

Form ADV Part 2A: Firm Brochure

Trust Advisors, Inc.

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Firm Contact

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This brochure provides information about the qualifications and business practices of Trust Advisors, Inc. Trust Advisors, Inc. is registered as an Investment Adviser with the United States Securities and Exchange Commission (SEC). Registration with the SEC alone does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at (713) 525-3058. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about Trust Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

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Advisory Business

Trust Advisors, Inc. (TAI) was formed in 2011 as a registered investment adviser (RIA). The firm is a wholly-owned subsidiary of Service Corporation International, a publicly-held company headquartered in Houston, Texas, which is a leading provider of funeral and cemetery services in North America. Those services are provided through entities that are directly or indirectly owned and/or controlled by Service Corporation International. As used herein, “SCI” refers to Service Corporation International and its subsidiaries and affiliates. In the course of SCI’s business, SCI has a significant amount of assets in preneed, perpetual care and merchandise trusts. The business of TAI is to provide investment advisory and other services to the trustees of such trusts (the “Trustees”).

The Trustees contract with the TAI to provide investment advisory, trust accounting, trust oversight, trust performance monitoring, and other ancillary functions covering SCI’s trust assets. TAI then subcontracts certain investment advisory functions to another advisor, LCG Associates, Inc. Trust accounting services and investment performance monitoring are also subcontracted to third parties.

The composition of the trust funds is dependent upon the investment goals of the underlying trusts, as well as state law mandating such trusts, and may be comprised of one or more of the following security types:

- Certificates of Deposit
- Commercial Paper
- Corporate Debt
- Equity Securities (exchange listed and OTC)
- Guaranteed Insurance Contracts
- Municipal Securities
- Mutual Funds/Exchange Traded Funds
- Partnerships
- Publicly Traded Master Limited Partnerships
- United States Government Securities

As of October 31, 2014, the trust assets for which TAI provides investment advice and administrative support were equal to approximately \$4.0 billion. All such assets are managed on a non-discretionary basis, which means that all investment decisions are ultimately made by the Trustees and not by TAI.

Fees and Compensation

TAI is customarily compensated on the basis of fees calculated as a percentage of assets under management. Our fee ranges from .25% to 1.5% of assets under management. All such fees are subject to negotiation with the respective Trustees.

TAI’s fees are assessed and payable monthly in advance. In the event that a Trustee chooses to cancel their advisory agreement with us before the end of a billing period, any prepaid fees will be prorated through the end of the period and refunded to the client.

Sub-advisory fees of LCG Associates, Inc. and certain administrative and recordkeeping expenses associated with our investment advisory services to our clients will generally be paid by us out of our fees. Custodial fees, brokerage fees and investment management fees other than those due LCG Associates, Inc. are paid directly by each Trustee/client. TAI does not receive any fee or commission from the sale of investment products that we recommend to our clients, nor do we participate in wrap fee programs.

No Performance-Based Fees

TAI's fees are based on the value of portfolio assets at the end of each calendar month. We do not receive any fees or other compensation based upon the investment performance of accounts.

Types of Clients We Serve

TAI provides investment management services to trustees managing preneed, perpetual care and merchandise trust assets.

Methods of Analysis, Investment Strategies and Risk of Loss

TAI's management team possesses experience in traditional portfolio management, and plans to retain sub-advisors with similar expertise. Through TAI and through sub-advisors, we employ various methods of investment analysis to assist us in formulating investment strategies. Broadly speaking, these methods include fundamental, technical, quantitative and qualitative analysis.

TAI's primary activities involve the supervision of investment managers and other service providers to its clients. The analysis undertaken is primarily based upon asset allocation theory, investment manager selection and due diligence, and performance monitoring.

In sum, our overall investment approach is geared toward generating strong long-term investment returns without assuming undue risk, while ensuring that management of the preneed, perpetual care and merchandise trust assets are in compliance with state laws. Our approach is conservative in nature, however, risk is inherent in any investment program and, as a result, the investment returns in trust assets will fluctuate and accounts may lose value.

Disciplinary Information

Neither TAI nor members of the firm's management have ever been the subject of any legal or disciplinary event that would be material to a client's or a prospective client's evaluation of TAI's business or the integrity of its management.

Other Financial Industry Activities and Affiliations

TAI is a wholly-owned subsidiary of Service Corporation International, a publicly-held company headquartered in Houston, Texas. Service Corporation International is a leading provider of funeral and cemetery services in North America. TAI does not receive any direct or indirect compensation from its sub-advisors, and we do not believe such arrangements create any conflicts of interest.

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

TAI has adopted a Code of Ethics which applies to all of its management team. A copy of our Code of Ethics is available to any client or prospective client upon request. The Code of Ethics is predicated upon the following principles:

- TAI and its employees shall always place the interest of our clients ahead of our own interests.
- We shall always be aware of how our actions may look in hindsight, and never take inappropriate advantage of our positions.

Our Code of Ethics further provides that all employees must comply with all applicable federal securities laws. It also imposes certain trading restrictions on persons who are likely to know about TAI's activity.

Brokerage Practices

Under our standing investment advisory agreement, the Trustee/client has sole responsibility for selecting the broker to execute transactions for the trust's portfolio.

Review of Accounts

Investment advice, investment manager recommendations and performance, and other service provider selections and performance are reviewed by TAI management. Assets in the trust funds are reviewed by TAI management at least quarterly or more frequently if circumstances warrant. Such circumstances may include unusual market activity, price volatility, security specific issues, or other changes in investment circumstances. All investments under TAI's management are under diligent supervision.

Detailed written reports, including asset allocation, industry diversification, yield, cost basis, market value, realized gains and losses, income, and transaction activity are mailed to our clients quarterly, or as otherwise mutually agreed.

Client Referrals and Other Compensation

TAI does not have any arrangements with third-party firms where we compensate these firms for referring Trustees/clients to us.

Custody

TAI does not serve as custodian for any of the client trust assets. Thus, each Trustee/client retains a custodian to serve this role on their behalf. The custodian must be a bank, broker-dealer or other qualified institution.

In general, each Trustee/client receives account statements from the custodian of their assets (a bank, broker-dealer or other qualified custodian) on a monthly basis. Each Trustee/client then receives statements from TAI on a quarterly basis, or as otherwise mutually agreed. We encourage each Trustee/client to compare the account statements received from the custodian with those received from us to ensure that all account transactions are accurate.

Investment Discretion

TAI does not have discretionary authority to manage securities accounts on behalf of the Trustee/client. Each Trustee/client retains full discretion with respect to individual transactions. TAI makes general recommendations regarding asset allocations and investment managers within given portfolios, but the Trustee/client is free to reject any such recommendation.

Voting Client Securities

TAI does not accept authority to vote underlying securities. Under certain custody arrangements, a Trustee/client may appoint their custodian to vote proxies on their behalf. Otherwise, the Trustee/client reserves the sole right to vote such proxies. Under circumstances where a Trustee/client retains the right to vote their securities, they will receive the proxy materials directly from their custodian.

Financial Information

Financial information is only required by firms that engage in certain billing practices, and TAI does not engage in these practices. In any event, we are aware of no financial circumstances that would prevent us from meeting our contractual obligations to our clients.