

January 01, 2014

web site: <http://www.costonandmcisaac.com/cmia>

This brochure provides information about the qualifications and business practices of Coston and McIsaac Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 207-288-9458. 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 Coston and McIsaac Investment Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov

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Advisory Business, Fees and Compensation

Company Profile

Coston and McIsaac Investment Advisers, LLC(CMIA) is an Investment Adviser licensed with the State of Maine established in January of 2001. CMIA is a fee only investment adviser offering services to Individuals, trusts, estates, charitable organizations, corporations and business entities. The company does not charge commissions on purchases or sales of securities, nor does the company share in the commissions charged by selected broker-dealers. The company charges a fee for services rendered, which is usually calculated as a percentage of assets under management. CMIA also charges on an hourly basis for advice only clients and receives compensation for referrals to Morgan Stanley SmithBarney, UBS Paine Webber, and The First Bank of Bar Harbor clients.

The company's investment adviser representatives believe in and promote Modern Portfolio Theory. The Principal owners of the firm are Paul A. Coston and Maurice J. McIsaac.

Advisory Services and fees

CMIA offers the following advisory programs:

1. Financial Planning
2. Coston and McIsaac Investment Advisers, LLC
3. Referral/Solicitor service to Morgan Stanley Smith Barney, UBS Paine Webber, and First Bank of Bar Harbor.

1. CMIA provides advice in the form of a Financial Plan. Clients choosing this service will receive a written financial plan, providing the client with a detailed financial plan designed to achieve their stated goals and objectives. An agreement with CMIA is signed prior to the development of the plan which determines the fees and states the terms of the arrangement. In general, the financial plan will address any or all of the following areas:

Personal: Family records, budgeting, personal liability, estate information, financial goals and retirement.

Tax and cash flow: Income tax and spending analysis and planning for past, current and future years. CMIA will illustrate the impact of various investments on a client's current income tax and future tax liability.

Death and Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

Investments: Analysis of investment alternatives and their effect on a client's portfolio. CMIA gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes toward risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared.

Financial planning fees will be charged on an hourly basis of between \$150 and \$200 per hour. An estimate of total hours will be determined at the start of the advisory relationship. Typically the work will be presented to the client within 30 days of the contact date, provided that the client has promptly provided all information needed to prepare the work. The client will be billed for the service at the time of the presentation. This financial plan analysis is included for clients of CMIA and their assets under management fee

Account Termination Policy: Accounts may be terminated immediately upon receipt of a written request by the client.

2 CMIA

CMIA design portfolios using passive investment options. Portfolio design begins with a discussion and analysis of our clients' current finances, financial goals, and their risk profile (i.e., their willingness, need, and ability to accept risk). From there we design a broadly diversified portfolio, utilizing passive asset class funds provided by Dimensional Fund Advisors (DFA) where practical, affordable and available (with smaller accounts or smaller dollar amounts we may use Charles Schwab mutual funds instead). We have access and occasionally use ETF's, individual stock securities, CD's, Muni Bonds, US Government securities and a variety of mutual funds

A typical globally diversified portfolio might include the following asset classes:

United States Large Capitalization (US Large Cap),
US Large Cap Value,
US Small Cap,
US Small Cap Value,
Real Estate,
Foreign Large Cap,
Foreign Large Cap Value,
Foreign Small Cap,
Foreign Small Cap Value,
Emerging Markets Large Cap,
Emerging Markets Value,
Short-Term Fixed Income (US and/or Global),
Intermediate-Term Fixed Income (US and/or Global),
Long-Term Fixed Income (US and/or Global)

Key Benefits

Passive investing is based on Modern Portfolio Theory and the related decades of academic research,

- Since markets are efficient at incorporating all available information into prices, it is nearly impossible to consistently identify any market inefficiencies. It is also very rare that identified market inefficiencies can be exploited in a cost-effective manner.
- Since stock prices move in a random walk, it is nearly impossible to predict near-term or long-term price movements.
- Risk and return are related. Therefore, over the long-term, the market compensates investors in riskier assets with higher expected returns.
- Diversification is key to investment success. The addition of a high-risk asset to a portfolio can actually reduce overall portfolio volatility as long as the returns of the high-risk asset are relatively uncorrelated (or, at least, not highly correlated) with the rest of the portfolio

CMIA. Fee Schedule

The following are the fees charged by CMIA for services provided and are negotiable:

Account Balance	Annual Fee
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\$ -0- to \$99,999	1.45%
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\$100,000 to \$999,999	1.00%
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\$1,000,000 to \$1,999,999	0.80%
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\$2,000,000 to \$2,999,999	0.70%
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\$3,000,000 or greater	0.60%
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The annual /A fee is on the entire account balance minus cash/money market funds and assets not managed by the advisor. /A fees are computed and billed quarterly, in advance, and are based on the market value of your account value on the last day of the month preceding the billing month. CMIA will debit the clients account for the quarterly management fee.

Individual accounts for members of the same family, defined as husband, wife and dependent children, are assessed fees based on the total account balance of all family accounts

No adjustments will be made on your bill for monies withdrawn. In any partial advisory fee cycle, the advisory fee will be pro-rated based on the number of days the assets are under management during the particular advisory fee period.

The advisory fees paid to us represent fees for management of your account and are separate from any other fees and expenses charged by other parties; therefore the advisory fees shown in this ADV represent only the fees paid to us and do not reflect operating expenses and other costs charged by the mutual funds, variable annuities or other products you may be invested in. In addition, mutual funds or variable annuities may charge contingent deferred sales charges on withdrawals. We are not responsible for any deferred sales charges incurred through our management of your portfolio or any transaction costs by Charles Schwab Institutional while managing your assets. A complete description of all fees and expenses of the securities in which you are invested are contained in the relevant prospectus.

The same or similar investment advisory services may be available from other investment advisors. The advisory fee (which includes transaction costs) may be more or less costly than paying for the services separately, depending upon the investment advisory fees charged, the number of transactions for the account, the level of brokerage and other fees that would be payable if the client obtained the services available under the program individually.

Sources of information we regularly consume for educational purposes are the reading of investment periodicals, newspapers, books and academic research provided by DFA consultants at the University of Chicago, Dartmouth University and other leading financial economists.

Our investment objectives for our clients are for long-term purchases of assets. Not all assets may be held long term due to client liquidity needs, rebalancing, profile changes and asset allocation model adjustments.

CMIA works in close association with Coston and McIsaac CPA's and is separate in location and as a business. Charles Schwab and Company holds all clients' assets in custody.

3. Some clients prefer active management of their investment portfolio. In these cases we refer clients to outside advisors such as Professional Alliance Group (PAG) a Morgan Stanley Smith Barney referral program, and we have solicitor relationships with UBS Paine Webber, and First Bank of Bar Harbor. As an advisory referral service CMIA does not manage advisory accounts. Coston and McIsaac CPA's regularly attend PAG and solicitor client meeting to offer tax advise regarding their portfolios.

Fees charged by PAG and other solicitor relationships for this service range from .50% to 2.00%. CMIA receives between .20% to .25% of the fee collected by the bank or broker dealer and is shared for consulting and introducing the advisory accounts.

Compensation may or may not be more than what CMIA would receive from PAG if the client paid separately for investment advice, brokerage or other services; therefore there may be financial incentives to recommend the wrap fee program over other program and services.

Your investment in other solicitor relationship may also be subject to other fees and charges imposed by other third parties, such as: in the case of mutual funds investments, mutual fund management fees, 12b1 distribution fees, administrative servicing fees, and contingent deferred sales charges upon redemption of previously purchased mutual funds; in the case of purchases made in connection with an individual retirement account or other qualified plan, various IRA and qualified retirement fees; and in the case of all investments, clearing, custody and other transaction charges and service fees. Other parties may receive

a portion of these third party fees.

There have been no material changes from our last annual ADV update.

CMIA does not participate in a Performance based fee program therefore a side- by-side management analysis is not required

Types of Clients

. CMIA is a fee only investment adviser offering services to Individuals trusts, estates, charitable organizations, corporations and business entities. Our current minimum requirement for opening and maintaining an account is \$50,000, however., this is negotiable and up to the individual investment advisor. Currently 100% of our client's money is managed on a discretionary basis.

More complete details can be found in section 4 regarding our advisory service.

Methods of Analysis, Investment Strategies and Risk of Loss

CMIA securities analysis methods involves using personal and financial information provided by the client and then, through the use of analytical software, making financial planning recommendations to its clients.

Information used in making the financial planning and asset allocation recommendations is based upon industry accepted methods and criteria for evaluating a clients investment goals, based upon information provided by the client relating solely to the asset each client chooses to invest in accordance with a financial plan and asset allocation mode.

CMIA uses historical asset class performance to design the portfolios and prepare charts and tables that set forth asset class model recommendations. The asset class models have been developed based on historical performances of their benchmarks. After the asset allocation is determined CMIA primarily focuses on DFA funds because they are based on a broad range of indices, including foreign equity, domestic equity, bond indices and may provide investors with diversification, cost and tax efficiency, and liquidity.

. Equity based mutual funds are subject to risks similar to those of stocks, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investors shares, when redeemed or sold, may be worth more or less than their original cost. International mutual funds are subject to fluctuations due to changes in a currency's exchange rate and political risk. Fixed income mutual funds (bond funds) fluctuate with the bond market. Fixed income risks include: Credit risk: the risk that a company or bond issuer may fail to pay principal and interest payments in a timely manner, interest rate risk: the risk that the market value of the bonds will go down when interest rates go up, and Prepayment risk

Disciplinary Information

There have been no Disciplinary or legal events with CMIA or any of its advisors.

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Other Financial Industry Activities and Affiliations

CMIA is affiliated with Coston and McIsaac CPA's, a public accounting firm located in Bar Harbor, Maine. The firm has six Certified Public Accountants on staff and provides quality accounting, tax and other financial services to a wide range of business and individual clients

In their capacities as accountants, The firms' accountants some of whom are also investment advisors may provide accounting services to advisory clients for separate and typical compensation. Accounting services provided by the firms' accountants are separate and distinct from the advisory services provided by them. No CMIA advisory client is obligated to use these individuals for accounting services. CMIA does not pay referral fees for any client referrals. Coston and McIsaac CPA's may spend approximately 75% of their time on non-advisory activities

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

The firm has adopted a Code of Ethics to govern the personal trading by access persons. In addition, the firm has an insider Trading Policy applicable to all of its employees, which prohibits the use of material inside information in connection with personal transactions. The Code of Ethics and trading policies are overseen by the Chief Compliance Officer, who is responsible for the review of such transactions. A copy of the firms Code of Ethics is available to current and prospective clients upon request.

CMIA and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client's trades.

The Chief Compliance officer of CMIA is Mr. Gary Lloyd. He reviews all trades daily. The personal trading reviews ensure that the personal trading does not affect the markets and that clients of the firm receive preferential treatment. Since all employee trades are small mutual fund trades or equity trades, the trades do not affect the market.

Brokerage Practices

CMIA does not have any affiliation with product sales firms or receive any soft dollar benefits or referrals from our selected broker dealer. Specific custodian recommendations are made to clients based on their need for such services. CMIA recommends custodians based on the proven integrity and financial responsibility of the firm and then best execution of orders at reasonable rates.

All of our client accounts are kept at Charles Schwab Institutional, a qualified, unaffiliated custodian and full service brokerage firm with offices through out the United States. We do not receive any fees or commissions from any transactions

Charles Schwab provides us with access to its institutional trading and operations services. These services are generally available to independent investment advisors. These services include research, brokerage custody and access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

Charles Schwab also makes available other products and services including software and technology that provide

access to client account data, facilitate trade execution, provide research pricing information and other market data. Charles Schwab also facilitates payment of quarterly management fees to CMIA which are authorized by our clients

Review of Accounts Discretion and Custody

At least annually, individual clients are asked to meet with their investment advisor. Together, the client and the representative determine whether a change in their objectives warrants a change in the criteria used to manage their assets. For all investment services, factors that may affect portfolio weightings include changes in relative strength of the assets, economic changes, changes in client asset levels. More frequent reviews may be triggered by market circumstances or the needs of the client.

Regular reports will be sent out quarterly by both your custodian Charles Schwab and separately by CMIA. The account statements will identify the amount of funds and value of each security in your account during the reporting period. CMIA, through Charles Schwab institutional makes various reports and quarterly performance evaluations accessible to its clients through Charles Schwab Alliance via secure internet access. Upon request, clients may receive a mailed copy of monthly statements and reports from CMIA.

CMIA does not take custody of assets. The assets are held in street name at Charles Schwab and Co, Inc., a qualified, unaffiliated broker /dealer or custodian.

We execute trades for our clients via a limited power of attorney, which grants trading privileges to us. This gives us discretionary authority to trade our client's accounts without prior notification of the trades to our clients. Our clients may request to receive trade confirmations and prospectuses from the custodian. Portfolios are managed to conform to our clients pre-approved Investment Policy Questionnaire and investment policy statement.

The custodian may provide trade confirmation and reports of account activity.

Client Referrals and Other Compensation

Coston and McIsaac have no outside referral program whereby we receive any prizes or awards for referrals nor do we benefit by compensation from non-client referrals.

Voting Client Securities

CMIA does not vote proxies for our clients. Therefore, our clients retain responsibility for voting proxies on securities held in their accounts.

This brochure supplement provides information about CMIA advisors that supplements the CMIA brochure. Please contact CMIA if you have any questions about the contents of this supplement.

Additional information about CMIA advisors is available on the SEC's website at www.adviserinfo.sec.gov.

Principal Executive Officers and Brochure Supplement

PAUL ARNOLD COSTON, JR Principal

EDUCATION

B.S., Accounting, University of Maine, Machias, Maine, 1978;
M.S. Taxation, Bentley College, Waltham, Massachusetts, 1989

EMPLOYMENT HISTORY

Member, Coston and McIsaac Investment Advisers, LLC, 11 Everard Court Bar Harbor, Maine 04609 phone 207-288-2159 01/2001 to present;
Registered Representative, H.D. Vest, Irving Texas, 09/1998 to 12/1999;
President, Treasurer, Secretary, Director, CPA, Coston and McIsaac, CPA's, Bar Harbor, Maine, 06/1987 to Present

MAURICE JOSEPH MCISAAC Principal

EDUCATION

Attended the University of Massachusetts in Amherst, Massachusetts, concentrating in Finance, from 1969 through 1971;
B.A. Political Science, University of Maine, Orono, Maine, 1975

EMPLOYMENT HISTORY

Member, Coston and McIsaac Investment Advisers, LLC, 11 Everard Court Bar Harbor, Maine 04609 phone 207-288-2159 01/2001 to present;
Vice president, Director, CPA, Coston and McIsaac, CPA's, Bar Harbor, Maine, 06/1987 to Present.

Stephen A. Coston

Education

Husson College- Finance and Economics Bangor Maine 2013

Employment History

CMIA, 11 Everard Court Bar Harbor, Maine 04609 phone 207-288-2159 08/2013 to present

PATRICIA POTTLE

Education

Husson College, September 1987-June 1991 Accounting Degree

EMPLOYMENT HISTORY

Coston and McIsaac CPA's and CMIA-11 Everard Court Bar Harbor Maine 04609
phone 207-288-2159 01/03/2007-present

Loiselle, Goodwin & Hinds, Accountant-Bangor, Maine, 09/1992-10/2006

Union Trust bank, Accountant, Bangor, Maine, 07/2000-04/2003

Ronald Wrobel

Education

BBA University of Maine at Presque Isle 1979 Business Administration

Bowling Green University-Ohio Masters in Accountancy-1986

Employment History

Coston and McIsaac CPA's and CMIA-11 Everard Court Bar Harbor, Maine 04609
phone 207-288-2159 08/11/2008 to present

The First, NA Bank, Sr. Vice President of Operations, Bar Harbor Maine 08/17/1992-
06/22/08