

# Sigma Investment Advisors LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Sigma Investment Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (917) 251-1398 or by email at: [jlacorte@snetworkllc.com](mailto:jlacorte@snetworkllc.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.*

*Additional information about Sigma Investment Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Sigma Investment Advisors LLC's CRD number is: 165036*

267 5th Avenue, Suite #508  
New York, New York, 10016  
(917) 251-1398  
[jlacorte@snetworkllc.com](mailto:jlacorte@snetworkllc.com)

*Registration does not imply a certain level of skill or training.*

Version Date: 3/8/2014

## **Item 2: Material Changes**

Sigma Investment Advisors LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

## Item 3: Table of Contents

Item 1: Cover Page	
<u>Item 2: Material Changes</u>	i
<u>Item 3: Table of Contents</u>	ii
<u>Item 4: Advisory Business</u>	1
<u>A. Description of the Advisory Firm</u>	1
<u>B. Types of Advisory Services</u>	1
<u>Sub-Advisor to Mutual Funds and Exchange Traded Funds</u>	1
<u>C. Client Tailored Services and Client Imposed Restrictions</u>	1
<u>D. Wrap Fee Programs</u>	2
<u>E. Amounts Under Management</u>	2
<u>Item 5: Fees and Compensation</u>	2
<u>A. Fee Schedule</u>	2
<u>Sub-Advisor Service Fees</u>	2
<u>B. Payment of Fees</u>	2
<u>Payment of Sub-Advisor Service Fees</u>	2
<u>C. Clients Are Responsible For Third Party Fees</u>	3
<u>D. Prepayment of Fees</u>	3
<u>E. Outside Compensation For the Sale of Securities to Clients</u>	3
<u>Item 6: Performance-Based Fees and Side-By-Side Management</u>	3
<u>Item 7: Types of Clients</u>	3
<u>Minimum Account Size</u>	3
<u>Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss</u>	3
<u>A. Methods of Analysis and Investment Strategies</u>	3
<u>Methods of Analysis</u>	3
<u>Fundamental analysis</u>	4
<u>Investment Strategies</u>	4
<u>B. Material Risks Involved</u>	4
<u>Methods of Analysis</u>	4
<u>Fundamental analysis</u>	4
<u>Investment Strategies</u>	4
<u>C. Risks of Specific Securities Utilized</u>	4
<u>Item 9: Disciplinary Information</u>	5
<u>A. Criminal or Civil Actions</u>	5
<u>B. Administrative Proceedings</u>	5
<u>C. Self-regulatory Organization (SRO) Proceedings</u>	5

<u>Item 10: Other Financial Industry Activities and Affiliations</u> .....	5
<u>A. Registration as a Broker/Dealer or Broker/Dealer Representative</u> .....	5
<u>B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor</u> .....	5
<u>C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests</u> .....	5
<u>D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections</u> .....	6
<u>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</u> .....	6
<u>A. Code of Ethics</u> .....	6
<u>B. Recommendations Involving Material Financial Interests</u> .....	6
<u>C. Investing Personal Money in the Same Securities as Clients</u> .....	6
<u>D. Trading Securities At/ Around the Same Time as Clients' Securities</u> .....	6
<u>Item 12: Brokerage Practices</u> .....	7
<u>A. Factors Used to Select Custodians and/or Broker/Dealers</u> .....	7
<u>1. Research and Other Soft-Dollar Benefits</u> .....	7
<u>2. Brokerage for Client Referrals</u> .....	7
<u>3. Clients Directing Which Broker/Dealer/Custodian to Use</u> .....	7
<u>B. Aggregating (Block) Trading for Multiple Client Accounts</u> .....	7
<u>Item 13: Reviews of Accounts</u> .....	7
<u>A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews</u> .....	7
<u>B. Factors That Will Trigger a Non-Periodic Review of Client Accounts</u> .....	8
<u>C. Content and Frequency of Regular Reports Provided to Clients</u> .....	8
<u>Item 14: Client Referrals and Other Compensation</u> .....	8
<u>A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)</u> .....	8
<u>B. Compensation to Non - Advisory Personnel for Client Referrals</u> .....	8
<u>Item 15: Custody</u> .....	8
<u>Item 16: Investment Discretion</u> .....	8
<u>Item 17: Voting Client Securities (Proxy Voting)</u> .....	9
<u>Item 18: Financial Information</u> .....	9
<u>A. Balance Sheet</u> .....	9
<u>B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients</u> .....	9
<u>C. Bankruptcy Petitions in Previous Ten Years</u> .....	9
<u>Item 19: Requirements For State Registered Advisers</u> .....	9
<u>A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background</u> .....	9
<u>B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)</u> .....	10
<u>C. How Performance Based Fees are Calculated and Degree of Risk to Clients</u> .....	10
<u>D. Material Disciplinary Disclosures for Management Persons of this Firm</u> .....	10
<u>E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)</u> .....	10

## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Sigma Investment Advisors LLC is a Limited Liability Company organized in the state of Delaware. The firm was formed in June of 2012, and the principal owners are Joseph Anthony LaCorte and Richard Raymond Phillips.

### **B. Types of Advisory Services**

Sigma Investment Advisors LLC (hereinafter "SIA") offers the following services to advisory clients:

#### ***Sub-Advisor to Mutual Funds and Exchange Traded Funds***

SIA act as a sub-advisor to both mutual funds and exchange traded funds (hereinafter "funds"). SIA will only be an adviser to these funds and will not provide services to individual clients who invest in the funds. SIA will evaluate and recommend potential new investments to the funds in accordance with respect to their risk tolerance levels and time horizons. SIA will receive a carried interest on the performance of these funds.

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

SIA evaluates the current investments of each fund with respect to their risk tolerance levels and time horizon. SIA will request discretionary authority from the funds in order to select securities and execute transactions without permission from the funds prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each fund.

### **C. Client Tailored Services and Client Imposed Restrictions**

SIA has tailored their services to the specific needs of the mutual funds and exchange traded funds. The funds may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. SIA does not participate in any wrap fee programs.

## **E. Amounts Under Management**

SIA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0.00	\$0.00	12/31/2013

# **Item 5: Fees and Compensation**

## **A. Fee Schedule**

### *Sub-Advisor Service Fees*

As with all mutual funds, fees are accrued daily versus the Net Asset Value. Fees will vary depending upon the Funds objective. The fees will typically range between 20bps to 110 bps of all assets under management. These fees are negotiable depending upon the needs of the fund and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid daily in arrears, and the funds may terminate their contracts with sixty days' written notice. Because fees are charged in arrears, no refund policy is necessary. The fund may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the fund's accounts with fund written authorization.

## **B. Payment of Fees**

### *Payment of Sub-Advisor Service Fees*

Advisory fees will be deducted directly from the funds account, or invoiced and billed directly to the fund daily in arrears.

### **C. Clients Are Responsible For Third Party Fees**

The fund is responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SIA. Please see Item 12 of this brochure regarding broker/custodian.

### **D. Prepayment of Fees**

SIA collects its fees in arrears. It does not collect fees in advance.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither SIA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

SIA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

SIA will only provide investment advice to mutual funds and exchange traded funds.

### ***Minimum Account Size***

There is no account minimum.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

SIA's methods of analysis include fundamental analysis with various index optimization methods and index tracking methods.

*Fundamental analysis* involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

### ***Investment Strategies***

SIA predominantly uses indexing as the investment strategy.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

*Fundamental analysis* concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

### ***Investment Strategies***

SIA utilizes indexing as an investment strategy which carries similar risk as investing in the market. In a strong market, the relative value will increase and in a weak market, the value will decrease. Selling in a downturn market may lead to an unrecoverable loss.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

SIA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Precious Metal ETFs** (Gold, Silver, Palladium Bullion backed "electronic shares" not physical metal): Investing in precious metal ETFs carries the risk of capital loss.



An **Index** is a portfolio of securities that represent a market or a portion of a market. Most indexes are expressed in percentage changes rather than focusing on the numerical values. Mutual funds and exchange traded funds generally mirror the components of the index.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither SIA nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither SIA nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither SIA nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

SIA does not utilize nor select other advisers or third party managers. All assets are managed by SIA management.

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

#### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

SIA does not recommend that the funds buy or sell any security in which a related person to SIA or SIA has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of SIA may buy or sell securities for themselves that they also recommend to the funds. This may provide an opportunity for representatives of SIA to buy or sell the same securities before or after recommending the same securities to the funds resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SIA will always document any transactions that could be construed as conflicts of interest and will always transact the funds' business before their own when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of SIA may buy or sell securities for themselves at or around the same time as the funds. This may provide an opportunity for representatives of SIA to buy or sell securities before or after recommending securities to the funds

resulting in representatives profiting off the recommendations they provide to the funds. Such transactions may create a conflict of interest. SIA will always transact the funds' transactions before its own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Based upon SIA's recommendation and the Board of Directors approval, the funds will establish a custodian, administrator, transfer agent, and fund accountant. The Custodian will be chosen based on their relatively low transaction fees and access to mutual funds and ETFs. SIA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### **1. *Research and Other Soft-Dollar Benefits***

SIA receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

#### **2. *Brokerage for Client Referrals***

SIA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

SIA will require the funds to use a specific broker-dealer to execute transactions.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

SIA maintains the ability to block trade purchases across accounts. Block trading may benefit a large group by providing SIA the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for the funds.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

The funds' accounts are reviewed at least daily only by Joseph Anthony LaCorte, President. Joseph Anthony LaCorte is the chief advisor and is instructed to review accounts with regards to the funds' investment policies and risk tolerance levels. All accounts at SIA are assigned to this reviewer.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each fund will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

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

## **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

SIA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SIA clients.

## **B. Compensation to Non - Advisory Personnel for Client Referrals**

SIA does not directly or indirectly compensate any person who is not advisory personnel for referrals.

# **Item 15: Custody**

SIA, with fund written authority, has limited custody of the fund's assets through direct fee deduction of SIA's fees only. If the fund chooses to be billed directly by the Custodian, SIA would have constructive custody over that account and must have written authorization from the fund to do so. The funds will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

# **Item 16: Investment Discretion**

The funds have given SIA written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. Discretionary authority is executed by agreement through the custodian account

application and the investment advisory contract. The funds provide BCA discretionary authority via a limited power of attorney in the Investment Advisory Contract and executing limited power of attorney in the contract between the funds and the custodian.

### **Item 17: Voting Client Securities (Proxy Voting)**

SIA will not ask for, nor accept voting authority for client securities. The funds will receive proxies directly from the issuer of the security or the custodian. The fund should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

SIA does not require nor solicit prepayment of more than \$500 in fees per fund, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither SIA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

SIA has not been the subject of a bankruptcy petition in the last ten years.

### **Item 19: Requirements For State Registered Advisers**

#### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

SIA currently has only one management person/executive officer; Joseph Anthony LaCorte. Joseph Anthony LaCorte's education and business background can be found on the Supplemental ADV Part 2B form.

**B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Joseph Anthony LaCorte's other business activities can be found on the Supplemental ADV Part 2B form.

**C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

SIA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a fund.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at SIA or SIA has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither SIA, nor its management persons, has any relationship or arrangement with issuers of securities.