

Euclid Investment Advisory

4701 Sangamore Road

Suite S205

Bethesda, MD 20816

301-320-0619

www.Euclid-Advisory.com

March 29, 2017

This Brochure provides information about the qualifications and business practices of Euclid Investment Advisory. If you have any questions about the contents of this Brochure, please contact us at 301-320-0619 or Bhoover@euclidadvisory.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.

Euclid Investment Advisory 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 Euclid Investment Advisory also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2-Material Changes

This Brochure, dated March 29, 2017, is an updated document prepared according to the SEC's requirements and rules.

This item is intended to discuss any specific material changes that are made to the Brochure and provide clients with a summary of such changes. This update is dated March 29, 2017 and replaces the last update dated November 28, 2016.

Euclid has a non-investment related Facebook Page titled Euclid Cares where we post information about Euclid's community involvement.

We are in the process of taking over the management of a fixed income closed end fund and expect the transaction to be completed in the second quarter of the year.

Additional information about Euclid Investment Advisory 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 Euclid Investment Advisory who are registered, or are required to be registered, as investment adviser representatives of Euclid Investment Advisory.

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Item 4 – Advisory Business

Euclid Investment Advisory was started by Frederic Smoak in 2000. Until January 1, 2015 Mr. Smoak was the sole owner of the firm. On January 1, 2015, the firm reorganized as a multi-member limited liability company in Delaware when The Hoover Family Trust (Simone Hoover, Trustee) acquired an interest.

The firm offers to its clients (individuals, business entities, trusts, and pension and profit sharing plans) investment advisory services and, to the extent specifically requested by the client, financial planning and related consulting services. The firm may also conduct educational seminars and webinars and issue newsletters for clients and prospective clients.

The client can determine to engage the firm to provide discretionary investment advisory services for a fee. Euclid will discuss with the client their personal investment objectives and risk tolerance, among other criteria, and use that information to determine the correct asset mix. Euclid provides investment advisory services through the selection of investments (primarily stocks, bonds, ETFs, and mutual funds). Decisions about the appropriate asset allocation as well as the individual securities that are bought, held, and sold are determined on an account by account basis. Clients may impose restrictions on investing in certain securities or types of securities.

Though accounts vary by client, clients who invest in this core strategy will likely have account positions that are similar to one another, particularly as it relates to the overall asset allocation. This strategy is primarily accomplished through the use of broad-based and array of targeted ETFs and/or mutual funds. Euclid has created a broadly diversified basket of ETFs and adjusts and rebalances the portfolio as determined to be appropriate.

Euclid does not participate in any “wrap fee programs.” Euclid is the investment advisor to the National Employers Retirement Trust (NERT). As such, Euclid receives income from NERT and has a financial interest in its success. NERT payments to Euclid are independent of NERT fees, and clients never have incremental costs from using NERT. The services provided for the NERT Group Trust by involve the selection and ongoing review of investment options made available to the participants in the trust. Euclid includes these assets in its Assets Under Management because it believes that its services to the trust represent “continuous and regular supervision” of the trusts investing as the term is used in the SEC’s AUM instructions, notwithstanding that Euclid does not have discretion over the trust’s among the options or to change the options without agreement of the plan sponsor. Euclid monitors changing regulation and may change its view in the future. Because of its retirement plan expertise, Euclid may recommend NERT as retirement vehicle in spite of the fact that the payments from NERT are far less than Euclid would receive

without its involvement. Occasionally, the principals of the firm will discuss issues with clients and prospective clients that are tangential to portfolio management, such as general financial planning topics. As of January, 2017, Euclid manages @ \$131M in non-discretionary (i.e. Euclid selects investments and client chooses percentage and mix of those funds) AUM & \$18M in discretionary AUM.

Financial Planning and Consulting Services

To the extent requested by the client Euclid may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning and insurance planning) on a stand-alone separate fee basis. Prior to engaging Euclid to provide financial planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement setting forth the terms and conditions of the engagement (including termination), describing the scope of services to be provided, and the portion of the fee that is due to Euclid prior to the commencement of services. The Euclid Investment Advisor Representative may recommend the services of other professionals for implementation purposes, including a Euclid supervised person who is a licensed insurance agent. This supervised person may recommend certain insurance products through unaffiliated entities (See disclosure below). The client is under no obligation to engage the services of any recommended professional or entity and maintains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Euclid.

PLEASE NOTE: If the client engages any such recommended professional, and a dispute arises thereafter related to that engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Non-Investment Consulting/Implementation Services

To the extent specifically requested by the client, Euclid may provide or recommend consulting services regarding, non-investment related matters such as (but not limited to) estate planning, tax planning, insurance, etc. Euclid may recommend the services of other professionals for certain non-investment implementation purposes (i.e. Attorneys, accountants, insurance advisors) including a representative of the firm in his or her separate registered/licensed capacity (see below) Neither Euclid nor any of its representatives serves as an attorney and no portion of the firm's services should be construed as such. The client is under no obligation to engage the services of any such recommended professional and maintains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Euclid.

PLEASE NOTE: If the client engages any such recommended professional, and a dispute arises thereafter related to that engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Financial Planning and Consulting (Stand Alone)

To the extent specifically requested by the client, Euclid may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. The Firm's planning and consulting fees are negotiable, but generally range from \$500 to \$4000 (estimate) on a fixed fee basis and from \$200 to \$250 per hour on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional rendering the services(s).

Item 5 – Fees and Compensation

The highest base fee for managing client assets is 1.5% of the assets under management. The Euclid

ETF and Income and Growth strategies maximum fee is 1.5% for the first \$2mm in assets in a client account. The fee is assessed based upon the balance(s) at the end of a calendar quarter and fees are charged quarterly to clients, either through direct billing or through direct debiting of the account(s) per the client's written instructions.

Euclid Investment Advisory'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 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 have internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of Euclid Investment Advisory's fee.

Euclid Investment Advisory does not receive any portion of these commissions, fees, and costs. Euclid's sole compensation is derived from client management fees and previously disclosed NERT payments. Item 12 further describes the factors that Euclid Investment Advisory considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions). As of the date of this brochure, Euclid's custodians and brokers are TD Ameritrade and Charles Schwab. Accounts are charged based on quarter-end balances. Client deposits or withdrawals and market fluctuations may affect quarter end balances, in Euclid believes that over time these even out and at therefore the size of the fluctuations is de minimis. Euclid is paid by the National Employers Retirement Trust to manage and advise the participants of its Individual Brokerage (Separate Account Program) 50 basis points for advice (1/2 of 1% based on the assets of the account)

Fees may be reduced or negotiated depending upon the size or circumstances of the account (*e.g.*,

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

Euclid Investment Advisory does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Euclid Investment Advisory may provide portfolio management services to individuals, corporate pension and profit-sharing plans, Taft-Hartley funds, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

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

In managing assets, Euclid considers fundamental and technical characteristics of individual securities. Euclid also considers the overall asset allocation of an investor's portfolio. Individual securities and mutual funds involve risk of principal loss that can be mitigated by holding a portfolio, but nonetheless clients should be prepared to bear losses in individual securities.

There are material risks to every form of investment analysis. The future is uncertain and prices are a reflection of the future expectations and knowledge of others investing in a security -- information that cannot be known. Euclid attempts to educate clients that a complete portfolio may have differing characteristics than the securities that are part of the whole --and that short-term effects and performance can often obscure longer-term trends. Euclid also stresses that while the indices can be useful for some purposes, they are rarely closely aligned with individual investor goals.

Trading securities often results in tax effects (either gains or losses) and brokerage costs. Trades made by Euclid are done at the standard TD Ameritrade or Charles Schwab rates -- a deep discount from most wire-house/full service brokerage houses. For most portfolios, trading is a de minimus cost. Some of the market risks we consider include: inflation (purchasing power), principal, interest rate, re-investment, and market. Each one can be and often is a material risk for most investors.

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 Euclid Investment Advisory or the integrity of Euclid Investment Advisory's management. Euclid Investment Advisory has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Euclid Investment Advisory has no persons registered as a broker-dealer or a registered representative of a broker-

dealer and no application is pending. Several Euclid Investment Advisor Representatives maintain Insurance Life and Health licenses to assist them in employee benefits planning and administration. Euclid receives no commissions or benefits from these transactions.

Disclosures

Two of the firm's supervised persons are licensed to sell insurance products and may accept compensation based on the sale of those products as described below.

1. The recommendation of the supervised person to purchase insurance products creates a **CONFLICT OF INTEREST** because it creates an incentive to recommend these products based on compensation received as opposed to the client's needs. Euclid addresses this conflict in several ways
2. The Firm prohibits the supervised person from recommending insurance products to its clients other than those who were first the supervised person's insurance clients.
3. Euclid provides to appropriate clients a separate disclosure that discusses the conflicts which exist surrounding the purchase of insurance products from this supervised person.
4. No client is under any obligation to purchase insurance products from the Firm's supervised person and may purchase such products from any agent of their choosing.
5. Euclid does not receive any portion of the supervised person's insurance commissions.

The Firm's supervised persons, Vincent Barrett and Thomas Barrett, are in their individual capacity, licensed insurance agents who receive commissions on completed insurance product transactions. These supervised persons may recommend insurance products to Euclid clients through unaffiliated entities. The recommendation by one of these supervised persons that a Euclid client purchase an insurance product presents a CONFLICT OF INTEREST, as the receipt of commissions provides an incentive to recommend these products.

Item 11 – Code of Ethics

Euclid Investment Advisory maintains a code of Ethics that is available and has been distributed to clients and is available for download on the firm website: www.euclid-advisory.com. Euclid 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 Euclid Investment Advisory must acknowledge the terms of the Code of Ethics annually, or as amended. Euclid's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Frederic Smoak or William Hoover.

Item 12 – Brokerage Practices

Euclid Investment Advisory has selected TD Ameritrade and Charles Schwab as its primary platforms for custody of client assets and security trading. The firm receives no benefits for referring, selecting or recommending other broker-dealers.

The firm participates in NO "soft dollar" arrangements and receives no additional compensation from any securities or from any securities or funds.

Item 13 – Review of Accounts

Euclid reviews client accounts regularly and no less than once each calendar quarter. Each quarter, Euclid generates and sends to its clients a statement of account, including security cost and current market value, account performance, realized and unrealized gains and/or losses, and other general market performance information that may be useful to clients in assessing their own account. Wherever possible, individual meetings are scheduled based upon Euclid's belief that written correspondence is no substitute for allowing the client to express themselves in their own words.

Euclid's quarterly reports are in addition to independent reports generated by the custodian that may contain much of the same information.

Item 14 – Client Referrals and Other Compensation

Euclid receives no economic benefit from non-clients for providing investment advice or other advisory services. For example, there are no sales awards or prizes. Nor does Euclid directly or indirectly compensate any person for client referrals.

Item 15 – Custody

Clients will receive monthly statements from TD Ameritrade or Charles Schwab, the custodian of their assets. Euclid Investment Advisory urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Euclid statements may vary from custodial statements based on

accounting procedures, reporting dates, or valuation methodologies of certain securities.

Clients may call TD Ameritrade or Charles Schwab directly at their published toll free number at any time regarding any questions about the holdings in their accounts and may also request to have 24/7 web access to their account

Item 16 – Investment Discretion

Euclid Investment Advisory often 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 advisor's knowledge of the client. When selecting securities and determining allocations, Euclid Investment Advisory respects the investment desires, limitations, and restrictions of the clients for which it advises. For registered investment companies, Euclid Investment Advisory's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Client-directed investment guidelines and restrictions must be provided to Euclid Investment Advisory in writing.

Item 17 – Voting *Client* Securities

Euclid prefers clients to have basic knowledge of the companies they own. Since clients often have non-economic agendas as well as a monetary concern, Euclid prefers clients to vote their proxies themselves. Euclid may vote proxies where the clients wish them to. Normally management strength and integrity is one criterion for owning a security, and Euclid will defer to management's greater knowledge of the company.

Item 18 – Financial Information

Euclid Investment Advisory 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. Euclid has NO custody of any client funds and client moneys are never comingled with either other client funds (except those invested in public mutual funds) or Euclid's own accounts.

