

# FIRM BROCHURE – PART 2A OF FORM ADV

**March 2019**

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This brochure provides information about the qualifications and business practices of SGL Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (888) 245-2388 or by email at: [info@sglfinancial.com](mailto:info@sglfinancial.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. Registration does not imply a certain level of skill or training.

Additional information about SGL Financial, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).  
SGL Financial, LLC's CRD number is: 158023.

## ITEM 2: MATERIAL CHANGES

Updated March 2019

### Material Changes:

There have been no changes that would be classified as “material” since our last ADV filing in March of 2018.

### Non-Material Changes:

1) SGL has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Total Amounts:	Date Calculated:
\$74,379,616	\$0	\$74,379,616	03/11/2019

2) SGL has the following assets under advisement:

Discretionary Amounts:	Non-discretionary Amounts:	Total Amounts:	Date Calculated:
\$50,000	\$0	\$50,000	03/11/2019

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## ITEM 4: ADVISORY BUSINESS

### A. Description of the Advisory Firm

SGL Financial, LLC is a Limited Liability Company organized in the state of Illinois. This firm was originally in business from June 2011 through August 2017 as Wealth Financial Advisory Services, LLC. The principal owners are Gabriel Lewit, Steven Lewit, and Steve Thomas.

SGL financial is a fee-based investment management firm, offering asset management, financial planning and consulting services.

**SGL and its advisers provide various services to clients based on a fiduciary standard of client care.**

### B. Types of Advisory Services

SGL Financial, LLC (hereinafter "SGL") offers the following services to advisory clients:

#### ***Investment Advisory/Supervisory Services/Selection of Other Advisers***

SGL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SGL collects risk assessment and investment suitability information and creates an Investment Policy Statement and/or Risk Assessment for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Risk tolerance
- Regular portfolio monitoring
- Sub-Adviser and/or Third Party Money Management Selection

SGL evaluates each client's information and any current investments with respect to their risk tolerance levels, time horizon(s), and stated financial goals and desires. This information is documented in the Investment Policy and Investment Suitability Questionnaire and is used to create an Investment Policy Statement, which is given to each client.

SGL Financial, LLC is a fee-based investment management firm, offering asset management, financial planning and consulting services. SGL's business philosophy is to seek to minimize investment risk through careful diversification and selection of appropriate investment vehicles within each asset class.

SGL, through a dedicated investment adviser representative (sometimes referred to as a financial adviser), offers investment management and/or financial planning services to financially established individuals, high net worth individuals, small businesses, or similar investors. There is a minimum account size of \$50,000, which may be waived at SGL discretion.

Clients' accounts are managed based on their individual financial situations. Each client has the opportunity to select the account's investment objective and to impose reasonable restrictions on the management of the assets in the account.

Clients will be contacted at least annually to determine if there are any changes to their investment goals, objectives, and risk tolerance.

Currently, SGL has significantly researched, vetted, approved, and contracted with Savant Capital, LLC d/b/a Savant Capital Management ("Savant") to provide sub-advisory services to SGL clients. Savant, a Delaware corporation, is an SEC-registered investment adviser. SGL, an Illinois limited liability company, is also an SEC registered Investment Adviser.

As a sub-adviser, Savant provides investment research, investment advisory services and portfolio management services to SGL clients. Savant does not refer clients to SGL and has no economic interest other than the fees that Savant receives for the services provided. These investment advisory services and the fees that Savant receives are fully disclosed in and governed by the sub-advisory agreement between SGL and Savant.

SGL provides clients with an educational market update / investment newsletter on a quarterly basis free of charge. In addition, SGL also may provide a number of additional newsletters and articles, such as a general retirement newsletter, informational client articles and additional content concerning the investment landscape.

#### **Critical factors in developing an appropriate allocation of investment assets:**

SGL helps the client to determine their investment objectives and policies. At SGL's discretion, these objectives may be documented for the client in a Risk Assessment & Investment Suitability Questionnaire and/or an Investment Policy Statement ("IPS"). The following are the major factors SGL considers when recommending and implementing investment recommendations:

- Risk tolerance
- Long-term rate-of-return objective
- Investment time horizon
- Income and liquidity needs
- Tax considerations
- Recommended asset allocation/asset class guidelines
- Limitations on investment holdings
- Client's Current Investment Holdings and Net Worth

Sources of information used to develop investment recommendations may include, but are not limited to, the following:

- Client questionnaire(s) and interview(s)
- Review of client's current portfolio

#### **Investment Policy Statement**

Each investment policy statement ("IPS") will set forth the asset allocation model that SGL and the client have determined to be appropriate. SGL's asset allocation process is typically based on long-term investment time horizons. This is based on SGL's research, which concludes that it is generally not in the investor's best interest to attempt to determine investment security purchase or sale points based on short-term economic information and/or market timing models.

Within the IPS, SGL will provide important information concerning each of the following categories:

- Risk tolerance
- Long-term rate-of-return objective
- Investment time horizon
- Income and liquidity needs
- Tax considerations
- Recommended asset allocation/asset class guidelines
- Frequency of investment policy re-evaluation
- Procedures for selecting and monitoring investments
- Client limitations or restrictions on investment holdings

SGL and the client will review each client portfolio periodically to determine if risk and return objectives or investment policies need revision. There is no charge for revising an IPS.

#### Ongoing Monitoring:

SGL, in consultation with the client, will periodically review each client's portfolio to determine whether risk and return objectives and investment policies need revision as a result of changes in the client's financial circumstances. If revision is necessary, then SGL will amend the IPS with the updated information, forward this information to the chosen sub-adviser or third party money manager, and discuss possible asset allocation or asset class changes.

#### Sub-Advisers:

SGL may engage the services of other independent advisers or third-party money managers ("sub-advisers") to provide specialized advisory services. In such cases, SGL may collect certain financial information regarding clients and make that information available to these sub-advisers.

#### Financial Planning

SGL may provide non-discretionary estate, retirement, and/or financial planning advice to both advisory and non-advisory clients. Advice is based on objectives communicated, either orally or in writing, by the client and/or his or her advisers. Planning advice may be provided through individual consultations and/or a written plan document.

Financial plans and financial planning may include, but are not limited to: investment planning; insurance planning; retirement planning; and debt/credit planning. These services are based on fixed fees or hourly fees and the final fee structure is documented in Exhibit I of the SGL Financial Planning Agreement.

Investment planning: Obtaining a summary of client's investments and assets, analyzing their returns and risks and offering suggestions that would match clients risk profile and goals.

Insurance planning: Involves looking at the specific type of insurance desired, i.e. life insurance or Long Term Care insurance, completing a fact finder for the necessary underwriting information and obtaining quotes

Retirement planning: Looking at most key areas, products, asset allocation, risk versus reward and income. Analyze current insurance coverage and estate planning issues.

Debit/credit planning: Analyze current debt situation, with suggestions on improvement.

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through the investment adviser. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

#### Services Limited to Specific Types of Investments

SGL generally limits its investment advice and/or money management to choosing Sub-Advisers and/or Third Party Money Managers.

#### Electronic Delivery of Documents

SGL may provide all personal financial information, including statements, electronically through e-mail, client portals, or access to the adviser's website. This may include the client's quarterly invoice detailing the calculation of fees (if required by various jurisdictions), any notices, and other communications or disclosures, including SGL's annual offer of the Form ADV Part 2A and/or 2Bs. The client must provide written permission and a valid email address for this purpose. Clients may opt-out of electronic delivery.

### C. Client Tailored Services and Client Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives, and in accordance with any reasonable restrictions imposed by the client on the management of the account.

SGL offers the same suite of services to all its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if SGL feels, in its sole determination, that Client's restrictions will prevent the SGL from providing the services it feels are necessary to fulfill its fiduciary obligations, then SGL may terminate the Adviser / Client relationship.

### D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. SGL does NOT participate in any wrap fee programs.

### E. Amounts Under Management and/or Advisement

SGL has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Total Amounts:	Date Calculated:
\$74,379,616	\$0	\$74,379,616	03/11/2019

SGL has the following assets under advisement:

Discretionary Amounts:	Non-discretionary Amounts:	Total Amounts:	Date Calculated:
\$50,000	\$0	\$50,000	03/11/2019

## ITEM 5: FEES AND COMPENSATION

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

##### **Sub-Adviser/Third Party Money Management Accounts**

SGL's fee for managing client portfolios is based on a percentage of the client's total assets under management or advisement. This fee is payable, in advance, on a quarterly basis. Advisory fees are based on account values as of the end of the previous quarter. Fees are also calculated on a prorated basis for deposits received during the current quarter.

Currently, SGL has significantly researched, vetted, approved, and contracted with Savant Capital to provide sub-advisory services to SGL clients. As a sub-adviser, Savant provides investment research, investment advisory services and portfolio management services to SGL clients. Savant does not refer clients to SGL and has no economic interest other than the fees that Savant receives for the services provided. Clients pay a single fee that includes any fees paid or earned by a sub-adviser.

SGL's fee for managing client portfolios is based on a percentage of the client's total assets under management. SGL Advisers are allowed to set the investment advisory fee for their clients.

The maximum advisory fee is 1.50%. This is a first and last dollar fee, meaning there are no tiered fee structures. The fee is based on attained AUM levels. Advisers are allowed to lower this fee as they see fit subject to a minimum fee that is set by SGL and the selected third-party money manager. The chosen fee will be clearly indicated on Exhibit I of the SGL Client Investment Advisory Agreement.

This fee is payable, in advance, on a quarterly basis. Advisory fees are based on account values as of the end of the previous quarter. Fees are also calculated on a prorated basis for deposits received during the current quarter. Clients may terminate their accounts without penalty within 5 business days of signing the investment advisory agreement. Lower fees for comparable services may be available from other sources.

Because investment advisory fees will be deducted directly from client's accounts, as an SEC registered investment adviser, SGL must:

- 1) Obtain written permissions from the client to directly deduct advisory fees from an account(s) held by a qualified custodian (this will typically be contained in the signed Investment Advisory Agreement and/or contained in the LPOA (limited power of attorney) section of the custodial agreement);
- 2) Verify that the client will receive at least quarterly statements directly from the custodian;

#### **Grandfathered Fee Schedules**

Clients may have, and will continue to be grandfathered under fee schedules and/or agreements that preceded SGL's addition of various sub-advisers, service offerings, or possible acquisitions of other advisory firms and individual advisers. These clients may maintain grandfathered fee schedules. This may result in various fees schedules that are higher or lower than SGL's fee schedule shown in this section. All grandfathered fee arrangements will be fully documented and confirmed in Exhibit I of the SGL Client Investment Advisory Agreement which must be executed by both SGL and the client at the time of engagement.

### *Financial Planning Fees*

#### **Fixed Fees**

The fee for financial planning will be based on the size, scope, and nature of each individual project, and will be determined prior to the commencement of the engagement. The typical fixed base services may range in cost from \$250 to \$5,000.

The client and SGL will agree on whether the planning fees will be paid in advance or in arrears - upon completion of the project. The financial planning relationship will typically end at the time of project delivery unless continue services are discussed and included in the financial planning agreement. More complex projects may require the payment of a retainer prior to the start of the project. The initial retainer will be applied against the final invoice. Final payment is due within 30 days of receipt of the bill which will typically be delivered upon financial plan completion to the client.

However, if completion of the project is delayed (beyond 6 months) because requested information has not been provided, SGL retains the right to progress bill for work that has been performed to date.

A basic financial plan includes an initial consultation meeting whereby SGL's financial adviser typically reviews asset allocation, products, risk, income, IRA's & taxes, estate planning essentials, life insurance and long term care. It would then typically include a review meeting, creation of variations of a financial plan, including an income illustration, plus any other reports and illustrations necessary to assess the client's needs and concerns, all designed to help each client meet the goals that the financial adviser and the client have discussed together in the consultation. SGL and the financial adviser will provide clients with suggestions and possible implementation options. Depending on the client needs and complexity of the situation, a basic financial plan can take approximately 4 – 6 hours or more to complete. Client will be given an estimate of financial planning fees prior to contract execution.

Clients may also purchase separate financial planning services on an a la carte basis at the fees below:

**Investment planning:** Approximately 1 – 2 hours at the hourly rate of \$250.

**Retirement planning:** Approximately 3 – 6 hours at the hourly rate of \$250.

**Insurance planning:** Approximately 1 – 2 hours at the hourly rate of \$250.

**Income planning:** Approximately 1 – 3 hours at the hourly rate of \$250.

All a la carte fees are typically paid in arrears upon completion. The fees are negotiable and the final fee schedule will be attached as Exhibit I of the SGL Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the agreement. Lower fees for comparable services may be available from other sources.

#### **Hourly Fees**

The hourly fee for financial planning or consulting services is \$250 - \$500. For project based or other hourly client services, the client will be given an estimated number of hours and the applicable hourly rate required for the services desired. The actual number of hours needed and the hourly fee will depend on the complexity of the clients' situation and the services requested.

Solely at SGL's and the financial adviser's discretion, a Client may receive a one hour consultation to discuss their current status, their needs, and ask questions.

All clients may not need this consultation and therefore may not be offered this service. Again, this is solely at SGL's and the financial adviser's discretion. This is a no-obligation service at no charge to the client.

All financial planning fees are negotiable and the final fee schedule will be attached as Exhibit I of the Financial Planning Agreement. Fees may be paid in advance and arrears. Clients may terminate their contracts without penalty within five business days of signing the agreement. Lower fees for comparable services may be available from other sources.

## B. Payment of Fees

### *Payment of Investment Supervisory Fees*

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Because client fees will be withdrawn directly from client accounts, as an SEC registered adviser SGL must:

- 1) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
- 2) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the client receives at least a quarterly custodial statement; and

It is highly recommended that the client verifies the accuracy of the fee calculation and that the appropriate fee is deducted from the client's account(s) at the custodian. The client's custodian will not verify the calculation.

Fees are paid quarterly in advance, and clients may terminate their contracts with thirty day's written notice. Any unearned advanced fees will be refunded on a pro-rata basis to the Client.

### *Payment of Financial Planning Fees*

Hourly Financial Planning fees are typically paid in arrears via check or credit card.

Fixed Financial Planning fees are paid in advance or arrears as negotiated via check or credit card. If the Client terminates their agreement before financial planning services are completed, any unearned fees paid in advance will be refunded to the client on a pro-rata basis.

## C. Clients Are Responsible For Third Party Fees

The fees charged by SGL do not include fees charged by any mutual fund or custodian. Clients are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SGL. Please see Item 12 of this brochure for further information regarding the chosen custodian/broker dealer firm.

## D. Prepayment of Fees

SGL requires the prepayment of fees for its asset management services. SGL's fee for managing client portfolios in its asset management programs is based on a percentage of the client's total assets under management or advisement. This fee is payable, in advance, on a quarterly basis. Advisory fees are based on account values as of the end of the previous quarter. Fees are also calculated on a prorated basis for deposits received during the current quarter. Asset management clients may terminate an advisory agreement in writing within thirty (30) calendar days of the date of execution of the agreement and are entitled to a full refund of all fees paid in advance, but not yet earned, excluding custodial and transaction fees charged by third-party custodians or brokerage

firms. Thereafter, an advisory agreement may be terminated by either party upon thirty (30) days' written notice. Unearned quarterly fees will be refunded to the client pro rata on the basis of the days remaining in the calendar quarter. Any refunds due will be paid within ninety (90) days of the date of termination.

## E. Outside Compensation For the Sale of Securities to Clients

In rare occasions SGL may allow Investment Adviser Representatives (IARs) to maintain registrations as registered representatives of various broker-dealer firms. Typically, this would only be allowed for the servicing of legacy Client assets. In this role, these individuals may accept compensation for the sale of securities to SGL's clients.

### I. This is a Conflict of Interest

SGL and its supervised persons may accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds or other securities to its clients. This presents a conflict of interest and gives the supervised person and SGL an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which SGL or its supervised person receives compensation, SGL will document the conflict of interest in the client file and inform the client of the conflict of interest.

### 2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase non-proprietary SGL recommended products through other brokers or agents that are not affiliated with SGL. Commissions are not SGL's primary source of compensation and SGL acts in the best interest of their clients in fulfillment of their fiduciary duty.

### 3. Advisory Fees in Addition to Commissions or Markups

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.



## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

SGL does not charge performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client and therefore has

no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

## ITEM 7: TYPES OF CLIENTS

Currently SGL provides investment advice and/or management supervisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Small Businesses

SGL began in 2016 to also offer investment advice and/or management supervisory services to the following types of clients:

- Pension and Profit Sharing Plans

### **Minimum Account Size**

There is a \$50,000 account minimum which may be waived by SGL.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF INVESTMENT LOSS

SGL typically chooses sub-advisers or third party money managers to manage its client's assets and conducts due-diligence on each of these entities before recommending them to each client. In the very rare instances where SGL directly manages a client's assets, SGL may use the following methods of analysis and investment strategies.

### **A. Methods of Analysis and Investment Strategies**

#### **Methods of Analysis**

**Charting analysis** involves the use of patterns in performance charts. SGL uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

#### **Investment Strategies**

SGL uses long term and short term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

### **B. Material Risks Involved**

#### **Methods of Analysis**

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

#### **Investment Strategies**

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can negatively affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using this strategy.

**Investing in securities** involves a risk of loss that you, as a client, should be prepared to bear.

### **C. Risks of Specific Securities Utilized**

SGL generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Past performance is not a guarantee of future returns.** Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

**ITEM 9: DISCIPLINARY INFORMATION****A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

**B. Administrative Enforcement Proceedings**

There are no administrative enforcement proceedings to report.

**C. Self-regulatory Organization (SR) Enforcement Proceedings**

There are no self-regulatory organization enforcement proceedings to report.

**ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS****A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Currently SGL is not registered as, or has any pending applications to become a broker/dealer firm. SGL IARs may have current registered representative registrations with broker-dealer firms to service legacy client assets with those firms.

**B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither SGL nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

**C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Gabriel Lewit and Steven Lewit are licensed insurance agents. The Lewits also are co-owners of SGL Financial, a retail financial planning and insurance practice which offers planning, wealth management, and insurance products and services directly to clients on a fee or commission basis. Various SGL IARs are also affiliated and may provide college planning services through Plan on College, an independent firm.

SGL is affiliated with SGL Tax Advisory, LLC a firm created to offer tax preparation services to various individuals. Several SGL IARs may also offer tax preparation services through this or other outside business endeavors. From time to time, SGL IARs will offer advisory clients advice or products from these activities. Clients should be aware that these services may pay commissions or have other service fees. These activities can represent a conflict of interest, as commissionable or service fee products can conflict with the fiduciary

duties of a registered investment adviser. SGL Financial, LLC always acts in the best interest of the client; including the sale of commissionable or service fee products to advisory clients. Clients are in no way required to purchase any products or services through any representative of SGL as part of their outside business activities.

All material conflicts of interest under Section 260.238 (k) of the California Corporations Code are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

**D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

SGL may utilize and/or recommend Third Party Money Managers or Sub-Advisers for a portion or all of their client's assets if suitable, appropriate, and in the client's best interest. SGL may use a fee splitting or fee sharing arrangement with these entities, which will be disclosed in the applicable contract between SGL and each third-party adviser. The shared fees will not exceed any limit imposed by any regulatory agency. This represents a conflict of interest as SGL may have an incentive to use entities that share a greater amount of total client fees vs. entities that share a lesser amount. SGL will always act in the client's best interest, including when determining which third party manager to recommend to clients. SGL will ensure that all recommended advisers or managers are licensed or notice filed in the states in which SGL is recommending them to clients.

Currently, SGL has significantly researched, vetted, approved and contracted with Savant Capital to provide sub-advisory services to SGL clients. As a sub-adviser, Savant provides investment research, investment advisory services and portfolio management services to SGL clients. Savant does not refer clients to SGL and has no economic interest other than the fees that Savant receives for the services provided. These investment advisory services and the fees that Savant receives are fully disclosed in and governed by the sub-advisory agreement between SGL and Savant.

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING****A. Code of Ethics**

In accordance with the Advisers Act, SGL has adopted policies and procedures designed to detect and prevent insider trading. In addition, SGL has adopted a Code of Ethics (the "Code"). The Code includes written procedures governing the conduct of SGL's advisory and access persons. The Code also covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts

of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Record keeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

SGL has policies and procedures in place to ensure that the interests of its clients are given preference over those of SGL, its affiliates, and its employees.

For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

## **B. Recommendations Involving Material Financial Interests**

SGL does not recommend that clients buy or sell any security in which a related person to SGL or SGL has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

SGL, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees raise conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which SGL specifically prohibits. SGL has adopted policies and

procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest,
- prohibit front-running, and
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefiting at the expense of a client.

Advisory representatives and employees must follow SGL's procedures when purchasing or selling the same securities purchased or sold for the client.

## **D. Trading Securities At Around the Same Time as Clients' Securities**

SGL, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may affect securities transactions for their own accounts that differ from those recommended or affected for other SGL clients. SGL will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee, or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of SGL to place the clients' interests above those of SGL and its employees.

# **ITEM 12: BROKERAGE PRACTICES**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

In certain instances, and subject to approval by the client, SGL will recommend to clients certain broker-dealers and/or custodians based on the needs of the individual client, taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. These differences are disclosed to advisory clients.

The chosen custodian for SGL clients, TD Ameritrade was chosen by SGL based on their relatively low transaction fees and access to mutual funds and ETFs. SGL will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

Custodians may provide SGL with access to their institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a certain minimum amount of the adviser's clients' assets are maintained in accounts at a particular custodian. These services are not contingent upon SGL committing to a custodian any specific amount of business (assets in custody or trading commissions). The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

SGL investment advisory clients generally pay the custodian a flat fee for custody services and/or trading costs. The custodian may also be compensated by account holders through commissions and other transaction-related or asset-

based fees for securities trades that are executed through the custodian or that settle into the custodian's accounts. Depending on the size of a client account and the actual amount of trading effected, clients who pay the flat fee may be paying more than they would otherwise pay for the same amount of trading if charged a transaction-based or asset-based fee. SGL provides guidance so that client costs may be minimized.

### **I. Research and Other Soft-Dollar Benefits**

SGL receives research, products, or services other from its broker-dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that SGL must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for SGL to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker/dealers to clients is best execution. SGL always acts in the best interest of the client and will adhere to its fiduciary duty to each client, including in all custodial dealings.

### **2. Brokerage for Client Referrals**

SGL receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **3. Clients Directing Which Broker/Dealer/Custodian to Use**

SGL will not allow clients to direct SGL to use a specific broker-dealer to execute transactions. Clients must use SGL recommended custodian (broker-dealer). By requiring clients to use our specific custodian, SGL may be unable to achieve most favorable execution of client transactions and this may cost clients' money over using a lower-cost custodian. When referring clients to dealers, this entity will only refer clients to dealers registered in states where clients reside.

## B. Aggregating (Block) Trading for Multiple Client Accounts

SGL maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing SGL the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## ITEM 13: REVIEWS OF ACCOUNTS

### A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client's accounts that are placed with sub-advisers and/or third party money managers will be reviewed based on the policies of this third party. Each client account is reviewed periodically, as clients request, or as specified in the client's IPS by an investment adviser representative of SGL. Reviews include an inspection of portfolio holdings, change in account values, and actual allocation of the account as compared to the recommended allocation. Reviews may be conducted by any of SGL's financial advisers. They are the chief advisers and are instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at SGL are assigned to these reviewers.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by the investment adviser representative of the SGL.

### B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian, a written report or statement that details the client's account including assets held and asset value which will come from the custodian.

SGL will also typically provide a quarterly Client Account Snapshot Report that will detail client assets and provide performance information.

At the Adviser's sole option, after discussing and determining Client's needs, Client may be provided a one-time, no cost, no-obligation, financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

At the Clients direction, all of these reports will be delivered electronically or in hard copy format.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

### A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

The custodian chosen by SGL and its clients may make available to SGL other products and services that benefit SGL but may not directly benefit all of SGL's clients' accounts. Many of these products and services may be used to service all or some substantial number of SGL's accounts. Some of these other products and services assist SGL in managing and administering clients' accounts. These include software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- provide research, securities pricing information, and other market data
- facilitate payment of SGL's fees from its clients' accounts
- assist with back-office functions, record keeping, and client reporting

These custodians also make available to SGL other services intended to help SGL manage and further develop its business enterprise and client relationships. These services may include

- consulting
- publications and conferences on practice management
- information technology
- business succession
- regulatory compliance
- marketing

### B. Compensation to Non-Advisory Personnel for Client Referrals

SGL receives solicitor compensation for a very limited number of accounts for clients who are direct clients of Savant Capital. These clients were referred to Savant prior to SGL's registration and Savant has agreed to pay solicitor fees on these accounts.

SGL occasionally may use solicitors to refer advisory clients. These solicitors are compensated by receiving a portion of the advisory fees paid by the client to SGL. However, clients are never required to pay more for the fact that a solicitor was paid for their referral to a SGL IAR.

All solicitors must sign a separate solicitation agreement with SGL that is

pursuant to Rule 201(4)-3 of the Investment Advisers Act of 1040. Clients are also provided with, and must sign, a copy of a Solicitor Disclosure Document that clearly details what the solicitor can and cannot do and details the potential compensation that the solicitor might earn if the client becomes a SGL advisory client. Clients are also given a copy of this SGL ADV 2A document before, or at the time they are solicited.

## ITEM 15: CUSTODY

SGL, with client written authority, has limited custody of client's assets through direct fee deduction of SGL's fees only. Because client fees will be withdrawn directly from client accounts, as an SEC registered investment adviser, SGL must:

- 1) Obtain written permissions from the client to directly deduct advisory fees from an account(s) held by a qualified custodian (this will typically be contained in the signed Investment Advisory Agreement and/or contained in the LPOA (limited power of attorney) section of the custodial agreement);

- 2) Verify that the client will receive at least quarterly statements directly from the custodian;

Constructive custody of all client's assets and holdings is maintained primarily at the TD Ameritrade. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## ITEM 16: INVESTMENT DISCRETION

SGL may manage accounts on both a discretionary and nondiscretionary basis. For those clients' accounts where SGL provides ongoing supervision, SGL requests written discretionary authority over the client's accounts with respect to sub-advisers or third party money management selection; asset allocations within sub-advisers or third party money manager accounts; securities to be

bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides SGL discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

## ITEM 17: VOTING CLIENT SECURITIES (PROXY VOTING)

SGL will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security. Sub-Advisers and/or third party money managers chosen may have their own

policies and procedures concerning the voting of client securities proxies. These policies and procedures will be fully disclosed on the sub-advisers' or third party money managers' disclosure information which will be provided to each client.

## ITEM 18: FINANCIAL INFORMATION

### A. Balance Sheet

SGL does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SGL nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### C. Bankruptcy Petitions in Previous Ten Years

SGL has not been the subject of a bankruptcy petition in the last ten years.