



Newport Investment Advisors, Inc.
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www.getnewport.com

March 31, 2015

Firm Brochure

Part 2A of FORM ADV

This Brochure provides information about the qualifications and business practices of NEWPORT INVESTMENT ADVISORS, INC. If you have any questions about the contents of this Brochure, please contact us at 216-514-5151 and/or ken@getnewport.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.

Newport Investment Advisors, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

Item 2 – Material Changes

On December 28, 2013, our offices were relocated within the office building to Suite 3.

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 31, 2015 is a document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at 216-514-5151 or ken@getnewport.com.

Additional information about Newport Investment Advisors, Inc. is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Newport Investment Advisors, Inc. who are registered, or are required to be registered, as investment adviser representatives of Newport Investment Advisors, Inc.

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Item 4 – Advisory Business

A) Firm Description

Newport Investment Advisors, Inc. (NIA) was incorporated in April, 1989, and currently operates as a federally registered investment advisor. The primary services offered by NIA consist of mutual fund asset allocation strategies (Strategies), described below. Through these Strategies, NIA may issue "buy" and "sell" signals or recommendations. Resulting exchanges among funds are generally performed by NIA for its clients on a discretionary basis, without prior notice to the Client. In limited situations, NIA exchange signals are implemented by the Client's financial representatives.

Most clients of Newport Investment Advisors, Inc. are direct clients, but some clients are introduced by investment advisor representatives (IARs). The IARs are typically not also registered as investment advisors.

Some fund companies require a 30 to 90 day holding period to avoid a redemption fee on a sale. While NIA attempts to inform the Client's IAR of mutual funds and variable annuities that charge early redemption fees, it is the responsibility of the Client and their IAR to determine if early redemptions fees may occur and to attempt to prevent them. NIA assumes no responsibility for early redemption fees that occur through the normal management of Client's account. IARs are furnished with specific mutual fund restrictions upon request. NIA provides no guarantee of exchange execution on the signal receipt date. While NIA attempts to move all Clients within 24 hours of a signal, a delay of up to five business days could occur because of factors beyond the control of NIA. Such a delay could significantly affect performance. NIA assumes no responsibility for losses resulting from such delays. In addition, if a mutual fund places any new restrictions on Client accounts, both the Client and IAR will be notified.

Owner of Newport Investment Advisors, Inc.

Kenneth M. Holeski	President, CIO	100% shareholder	Ownership Code-C
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B) Types of Advisory Services

Newport Investment Advisors, Inc. (hereinafter referred to as "NIA") offers advisory services for Managed Accounts typically of \$50,000.00 or more. In certain circumstances smaller Managed Accounts will be accepted. These Managed Accounts will be offered in all states in which NIA is registered.

After entering into an advisory agreement, NIA reviews the client's investment portfolio. Based upon the review and discussions with the client and/or the client's registered representative, the client's financial needs and investment objectives will be determined. The client's investment objectives will be delineated within the investment agreement and investments will be chosen that are consistent with the identified client needs and objectives.

C) Assets under Management

The Registrant manages the following amount of client assets on a full discretionary basis as of December 31, 2014:

Discretionary Assets - \$ 87,812,000.00

Non-discretionary Assets – \$0.00

Item 5 – Fees and Compensation

All fees are subject to negotiation.

Fees for NIA services will be determined on a basis of Managed Account assets multiplied by the appropriate per annum percentage based on the fee schedule shown below. The quarterly amount will be one-fourth the annual rate. The fee will be based upon the most recent quarter ending valuation reflecting market prices at the end of that quarter. NIA's fees for services provided will be governed by the following fee schedule:

\$ 0 to \$249,999.99	@ 1.95%
\$250,000.00 to \$499,999.99	@ 1.50%
\$500,000.00 to \$999,999.99	@ 1.00%
\$1,000,000.00 or greater	@ negotiable

Fee schedules for accounts in excess of \$1,000,000 may include a base fee and/or a combination of base plus incentive fees based upon a fixed percentage of assets managed and/or fees that are deferred and/or subordinated to performance which exceeds agreed upon benchmarks. Due to competitive situations, fees may be negotiated lower than the standard schedule by the client or modified to take into consideration other compensation that is received by the introducing broker.

NIA does not share in the capital gains of a client account. Other negotiable circumstances may include charitable portfolios or situations in which competitive fees are a factor in the selection of an advisor.

Upon termination, any prepaid fee is refundable on a pro-rata basis for the period unearned. Certain clients of the NIA will be former clients of NIA shareholder's former

employer. In such cases, fees charged to those Managed Accounts will be based upon that former employer's fee schedule then in effect.

In those circumstances where NIA serves as a sub-advisor, NIA's fee is determined by contract with the other investment advisor. NIA will obtain assurance from the advisor that it is properly registered in states that NIA is engaged to sub-advise.

Advisory services may be provided on an hourly basis. The individual performing the service will determine the hourly rate charged. The anticipated range of hourly charge is \$50.00 to \$250.00 an hour. Half of the estimated hourly charges will be due in advance. The remainder of the fee will be due at the conclusion of the engagement, or in the alternative would be billed quarterly as per client agreement. Any unearned fees collected are refundable upon termination. Termination must be in writing. Fixed fee engagements will be determined based upon discussions with the client and NIA's estimate of time and charges and personnel required to complete the engagement. Fee will be mutually agreed in writing. Half of the fixed fee mutually agreed upon will be due in advance. Any balance owed will be payable at the conclusion of the engagement. Any unearned fees are refundable upon early termination. Account termination must be in writing.

Services offered are primarily in the form of a reactive allocation service. Reallocations may be performed on a stock and/or bond mutual fund(s). NIA may suggest mutual fund families to be used. Funds used may be load or no-load funds, but are usually class A or class C shares. Exchanges are typically made to funds within the same fund family as required by the NIAs methodology. For defensive purposes, exchanges are made to a money market fund. Signals are generated from proprietary stock and/or bond decision models. Such models include technical and fundamental indicators such as moving averages over indices and fund prices, relative interest rate levels and direction. Other factors include yield curve analysis, advance/decline data and new highs/new lows. Since most accounts will involve the purchase of mutual fund shares, the client pays a direct advisory fee to NIA and an indirect advisory fee to the advisor to the mutual fund, which reduces the net asset value of the funds' shares. Therefore, NIA's clients pay two levels of advisory fees for the management of their assets. As such, the total advisory fees paid may exceed that which may be charged by other advisors. The total fees may also be lower than other advisors.

Newport Investment Advisors, Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment advisors and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to NIA's fee.

Item 12 further describes the factors that NIA considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Item 6 – Performance-Based Fees and Side-By-Side Management

In some cases, Newport Investment Advisors, Inc. has entered into performance fee arrangements with qualified clients: such fees are subject to individualized negotiation with each such client. Newport Investment Advisors, Inc. will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions there under, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Newport Investment Advisors, Inc. shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for Newport Investment Advisors, Inc. to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Newport Investment Advisors, Inc. has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

Newport Investment Advisors, Inc. provides or offers to provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, private investment funds, and trust programs.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investing in bonds and high yield securities involves risks, including interest rate risk, credit risk, and reinvestment rate risk. Investing in small cap stocks involves additional risks, including operating risk and liquidity risk. Investing in international and emerging market stocks involves additional risks, including political risk and currency risk. Investing in inverse mutual funds, which are designed to profit from declining securities

prices, involves certain risks that may include increased volatility due to the funds' possible use of short sales of securities (borrowing securities in the belief the securities will decrease in value and then purchasing the securities later at a lower price) and derivatives such as options and futures, which give the options and futures owner the ability to purchase the securities later at a more beneficial price. The use of leverage or borrowing money to purchase additional securities by a mutual fund increases risk of the fund. The more a fund invests in leveraged instruments, the more the leverage will magnify any gains or losses on those investments. NIA's Strategies will sometimes involve frequent trading. Frequent trading can affect investment performance since this may increase the potential for taxes and/or commissions from multiple purchases and sales of securities.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Newport Investment Advisors, Inc. or the integrity of Newport Investment Advisors, Inc.'s management. Newport Investment Advisors, Inc. has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Kenneth M. Holeski, President of NIA is securities licensed through Sterne Agee Group, Inc., a broker/dealer registered with the Securities & Exchange Commission and FINRA. All investment recommendations are those of the NIA and are not at the recommendation of Sterne Agee Group, Inc. Sterne Agee Group, Inc. does not provide investment advice to clients of NIA. NIA has indemnified Sterne Agee Group, Inc. against any claims resulting through the advice of NIA.

Mr. Holeski is licensed to sell securities and life, accident or health insurance, and annuity products. Clients are not obligated to place trades for securities or insurance related investments through Mr. Holeski.

Most mutual fund companies require that only the broker of record or the client may perform exchanges upon existing accounts. Therefore, Mr. Holeski may be added as the broker of record, with client permission, to accounts after initial trades are placed through another broker/dealer if requested by the client or directed by NIA. Securities recommended by NIA generally are load mutual funds and/or annuities. Many mutual

funds/annuities managed by NIA are funds that may have a deferred surrender charge if redemption is made prior to dates as specified in the prospectus, or load funds which have waived front-end sales charges.

Securities purchased through Mr. Holeski often times result in commissions or service fees paid to Mr. Holeski. The client is under no obligation to purchase funds through Mr. Holeski. Due to the inherent conflicts of interest related to the compensation that Mr. Holeski receives investment decisions may be affected by such conflicts of interest. Clients may choose to use broker or broker dealers that are not affiliated with Mr. Holeski. There is no obligation to utilize Mr. Holeski or Sterne Agee Group, Inc. to transact trades.

Service fees are typically referred to in the industry as 12(b)1 fees. Service fees generally are paid to Mr. Holeski on accounts which Mr. Holeski is the broker of record.

Finder's fees or referral fees are sometimes paid by mutual fund companies on cumulative client purchases exceeding specified amounts placed at one fund family. Such trades may require the client to maintain shares on deposit at the fund family for up to twenty-four months to avoid incurring a redemption charge. The redemption fee is not assessed in the event of an exchange to another fund within the family.

Clients purchasing securities through Mr. Holeski should always consult prospectuses for these and other disclosures. Clients may find it useful to review information available at <http://www.finra.org/Investors/SmartInvesting/ChoosingInvestments/MutualFunds/> regarding mutual fund share classes and expenses.

NIA compensates IARs and/or broker/dealers employing them by sharing a portion of the advisory fee paid by the clients to NIA. Generally, 50% of the fee received by NIA is shared with the IAR and/or its affiliated broker/dealer.

The average management fee for accounts that have been solicited by IARs has historically been higher than the average management fee charged to unsolicited direct Newport clients. The lower fees for unsolicited direct accounts are due to many reasons including competition, incentive arrangements, commission offsets, charitable affiliations, larger average size of accounts, and other reasons. You may discuss and attempt to negotiate/receive a lower fee than the standard fee schedule with your solicitor based upon your specific circumstances.

Item 11 – Code of Ethics

Newport Investment Advisors, Inc. has adopted a Code of Ethics for all supervised persons of the firm 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, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Newport Investment Advisors, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Newport Investment Advisors, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Newport Investment Advisors, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Newport Investment Advisors, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. Newport Investment Advisors, Inc.'s employees and persons associated with Newport Investment Advisors, Inc. are required to follow Newport Investment Advisors, Inc.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Newport Investment Advisors, Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Newport Investment Advisors, Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Newport Investment Advisors, Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Newport Investment Advisors, Inc.'s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Newport Investment Advisors, Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Newport Investment Advisors, Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Newport Investment Advisors, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained

on the Order.

Newport Investment Advisors, Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Bethany Perry.

It is Newport Investment Advisors, Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Newport Investment Advisors, Inc. does not cross trade between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

NIA does not receive soft dollar benefits from custodians or from brokers utilized to execute transactions.

Clients referred to NIA by IARs are likely to have their accounts held at the brokerage firm of the introducing IAR. NIA does not obligate the use of any brokerage firm.

NIA reserves the right to refuse the use of any particular brokerage firm to maintain efficiency of trading for all accounts.

Generally, Clients may direct NIA as to the brokerage firm to be used.

Item 13 – Review of Accounts

Due to the tactical nature of the Strategies, decision making regarding market position and measuring risk is constant. Clients receive monthly or quarterly statements from their respective custodians. Custodians send Clients confirmations reflecting transaction values and quantities upon exchanges, purchases or sales. NIA produces a statement that measure value, quarterly performance, year to date performance and rolling twelve month performance which is reviewed by staff before mailing to clients.

Item 14 – Client Referrals and Other Compensation

NIA advisory programs are marketed directly by officers and employees of NIA and through IARs who may be associated with Sterne Agee Group, Inc. (an affiliate of Kenneth M. Holeski), or other brokerage firms. Usually the sales representative is a licensed sales person employed by a broker/dealer. As such, the representative may receive, or has received, commissions for the Client's initial investment in the mutual funds and subsequent commissions depending on the advisory program entered into by the Client. NIA does not receive any portion of the commissions.

NIA compensates IARs and/or broker/dealers employing them by sharing typically 50% of the advisory fee. Some representatives may receive consulting fees from NIA for providing consulting services to NIA. Since the sales representative may also handle the Client's account directly, or be affiliated with the broker/dealer handling the Client's account, a potential conflict of interest exists.

IARs warrant to NIA that they are compliant with any licensing requirements of their state of residence before referring accounts to NIA.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Newport Investment Advisors, Inc. urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Custodians send Clients confirmation upon the execution of a transaction upon their account.

NIA does not intend to take possession of Client assets. Clients should never make checks payable to NIA except for periodic management fees.

NIA bills quarterly.

Item 16 – Investment Discretion

Newport Investment Advisors, Inc. usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Newport Investment Advisors, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to Newport Investment Advisors, Inc. in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Newport Investment Advisors, Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Newport Investment Advisors, Inc. may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Newport Investment Advisors, Inc.'s financial condition. Newport Investment Advisors, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.