

**Brochure**

**Form ADV Part 2A**

**Item 1 - Cover Page**

# **AM Investment Strategies, LLC**

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**June 21, 2018**

This Brochure provides information about the qualifications and business practices of AM Investment Strategies, LLC. If you have any questions about the contents of this Brochure, please contact us at (423) 486-1888. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

AM Investment Strategies, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about AM Investment Strategies, LLC also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

**Item 2 - Material Changes**

This Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format in order to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include providing a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last required "annual update" filing on March 6, 2018. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. Of course the complete Brochure is available to clients at any time upon request.

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#### ***Item 4 - Advisory Business***

Founded in October 2012, AM Investment Strategies, LLC ("AMIS") (also referred to as the "firm") provides limited financial planning and investment management services. On occasion AMIS will provide reporting/limited account administration services.

Prior to engaging AMIS to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with AMIS setting forth the terms and conditions under which AMIS renders its services (collectively the "*Agreement*").

Aon D. Miller and Laura G. Owsley are the principal owners of AMIS. Please see ***Brochure Supplements***, Exhibit A, for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

As of December 31, 2017, AMIS managed \$336,204,225 on a discretionary basis, and \$41,381,501 on a non-discretionary basis.

### **SERVICES OFFERED**

#### **Financial Planning Services**

Clients may elect to retain AMIS to provide limited financial planning services in conjunction with investment management services. Financial planning services normally address areas such as general cash flow planning, retirement planning, and insurance analysis. The goal of this service is to assess the financial circumstances of the client to more effectively develop the client's Investment Plan.

For those financial planning clients making this election, and for other clients who do not need financial planning but retain AMIS for investment management services, based on all the information initially gathered, AMIS generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile" or "Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan" or "Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments AMIS will make or recommend on behalf of the client in order to meet those goals. The Profile and the Plan are discussed regularly with each client, but are not necessarily written documents.

#### **Investment Management Services**

To implement the client's Investment Plan, AMIS will manage the client's investment portfolio on a discretionary or a non-discretionary basis. Most clients choose a discretionary arrangement. As a discretionary investment adviser, AMIS has the authority to supervise and direct the portfolio without

prior consultation with the client, although the typical practice of AMIS is to discuss trades with clients whenever possible and practical. Under a non-discretionary arrangement, clients *must* be contacted prior to the execution of any trade in the account(s) under management. This could result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on AMIS in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of AMIS.

AMIS primarily allocates clients' investment management assets among individual equity securities, but may also incorporate other securities as further described in response to ***Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss***. In addition, AMIS may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. AMIS also provides advice about any type of investment held in clients' portfolios.

AMIS tailors its advisory services to the individual needs of clients. AMIS consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. AMIS ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify AMIS if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon AMIS' management services. Clients may impose reasonable restrictions or mandates on the management of their account if, in AMIS' sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

#### **Reporting/Limited Account Administration Services**

From time to time clients may need limited assistance with one or more accounts, and may also request quarterly reporting on such accounts. These relationships are generally non-discretionary in nature, and the client is primary driver for activity in the accounts.

## **Retirement Plan Advisory Services**

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. AMIS will provide Retirement Plan consulting services to Plans and Plan Fiduciaries as described below. The particular services provided will be detailed in the consulting agreement. The appropriate Plan Fiduciary(ies) designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services may be offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 (“ERISA”) sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, AMIS will be considered a fiduciary under ERISA. For example, AMIS will act as an ERISA § 3(21) fiduciary when providing non-discretionary investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. Also, to the extent that the Plan Fiduciaries retain AMIS to act as an investment manager within the meaning of ERISA § 3(38), AMIS will provide discretionary investment management services to the Plan. With respect to any account for which AMIS meets the definition of a fiduciary under Department of Labor rules, AMIS acknowledges that both AMIS and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between AMIS and Client.

### *Fiduciary Consulting Services*

- *Investment Selection Services*  
AMIS will provide Plan Fiduciaries with recommendations of investment options consistent with ERISA section 404(c). Plan Fiduciaries retain responsibility for the final determination of investment options and for compliance with ERISA section 404(c).
- *Non-Discretionary Investment Advice*  
AMIS provides Plan Fiduciaries and Plan Participants general, non-discretionary investment advice regarding asset classes and investments.
- *Investment Monitoring*  
AMIS will assist in monitoring the plan’s investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and AMIS will make recommendations to maintain or remove and replace investment options. The details of this aspect of service will be enumerated in the engagement agreement between the parties.

### Fiduciary Management Services

- *Discretionary Management Services*  
When retained as an investment manager within the meaning of ERISA § 3(38), AMIS provides continuous and ongoing supervision over the designated retirement plan assets. AMIS will actively monitor the designated retirement plan assets and provide ongoing management of the assets. When applicable, AMIS will have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with the Plan Fiduciaries. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.
- *Discretionary Investment Selection Services*  
AMIS will monitor the investment options of the Plan and add or remove investment options for the Plan without prior consultation with the Plan Fiduciaries. AMIS will have discretionary authority to make and implement all decisions regarding the investment options that are available to Plan Participants.

### Non-Fiduciary Services

- *Participant Education*  
AMIS will provide education services to Plan Participants about general investment principles and the investment alternatives available under the Plan. Education presentations will not take into account the individual circumstances of each Plan Participant and individual recommendations will not be provided unless a Plan Participant separately engages AMIS for such services. Plan Participants are responsible for implementing transactions in their own accounts.
- *Participant Enrollment*  
AMIS will assist with group enrollment meetings designed to increase retirement Plan participation among employees and investment and financial understanding by the employees.

## ***Item 5 - Fees and Compensation***

### **Investment Management Fees**

AMIS provides investment management services for an annual fee based upon a percentage of the market value of the assets under management. Depending on the specific circumstances, private fund investments recommended by AMIS may be included in the calculation of the value of the client's assets under management. All such arrangements will be agreed to in advance.

AMIS' annual fee is charged monthly, in advance, based upon the market value of the assets being managed by AMIS on the last day of the previous quarter. The annual fee varies depending upon the market value of the assets under management, as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Fee</u></b>
Less than \$1,000,000	1.00%
\$1,000,000 to \$2,000,000	0.90%
\$2,000,000 to \$3,000,000	0.80%
\$3,000,001 to \$4,000,000	0.75%
\$4,000,001 - \$5,000,000	0.70%
Above \$5,000,000	Negotiable

AMIS' annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. AMIS does not, however, receive any portion of these commissions, fees, and costs.

The firm does not separately charge clients for its financial planning services.

AMIS, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

#### **Fees Charged by Financial Institutions**

As further discussed in response to ***Item 12 – Brokerage Practices***, AMIS generally recommends that clients utilize the brokerage and clearing services of an independent broker-dealer for investment management accounts.

AMIS may only implement its investment management recommendations after the client has arranged for and furnished AMIS with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to any broker-dealers recommended by AMIS, broker-dealers directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF (exchange traded fund) in the account, which are disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), 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. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to AMIS' fee.

AMIS' *Agreement* and the separate agreement with any *Financial Institutions* may authorize AMIS to debit the client's account for the amount of AMIS' fee and to directly remit that management fee to AMIS. Any *Financial Institutions* recommended by AMIS have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to AMIS. Alternatively, clients may elect to receive an invoice for payment.

#### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees are calculated on a *pro rata* basis. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter.

The *Agreement* between AMIS and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. AMIS' fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to AMIS' right to terminate an account. Additions may be in cash or securities provided that AMIS reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to AMIS, subject to the usual and customary securities settlement procedures. However, AMIS designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. AMIS may consult with its clients about the options and ramifications of transferring securities. Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

#### **Financial Planning Fees**

Fees for this service are included in the investment management fee assessed.

#### **Reporting/Limited Account Administration Fees**

Fees for reporting only or limited account administration are annual set fees. They range from \$50 per year to \$1,050 per year, depending upon the services requested. AMIS' *Agreement* authorizes AMIS to debit the client's account for the amount of AMIS' fee and to directly remit this fee to AMIS.

#### **Other Compensation**

Certain of AMIS' *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While AMIS does not sell such insurance products to its investment advisory clients, AMIS does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A



conflict of interest exists to the extent that AMIS recommends the purchase of insurance products where AMIS' *Supervised Persons* receive insurance commissions or other additional compensation.

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

AMIS does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because AMIS has no performance-based fee accounts, it has no side-by-side management.

***Item 7 - Types of Clients***

AMIS provides its services to individuals, trusts, estates, pension and profit sharing plans and business entities.

***Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss***

AMIS primary method of analysis is fundamental, which involves the fundamental financial condition and competitive position of a company. AMIS will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

***Investment Strategies***

The firm relies on its proprietary investment strategies to build custom portfolios based on the individual client's risk tolerance and investment goals. The portfolio strategy may be conservative, moderate growth, or aggressive growth (or a combination). The firm primarily utilizes common or preferred stocks, money market funds, individual debt securities, alternative securities and institutional mutual funds in its client accounts, but may also hold a cash position depending on market conditions. In addition, when appropriate for a client's circumstances, AMIS may select one or sub-advisers to manage a portion of a client's portfolio.

***Risk of Loss***

While AMIS seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face and that clients should be prepared to bear.

*Management Risks.* While AMIS manages client investment portfolios based on AMIS' experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client

investment portfolios are subject to the risk that AMIS (or a selected sub-adviser) may allocate client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that AMIS' specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, AMIS may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Risks Related to Alternative Investment Vehicles.* From time to time and as appropriate, AMIS may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective Managers. When the investment objectives and strategies of a Manager are out of favor in the market or a Manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the Manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the Managers make unsuccessful investment decisions at the same time.

*Equity Market Risks.* AMIS (or a selected sub-adviser) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* AMIS (or a selected sub-adviser) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* AMIS (or a selected sub-adviser) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the

diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

*Use of Margin:* To the extent that a client authorizes the use of margin, and margin is thereafter employed by AMIS in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to AMIS will not be increased.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

#### ***Item 9 - Disciplinary Information***

AMIS is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

On December 18, 2015, a FINRA hearing panel issued a decision finding that when Aon Miller was associated with a broker-dealer he participated in certain private securities transactions without providing prior written notice to his then employer as required by certain FINRA rules. The panel ordered a suspension from association with any FINRA member for two years, a fifty thousand dollar fine, and an order to pay costs. Mr. Miller appealed the decision on the grounds that he did not violate these rules and/or that the sanctions were too high for various reasons including that he received no compensation or other benefit in connection with the transactions. On appeal, FINRA's National Adjudicatory Council agreed to reduce the suspension by one year and the fine by one half. Mr. Miller has not been associated with a broker-dealer since 2013; therefore, these sanctions have no effect on his advisory business. AMIS is a registered investment adviser, and is not a FINRA member or broker-dealer; consequently, the decision also has no effect on AMIS or its operations.

#### ***Item 10 - Other Financial Industry Activities and Affiliations***

Neither AMIS nor its Management Persons have any other financial industry activities or affiliations to report.

## ***Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

### **Code of Ethics and Personal Trading**

AMIS has adopted a Code of Ethics (“the Code”), the full text of which is available to you upon request. AMIS’ Code has several goals. First, the Code is designed to assist AMIS in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, AMIS owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with AMIS (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for AMIS’ associated persons. Under the Code’s Professional Standards, AMIS expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, AMIS associated persons are not to take inappropriate advantage of their positions in relation to AMIS clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time AMIS’ associated persons may invest in the same securities recommended to clients. Under its Code, AMIS has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code’s personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

### **Participation or Interest in Client Transactions**

Because associated persons may invest in the same securities as those held in client accounts, AMIS has adopted policies that restrict personal trading so that associated persons either trade at the same time (and same price) as clients, or generally after 3:00 p.m. or after all client trades for the day are complete. The goal of this policy is to avoid conflicts of interest that may arise. Some types of securities, such as CDs, treasury obligations and open-end mutual funds are exempt from these requirements. However, in the event of other identified potential trading conflicts of interest, AMIS’ goal is to place client interests first.

Consistent with the foregoing, AMIS also maintains policies regarding participation in initial public offerings (“IPOs”) and private placements to comply with applicable laws and avoid conflicts with client transactions. If an associated person of AMIS wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with AMIS' written policy.

#### Promissory Notes

When AMIS was founded in 2012, two clients made loans to AMIS. One of these loans was paid in full in April, 2017. The remaining loan is in the form of a promissory note which may be converted to a minority equity position at the discretion of the noteholder. As long as the note is not converted, AMIS pays a commercially reasonable rate of interest to the noteholder. Serving clients who have a financial interest in AMIS presents the potential for a conflict of interest. AMIS mitigates this conflict by treating all clients fairly, with no advantage inuring to any client.

#### ***Item 12 - Brokerage Practices***

AMIS generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

Factors which AMIS considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables AMIS to obtain some mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by AMIS' clients comply with AMIS' duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where AMIS determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. AMIS seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

AMIS periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

#### **Support Provided by Financial Institutions**

AMIS may receive from *Fidelity*, without cost to AMIS, computer software and related systems support, which allow AMIS to better monitor client accounts maintained at *Fidelity*. AMIS may receive the software and related support without cost because AMIS renders investment management services to clients that maintain assets at *Fidelity*. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit AMIS, but not its clients directly. In fulfilling its duties to its clients, AMIS endeavors at all

times to put the interests of its clients first. Clients should be aware, however, that AMIS' receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence AMIS' choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, AMIS may receive the following benefits, without limitation, from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Directed Brokerage**

AMIS does not generally allow directed brokerage accounts.

### **Aggregated Trades**

Transactions for each client generally will be placed individually as opposed to being placed in a "block" trade. Although in most cases AMIS has the discretion to place trades without prior consultation with the client, AMIS' typical practice is to discuss trades with clients whenever possible. This affords the client an opportunity to discuss the proposed trade, learn about a new security being added to a portfolio, and discuss tax and other ramifications of the sale of securities. Because trades are placed at different times throughout the day and even over multiple days, all clients will not receive the same execution price for the same security. In addition, with block trading there may be some economies of scale to be achieved, which could provide a price advantage that may not be achieved with individual trades.

Although not a usual practice, in the event that AMIS deems it to be necessary or advisable, as well as consistent with its duty to seek best execution for clients, AMIS will block trades.

### ***Item 13 - Review of Accounts***

For those clients to whom AMIS provides investment management services, AMIS monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis. For those clients to whom AMIS provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of AMIS' investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with AMIS and to keep AMIS informed of any changes thereto. AMIS contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom AMIS provides investment advisory services will also receive a report from

AMIS that may include such relevant account and/or market-related information such as an inventory of account holdings and account as clients may request from time to time. Clients should compare the account statements they receive from their custodian with those they receive from AMIS.

Those clients to whom AMIS provides financial planning services will receive reports from AMIS summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by AMIS.

#### ***Item 14 - Client Referrals and Other Compensation***

As noted above, AMIS receives an economic benefit from Fidelity in the form of support products and services it makes available to AMIS and other independent investment advisors that have their clients maintain accounts at Fidelity. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Fidelity's products and services to AMIS is based solely on our participation in the programs and not in the provision of any particular investment advice. Neither Fidelity nor any other party is paid to refer clients to AMIS.

#### ***Item 15 - Custody***

AMIS' Agreement and/or the separate agreement with any *Financial Institution* may authorize AMIS through such *Financial Institution* to debit the client's account for the amount of AMIS' fee and to directly remit that management fee to AMIS in accordance with applicable custody rules.

The *Financial Institutions* recommended by AMIS have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to AMIS. In addition, as discussed in ***Item 13 - Review of Accounts***, AMIS also sends periodic supplemental reports to clients. Clients are urged to carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from AMIS.

#### ***Item 16 - Investment Discretion***

As described above under ***Item 4 - Advisory Business***, AMIS manages most client portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, AMIS will execute that plan without specific consent from the client for each transaction. For these discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving AMIS the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. AMIS then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with AMIS and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between AMIS and the client.

For *non-discretionary* accounts, the client also generally executes an LPOA, which allows AMIS to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between AMIS and the client, AMIS does not implement trading

recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to AMIS' agreement with the client and the requirements of the client's custodian.

***Item 17 - Voting Client Securities***

AMIS does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions* and may contact the firm with any questions by calling the number on the cover of this Disclosure Brochure.

***Item 18 - Financial Information***

AMIS does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, AMIS is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. AMIS has no disclosures pursuant to this Item.



Set forth below is the Summary of Material Changes for AM Investment Strategies, LLC:

<b>Date of Change</b>	<b>Description of Item</b>
June 2018	Item 9 was updated to reflect the result of Mr. Miller's appeal of a FINRA decision. Following the appeal, FINRA's National Adjudicatory Council reduced the original suspension by one year, and reduced the fine by one half. Mr. Miller has not been associated with a broker-dealer subject to FINRA jurisdiction since 2013; therefore, these sanctions have no effect on his advisory business. AMIS is a registered investment adviser, and is not a FINRA member or broker-dealer; consequently, the decision also has no effect on AMIS or its operations.

# **Exhibit A**

**Brochure Supplement**

**Form ADV Part 2B**

**Item 1 - Cover Page**

**Aon D. Miller, CFP®**

**CRD# 3083225**

**of**

**AM Investment Strategies, LLC**

832 Georgia Avenue  
Suite 100  
Chattanooga, Tennessee 37402

(423) 486-1888

[www.amillerinvest.com](http://www.amillerinvest.com)

**June 21, 2018**

This Brochure Supplement provides information about Aon Miller, and supplements the AM Investment Strategies, LLC ("AMIS") Brochure. You should have received a copy of that Brochure. Please contact us at (423) 486-1888 if you did not receive AMIS' Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Aon is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Aon D. Miller (year of birth 1973) is Managing Principal and Portfolio Manager of AMIS. Aon provides clients with personalized financial planning that centers around clients' specific goals and needs by focusing on individual portfolio management, comprehensive investment planning, security trading and retirement planning services. Prior to forming AMIS in 2012, he was a Financial Consultant with Benjamin F. Edwards & Co. (2011-2012) and served as an Investment Adviser Representative with Wells Fargo Advisors (2009-2011), Wachovia Securities (2007-2009), and A.G. Edwards & Sons (1998-2007).

Aon graduated from the University of Tennessee with a degree in Economics. He holds the CERTIFIED FINANCIAL PLANNER™ certification\* from the College for Financial Planning®.

Aon is an active member of several local and regional boards. Some of his positions held include Vice Chairman of the City of Chattanooga General Pension Plan Board of Directors, past president and board member of the Tennessee Golf Association, associate director of the Southern Golf

Association and board member of the Tennessee Golf Foundation and board member and secretary of The Honors Course.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination, experience and ethics requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. A comprehensive examination tests the candidate's ability to apply financial planning knowledge to client situations. Qualifying work experience is also required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process. CFP® professionals must complete 30 hours of continuing education accepted by CFP Board every two years.

### ***Item 3 - Disciplinary Information***

AMIS is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. On December 18, 2015, a FINRA hearing panel issued a decision finding that when Aon was associated with a broker-dealer he participated in certain private securities transactions without providing prior written notice to his then employer as required by certain FINRA rules. The panel ordered a suspension from association with any FINRA member for two years, a fifty thousand dollar fine, and an order to pay costs. Aon appealed the decision on the grounds that he did not violate these rules and/or that the sanctions were too high for various reasons including that he received no compensation or other benefit in connection with the transactions. On appeal, FINRA's National Adjudicatory Council agreed to reduce the suspension by one year and the fine by one half. Aon has not been associated with a broker-dealer since 2013; therefore, these sanctions have no effect on his advisory business. AMIS is a registered investment adviser, and is not a FINRA member or broker-dealer; consequently, the decision also has no effect on AMIS or its operations.

### ***Item 4 - Other Business Activities***

Aon is also a licensed insurance agent with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While AMIS does not sell such insurance products to its investment advisory clients, AMIS does permit Aon, in his capacity as a licensed insurance agent, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that AMIS recommends the purchase of insurance products where Aon receives insurance commissions or other additional compensation.

Other than the sale of insurance products, Aon is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

### ***Item 5 - Additional Compensation***

As stated above, Aon has no other income or compensation to disclose.

***Item 6 - Supervision***

Aon is the Managing Principal of AMIS, and Laura Owsley is a Managing Member and Chief Compliance Officer. Both are Portfolio Managers and serve on the investment committee. Amber Erwin is the firm's Compliance Officer.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

As Compliance Officer, Amber Erwin is responsible for providing compliance oversight to the staff. She also participates as a team member in the investment and trading processes, and may be contacted at (423) 486-1888.

**Brochure Supplement**

**Form ADV Part 2B**

**Item 1 - Cover Page**

**Laura G. Owsley**

**CRD# 4886775**

**of**

**AM Investment Strategies, LLC**

832 Georgia Avenue  
Suite 100  
Chattanooga, Tennessee 37402

(423) 486-1888

[www.amillerinvest.com](http://www.amillerinvest.com)

**June 21, 2018**

This Brochure Supplement provides information about Laura Owsley, and supplements the AM Investment Strategies, LLC ("AMIS") Brochure. You should have received a copy of that Brochure. Please contact us at (423) 486-1888 if you did not receive AMIS' Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Laura is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Laura G. Owsley (year of birth 1976) is a Managing Member, Portfolio Manager and Chief Compliance Officer ("CCO") of AM Investment Strategies, LLC ("AMIS"). Laura is a graduate of Covenant College, where she received a Bachelor of Science in Organizational Management.

She began her career in the financial industry as a client associate. Her position eventually evolved to financial advisor/portfolio manager. After years of experience in the financial services industry, she joined her business partner in forming AM Investment Strategies, LLC. With the formation of AMIS, she has continued her role as a portfolio manager and also accepted the additional responsibility of CCO.

As a portfolio manager, Laura focuses on client account servicing, life insurance and annuity reviews, business account management, portfolio management, and retirement planning. She also works to assist clients in developing a disciplined wealth management process.

Her goal is to have clients live their lives without undue financial sacrifice or overexposure to risk. She believes that careful planning, while being mindful of tax efficiency and diversifications, offers clients the best chance of success at building wealth over time.

As the CCO, she is responsible for administering all of AMIS' compliance procedures and policies.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Laura has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

Laura is also a licensed insurance agent with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While AMIS does not sell such insurance products to its investment advisory clients, AMIS does permit Laura, in her capacity as a licensed insurance agent, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that AMIS recommends the purchase of insurance products where Laura receives insurance commissions or other additional compensation.

Other than the sale of insurance products, Laura is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

### ***Item 5 - Additional Compensation***

Other than as stated above, Laura has no other income or compensation to disclose.

### ***Item 6 - Supervision***

Laura is a Managing Member and Chief Compliance Officer of AMIS, and Aon Miller is the Managing Principal. Both are Portfolio Managers and serve on the investment committee. Amber Erwin is the firm's Compliance Officer.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm.

As Compliance Officer, Amber Erwin is responsible for providing compliance oversight to the staff. She also participates as a team member in the investment and trading processes, and may be contacted at (423) 486-1888.