undertaking any action. Thorough review of each client's goals and risk-tolerance is undertaken to ensure the proper allocation for each individual portfolio. Pension fund accounts are provided a selection of portfolios tailored to meet specific risk-tolerance levels to accommodate the large range of participant needs.

The types of investments selected for clients may include stocks, mutual funds, variable annuity products and fixed-income investments including corporate debt securities, certificates of deposit and government and municipal securities. They may also include interests in partnerships investing in real estate, oil and gas interests or other tangible assets.

The investment strategies used to implement advice provided to a client will primarily emphasize long-term purchases, but may also include short-term purchases, trading securities held less than 30 days, short sales and margin transactions.

D. Sloy, Dahl & Holst, Inc. does not participate in wrap-fee programs.

E. As of December 31, 2013, Sloy, Dahl & Holst, Inc. had \$231,233,595 of discretionary funds and \$199,915,946 of non-discretionary funds under management.

## Item 5 Fees and Compensation

A. Sloy, Dahl & Holst, Inc. provides investment advisory services for a percentage of assets under management, and on an hourly fee basis.

<u>Assets</u>	<u>Maximum Annual Fee</u>
\$0 to \$ 10,000,000	Negotiable, 2% maximum
\$10,000,001 and above	0.55%

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date), other readily marketable securities and other instruments shall be priced using a pricing service or through quotations from one or more dealers, and all other assets shall be valued at fair value by the Advisor whose determination shall be conclusive. Fees are generally negotiable.

B. Clients may elect to pay fees by check. They may also elect to have fees deducted directly from their accounts. Fees are billed in advance on a quarterly basis.

C. Clients are subject to the custodial fees and transaction charges of the brokerage firm selected. These fees may include charges for trading costs, wire transactions, check orders, and the custodianship of non-standard assets such as a Limited Partnership. Additional information about brokerage relationships may be found below at Item 12.

D. The majority of clients are billed in advance on a quarterly basis. If a client or the advisor elects to terminate the relationship during a billing period, the refund of fees will be calculated in the following manner:

- Total of fees for the quarter divided by total days in the quarter provides a 'daily rate'. The daily rate will be multiplied by the number of days remaining in the billing period from the date of termination. The total of that calculation will be remitted directly to the client by check.

E. Sloy, Dahl & Holst, Inc. is strictly a fee only firm. We do not accept compensation or commissions for the purchase or sale of any security. The principals and or employees of Sloy, Dahl & Holst, Inc. may be licensed to sell insurance and as licensed agents may receive commissions for sale of insurance products.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Sloy, Dahl & Holst, Inc. does not accept performance based fees.

## **Item 7 Types of Clients**

Sloy, Dahl & Holst, Inc. may provide investment advice to any and all of the following: individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, investment companies and banks or thrift institutions.

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

A. There is inherent risk in any investment. Market volatility, speculation and broader economic changes all may negatively impact a client's investments and cause loss of principal. We strive to moderate this risk by diversifying over a broad array of asset classes. Utilizing strategies customized to each client's risk tolerance level, we create well diversified portfolios and monitor closely to adjust for market changes.

B. Our primary investment vehicle is the no-load mutual fund. Fixed income assets are reviewed on their duration, average maturity and their standardized ratings. Equities are used rarely and reviewed on their dividend yield, capitalization and price to earnings ratio, and the industry or market sector success. The method for mutual fund selection is a four step process:

1. Quantitative Analysis which includes reviewing the following:

- Out-performance against peer group and relevant benchmark
- Consistency of performance year over year (returns and investment style)
- Expense ratios
- Value added by manager (Alphas and Sharpe ratio)
- Volatility and downside risk (Beta and standard deviation)

2. Qualitative Analysis which includes the following:

- Portfolio manager interview
- Review of investment philosophy
- Review of compensation structure
- Manager tenure
- Turnover rate of key analyst
- Ownership of advisory company
- Manager's personal investment in fund

3. Investment Committee vetting

4. Ongoing monitoring of fund performance and key statistics (both quantitative and qualitative)

C. The highest risks in mutual funds are the possible loss of a key manager or analyst, or too great of a specialization in a particular sector. An unexpected loss of key personnel or the sudden drop in a market sector can cause significant loss of principal.

## **Item 9 Disciplinary Information**

Our firm and/or its principals were named in six arbitration claims and a CFP Board review arising from investor market losses that occurred during the stock market decline in calendar years 2000 and 2001. These matters arose from our investment advisory and management services. The arbitration claims included allegations of breach of fiduciary. These matters did not involve our firm's management of pension, 401k or retirement fund accounts.

We have never been the subject of a governmental regulatory investigation or criminal proceeding. We have also never been the subject of any claim arising from or concerning insurance services.

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

A. No management person of Sloy, Dahl & Holst, Inc. is registered, or has an application pending to register as a broker-dealer or a registered representative for a broker-dealer.

B. No management person of Sloy, Dahl & Holst, Inc. is registered, or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities

C. In order to provide clients with the most impartial advice possible Sloy, Dahl & Holst, Inc. does not receive compensation or commissions from any of the following:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. pension consultant

9. real estate broker or dealer
10. sponsor or syndicator of limited partnerships

The principals and/or employees of Sloy, Dahl & Holst, Inc. may be licensed to sell insurance and as licensed agents may receive commissions for sale of insurance products.

D. Sloy, Dahl & Holst, Inc. does not receive compensation of any form for selecting other investment advisors for our clients or engage in other business relationships with advisors that would create a material conflict of interest.

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

A. The Code of Ethics of Sloy, Dahl & Holst, Inc. is an all employee encompassing document requiring that the Advisory Client's interests must always supersede the personal interests of any employee or related person. A copy of our Code of Ethics is available to any client upon request.

B. Sloy, Dahl & Holst, Inc. does not buy, sell or recommend securities in which the firm or any of its employees have a material interest.

C & D. On occasion an advisor or employee of Sloy, Dahl & Holst may buy or sell a security also owned or to be bought or sold on behalf of an Advisory Client. At all times, execution of any client trade will take place prior to the execution of a trade on behalf of a principal or employee of Sloy, Dahl & Holst, Inc. All principal and employee trades are monitored and reviewed for adherence to this policy. Quarterly reports of these reviews are on file in our offices.

## **Item 12 Brokerage Practices**

A. Sloy, Dahl & Holst, Inc. selects a broker-dealer for a client based on the amount and types of assets available on their trading platforms, trading costs, custody fees, clarity of statements and the best available service offerings for the client. The firms we primarily select for clients have large selections of no transaction fee products available, and long histories of service excellence.

1. Our firm has no soft dollar arrangements with any brokerage firm that has custody of client accounts. While we do benefit from research offerings from both TD Ameritrade and Charles Schwab, the offerings are available to all Advisors and clients on their respective web platforms and do not require a special arrangement or relationship for full access. Our primary research tool is a Morningstar product, a service we contract and pay for outright.

As a firm we do not receive any percentage of brokerage commissions or services from the brokerage firms we use for any product or service. We are not incentivized to place clients with a particular firm in any fashion.

No product or service was acquired with client brokerage commissions and provided to Sloy, Dahl & Holst, Inc. or any related person within the last fiscal year or any year prior.

- As a firm, Sloy, Dahl & Holst, Inc. does not place clients with a particular brokerage firm in exchange for referrals. We do not have procedures in place to direct client transactions to a particular broker-dealer. Each broker dealer is selected based on its merits as benefit the client, and not on any advantage or soft-dollar benefit to our firm.

- Sloy, Dahl & Holst, Inc. does not engage in directed brokerage transactions or allow clients to direct trade themselves. It is our intention as a firm to achieve the best execution possible for each trade and each client, we do not accept hard or soft-dollar benefits from any broker-dealer seeking direct trade.

B. Sloy, Dahl & Holst, Inc. does not engage in aggregate purchase or sale of equities. On occasion a mutual fund may be bought or sold in an aggregate manner, trading costs remain the same and execution for all clients will be the same.

## **Item 13 Review of Accounts**

A. James C. Holst, CFP and Ronald Sloy, CFP review their client accounts on a quarterly basis.

B. Other than the review of quarterly statements, client accounts may also be reviewed as necessary to address over or under exposure to sectors in the market performing very well or very poorly. Client accounts may also be reviewed for possession of an asset whose investment quality has markedly altered or whose management or executive officers have changed. Review can also be precipitated by a client meeting, or notification of a change in risk tolerance or objectives.

C. In addition to the monthly statements provided by their brokerage firm(s) each asset management client is provided a quarterly report and billing summary. The quarterly report includes; a detailed description of each account's holdings including symbol and number of shares or units, a value from the beginning of the fiscal year or commencement of the management period, a current value and a year-to date return figure. These reports are generated by portfolio management software, and are in a typed format.

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

A. No party who is not a client provides an economic benefit to any principal for providing investment advice or other advisory services to our clients.

B. Sloy, Dahl & Holst, Inc. does not compensate any non-supervised person for client referrals.

## **Item 15 Custody**

Sloy, Dahl & Holst, Inc. does not have custody of client funds.

## **Item 16 Investment Discretion**

If a client grants the advisor discretionary authority, the advisor has ongoing and continuous discretionary authority to execute its investment recommendations in accordance with Advisor Statement of Investment Policy (or similar document used to establish Clients objectives and suitability) without the Client's prior approval of each specific transaction. Under this authority, Client shall allow Advisor to purchase and sell securities and instruments in their account, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf of the Client in all matters necessary or incidental to the handling of the Account, including monitoring certain assets. All transactions in the Account shall be made in accordance with the directions and preferences provided to the Advisor by the Client. Client will facilitate the Advisor's trading authority as required by each custodian.



## **Item 17 Voting Client Securities**

A. Sloy, Dahl & Holst Inc. does not accept authority to vote client proxies; it is our policy to receive an information only notification of proxy voting notices.

B. As Sloy, Dahl & Holst, Inc does not have authority to vote client proxies, clients will receive their proxies or other solicitations directly from their custodian or the transfer agent. Clients may contact their advisor with questions regarding a particular solicitation, but are solely responsible for the voting election they make.

## **Item 18 Financial Information**

A. Sloy, Dahl & Holst Inc. does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

B. Sloy, Dahl & Holst, Inc does not have any financial condition that would impair our ability to meet contractual commitments to clients for whom we hold discretionary authority.

C. Sloy, Dahl & Holst, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.