

Scott Investment Advisors, L.P.

Wrap Fee Program Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of Scott Investment Advisors, L.P. (SIA, L.P.). The website is www.scottadvisors.com. Please contact S.C. Scott or P.A. Hook if you have any questions regarding the contents of this brochure or email us at steve@scottadvisors.com or pat@scottadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SIA, L.P. is available on the Internet at www.adviserinfo.sec.gov. This site may be searched for registered investment advisors according to a unique identifying number, known as a CRD number. The CRD number for SIA is 110466.

Note: The term “registered investment advisor” as referred to in this Brochure does not imply a certain level of skill or training.

Material Changes

None

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1. ADVISORY SERVICES, FEES AND COMPENSATIONS

A. Description of Services

Scott Investment Advisors, L.P. (hereafter referred to as SIA, L.P.) provides full discretionary portfolio management. SIA will trade the full spectrum of stocks, bonds, money market funds, Exchange Traded Funds (ETF's) and Closed End Funds (CEF's) to implement its various investment strategies (depending on the account type). SIA, L.P. is the portfolio management organization and sponsor of the wrap fee program. The firm has been in business since July 1997 and began offering its investment services in June 2000 as a Registered Investment Adviser. The Principal owner is ScottAdvisors.com, Inc (91%) which is owned indirectly by S.C. Scott and J. Curry Scott. Mr. Scott has been in the portfolio management business for 42 years.

B. Explanation of Costs

SIA, L.P. bundles the cost for investment advice, custody, execution, brokerage commissions and reporting services into a single contract for a single fee. The fee is a flat fee with tiered breakpoints based on the market value of the assets at the end of each quarter. The fees are detailed in the chart of fees below. SIA, L.P. shares in the overall fees billed to the client each quarter with FOLIOfn, Inc., a provider of investment services including platform manager, broker-dealer and custodian of the assets. The allocation of the fees between SIA, L.P. and FOLIOfn, Inc. will vary depending on the size of the individual account. The fees are billed quarterly in advance based on the ending market value of assets according to the schedule below and are not negotiable:

SAM Management, SAM Management 1, SAM Management Plus

Ann'l Fee%	On Asset Above	Up to Assets
1.90%	\$15,790 ¹ ; 47,369 ² ; \$75,000 ³	\$249,999
1.50%	\$249,999	\$499,999
1.30%	\$499,000	\$999,999
1.00%	\$999,999	\$2,999,999
0.90%	\$2,999,999	And Above

¹ SAM Management has a \$300 annual minimum fee

² SAM Management Plus has a \$900 annual minimum fee

³ SAM Management 1 has a \$1,425.00 annual minimum fee

Institutional tax-exempt clients may be eligible for the following two fee schedules depending on a variety of factors including size, plan participation, consultation and reporting. In some cases the tiered requirement to reach the last breakpoint will be waived. A minimum fee of \$300 annually applies to SAM Institutional while a \$600 minimum applies to SAM Institutional 1.

SAM Institutional

Ann. Fees	On Asset Above	Up to Assets
1.40%	\$21,429	\$999,999
0.90%	\$1,000,000	\$9,999,999
0.70%	\$10,000,000	\$24,999,999
0.50%	\$24,999,999	

SAM Institutional I

Ann. Fee	On Asset Above	Up to Assets
0.90%	\$66,667	\$199,999
0.80%	\$200,000	\$499,999
0.70%	\$500,000	

Should a client have more than one account under a single social security number (i.e. the account qualifies as a Uniform Gift To Minors), the accounts are combined when calculating the breakpoint fee level that applies. The fees will be deducted within the first 3 weeks following the end of each calendar quarter. Fees are billed in advance. Clients transferring assets out of SIA, L.P. after advanced fees have been paid may receive a pro-rata refund based on the number of calendar days remaining during the quarter of departure less a termination fee of .20% if occurring within the first 5 years of their agreement.

While we believe ScottAdvisors, L.P.'s wrap fees are lower than the average of other investment advisers for comparable services, there may be some investment advisers who can provide comparable types of services at a lower fee rate.

C. Other Fees

No employees are compensated for security trading or sales related expenses connected to any products. There are from time to time small annual maintenance fees by the custodian of qualified plans (ERISA, IRA , 529 & Roth), fees by governmental agencies and premium charges for specialized trades (limit orders, non-window securities etc) that are deducted from the account and separate from the wrap fee charges. In addition, there may be fees charged for special or one-time services including account closure fees, wire closure fees, wire transfers, and special requests made by the client. These fees, if they occur, are small and infrequent. A list of those can be found on the broker-dealer and custodian <http://www.folioinstitutional.com>

D. Intermediary Referral Fees

SIA, L.P. currently has no intermediaries paid for selling its services. The Company may engage such persons in the future however, while intending to maintain its current fee schedule. Under the current wrap program any compensation for referring services

by a third independent person(s) to SIA would be done so without additional costs to the client.

2. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

SIA, L.P. has a client base that consists of qualified corporate plans, individual IRA's, Trust accounts, personal accounts, and corporate taxable accounts. The Firm has no minimum size account requirement; however any account below \$20,000 with no future additions represents a fee level that may be impractical for most investors. There are unique circumstances in which non-SAM securities may be held on a non-discretionary basis as an accommodation to the client; however none exist at present.

3. PORTFOLIO MANAGER SELECTION AND EVALUATION

A. Basis for Portfolio Manager Selection

Other than the two permanent portfolio managers attached to SIA, L.P., no other portfolio managers are utilized.

B. Related Persons Acting as Portfolio Manager

There are no related persons acting for SIA, L.P. as a portfolio manager.

C. Supervised Persons and Portfolio Management

The SAM wrap program is the only portfolio management service SIA, L.P. offers. Employees of the firm are charged the same as that which is reflected in the above fee schedules, thus avoiding any differences or conflicts with the client accounts. The firm does not have performance related fees or side-by-side management.

SIA, L.P. offers 6 customized model portfolio strategies. Each of these portfolios have their own investment policy, constraints, and guidelines. Investors are provided a professionally constructed profile to complete which is scored for both explicit and implied risk contained within the questions. The score is matched to the individual SAM Portfolio strategies based on risk tolerance. New clients are provided material detailing each strategy characterizing the degree of risk, appropriate time horizon and the expected objective. Written disclaimers indicate that investment results involving risk and returns are not guaranteed.

SIA, L.P. principally purchases ETF's (as referred to in Section A above) but will occasionally use closed-end funds if ETF's are not available in a specific asset class, sector or region. SIA, L.P. developed and utilizes an application in the field of multi-variant optimization technology. Simply put it is a quantitative methodology of identifying the best risk characteristics contained in a basket of securities given the policy guidelines and objectives of a particular portfolio. The firm conducts both fundamental and quantitative analysis on the securities represented in each SAM Strategy, and a top down assessment of the macro conditions that the Firm expects to be

present in the short to intermediate-term period ahead. This approach does not rely on high frequency trading and thus is focused on long term capital gains and attempts to minimize taxable income and gains for taxable accounts. SIA, L.P. encourages its clients to engage in self-empowerment and provides on-going education by distributing research and articles it publishes for the client base.

4. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

SIA, L.P. is the portfolio manager. Each client's profile strategy selection is reviewed by both portfolio managers prior to initiating the first purchases. Clients are encouraged to update information with SIA, L.P. should major changes in family finances potentially have an impact on the invested assets.

5. CLIENT CONTACT WITH PORTFOLIO MANAGER

SIA, L.P. does not currently have any restrictions placed on its clients' ability to contact and consult with their portfolio manager

6. ADDITIONAL INFORMATION.

Disciplinary Information. SIA, L.P. has never been the subject of disciplinary action by any governmental agency or Self Regulatory Organization. No personnel have ever been the subject of any such action either under the employment of SIA, L.P. or with prior employers.

Other Financial Industry Activities and Affiliations. SIA, L.P. has no industry affiliations or financial industry activities outside the Company.

Code of Ethics. SIA promotes a high standard of ethics, integrity, and professional excellence throughout its practices, plus adheres to its own formally established detailed policies and procedures. In devising its policies, the Adviser has adopted the CFA Institute's "Code of Professional Conduct and the Code of Ethics". A client or prospective client may request copies of this CFA Institute publication as well as the SIA, L.P. "Code of Ethics and Professional Standards of the Adviser". Broadly speaking our code of ethics includes (1) placing the integrity of the profession and the interests of clients above an Associate's own interest, (2) acting with integrity, competence, and respect, and (3) continuing to improve our professional competence.

Participation of Interest in Client Transactions. SIA, L.P. does not recommend to clients, or buys or sells for client accounts, securities in which any Associate of the firm has a material financial interest. The Firm, and its officers, employees, and family members generally hold the same securities the Firm buys for client accounts over which it has discretionary investment authority. However, to accommodate diverse individual circumstances and investment goals, the Firm and its associated persons may at times buy for themselves and for certain clients (i.e. having a particular investment strategy) the same securities that are being sold for other clients, and vice versa. The

compliance officer conducts a review of all securities transactions by Firm officers and associates on a quarterly basis.

Review of Accounts. SIA, L.P.'s portfolio managers review client accounts at least on a weekly basis to make sure they remain in congruence with the portfolio models. The models themselves are also reviewed at least weekly as part of an ongoing process of analysis to ensure that model objectives are being met and responding to changing market conditions appropriately. Changes are made to the model (resulting in changes to the corresponding client portfolios) if it is concluded that longer-term performance would likely be improved through changing the investment mix of individual securities. Besides the near-term portfolio analysis, a comprehensive evaluation and meeting of SIA, L.P.'s portfolio managers occurs at least quarterly where structural portfolio alternatives are debated reflecting the current economic and market climate. Portfolios are often rebalanced, reallocated or the securities changed as a result of the quarterly meetings. Other factors that trigger reviews are: a) follow-up analysis subsequent to portfolio reallocations, b) significant or sudden changes in market conditions or in the world economic environment, c) changes in the portfolio manager's assessment of particular securities as appropriate for an underlying portfolio strategy, d) awareness of a material change in a client's circumstances or investment objective. In addition, a review is conducted after the end of each month with regard to investment performance as well as the propriety of individual account.

Client Referrals and Other Compensation. SIA, L.P. does not compensate individuals or organizations for client referrals, nor have any arrangements for receiving compensation for referring clients to other advisors.

Financial Information. No disclosure of financial information regarding SIA, L.P. is required since the Firm does not have custody of client funds and does not require prepayment of fees 6 months or more in advance. No officers of the Firm have been the subject of a bankruptcy petition at any time during the past 10 years.

Voting Client Securities. SIA, L.P. does not accept authority to vote client securities. Instead, clients are notified via email of their proxies or other solicitations directly from FOLIOfn Inc.'s Broker/Dealer and Custodian under the Firm's Wrap Program. However the door to SIA, L.P. is always open to its clients who might wish to discuss particular issues up for shareholder vote.