

# Form ADV Part 2A

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## Item 1 INTRODUCTION

### SGL Investment Advisors, Inc.

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283 W. Front Street, Suite 302  
Missoula, MT 59802

406-721-0999 / 800-823-8234

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

May 2019

This Brochure provides information about the qualifications and business practices of SGL Investment Advisors, Inc. (SGLIA). If you have any questions about the contents of this Brochure, please contact our office at 800-823-8234. The information provided 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 SGLIA, and person's affiliated with SGLIA who are registered or required to be registered, as Investment Advisor Representatives, can be found on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search by using our CRD number 145167.  
(The CRD number is a specific identifier of our firm)

SGLIA is a registered Investment Advisor. Registration of an Investment Advisor does not imply any specific level of skill or training.

## Item 2 MATERIAL CHANGES

Regulations require that we disclose material changes in our Brochure and provide that information to our customers. You will be provided a summary of any material changes within 120 days of the close of the business' fiscal year of June 30<sup>th</sup> if applicable. Any future changes will be noted in this section and will reference the date of our last annual update to the Brochure. You can request a copy of our Brochure by contacting our Compliance/Operations department either by telephone or in writing to the address or phone number listed on the cover page of this disclosure

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May 1, 2019

document.

SGLIA makes the following disclosure:

Accounts are typically held with Schwab Advisory Services. In certain circumstances we may recommend the services of RBC or other clearing firms. Our recommendations are based on the services they can provide to our customers that allow us to do a better job in servicing your account.

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## Item 4 ADVISORY BUSINESS

SGLIA has been an Investment Advisor since 2005. Prior to 2005, advisor services were provided by its affiliated broker dealer S.G. Long & Company. SGLIA and SG Long & Company are wholly owned by a parent corporation, SGL Financial Services Corp. SG Long Financial Services, Corporation is an employee owned entity based in Montana.

SGLIA offers/sponsors a wrap program for its' clients. The supplemental Wrap Program Brochure provides information about the qualifications and business practices of SGL Investment Advisors, Inc. (SGLIA).

Our Investment advisory services include:

- A comprehensive evaluation of your portfolio, investment strategy, and risk tolerance.
- Education on investing and portfolio planning.
- Assistance with drafting your Investment Policy Statement which is the guideline you provide, review and approve for us to utilize in the management of your portfolio.
- In exceptional circumstances, we can allow a deviation from the basic model to accommodate a client's request to restrict a specific security or type of securities.
- Ongoing monitoring of your investment results and account performance.
- Execution of trades on a discretionary basis, SGLIA does not manage accounts on a non-discretionary basis.

As of December 31, 2018, SGLIA has assets under management of \$131,754,890 all managed on a discretionary basis. Our advisory services are tailored to meet the individual needs of our customers and we offer several investment models to meet that demand.

## Item 5 FEES AND COMPENSATION

**Fees for Portfolio Management Services** – (see fee schedule below)

Annual fees are calculated and charged quarterly as a percentage of assets under management. When breakpoints are met, the percentage is charged on the total account value (the fees are not "stratified"). Fees are due in advance and are normally deducted directly from the account. For new accounts fees are pro-rated and due at the time the account is established.

SGLIA does not receive compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

### **Private Client Services**

Designed for clients whose primary objective is growth, total return, or capital preservation. Accounts will be actively managed according to the risk profile indicated on their advisory agreement. There is typically a \$250,000 minimum investment required for this type of account.

The annual fees for the accounts are detailed below:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 – \$1.5 million	1.5%
\$1.5 million to \$2.5 million	1.375%
\$2.5 million to \$5 million	1.25%
\$5 million to \$7.5 million	1.15%
\$7.5 million to \$10 million	1.00%
\$10 million to \$15 million	0.85%
\$15 million to \$25 million	0.75%
\$25 million & above	0.65%

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### **Income Portfolio Services**

Designed for clients whose primary objective is income. Accounts will be actively managed, but turnover may be lower than Private Client Services portfolio. There is typically a \$250,000 minimum investment required for this type of account. The annual fees for the accounts are detailed below:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 to \$10 million	.75%
\$10 million to \$25 million	.65%
\$25 million and above	.55%

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### **Non-Profit Portfolio Services**

Designed strictly for non-profit organizations. There is typically a \$250,000 minimum investment for this type of account. The annual fees for these accounts are as detailed below:

<u>Assets Under Management</u>	<u>Annual Fee</u>	<u>Income Portfolio</u>
0 – \$1 million	1.0%	0.75%
\$1 million to \$10 million	.75%	0.50%
\$10 million to \$25 million	.65%	0.40%
\$25 million and above	.55%	0.30%

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### **Termination**

Clients have the option of terminating their management relationship at any time during the billing period. Investment advisory fees will be prorated and refunded upon termination.

## **Item 6 PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

SGLIA does not charge performance based fees. Fees will increase or decrease based on

a client's total assets under management.

## **Item 7 TYPES OF CLIENTS**

Investment Advisory services are typically provided for individuals, trusts, retirement plans, high net-worth individuals, charitable organizations, municipalities, and corporations.

## **Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

SGLIA offers a variety of diversified portfolios. We utilize asset allocation models that employ a methodology to determine appropriate securities based on each customer's individual investment objective and risk tolerance. Our specialists combine a macro-economic analysis with a company specific review to identify securities that we expect to outperform their peer group and/or the market as a whole. Within each of its composite models, individual portfolios are evaluated on a periodic basis to ensure they are performing in a manner similar to the composite model in which they participate.

\*Disclosure: Investing in securities involves a certain amount of risk of loss that clients should be aware of and prepared to bear. The inherent risks involved in such an approach include the risk of unexpected or unanticipated events adversely influencing the securities selected by SGLIA, the risk that capital markets may not perform as anticipated, in addition to the risk that SGLIA incorrectly analyzes one or all of the variables involved in the business mix of the companies in which we invest.

## **Item 09 DISCIPLINARY INFORMATION**

SGLIA has no legal or disciplinary events to disclose.

## **Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

SGLIA is a Registered Investment Advisory firm that has officers, directors, management, and staff personnel who are also associated with its affiliated broker dealer, SG Long & Company, as well as with its parent corporation, SG Long Financial Services, Corp. SG Long Financial Services, Corp is an employee owned and operated company. We are required to inform our clients that this employee/owner relationship creates an inherent conflict of interest in that the common ownership can inure to the benefit of some of these individuals. In addition, all three corporations share a physical location.

SGLIA may recommend that clients establish brokerage accounts with the RBC or Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), registered broker dealers, members of SIPC, to maintain custody of our clients' assets and to effect trades in their accounts. The final decision to custody assets with Schwab or RBC is at the discretion of our clients, including those accounts under ERISA or sponsor, or IRA rules of regulations, in which case the client is acting as either the plan sponsor or the IRA holder. SGLIA is an independently owned and operated firm and is not affiliated with Schwab or RBC. Schwab provides SGLIA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisor on an unsolicited basis, at no charge to them so long as

a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's servicers include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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.

Schwab also makes available to SGLIA other products and services that benefit SGLIA but may not benefit its clients' accounts. These benefits may include national, regional or SGLIA specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of SGLIA by Schwab Advisor Services personnel including meals, invitation to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist SGLIA in managing and administering clients' accounts. These include software and other technology (and related technology training) that provide access to client account data (such as trade confirmation and account statements), facilitate trader execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of SGLIA's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of SGLIA's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to SGLIA other services intended to help SGLIA to manage and further develop its business enterprise. These may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services or pay all or part of the fees of a third-party providing these services to SGLIA. While, as a fiduciary, SGLIA endeavors to act in its clients' best interests, SGLIA's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to SGLIA of the availability of some of the foregoing products and services and other arrangement and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## **Item 11 CODE OF ETHICS**

SGL Investment Advisors, Inc. (SGLIA) adopted a Code of Ethics reasonably designed to prevent fraud by reinforcing fiduciary principles that govern the conduct of our advisory firm and its personnel. Our intent is to promote an atmosphere of honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. It is our goal to assure that all employees understand the importance of their responsibilities to the client and to set forth standards for compliance with this responsibility. A copy of the SGLIA Code of Ethics will be provided to any client or prospective client upon written request to our Compliance Department at 283 W. Front Street, Suite 302, Missoula, MT 59802.

## Item 12 BROKERAGE PRACTICES

SGL Investment Advisors, Inc. does not have the discretionary authority to determine the broker dealer to be used. Our clients must direct us as to the broker dealer to be used. However, SGL Investment Advisors usually advises clients to direct SGL Investment Advisors to place trades through Schwab Advisory Services and sometimes RBC in certain circumstances. Not all brokerage firms recommend transaction execution to an individual broker dealer.

SGL Investment Advisors has evaluated Schwab Advisory Service along with RBC and believes that both will provide our clients with a blend of execution services and professionalism that will assist SGL Investment Advisors in meeting its fiduciary obligations to clients. SGL Investment Advisors reserves the right to decline acceptance of any client account where the client directs the use of a broker dealer if SGL Investment Advisors believes that this choice may hinder its fiduciary duty to the client and/or its ability to service the account. Clients should note, while SGL Investment Advisors has reasonable belief that Schwab Advisory Service or RBC is able to obtain best execution and competitive prices, SGL Investment Advisors will not be independently seeking best execution price capability through other broker dealers. If a client directs SGLIA to place trades through another Broker Dealer or clearing firm, the client will be responsible for all transaction costs related to that accommodation. Our clients should be aware that by directing transaction with another broker dealer, he/she may not achieve the most favorable execution of transactions and this practice may cost the client more money to execute.

SGLIA as a matter of practice buys and sells “blocks” of securities in an “average price account” and allocates the purchase among its clients. This allows our customer’s accounts to receive comparable pricing.

Occasionally, a transaction for a security in your Investment Advisory account may also be transacted in the account of an associated person or his/her immediate family. This creates a conflict of interest. It is our policy that transactions of this nature are typically completed in our Investment Advisory accounts, before transaction in related parties accounts can be completed. Should our related parties execute a transaction at a better market price simultaneously with that of our clients, we will adjust pricing so our customers receive an equally beneficial or better price. Whenever possible, we request transactions in the same security are not transacted by related persons on the same day as those transacted in client accounts.

## Item 13 REVIEW OF ACCOUNTS

The money managers and investment team members typically meet on a weekly basis to review selected accounts and discuss strategies. Client statements are reviewed by senior money managers, Susan Williams and/or Scott Long, or their designees prior to each quarterly mailing to the customers. Quarterly statements include an asset summary statement, allocation analysis, performance review/analysis, and an index comparison. Clients will also receive a statement from the custodian Schwab Advisory Services no less than quarterly. Clients should carefully review and compare their statements to those received from SGL Investment Advisors, Inc. and Schwab Advisory Services. Please notify our compliance department immediately of any discrepancies. You

may send inquiries to Operations/Compliance, 283 W. Front Street, Suite 302, Missoula, MT 59802.

#### **Item 14 CLIENT REFERRALS AND OTHER COMPENSATION**

SGL Investment Advisors, Inc. does not seek investment advice or compensate other entities for advisory services to our customers.

Financial Advisors with S.G. Long & Company commonly refer customers to SGL Investment Advisors, Inc. and further act in the capacity of an ongoing relationship manager. The relationship manager refers the customer and functions as a contact person to assist customers with questions about the services provided by the Investment Advisory firm. The relationship managers are registered individuals and receive compensation based on a percentage of the fees collected by SGL Investment Advisors, Inc.

SGL Investment Advisors, Inc. and S.G. Long & Company are under the common ownership of SG Long Financial Services, Corp. The officers, directors, and many of the employees work for both firms in some manner and may receive compensation in some form purely due to the nature of the relationship.

#### **Item 15 CUSTODY**

Customer accounts are typically held by Schwab Advisory Services and/or RBC. SGL Investment Advisors, Inc. does not maintain physical custody of client assets. Typically clients authorize SGLIA to collect fees from their account. In that circumstance, SGLIA sends an invoice for payment to the qualified custodian who debits the customer account. Due to the ability of SGL Investment Advisors, Inc. to request direct debits for payment of fee it is considered to have custody from a regulatory standpoint.

#### **Item 16 INVESTMENT DISCRETION**

SGL Investment Advisors has discretion on all customer accounts participating in its management services. Customers are informed and agree upon the use of discretion as outlined in their account application for services. SGL Investment Advisors, Inc. does not accept or manage accounts on a non-discretionary basis.

#### **Item 17 VOTING CLIENT SECURITIES**

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of our clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. Customers will receive their proxies via mail directly from Schwab Advisory Services. If a customer has a specific question regarding the voting of proxies, they should contact our Operations/Compliance Department for further information.

#### **Item 18 FINANCIAL INFORMATION**

Registered investment advisors are required, under certain conditions, to provide you with financial information or disclosures about our financial condition. SGL Investment Advisors, Inc. does not have any required disclosures to report. The firm has no financial commitments that would



impair our ability to meet contractual and fiduciary commitments to our clients and has not been the subject of a bankruptcy proceeding.

## Item 1: SGL INVESTMENT ADVISORS, INC.

283 W. Front Street Suite 302  
Missoula, MT 59802  
406-721-0999 or 800-823-8234  
[www.sglinvestmentadvisors.com](http://www.sglinvestmentadvisors.com)



### Part 2B of Form ADV: Brochure Supplement

May 2019

This brochure supplement provides information about our investment team and supplements the SGL Investment Advisors brochure. You should have received a copy of that brochure. Please contact your advisor or our compliance department if you have any questions about the contents of this supplement. Additional information about our team is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

#### Meet our Investment Professionals:

Scott G. Long – Susan E. Williams – Tom Kerr – Joshua Denney – Kim Smith – Zach Carvalho

## Item 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Scott G. Long** – 65, Scott has more than 32 years of experience in the financial services industry. He is a Senior Portfolio Manager, President, and the Chief Compliance Officer of SGLIA.

**Education:** Scott holds a B.A. in history and a B.S. in political science from Dallas Baptist University, Dallas, Texas (1974); and a M.A. in history from the University of Montana, Missoula (1981).

**Susan E. Williams** – 50, Susan has more than 22 years of experience in the financial services industry. She is a Senior Portfolio Manager and Secretary of SGLIA.

**Education:** Susan has a B.S. in Economics from Lafayette College, Easton, Pennsylvania (1987).

**Joshua Denney** – 39, Josh has more than 18 years of experience in the financial services industry. He is a registered Financial Advisor with SGLIA.

**Education:** Josh has a B.S. in Finance, with high honors, from the University of Montana (2006).

**Kim Smith** – 57, Kim has more than 18 years of experience in the financial services industry. She is the Operations Manager and a Compliance Officer with SGL Investment Advisors, Inc.

**Education:** Kim studied Business Administration at the University of Montana.

**Zach Carvalho** – 24, Zach has more than 2 years of experience in the financial services industry. He is a Research Associate with SGLIA.

**Education:** Zach joined SGLIA as an intern prior to his graduation with a B.S. in finance from the University of Montana, Missoula (2014).

### **Definitions of terms:**

**CFA** – The **Chartered Financial Analyst (CFA)** Program is a professional credential offered internationally by the American-based [CFA Institute](#) (formerly the Association for Investment Management and Research, or AIMR) to investment and financial professionals. A candidate who successfully completes the study program, passes 3 levels of annual testing, and meets other professional requirements is awarded the "CFA charter" and becomes a "CFA charterholder".

**Chief Compliance Officer** – A Supervisory designation that requires one or more “Principal” registrations, in addition to a General Securities registration (Series 7).

**Financial Advisor** – a FINRA registration (Series 65, or equivalent) requires testing and ongoing CE to qualify.

**Financial Analyst Principal** - a FINRA registration (Series 86/87, or equivalent) requires testing and ongoing CE to qualify.

**General Principal (Series 24), Municipal Principal (Series 53), SROP/CROP Options Principal (Series 4)** – Supervisors of the affiliated broker-dealer must qualify through specific registration testing in each area they are designated as a Supervisor to oversee activities of others. These are “Principal” designations and are required for Supervisory personnel. FINRA principal registrations (Series 24, 53, 4), typically require a prerequisite General Securities Registration (Series 7), and specific testing materials for each Principal designation, in addition to ongoing CE.

**Registered Representative** - a FINRA registration (Series 7) requires testing and ongoing CE to qualify.

**Research Associate** – title given for employees whose primary focus is on research and evaluation of securities.

**Senior Portfolio Manager** – title given to more experienced financial advisors.

### Item 3: DISCIPLINARY INFORMATION

There are no disciplinary notifications for any of the members of our investment team. You can access information regarding these team members at BrokerCheck, [www.finra.org/brokercheck](http://www.finra.org/brokercheck)

### Item 4: OTHER BUSINESS ACTIVITIES

**Scott G. Long** – Scott is the Chairman of the Board for SGL Financial Services, Corp (the parent company of SGLIA). He is also a General Principal, Registered Financial Advisor, Registered Representative and a registered Financial Analyst Principal with SG Long & Company a subsidiary broker-dealer. Scott was one of two original founders of SG Long & Company in 1986.

**Susan E. Williams** – Susan is the Secretary of SGL Financial Services, Corp (the parent company of SGLIA). She is also the President, a General Principal, a Registered Financial Advisor and a Registered Representative of SG Long & Company (affiliated broker-dealer).

**Tom Kerr** – Tom is a Registered Financial Advisor and a Registered Representative with SG Long & Company (affiliated broker-dealer).

**Joshua Denney** – Josh is a Registered Financial Advisor, a Registered Financial Analyst Principal, and a Registered Representative with SG Long and Company (affiliated broker-dealer).

**Kim Smith** - Kim is a Registered Representative and a Registered Financial Advisor. She also serves as the Chief Compliance Officer, Municipal Principal, SROP/CROP Options Principal, and Operations Manager for SG Long & Company (affiliated broker-dealer).

**Zach Carvalho** – Zach is a Registered Financial Advisor and a Registered Representative with SG Long & Company.

All members of the SGLIA team are registered with our affiliated broker-dealer, SG Long and Company and may receive additional compensation for securities activities in that entity. In addition, SGL Financial Services, Corp is an employee owned entity and members of the SGLIA team may have common ownership and receive compensation indirectly from this entity.

### Item 5: Additional Compensation

Bonuses may be paid to salaried employees based on the number of sales, new accounts, or other employee performance goals.

### Item 6: Supervision

SGL Investment Advisors has adopted various procedures to implement the firm's policy, conduct reviews of internal controls to monitor and ensure the firm's supervision policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- designation of a Chief Compliance Officer as responsible for implementing and monitoring the firm's compliance policies and procedures; periodic Compliance Meetings and on-going and targeted compliance training;
- procedures for screening the background of potential new employees;
- initial training of newly hired employees about the firm's compliance policies;
- adoption of these written policies and procedures with statements of policy, designated persons responsible for the policy and procedures designed to implement and monitor the firm's policy;
- annual review of the firm's policies and procedures by a Compliance Officer and senior management;
- annual reviews of employees' activities, *e.g.*, outside business activities, personal trading, etc., are conducted;
- annual written representations by employees as to understanding and abiding by the firm's policies;
- supervisory reviews and sanctions for violations of the firm's policies or regulatory requirements.

# Form ADV Part 2A

## Appendix 1 of Form ADV: Wrap Fee Program Brochure

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### Item 1 COVER PAGE

## SGL Investment Advisors, Inc.

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283 W. Front Street, Suite 302  
Missoula, MT 59802

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

May 2019

SGLIA offers/sponsors a wrap program for its clients. This Wrap Program Brochure provides information about the qualifications and business practices of SGL Investment Advisors, Inc. (SGLIA). If you have any questions about the contents of this Brochure, please contact our office. The information provided 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 SGLIA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). SGLIA is a registered Investment Advisor. Registration of an Investment Advisor does not imply any specific level of skill or training.

### Item 2 MATERIAL CHANGES

Regulations require that we disclose material changes in our Brochure and provide that information to our customers. You will be provided a summary of any material changes within 120 days of the

close of the business' fiscal year of June 30<sup>th</sup> if applicable. Any future changes will be noted in this section and will reference the date of our last annual update to the Brochure. You can request a copy of our Wrap Fee Program Brochure by contacting our Compliance/Operations department either by telephone or in writing to the address or phone number listed on the cover page of this disclosure document.

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## Item 4 SERVICES, FEES AND COMPENSATION

SGL Investment Advisors, Inc. is the sponsor of a wrap fee program. Our wrap fee program allows you to pay a single fee that covers advisory services, trade execution, custody and other standard brokerage services.

A. Our Investment advisory services include:

- A comprehensive evaluation of your portfolio, investment strategy, and risk tolerance.
- Education on investing and portfolio planning.
- Assistance with drafting your Investment Policy Statement which is the guideline you provide, review and approve for us to utilize in the management of your portfolio.
- In exceptional circumstances, we can allow a deviation from the basic model to accommodate a client's request to restrict a specific security or type of securities.
- Ongoing monitoring of your investment results and account performance.
- Execution of trades on a discretionary basis, SGLIA does not manage accounts on a non-discretionary basis.

**Fees for Portfolio Management Services – (see fee schedule below)**

Annual fees are calculated and charged quarterly as a percentage of assets under management. When breakpoints are met, the percentage is charged on the total account value (the fees are not "stratified"). Fees are due in advance and are normally deducted directly from the account. For new accounts fees are pro-rated and due at the time the account is established. Fees are non-negotiable and are assessed as per the schedules below. Portfolio managers are salaried employees and are not compensated based on account fees.

**Private Client Services**

Designed for clients whose primary objective is growth, total return, or capital preservation. Accounts will be actively managed according to the risk profile indicated on their advisory agreement. There is typically a \$250,000 minimum investment required for this type of account. The annual fees for the accounts are detailed below:

**Assets Under Management Annual Fee**

\$0 – \$1.5 million	1.5%
\$1.5 million to \$2.5 million	1.375%
\$2.5 million to \$5 million	1.25%
\$5 million to \$7.5 million	1.15%
\$7.5 million to \$10 million	1.00%
\$10 million to \$15 million	0.85%
\$15 million to \$25 million	0.75%
\$25 million & above	0.65%

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**Income Portfolio Services**



Designed for clients whose primary objective is income. Accounts will be actively managed, but turnover may be lower than Private Client Services portfolio. There is typically a \$250,000 minimum investment required for this type of account. The annual fees for the accounts are detailed below:

Assets Under Management Annual Fee

\$0 to \$10 million .75%

\$10 million to \$25 million .65%

\$25 million and above .55%

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#### **Non-Profit Portfolio Services**

Designed strictly for non-profit organizations. There is typically a \$250,000 minimum investment for this type of account. The annual fees for these accounts are as detailed below:

Assets Under Management Annual Fee

0 – \$1 million 1.0%

\$1 million to \$10 million .75%

\$10 million to \$25 million .65%

\$25 million and above .55%

- 
- B. Participation in a wrap program may cost more or less than purchasing securities individually depending on market conditions, trade frequency and additional advisory services.

Clients in this program may incur additional fees not covered. These could include fees charged by broker-dealers other than Schwab for transaction in your account if SGLIA uses Schwab's Prime Brokerage or Trade Away Services. Additional fees could include items such as margin costs, charges imposed directly by a mutual fund company or exchange traded fund, deferred sales charges, odd-lot differentials, foreign securities taxes or transfer fees, wire transfer and electronic fund fees, regulatory fees, unrelated business income tax, and other fees and taxes on brokerage accounts and securities transactions. SGLIA does not charge its' clients higher advisor fees based on their trading activity. We pay Schwab a single asset-based fee in lieu of transaction-based commissions on certain assets in your account(s) at Schwab, including stocks and bonds.

- C. SGLIA compensates other financial advisors for recommendations to this wrap program. Persons recommending this program may receive more or less compensation for such recommendations than they would if securities were purchased individually. This could potentially create a financial incentive to recommend this program over other options.

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## **Item 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

Investment Advisory services are provided for individuals, trusts, retirement plans, high net-worth individuals, charitable organizations, and corporations. There is typically a \$250,000 minimum to open new accounts within this program.

## Item 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

SGL does not outsource for services of portfolio managers. Accounts are managed by our internal team of experts based on the model specifically chosen by the client. Account performance is GIPS verified by Absolute Performance Verification, an independent third party, on a bi-annual basis.

## Item 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Our portfolio managers rely on the information provided by our clients on the new account form and through personal contact. The ability to effectively service the accounts is dependent on the information provided.

## Item 8 CLIENT CONTACT WITH PORTFOLIO

There are no restrictions regarding client contact with portfolio managers or the service team. Portfolio managers are available to meet with clients to discuss their individual portfolios by scheduling an appointment either by telephone or in person.

## Item 09 OTHER INFORMATION

**Disciplinary Information** - SGLIA has no legal or disciplinary events to disclose.

### **Other Financial Industry Activities and Affiliations**

The firm is a Registered Investment Advisory firm that has officers, directors, management, and staff personnel who are also associated with its affiliated broker dealer, SG Long & Company, as well as with its parent corporation, SG Long Financial Services, Corp. SG Long Financial Services, Corp is an employee owned and operated company. We are required to inform our clients that this employee/owner relationship creates an inherent conflict of interest in that the common ownership can inure to the benefit of some of these individuals. In addition, all three corporations share a physical location.

SGLIA may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker dealer, member SIPC, to maintain custody of our clients' assets and to effect trades in their accounts. Or, in some circumstances we may recommend RBC. The final decision to custody assets with either is at the discretion of our clients, including those accounts under ERISA or sponsor, or IRA rules of regulations, in which case the client is acting as either the plan sponsor or the IRA holder. SGLIA is an independently owned and operated firm and is not affiliated with Schwab. Schwab provides SGLIA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisor on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's servicers include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses

and reports, 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.

Schwab also makes available to SGLIA other products and services that benefit SGLIA but may not benefit its clients' accounts. These benefits may include national, regional or SGLIA specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of SGLIA by Schwab Advisor Services personnel including meals, invitation to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist SGLIA in managing and administering clients' accounts. These include software and other technology (and related technology training) that provide access to client account data (such as trade confirmation and account statements), facilitate trader execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of SGLIA's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of SGLIA's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to SGLIA other services intended to help SGLIA to manage and further develop its business enterprise. These may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services or pay all or part of the fees of a third-party providing these services to SGLIA. While, as a fiduciary, SGLIA endeavors to act in its clients' best interests, SGLIA's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to SGLIA of the availability of some of the foregoing products and services and other arrangement and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

**Code of Ethics** - SGL Investment Advisors, Inc. (SGLIA) adopted a Code of Ethics reasonably designed to prevent fraud by reinforcing fiduciary principles that govern the conduct of our advisory firm and its personnel. Our intent is to promote an atmosphere of honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. It is our goal to assure that all employees understand the importance of their responsibilities to the client and to set forth standards for compliance with this responsibility. A copy of the SGLIA Code of Ethics will be provided to any client or prospective client upon written request to our Compliance Department at 283 W. Front Street, Suite 302, Missoula, MT 59802.

**Review of Accounts** - The money managers and investment team members typically meet on a weekly basis to review selected accounts and discuss strategies. Client statements are reviewed by senior money managers, Susan Williams and/or Scott Long, or their designees prior to each quarterly mailing to the customers. Quarterly statements include an asset summary statement, allocation analysis, performance review/analysis, and an index comparison. Clients will also receive a

statement from the custodian Schwab Advisory Services no less than quarterly. Clients should carefully review and compare their statements to those received from SGL Investment Advisors, Inc. and Schwab Advisory Services. Please notify our compliance department immediately of any discrepancies. You may send inquiries to Operations/Compliance, 283 W. Front Street, Suite 302, Missoula, MT 59802.

**Client Referrals and Other Compensation** - SGL Investment Advisors, Inc. does not seek investment advice or compensate other entities for advisory services to our customers other than it's clearing/custody firm, Schwab Advisory Services and /or RBC.

**Financial Information** – Registered investment advisors are required, under certain conditions, to provide you with financial information or disclosures about our financial condition. SGL Investment Advisors, Inc. does not have any required disclosures to report. The firm has no financial commitments that would impair our ability to meet contractual and fiduciary commitments to our clients and has not been the subject of a bankruptcy proceeding.