

SIC Advisors LLC  
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**This brochure provides information about the qualifications and business practices of SIC Advisors LLC. If you have any questions about the contents of this brochure, please contact us at PHONE/EMAIL. 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.**

**Additional information about SIC Advisors LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration does not imply a certain level of skill or training.**

## **Item 2 Material Changes**

As this is the firm's initial Brochure, there are no material changes to report. We will provide a new Brochure as necessary based on changes or new information, at any time, without charge. This Disclosure Brochure may be requested by contacting us at our main number above.

Additional information about SIC Advisors is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website provides information about any persons affiliated with SIC Advisors who are registered, or are required to be registered, as investment adviser representatives of SIC Advisors.

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#### **Item 4 – Advisory Business**

SIC Advisors LLC (“SIC Advisors” or the “Firm”) was established and applied for registration as an Investment Adviser in 2019. James T. Lilly, Jr. is the principal owner and Chief Compliance Officer of SIC Advisors.

SIC Advisors provides advisory services, giving continuous advice based on the client’s individual needs. Through personal discussions in which goals and objectives based upon the client’s personal objectives are established, the firm will develop a personal investment policy based upon an investment objective questionnaire and manage the portfolio according to the criteria. Based on the information initially gathered from the client, SIC Advisors will seek out and present investment recommendations which may include private placements and other limited offerings. All recommendations in limited offerings, including private placements are made on a non-discretionary basis. Investment options will be reviewed, evaluated and presented to the Client, who is ultimately responsible for approving transactions.

Each client has the ability to impose reasonable restrictions on the management of his/her account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. If a client’s instructions are unreasonable or an Investment Advisor Representative believes that the instructions are inappropriate for the client, SIC Advisors will notify the client that, unless the instructions are modified, it will cancel the instructions in the client’s account. A client will not be able to provide instructions that prohibit or restrict the Investment Adviser of an open-end or closed-end mutual fund or ETF with respect to the purchase or sale of specific securities or types of securities within the fund.

As a newly formed Investment Adviser, SIC Advisors has no assets under management. SIC Advisors may manage assets on a discretionary or non-discretionary basis.

#### **Item 5 – Fees and Compensation**

The annual fee for portfolio management services is 1.0% of the assets under management. Fees are negotiable and the specific manner in which fees are charged by the Firm is established in a client’s written agreement. Fees are based on a percentage of assets under management and calculated at an annual rate and billed in arrears on a quarterly basis. Assets in each of the client’s account(s) are included in the fee assessment unless specifically identified for exclusion in writing.

The initial fee is due on the first of the calendar quarter following the day the account is funded. The initial fee will be prorated and based on the number of days starting with the opening date through the last day of the calendar quarter. Thereafter, the quarterly fee is based on the account asset value on the last day of the respective calendar quarter. Termination of the contract will not affect any liabilities or obligations of the parties from transactions initiated before termination of this Agreement or a client's obligation to pay advisory fees in arrears (pro-rated through the date in which termination is effective).

Upon written receipt of notice to terminate its client agreement and unless specific transfer instructions are received, SIC Advisors and its agent will cease advisory services. Should the client provide specific instructions to liquidate, SIC Advisors will proceed with liquidation of the client’s account in an orderly and efficient manner. There will not be a charge by SIC Advisors for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company’s

fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that could affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. SIC Advisors and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

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

SIC Advisors 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**

SIC Advisors provides portfolio management services to corporations and business entities, charitable institutions, foundations, endowments, estates, trusts, and other U.S. and international institutions. The minimum account size is \$5 million. SIC Advisors has the discretion to waive the account minimum.

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

The investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term purchases of stock portfolios, mutual funds and fixed income securities.

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods includes the following:

- Fundamental analysis: The attempt to measure the intrinsic value of a security by looking at economic and financial factors to determine if the company is underpriced or overpriced. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- Technical analysis and charting: The attempt to determine the trend of a security by studying past market data, including price and volume. This presents a potential risk, as the price of a security can change directions at anytime and past performance is not a guarantee of future performance.
- Cyclical analysis: The attempt to identify the industry cycle of a company to determine whether the company is in a market introduction phase, growth phase or maturity phase. Generally projected revenues, growth potential and business risk may fluctuate based on the company's cycle stage.

Information for this analysis is drawn from financial websites and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves a risk that clients must be prepared to bear. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. The investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund can drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations could result in bankruptcy and/or a declining market value.

Investing in new issues and private placements is extremely speculative and includes special risks. Risks vary significantly between depending on the issuer. Investors must carefully review each issuer's offering materials for a more complete set of risk factors specific to an investment, description of the business, operations, and financial condition of an issuer. The risks below include a summary of risk factors, and is not meant to be all inclusive. There are a variety of risk factors typically associated with investing in private placements and similar limited offerings in addition to the general risk factors listed above. These include the following:

- **Investments are Risky and Offer No Guarantee of Success:** All investments bear the risk of partial or complete loss of capital. There is no guarantee that an investment will be profitable.
- **Limited Transferability:** Investments in Private Placements are illiquid investments. Investors may not be able to liquidate their interest in an issuer. Because a variety of restrictions upon the transferability, an investor may be required to retain their investments indefinitely. As a result, prospective investors must understand that there currently is not, and may never be, a market of any kind for the purchase and sale of the interests.
- **Lack of Operating History:** An issuer that engages in a limited offering may be in the early stages of development with a history of little or no revenues and may operate at a loss following the

offering. As such, any projections, forecasts and/or extrapolations are hypothetical and subject to change. Such Issuers are typically subject to the difficulties, uncertainties and risks associated with the establishment of a new business such as manufacturing capability, limited product lines, the existence of more experienced or better capitalized competition, and reliance on a few large suppliers or customers.

- **Forward-Looking Statements:** Issuer materials may contain forward-looking statements. When used in the material, including but not limited to words such as “believe,” “anticipate,” “intend,” “plan,” “seek,” “will be,” “expects,” “estimates,” “projects” and similar expressions identify such forward-looking statements. Such statements regarding future events and/or the future financial performance of an issuer are subject to certain risks and uncertainties which could cause actual events or the actual future results of the Issuer to differ materially from such forward-looking statements. Certain risks include changes in the markets in which the Issuer operates, technological advances, changes in applicable regulations and new entries into the market. In light of the significant risks and uncertainties inherent in the forward-looking statements included herein, the inclusion of such statements should not be regarded as a representation by the issuer or any other person that the objective and plans of the issuer will be achieved.
- **Dilution Risks:** An issuer that operates at a loss or with limited cash flow following a limited offering will generally be required to secure additional financing in order to fund its operation. Subsequent equity offerings could result in dilution of the interests of existing shareholders. To the extent that the issuer incurs indebtedness, the issuer will be subject to certain risks including interest rate fluctuations and inability to generate sufficient cash flow to make scheduled payments. In addition, indebtedness generally ranks prior to the common stock of an issuer for purposes of distributing the issuer’s assets in the event of bankruptcy. There is also the possibility that the issuer will be unable to locate financing on satisfactory terms or may be required to significantly curtail its operations.
- **Dependence on Key Personnel:** An issuer is often highly dependent on the services of key technical and management personnel and loss of their services could have a material adverse effect on the issuer’s business or operations.
- **Proprietary Rights and Licenses:** Because many issuers depend on proprietary and/or licensed technology in their operations, their success is therefore closely related to their ability to obtain and enforce intellectual property protection for such technology. There exists the possibility that certain patents would not be sufficiently broad to protect key aspects of the issuer’s or its licensor’s technology, so that competitors would be able to duplicate the issuer’s products or that patent laws would not provide effective legal or injunctive remedies to prevent infringement. Patents are also frequently challenged, invalidated, or circumvented by competitors; litigation of patent or infringement claims may result in substantial cost and diversion of resources.
- **Business Expansion:** Rapid and substantial demand for products may lead to delays in filling orders and meeting delivery schedules. Such delays, if recurring, can increase the risk that customers will cancel orders and seek to meet all or a portion of their needs from the issuer’s competitors. To the extent that the issuer seeks to expand to meet demand, the costs of doing so may be underestimated.
- **Dependence on Key Suppliers:** Some issuers rely significantly on a limited group of suppliers to obtain product components or materials. If an issuer is unable to obtain sufficient quantities of such components or materials fail to meet specifications, delays or reductions in shipments may result.

- Dependence on a Limited Number of Customers: An issuer's primary customer base may be limited to a small number of customers, loss of any one of which could have a material adverse effect on the issuer's business and financial condition.

#### **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 a client's evaluation of SIC Advisors or the integrity of SIC Advisors' management. SIC Advisors has no information applicable to this Item.

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

SIC Securities LLC "SIC Securities" is affiliated with SIC Advisors through common control and has an application pending with FINRA to be a broker-dealer. Individuals associated with SIC Advisors as an Investment Adviser Representative also intend to be Registered Representatives of SIC Securities. When applicable, these individuals may recommend broker-dealer transactions for advisory clients. All related compensation is separate from advisory services.

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

SIC Advisors 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 SIC Advisors must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of SIC Advisors may buy or sell securities that are recommended to clients. SIC Advisors' employees and persons associated with SIC Advisors are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of SIC Advisors and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for SIC Advisors' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of SIC Advisors 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 not materially interfere with the best interest of SIC Advisors' clients. In addition, the Code requires pre-approval 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. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between SIC Advisors and its clients.

Advisors may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a conflict of interest in that SIC Advisors or its Representatives are in a position to benefit from the sale or purchase of those securities. SIC Advisors' Code of Ethics provides a policy to monitor the personal trading activities and securities holdings of each of the Firm's Representatives or other Access Persons. The Code of Ethics' personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and



review of such trading. These policies are designed to discourage and prohibit personal trading that would disadvantage clients.

SIC Advisors' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Compliance Department at the main number.

#### **Item 12 – Brokerage Practices**

SIC Advisors selects other broker-dealers based on the quality of research, services, products offered, execution, and commission structures. Both discount and full service broker-dealers can be used, but the lowest-cost broker-dealer is not always utilized. SIC Advisors has not entered into any formal soft-dollar arrangements nor does SIC Advisors receive any referrals from broker-dealers available through any custodian or broker-dealer. In recommending a particular broker-dealer for transactions, SIC Advisors endeavors to fulfill its duty to obtain "best execution" for the transactions in clients' accounts. When seeking best execution, the determinative factor is not necessarily the lowest possible transactional cost, but whether the transaction is executed in the most advantageous manner in terms of quality. To assess quality, many factors are evaluated, including competitiveness of price spreads, timeliness of execution and reporting, frequency and correction of trading errors, back office and trade settlement capabilities, and responsiveness to orders and needs.

Clients can benefit when trades are aggregated to obtain volume discounts on execution costs. Trade aggregation refers to the practice of combining orders for execution. SIC Advisors does not aggregate the trades of clients since trading decisions are based on the particular needs of each client. The decision not to aggregate trades means that clients cannot benefit from reduced transactions fees on aggregated trades.

#### **Item 13 – Review of Accounts**

Account performance is reviewed with the client quarterly. As part of the review a report is prepared which includes the performance and credit risk rating of each investment. Factors that are considered during such reviews include, but are not limited to the following: investment objectives, credit risk, market conditions, targeted allocation, current allocation, suitability, performance, and diversification.

The client agrees to inform the firm in writing of any material changes to the information included in the questionnaire or any other change in the client's financial circumstances that might affect the manner in which client's assets should be invested. Clients may contact the firm during normal business hours to consult with the firm concerning the management of the client's account(s).

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

SIC Advisors does not receive an economic benefit by anyone other than the client for providing investment advice and other advisory services.

SIC Advisors, in some instances, compensates third-party solicitors for client referrals. The solicitor's agreements entered into by SIC Advisors comply with Rule 206(4)-3 under the Investment Advisers Act of 1940. Additional solicitor agreements may be initiated, or existing ones terminated at any time. Compensation will be based on a percent of referred clients' account value managed by SIC Advisors. Such fees are paid pursuant to a written agreement between SIC Advisors and the solicitor. A client who is solicited will receive an additional disclosure document specifically describing the arrangement and the compensation paid to the solicitor. Solicitor's fees will be based on SIC Advisors' normal fee schedule; clients will not be charged any additional fees or expenses as a result of the referral.

#### **Item 15 – Custody**

Clients should receive statements at least quarterly from the qualified custodian that holds and maintains their investment assets. SIC Advisors urges clients to carefully review such statements and compare the official custodial records to the account statements that SIC Advisors provides. SIC Advisors statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

SIC Advisors may act in a discretionary or non-discretionary capacity. Typically, the Firm acts in a non-discretionary capacity. In a non-discretionary account, investment options will be reviewed and evaluated and recommendations to buy or sell will be made to the client. Ultimately, the client is responsible for approving all transactions.

If discretionary authority is granted to select the identity and amount of securities to be bought or sold, clients must authorize such discretion in writing in the advisory agreement. In all cases, 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, SIC Advisors observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to SIC Advisors in writing.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, SIC Advisors 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. Clients should contact their financial advisor if they have any questions and/or to obtain this information. Clients will receive their proxies directly from their custodian or transfer agent.

#### **Item 18 – Financial Information**

Registered Investment Advisers are required to provide clients with certain financial information or disclosures about SIC Advisors' financial condition. SIC Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.