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**LONGSHIP ADVISERS, LLC**

**FORM ADV – PART 2A INFORMATION**

**August 22, 2011**

Longship Advisers, LLC  
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Phone (612) 746-0551 Fax (612) 333-9976

**This Brochure provides information about the qualifications and business practices of Longship Advisers, LLC (“Longship”) (CRD No. 114094). If you have any questions about the contents of this Brochure, please contact us at (612) 746-0551. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The term registered does not imply a certain level of skill or training.**

**Additional information about Longship, including a copy of its Form ADV Part 1, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

***Item 2 - Material Changes To This Brochure Since Its Last Annual Update***

Due to recent changes in securities regulation, investment advisers are now required to deliver information in this new narrative format. Future material updates to the information will be noted in this section and provided to clients promptly.

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#### ***Item 4 - Advisory Business***

Longship Advisers, LLC (“Longship”) is also a state registered investment adviser. Longship provides selection of third party investment managers through consulting services and pension consulting services to a wide variety of clients. Longship has been providing advisory services since October 1998. Longship is owned by Arland D. Brusven and Jon E. Brusven. Longship does not control any other firm. The advisory services of Longship are described in detail below.

##### **Investment Consulting**

Longship reviews client objectives, liquidity and income needs, and risk tolerance parameters, then recommends asset allocation structure for the portfolio. Once asset allocation is agreed to by the client, an investment manager and/or mutual fund search is conducted. Investment product candidates are proposed to the client. Upon selection of a third party manager or mutual fund, Longship will monitor the performance to ensure the performance and investment style remains aligned with the investment goals and objectives of the client.

The third party manager will manage the client’s account in accordance with the disclosures set forth in the third party manager’s disclosure documents. Such third party managers may have minimum account size requirements. Disclosure of account size minimums will be made in the third party manager’s disclosure brochure and account materials.

Clients may be required to sign an investment advisory agreement (“Agreement”) directly with the third party managers(s) selected in addition to the one that they signed with Longship. The third party manager Agreement typically grants the third party manager discretionary authority to manage the account and the authority to debit the client’s account for fees due the third party manager.

**Retirement Plan Consulting Services** Longship makes available consulting services to retirement plan sponsors. Longship may enter into agreements with employers that provide qualified retirement plans (“Plan”) with various advisory services. Longship typically provides the following services:

Investment advice to the Employer at a Plan Level -

- review of the Plan’s Investment Policy Statement annually, including assessing the following: (a) the criteria for selecting money managers and the due diligence procedures that the Plan followed in selecting its money managers and/or mutual funds; (b) the basis for asset mix and rebalancing limits; (c) the performance measurement criteria; (d) monitoring procedures of money managers and other investment-related vendors; (e) composition and relevancy of quarterly performance reports; (f) composition of custodial reports; and (g) termination procedures for money managers;
- advise Client about mutual funds and other investment alternatives that are consistent with the investment categories allowable under the Plan;
- meet with representatives of Client, at intervals mutually acceptable to Client and Longship, to discuss the Plan’s investment performance and investment selections;
- monitor investments in the Plan’s accounts with account custodians (each, an “Account”) and recommend changes to investment selections;

- prepare written performance and other reports in the scope and at the times mutually agreed upon between Client and Longship;
- be available to conduct informational/educational group meetings with Plan participants at initial installation of the Plan, and periodically thereafter in the scope and frequency mutually agreed upon between Client and Longship regarding:
  - general investment concepts;
  - investment objectives and performance of selected investments; and
  - investment allocations and strategies available to meet various investment objectives.

All advice provided by Longship and its Representatives is based upon the reliability of the information provided to Longship by the Plan and its participants. It is the client's responsibility to be certain Longship has current and accurate information, and it is the client's responsibility to inform the Representative of material changes affecting the investments and planning strategies implemented so the Representative has them for future reference.

#### ***Item 5 - Fees and Compensation***

Fees paid to Longship are for Longship advisory services only. The fees do not include, for example, the fees charged by third parties such as third-party managers, or accountants and attorneys assisting with providing the client with accounting and legal advice. Commissions on transactions and other account fees will also be charged by brokerage firms in accordance with the account's brokerage firm's normal commission schedule. See Item 12, Brokerage Practices.

Prospective clients should be aware that in addition to Longship's advisory fees, each mutual fund in which a client's assets are invested also pays its own advisory fees and other internal expenses which already have been deducted from the fund's reported performance. Depending on the fund, a client may be able to invest directly in the shares issued by the fund with or without incurring any sales or third-party management fees. Account maintenance fees also are deducted by the custodian.

In addition, there may be tax effects pertaining to fund share redemptions, and other sales, recommended by Longship. Redemptions and sales are taxable events which may accelerate the recognition of capital gains, and losses, and frequent redemptions and sales may result in short-term, rather than long-term, capital gains and losses.

The client should be aware that Longship feels that its advisory fees are reasonable but that lower fees may be found for comparable services available through other sources.

#### **Investment and Retirement Plan Consulting Services Fees**

Fees charged by Longship are negotiable in amount and timing in relation to services to be performed, portfolio size, and the number of investments involved. Fees are charged as a fixed fee or as a percentage of assets under advisement. The fixed fee is determined based on the total assets under advisement using the same fee schedule as noted below.

Fees will range between 0.10% and 0.20% annually of the total assets under advisement charged quarterly, after services are provided, based upon the market value of the client's portfolio at the end of each calendar quarter, with a minimum annual fee of \$25,000, which may be waived at Longship's discretion.

Depending on the negotiated fee structure, an additional fee of 0.10% to 0.20% annually may be assessed on the market value of “alternative investments” (typically private capital limited partnerships or hedge funds) plus aggregate cumulative distributions (as relevant) charged quarterly based upon the value at each calendar quarter end. Direct expenses incurred in the performance of services rendered may be charged as well. These fees and expenses are charged in addition to any fees and expenses charged directly by the third party asset managers themselves.

For individuals and retirement plans with mutual fund portfolios, the fees generally range from 0.10% to 0.20% annually of the total assets under advisement charged quarterly, after services are provided, based on the calendar quarter end net asset value of the portfolio. An additional 0.05% to 0.10% is charged on the value of additional investments made during the calendar quarter.

Services may be terminated with thirty (30) days notice with pro rata obligation for fees for services performed to the effective date of termination. Depending on the nature of services provided, there may be a minimum fee required amounting up to three (3) years of fees from the initiation of the consulting relationship.

#### ***Item 6 - Performance Based Fees and Side-by-Side Management***

Longship does not charge any performance-based fees. All fees are disclosed above.

#### ***Item 7 - Types of Clients/Minimum Account Size***

Longship makes its advisory services available to a variety of clients including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

Longship does not require a minimum account size, but there may be minimum account sizes and fees for the services offered by third-party managers. A minimum annual fee of \$25,000 may be charged.

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

Longship's investment analysis methods and main sources of information methods include, review of investment manager reports, financial research publications, financial periodicals and statistical services.

All analysis methods and strategies, even those used by Longship may involve a high degree of risk and losses can occur. Investing in any securities or other investment vehicles involves the risk of loss.

Neither Longship, nor the third party managers it may recommend, guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by Longship.

Longship may recommend traditional exchange-traded funds ("ETF"). ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

Longship may also recommend or provide advice on limited partnerships in private equity. These types of investments involve a high degree of risk.

### ***Item 9 - Disciplinary Information***

Longship does not have any disciplinary information to report regarding itself or any of its counselors or other related persons.

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

Longship may recommend third party investment advisers. In all such cases Longship will only recommend third party advisers that are registered or exempt from registration in the client's jurisdiction.

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

Longship has developed a Code of Ethics applicable to all persons who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires, among other procedures, such "access persons" to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for clients' accounts. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code will be provided upon a client or prospective clients request.

### ***Item 12 - Brokerage Practices***

The third party asset managers that Longship recommends are responsible for determining best execution and typically determine the broker-dealer that will be used for their program. These details should be described in the Part 2A brochure of the third party asset manager, which should be carefully reviewed by the client.

### ***Item 13 - Review of Accounts and Reports***

Accounts are reviewed at least quarterly by Longship or as often as requested by the client. The review includes an evaluation of the manager's performance over the past quarter and year as applicable. Reports are provided to each client at least quarterly by their investment manager.

For Separate Account Portfolios, a session consisting of a series of meetings in which Longship personnel, the client, and investment managers review the portfolio, performance and strategy. (The exact frequency, timing, and attendance is determined by the preferences and requirements of the client.) For Mutual Fund Portfolios, a review of performance through reports and statistical services is done quarterly.

Longship distributes a quarterly market overview and strategy memo to all clients. For Separate Account Portfolios, additional summaries and discussions are provided as requested by the client. For Mutual Fund Portfolios, a summary and discussion of portfolio performance is provided.

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

Longship does not receive any economic benefits from non-clients for providing investment advisory services. Longship also does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party in return for client referrals.

### ***Item 15 - Custody***

Longship does not take custody of client funds or securities. These safekeeping services are typically provided to managed accounts only by the custodian processing the securities transactions. It is important that clients carefully review the statements received from their account custodian.

To the extent a client receives any account or other investment ownership statement from Longship, Longship recommends the client carefully compare the information in the report to that in the custodian's statements.

### ***Item 16 - Investment Discretion***

The services provided by Longship generally are consultative in nature, and thus Longship does not exercise discretion over client accounts. Third party managers may require discretionary authority to be granted to manage a client's account.

### ***Item 17 - Voting Client Securities***

Longship and its representatives are not granted authority to vote proxies, thus do not vote proxies on behalf of clients who may receive such notices from their account's custodian.

Longship also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

### ***Item 18 - Financial Information***

Longship does not require or solicit fees of more than \$500 six months or more in advance, thus no financial statement for Longship is attached. Longship does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client. Longship has not been subject of a bankruptcy petition.

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

*Background Information.* See the attached Schedule(s) 2B for background information about management personnel and those giving advice on behalf of Longship.

*Other Business.* Longship and its supervised persons are not engaged in any business not described in this Brochure.

*Legal Events.* Neither Longship nor any of its management persons has been involved with (1) any arbitration claim of any kind; (2) any self regulatory organization or administrative proceeding of any kind other than as specified in response to Item 9.

*Relationships.* Neither Longship nor any of its management persons have a relationship with an issuer of securities.



## **PRIVACY POLICY**

**Preserving trust is a core value. Longship Advisers, LLC (“Longship”) recognizes that clients expect us to protect the information they provide us and to use it responsibly. We are strongly committed to fulfilling the trust that is the foundation of our clients’ expectations. For that reason we have adopted and adhere to the following policy regarding the privacy of client information.**

### Why We Collect And How We Use Information.

When we evaluate your request for our services, provide investment advice to you and place transactions for your account, you typically provide us with certain personal information necessary for us to provide these services. We may also use that information to offer you other services we or an affiliate may provide which may meet your investment needs.

### What Information We Collect.

The information we collect may include; name and address; employer, Social Security number or tax payer identification number; assets; income; account transactions; investment and other financial product positions and balances; investment objectives; accounts at other institutions; transactions at other institutions, including affiliates; the identities of accountants, attorneys and other professionals you engage; information we receive from third parties, including credit bureaus; and information we obtain to verify your representations to us, such as your identity and assets.

### We Limit How, and With Whom, We Share Your Information

We do not sell your personal information to anyone. We may disclose information about you, with your consent, to our employees, affiliates, representatives and their affiliated businesses. We may disclose information to non-affiliated third parties which provide services to you. Non-affiliated third parties may include retirement plan sponsors or third-party administrators, mutual fund companies, insurance companies and agencies, third-party advisory firms, banks, broker-dealers, transaction clearing firms, accountants, lawyers, securities professionals, companies that assist us with the maintenance of required records, and others to assist us, or them, in providing services to you.

We also may share information with companies that perform services on our behalf, such as the companies that we hire to perform marketing or administrative services. Companies we may hire to provide support services are not allowed to use your personal information for their own purposes. We also may make additional disclosures as permitted by law.

We also will share the information we received from you as required by laws and rules applicable to you, client account service providers, Longship or Longship’s representatives.

If you close your account, in the process of transferring your accounts we may share your information with the new broker-dealer, investment adviser or custodian that you select. Your Longship representative may use the personal information about you, that is in his or her files, to provide you with information regarding the new firm, account transfer procedures and documents.

If you prefer that we not share your non-public personal information (except in those circumstances described above that are permitted or required by law), you may opt out at any time by notifying us not to share information. To notify us, please call us at (612) 746-0550.

You will be asked to provide identifying client information at that time, including your Social Security Number.

For accounts that are held jointly by more than one client, any of the account holders may opt out on behalf of the other account holders. Any opt out instructions received from one owner of a joint account will apply also to individual accounts in that person's name, as well as other accounts held jointly by that person, based on the account information we have.

#### How We Protect Information.

Employees and our advisory representatives are required to comply with our established information confidentiality procedures. We also maintain physical, electronic, and procedural safeguards to protect information. For example, our computer systems utilize password protection to prevent access by unauthorized personnel. Longship ensures service providers that we provide assurances that they will restrict their use of the information provided about you.

#### Access To and Correction of Your Information.

Upon your written request, we will make available your information for review. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available. If your personal information with us becomes inaccurate, or if you need to make a change to that information, please contact us at the number shown below so we can update our records. Also, if you believe someone has accessed your account without authorization, please contact us.

#### Further Information.

For additional information regarding our privacy policy, or if you have any questions and/or concerns about your account or about our services, please contact us by writing to us at 100 North Sixth Street, Suite 300A, Minneapolis, Minnesota, 55403, or telephone us at (612) 746-0550.

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**SCHEDULE 2B - BROCHURE SUPPLEMENT**

**Jon E. Brusven**

August 22, 2011

**LONGSHIP ADVISERS, LLC**

100 North Sixth Street

PO Box 3353

Minneapolis, MN 55403-0353

Phone (612) 746-0551 Fax (612) 746-0555

**This Brochure Supplement provides information about Jon E. Brusven that supplements the Longship Advisers, LLC (“Longship”) brochure. You should have received a copy of that brochure. Please contact Jon Brusven if you did not receive Longship' brochure or if you have any questions about the contents of this supplement.**

**Additional information about Jon E. Brusven (CRD No. 2864529) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## ***Item 2 - Educational Background and Business Experience***

Mr. Brusven was born in 1966. He graduated from St. Olaf College with a Bachelor of Arts in Economics in 1988. He also received his Masters of Business Administration from Duke University in 1995. He earned the designation of Chartered Financial Analyst (CFA) in 1993.

From 1988 to 1998, he was an equity analyst and portfolio manager at firms in Minneapolis, MN and Chicago, IL. From 1998 to 2002, he was a corporate strategy consultant based in London, UK; Chicago, IL; and the Los Angeles, CA metropolitan area. Jon has been practicing as an independent investment and financial consultant based in Minneapolis, MN since 2002.

The Chartered Financial Analyst (CFA) charter is globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute - the largest global association of investment professionals.

To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as member; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### ***High Ethical Standards***

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### ***Global Recognition***

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders - often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

### ***Comprehensive and Current Knowledge***

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity

analysis, alternative and derivative investment, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

### ***Item 3 - Disciplinary Information***

Mr. Brusven does not have disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

### ***Item 4 - Other Business Activities***

Mr. Brusven is not actively engaged in any other investment advisory business activities. Mr. Brusven is involved in some other non-investment oriented business activities including co-founding two alternative energy companies; providing ad hoc strategic consulting to small private companies; and administering an annual nuclear decommissioning related conference which is attended by representatives of nuclear utilities as well as their regulators and service providers, including attorneys, custodians, consultants, engineers, and investment managers. (Neither Mr. Brusven nor Longship provides consulting services of any nature to nuclear utility companies.)

### ***Item 5 - Additional Compensation***

Mr. Brusven does not receive any additional economic benefit from third parties for providing advisory services.

### ***Item 6 - Supervision***

Mr. Brusven is Longship's Chief Compliance Officer. His contact information can be found on the cover page of this Schedule 2B supplemental brochure.

Mr. Brusven and other individuals as he may designate, regularly review the accounts receiving investment advisory services to monitor for suitability of recommendations and compliance with regulatory and internal procedures.

### ***Item 7 - Requirements for State-Registered Advisers***

Mr. Brusven has not been involved in: (a) any arbitration claim alleging damages in excess of \$2,500; (b) any civil, self-regulatory organization, or administrative proceeding; or (c) a bankruptcy petition.

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**SCHEDULE 2B - BROCHURE SUPPLEMENT**

**Arland D. Brusven**

August 22, 2011

**LONGSHIP ADVISERS, LLC**

100 North Sixth Street

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Minneapolis, MN 55403-0353

Phone (612) 746-0551 Fax (612) 333-9976

**This Brochure Supplement provides information about Arland D. Brusven that supplements the Longship Advisers, LLC ("Longship") brochure. You should have received a copy of that brochure. Please contact Jon Brusven if you did not receive Longship' brochure or if you have any questions about the contents of this supplement.**

**Additional information about Arland D. Brusven (CRD No. 4437952) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## ***Item 2 - Educational Background and Business Experience***

Mr. Brusven was born in 1932. He graduated from Minnesota State University - Moorhead in 1954 with a Bachelor of Arts/Bachelor of Science degree in History and Social Science Education. He served in the United States Army from 1954 to 1956 as a Specialist 3, Artillery Gunner. He then attended law school at the University of Minnesota in Minneapolis, graduated with a Juris Doctor degree in 1959, was accepted to the Minnesota Bar, and began working as corporate counsel for Northern States Power Company ("NSP"). In 1973 he was made an officer of NSP and promoted to Corporate Secretary and Financial Counsel, then Vice President and Treasurer in 1989. Mr. Brusven became the executive in charge of dedicated funds (pension, 401(k), nuclear decommissioning trust, etc.) in 1979 and remained so for 18 years until his retirement from NSP in 1997. In 1998 he founded Longship and has been acting as an investment adviser since.

## ***Item 3 - Disciplinary Information***

Mr. Brusven does not have disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

## ***Item 4 - Other Business Activities***

Mr. Brusven is not actively engaged in any other investment advisory business activities. His non-investment related activities include serving on the Board of Directors for two privately held corporations and on the Board of Advisors of a private capital firm. Additionally, he has co-founded two companies in the alternative energy industry and administers an annual nuclear decommissioning related conference which is attended by representatives of nuclear utilities as well as their regulators and service providers, including attorneys, custodians, consultants, engineers and investment managers. (Neither Mr. Brusven nor Longship provides consulting services on any nature to nuclear utility companies.)

## ***Item 5 - Additional Compensation***

Mr. Brusven does not receive any additional economic benefit from third parties for providing advisory services other than as noted above.

## ***Item 6 - Supervision***

Mr. Brusven is supervised by Jon Brusven, Longship's Chief Compliance Officer. His contact information can be found on the cover page of this Schedule 2B supplemental brochure.

Mr. Brusven and other individuals as he may designate, regularly review the accounts receiving investment advisory services to monitor for suitability of recommendations and compliance with regulatory and internal procedures.

## ***Item 7 - Requirements for State-Registered Advisers***

Mr. Brusven has not been involved in: (a) any arbitration claim alleging damages in excess of \$2,500; (b) any civil, self-regulatory organization, or administrative proceeding; or (c) a bankruptcy petition.