



## **Sloy, Dahl & Holst, Inc.**

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### **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Sloy, Dahl & Holst, Inc.. If you have any questions about the contents of this brochure, contact us at 503-248-9800. 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 Sloy, Dahl & Holst, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Sloy, Dahl & Holst, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 8, 2017 we have no material changes to report.

As of May 10, 2018 we filed an amendment to disclose the Sloy, Dahl & Holst Collective Investment Funds. Please see Items 4, 5, 7, 8, 10 and 11 of the ADV for specific information and disclosures regarding the Funds.

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## Item 4 Advisory Business

### Description of Firm

Sloy, Dahl & Holst, Inc. is a privately held registered investment adviser primarily based in Portland, OR. We are organized as a corporation under the laws of the State of Oregon. We have been providing investment advice since 1988 and we are primarily owned by James C. Holst, CFP® and Ronald Sloy, CFP®.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Sloy, Dahl & Holst, Inc. and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

We may also offer non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Our management services are offered to individual investors as well as pension plans. Pension plans are offered a selection of portfolios tailored to meet specific risk-tolerance levels that accommodate a wide range of participant needs.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. Nonetheless, clients may impose restrictions on investing in certain securities or types of securities in their account. In such cases, this may prevent a client from investing in certain models that are managed by our firm.

We offer the following proprietary models:

**Sloy, Dahl & Holst Conservative Model** - appropriate for investors seeking current income and preservation of capital, and to a lesser extent, capital appreciation. Additional emphasis is placed on prudent overall diversification by asset class and investment style. Target allocation ranges between 20% to 40% in domestic and international equities. The remaining allocations will be comprised of

investment in fixed income such as bonds, stable value, and money market funds, as well as in alternative investment strategies such as long/short and managed futures. Mutual funds are primarily used to execute this strategy.

**Sloy, Dahl & Holst Moderate Model** - appropriate for investors seeking current income and preservation of capital with moderate capital appreciation. Additional emphasis is on prudent overall diversification by asset class and investment style. The fund will maintain a target equity allocation that ranges between 35% to 55% in domestic and international equities. The remaining investments will be comprised of allocations to fixed income such as bonds, stable value, and money market funds as well as allocations to alternative investment strategies such as long/short and managed futures. Mutual funds are primarily used to execute this strategy.

**Sloy, Dahl & Holst Balanced Model** - appropriate for investors seeking total return through moderate capital appreciation, current income and liquidity. Additional emphasis is on prudent overall diversification by asset class and investment style. The fund will maintain a target allocation that ranges between 50% to 70% in domestic and international equities. The remaining investments will be comprised of allocations to fixed income such as bonds, stable value, and money market funds as well as allocations to alternative investment strategies such as long/short and managed futures. Mutual funds are primarily used to execute this strategy.

**Sloy, Dahl & Holst Growth Model** - appropriate for investors seeking total return through capital appreciation, current income and liquidity. Additional emphasis is on prudent overall diversification by asset class and investment style. The fund will maintain a target allocation that ranges between 65% to 85% in equities. The remaining investments will be comprised of allocations to fixed income such as bonds, stable value, and money market funds as well as allocations to alternative investment strategies such as long/short and managed futures. Mutual funds are primarily used to execute this strategy.

**Sloy, Dahl & Holst Aggressive Model** - appropriate for investors seeking primarily capital appreciation. Additional emphasis is on prudent overall diversification by asset class and investment style. The fund will maintain a target allocation that ranges between 80% to 100% in equities. The remaining investments will be comprised of allocations to fixed income such as bonds, stable value, and money market funds as well as allocations to alternative investment strategies such as long/short and managed futures. Mutual funds are primarily used to execute this strategy.

### **Collective Investment Funds for Employee Benefit Plans**

We are the manager of the Sloy, Dahl, & Holst Collective Investment Funds ("Fund(s)"). The Funds are maintained by Alta Trust as Trustee (an unaffiliated Trust Company) and are designed to serve the needs of tax-qualified employer sponsored retirement plans. Our firm is the investment manager of the Funds as defined in Section 3(38) of Employee Retirement Income Security Act of 1974 ("ERISA"), as amended and will invest the assets of the Funds on a discretionary basis according to the corresponding strategies and investment models described above. Please review the offering documents for these Funds for more information.

### **Financial Consulting Services**

We offer financial consulting services that primarily involve advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation.

## **Types of Investments**

We primarily offer advice on stocks, mutual funds, Exchange Traded Funds ("ETFs") and Collective Investment Trusts ("CIFs").

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

We do not participate in a wrap-fee programs.

## **Assets under Management**

As of December 31, 2017, we provide continuous management services for \$530,192,012 in client assets on a discretionary basis, and \$164,161,365 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our fee for portfolio management services is based on a percentage of the assets in your account and is set forth in the following annual fee schedule:

| <u>Assets</u>          | <u>Maximum Annual Fee</u> |
|------------------------|---------------------------|
| \$0 to \$ 10,000,000   | Negotiable, 2% maximum    |
| \$10,000,001 and above | Negotiable, 0.55% maximum |

Our annual portfolio management fee is billed and payable, quarterly in advance, based on the balance at end of billing period. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will send you an invoice for our advisory fee, payable by check or billed directly to your account through the custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. Payment by check due upon receipt of invoice.

You may terminate the portfolio management agreement upon written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Collective Investment Funds for Employee Benefit Plans - Fees**

The Total Fund Fee with respect to each Fund is comprised of the Trustee Fee and the Service Fee. The fees are paid from the assets of such Funds and are calculated and accrued daily and paid monthly in arrears. The Trustee Fee is charged for the management of the Funds by Sloy, Dahl and Holst. There are two classes of Funds. Class 1 is available to clients of our firm. Class 1 shareholders are charged 0 basis points. Class 2 is available to other investment advisers and the fee is 25 basis points on the assets managed. The Service Fee is paid to the plan custodian. The Funds are invested in primarily mutual funds which have an internal expense fee. Alta Trust receives 6 basis point on both Class 1 and Class 2 for their services.

### **Financial Consulting Services**

We charge an hourly fee of \$350 for advisory consulting services. Our consulting fee is payable upon completion of the agreed upon consulting services. You may terminate the advisory consulting services agreement upon written notice to our firm. Since fees are payable in arrears, you will be responsible for a prorated fee based on services performed.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and rollover to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice may present a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your former employer's retirement plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA.

Each of these options has advantages and disadvantages, and before making a change we encourage you to speak with your CPA and/or tax attorney.

Here are a few points to consider before rolling over retirement plan assets to an IRA;

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than what is available within an IRA. IRA strategies may present greater risk than the option(s) provided to you in your plan. Your current plan may also offer financial advice. If you keep your assets within a 401k or other company sponsored retirement account, you could potentially delay your required minimum distribution beyond age 70.5. Your 401k may offer more liability protection than a rollover IRA; each state may vary. You may be able to take out a loan on your 401k, but not from an IRA. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception (i.e. disability, higher education expenses, the purchase of a primary residence, etc.). If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how they compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
  - c. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
3. Your plan may allow you to hire us as the manager while keeping the assets where they are.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative or call our main number as listed on the cover page of this brochure.



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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, investment companies and banks or thrift institutions. We are also the adviser to Collective Investment Funds.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Quantitative Analysis which includes reviewing the following:

- Out-performance against peer group and relevant benchmark
- Consistency of performance year over year (returns and investment style)
- Expense ratios
- Value added by manager (Alphas and Sharpe ratio)
- Volatility and downside risk (Beta and standard deviation)

Qualitative Analysis which includes the following:

- Portfolio manager interview
- Review of investment philosophy
- Review of compensation structure
- Manager tenure
- Turnover rate of key analyst
- Ownership of advisory company
- Manager's personal investment in fund

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

### **Recommendation of Particular Types of Securities**

We primarily recommend stocks, mutual funds, Exchange Traded Funds (ETFs) and proprietary Collective Investment Funds. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of associated risks and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

**Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track

the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Collective Investment Funds ("Funds")** are designed to serve the investment needs of tax-qualified employer sponsored retirement plans. The Funds are not mutual funds registered under the Investment Company Act of 1940, as amended, ("1940 Act") or other applicable law, and unit holders are not entitled to the protections of the 1940 Act. The regulations applicable to a collective investment fund are different from those applicable to a mutual fund. The Fund's units are not securities registered under the Securities Act of 1933, as amended or applicable securities laws of any state or other jurisdiction. In addition, the Fund's units are not publicly traded on any exchange or over-the-counter market and, as a result, the unit values are not available for publication in the newspapers.

The unit values of the Funds will fluctuate and the value of the Funds will decrease or increase in accordance with market conditions. There is no guarantee that any Fund will achieve its investment objective. Units in the Funds are not deposits or obligations of, or endorsed or guaranteed by, Alta Trust, Sloy, Dahl & Holst, or any affiliates and the units are not insured by the Federal Deposit Insurance Corporation or any other independent organization. The Funds are also subject to investment risks, including possible loss of the principal amount invested.

As with all investment strategies, there is the risk that you could lose money through your investment in the Fund(s). Many factors affect a Fund's net asset value and performance, including but not limited to management and market risk. The Funds primarily use mutual funds which have their own inherent risks as described above.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

### **Arrangements with Affiliated Entities**

We are affiliated with Smart Investor through common control and ownership. We will recommend that you use the services of our affiliate if appropriate and suitable for your needs. Our advisory services are separate and distinct from the fees paid to our affiliate for their services.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

We are the manager and owner of the Sloy, Dahl & Holst Investment Trust and its associated Collective Investment Funds. Clients of our firm may invest in these Funds, however at this time we are not compensated for our management of these funds in addition to receiving a fee to manage the client's entire portfolio.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

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

We serve as the owner and manager of the Sloy, Dahl & Holst Collective Investment Funds ("Funds"), an investment vehicle in which you may be solicited to invest. Persons associated with our firm may have significant investments in the Fund. If you are an investor in the Funds, refer to the Fund's offering documents for detailed disclosures regarding the Funds. Additionally, individuals associated with our firm may buy or sell - for their personal account(s) - investment products identical to those purchased by the Funds. This practice may create a conflict of interest because we have the ability to trade ahead of the Funds and potentially receive more favorable prices than the Fund will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over the Funds in the purchase or sale of securities.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### **Block Trading**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Refer to the *Brokerage Practices* section in this brochure for information on our block trading practices.

## Item 12 Brokerage Practices

We recommend the brokerage and custodial services of TD Ameritrade, Charles Schwab, Vanguard, Fidelity (whether one or more "Custodian"). In all cases, the recommended Custodian is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that the recommended Custodian provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the Custodian, including the value of the Custodian's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

### Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### Schwab - Your Custody and Brokerage Costs

For our clients' custodied at Schwab there is no fee for custody services. Schwab is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

### Schwab Advisor Services

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

### Services that Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### Services that May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data; o facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

### Services that Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers;
- discount on PortfolioCenter® software.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

### **TD Ameritrade Institutional**

We participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give you, although we receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to your accounts); the ability to have advisory fees deducted directly from your accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or



services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit us but may not benefit your accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

We require that you custody your assets with one of the custodians referenced above . As such, you may not always receive the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services.

### **Block Trades**

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We do not block trade for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

## **Item 13 Review of Accounts**

Your Advisor will review their client accounts on a quarterly basis. Other than the review of quarterly statements, your account may also be reviewed as necessary to address over or under exposure to sectors in the market performing very well or very poorly. Your account(s) may also be reviewed for possession of an asset whose investment quality has markedly altered or whose management or executive officers have changed. Review can also be precipitated by a client meeting, or notification of a change in risk tolerance or objectives.

In addition to the monthly statements provided by your brokerage firm(s) you will also be provided with a quarterly report and billing summary. The quarterly report includes; a detailed description of each account's holdings including symbol and number of shares or units, a value from the beginning of the fiscal year or commencement of the management period, a current value and a year-to date return figure.

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

We receive economic benefits from a non-client for providing investment advice or other advisory services to you. Through our participation in certain programs or use of a custodian we are entitled to receive economic benefits. As part of our fiduciary duty, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm from a non-client in and of themselves creates a potential conflict of interest and may influence our choice in providing services to your account. This arrangement does not cause our clients to pay any additional transaction fees beyond those that are traditionally charged by our firm and/or other service providers. In addition we may host certain events, including an annual golf tournament, in which third parties such as custodians and product sponsors, provide economic support in the form of sponsorships for these events.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

### **TD Ameritrade Institutional Customer Program**

As disclosed above under *Item 12 Brokerage Practices*, we participate in TD Ameritrade's Institutional Customer Program ("Institutional Program") and we may recommend TD Ameritrade to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our Associated Persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our Associated Persons in and of themselves creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.



## **Charles Schwab & Co., Inc - Institutional**

In addition, we receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 - Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

### **Compensation for Client Referrals**

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

## **Item 16 Investment Discretion**

If you grant us discretionary authority, we have ongoing and continuous discretionary authority to execute investment recommendations in accordance with Advisor Statement of Investment Policy (or similar document used to establish client objectives and suitability) without your prior approval of each specific transaction. Under this authority, you shall allow us to purchase and sell securities and instruments in your account, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on your behalf in all matters necessary or incidental to the handling of your account, including monitoring certain assets. All transactions in your account shall be made in accordance with the directions and preferences provided to us by you.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We will assist you, in conjunction with your legal counsel or other professionals, in filing claims with the claims administrator to participate in any settlement proceeds related to class action settlements involving a security purchased in your portfolio while under our management. We may also work with your legal counsel to determine whether you are eligible to participate in class action litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held in your portfolio.

### **Schwab Retirement Business Services Advisory Board Membership**

Michael Tudor, Chief Operating Officer of Sloy, Dahl & Holst, Inc., serves on the Schwab Retirement Business Services Advisory Board (the "Board"). As described under Item 12 of this Form ADV, we may recommend that its employee benefit plan sponsor clients establish accounts with Charles Schwab & Co., Inc. and/or Charles Schwab Bank (collectively "Schwab") to maintain custody of the employee benefit plan sponsor clients' employee benefit plans' assets and effect trades for the accounts established at Schwab for such plans. Further, Charles Schwab Bank may also serve as directed trustee for an employee benefit plan's assets. The Board consists of approximately 21 representatives of independent investment advisory or independent recordkeeping firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Retirement Business Services' services for independent investment advisory and/or recordkeeping firms and their employee benefit plan sponsor clients. Board members serve for three-year terms. Mr Tudor's term ends December 31, 2019. Board members enter nondisclosure agreements with Schwab under which they agree not to disclose confidential information shared with them. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange and the NASDAQ stock market (symbol SCHW). The Board meets in person approximately twice per year and has periodic

conference calls scheduled as needed. Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Board members' travel, lodging, meals and other incidental expenses incurred in attending Board meetings.