

STRATFORD INVESTMENT ADVISORY GROUP, INC.

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DISCLOSURE BROCHURE

This brochure provides information about the qualifications and business practices of Stratford Investment Advisory Group, Inc. (SIAG). If you have any questions about the content of this Brochure, please contact us at 847-577-7003. The information in this Brochure has not been approved or verified by the US Securities and Exchange Commission or by any state securities authority.

Additional information about Stratford Investment Advisory Group, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

SIAG will provide you with a Brochure as necessary based on changes or new information, at any time, without charge. A Brochure may be requested by contacting Art Busby, President, at 847-577-7003, free of charge.

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ABOUT STRATFORD INVESTMENT ADVISORY GROUP

History

SIAG was founded in 1990 by Arthur Busby, Jr. and is based in Mount Prospect, Illinois. SIAG is an employee owned, independent investment management firm. Since 1990, managing assets has been SIAG's only business. The clients that entrust the management of their assets to SIAG include individuals, high net-worth individuals, family trusts, and pension/profit sharing accounts. All share the similar investment objectives of achieving consistent investment returns that best fit their respective risk comfort factors.

Principles

SIAG was created with the ideal of providing conservative, high quality investment management services that our clients can trust, at a fair and reasonable fee. SIAG specializes in the active management of investment grade fixed income and balanced investment portfolios. SIAG places a strong focus on preservation of capital and invests exclusively in high quality investment vehicles.

Services

In general, SIAG's core expertise is active bond management (including corporate, government, and municipal bonds) and personalized balanced portfolios. Services include the management of a wide range of fixed income and balanced (equities and bonds) investment portfolios. In addition, to the types of securities listed above, SIAG may invest in preferred stocks, government agency bonds, exchange traded funds (etfs), mutual funds, money market instruments, and other such securities that we may select, unless expressly limited by written direction or client guidelines.

The investment strategy used for a client's portfolio is continually reviewed as to the various factors that may affect the financial markets and, in turn, the client portfolio. The factors reviewed may include: macroeconomic trends, Federal Reserve policy, inflation, yield curve slope, currency trends, investor psychology, and historical valuation measurements for markets and market sectors.

For some clients, SIAG has discretionary authority to make determinations regarding the securities that are to be bought and sold, as well as the quantities of such securities. SIAG also manages non-discretionary portfolios where recommended action is made to the client and whose approval is received before recommended action is taken. Clients can impose restrictions on investing in certain securities or types of securities. Within client guidelines and instructions, decisions can be made as to the nature and quantity of securities to be bought or sold. As of 12/31/2014, SIAG managed 61 discretionary accounts with assets of \$48,930,163 and 23 non-discretionary accounts with assets of \$87,843,537. As of 12/31/2014 SIAG managed 84 accounts with assets totaling \$136,773,700.

The management of SIAG client portfolios is led by Arthur Busby, Jr. Mr. Busby is the founder of SIAG, the principle owner and the President. Mr. Busby has compiled extensive experience in the investment world through over 25 years of managing investment portfolios. Mr. Busby graduated with a BS in Business Management/Economics from Elmhurst College.

Fees and Compensation

SIAG generally computes fees quarterly based upon the valuation of assets under management on the last day of the quarter end. Some clients may be billed a fixed annual or semi-annual amount. Depending on certain circumstances (another existing account relationship with a client, dramatic account growth, special conditions, etc.) fees are open to negotiations. SIAG's fee schedule is as follows:

Fixed Income / Balanced Accounts

On the first \$ 500,000 in assets	1/2 of 1%
On the next \$4,500,000 in assets	1/3 of 1%
On the next \$5,000,000 in assets	1/4 of 1%
On assets over \$10,000,000	1/8 of 1%

SIAG does not have custody of client assets. Therefore, each client must appoint a custodian and may be required to pay custodian fees. Also, clients will generally incur brokerage and other transaction costs in the course of SIAG's management of their accounts (see the section in this brochure entitled "Brokerage Practices"). Also, mutual funds and exchange traded funds also charge internal management fees. SIAG shall not receive any portion of these brokerage commissions, fees and any other cost. SIAG's only form of compensation is the fee billed to the client.

SIAG does not participate in any wrap or solicitation programs, and as such, does not pay or bill clients any such fee. To date SIAG has never entertained requests by certain "qualified clients" (as defined by Rule 205-3(d) under the Investment Advisers Act of 1940) to enter into an advisory contract that provides for compensation on the basis of a share of the capital gains upon, or the capital appreciation of, the qualified client's account (commonly referred to as a "performance fee").

SIAG may change fees after written notice to client. In the event of the termination of SIAG services, fees will be billed on a prorated basis. A client may terminate an agreement with SIAG at any time by 30 day written notice.

Types of Clients

SIAG provides investment advisory services to a variety of clients including individuals, high net-worth individuals, family trusts, and pension/profit sharing accounts. SIAG's will generally accept accounts that are \$250,000 or greater in size, though smaller accounts may be accepted.

Investment Strategies and Risk

With the philosophies described below, our general investment strategies are to make long-term (held longer than one year) purchases. SIAG works hard to preserve client capital and achieve real growth of client wealth, investing in securities involves risk of loss that clients should be prepared to bear. Investment risk may include market risk typified by a drop in a security's price due to a company specific event or general market activity.

Investment Strategies and Risk (continued)

SIAG's fixed income strategy is to attempt to determine the overall direction of interest rates and position bond maturities accordingly. SIAG analyzes the yield curve to determine the optimum maturities to purchase, hold or sell. SIAG also reviews the relative attractiveness of corporate bond yields vs. comparable government bond yields or tax-free bond yields vs. the after-tax yields of comparable government bond yields. Based on the results of this review SIAG will adjust average maturity (duration) as conditions warrant. SIAG will shorten a fixed income portfolio's average maturity to preserve capital when interest rates are expected to rise. And likewise, a fixed income portfolio's average maturity will be lengthened should interest rates be expected to decline. Generally, fixed income portfolios hold between 8 and 15 individual securities and the average maturity can range from 2 to 3 years (bearish on bonds) to 8 to 12 years (bullish on bonds).

SIAG manages a variety of fixed income portfolios that contain only government securities, government and corporate securities, and tax-free bonds (municipal) of different maturities. SIAG generally will only purchase fixed income securities rated A or higher by Standard & Poor's. From time to time depending on market conditions SIAG may hold a large amount of cash reserves (money market funds) or a very small amount of cash reserves.

SIAG's equity strategy may include individual stocks, mutual funds, and / or exchange traded funds (etfs). SIAG strategy focuses on high-quality companies trading at a reasonable value relative to the company's history and / or relative to the overall market as measured by the S&P 500 Stock Index. Besides relative valuation, another important factor is a company's dividend yield and history of annual dividend increases. SIAG's goal is to generate strong returns in an up stock market cycle and protect principal in down cycles. From time to time depending on market conditions SIAG may hold a large amount of cash reserves (money market funds) or a very small amount of cash reserves.

SIAG's analysis regarding individual equities includes a historic comparison of a company's earnings, cash flow, sales, book value, price-to-earnings ratio (PE) and dividend. SIAG also attempts to assess a company's fundamental direction vs. its particular sector and the overall market. SIAG strives to build a position in a stock while it is trading at a low historical valuation while company fundamentals remain consistent or are improving. The historical valuation analysis is used to determine the attractive buying range and to identify the long-term selling goal. Generally, stocks held in a portfolio will number 5 to 15 and will pay an above market dividend yield. SIAG typically will hold an individual stock 3 to 5 years.

Brokerage Practices

In general SIAG will select the brokers with which to make client transaction unless a client makes a request to use a specific broker. Considerations for selecting a broker are 1) ability to provide the best execution of desired trade; 2) best execution price; 3) reasonableness of commission paid; 4) other services such as market and economic research. Generally, SIAG's clients receive fair and reasonable commissions for overall brokerage services.

Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that are material to the integrity of the Advisor. To date SIAG has not been involved in an applicable legal or disciplinary event.

Code of Ethics

SIAG has adopted a Code of Ethics for all employees describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and personal securities trading procedures, among other things. All employees must acknowledge the terms of the Code of Ethics annually, or as amended.

Review of Accounts

SIAG reviews client accounts on a continuing basis and will meet with clients for formal reviews on a frequency agreed to by the client. Outside of regular reviews, reviews may be triggered by client request. Other triggers may include major economic events or a change in a client's financial situation.

Custody

SIAG requires each client select a qualified custodian to hold its assets. SIAG will not serve in this capacity. Each client's qualified custodian (bank or broker-dealer) will send monthly or quarterly statements directly to SIAG clients.

Voting Client Securities

Generally SIAG has authority to vote proxies for securities held in client accounts. SIAG's goal and intent is to vote in the client's best interest. SIAG's complete written proxy voting procedures may be obtained by calling Art Busby at 847-577-7003. Individual clients can also contact Art Busby to find out how SIAG voted any proxy on their behalf.

Financial Information

SIAG always bills fees in arrears, there are no prepayment of fees. Neither SIAG or its principal has any financial information to report. SIAG and its principal have never been the subject of a bankruptcy proceeding.

Privacy Policy

Federal law requires SIAG to inform clients how client personal information is collected, shared, and protected. SIAG collects personal information from clients when opening an account or updating client account information; making a deposit or withdrawal from a client's account; and making a wire transfer on a client's behalf. The type of personal information collected and shared can include: social security numbers; checking / saving account numbers; account balances; transaction history; account balances. Generally, SIAG will only share client personal information for everyday business purposes. SIAG does not share client personal information for internal marketing purposes. SIAG also does not share client personal information for marketing purposes with other financial companies or any other outside company.

Privacy Policy (continued)

SIAG strives to protect client personal information from unauthorized access and use. These measures include computer safeguards, secured files and buildings.