



## **INVESTMENT ADVISORS, INC.**

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March 31, 2015

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

**This brochure provides information about the qualifications and business practices of Siebert Investment Advisors, Inc. ("Siebert" or "SIA"). If you have any questions about the contents of this brochure, please contact Joseph P. Giordano, Chief Compliance Officer by phone at 855.299.1980 or by e-mail at [jgiordano@siebertadvisors.com](mailto:jgiordano@siebertadvisors.com). 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.**

**Additional information about Siebert Investment Advisors Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Siebert Investment Advisors Inc. is 169231 and the SEC File Number is 801-81100. The SEC web site also provides information about any persons affiliated with SIA who are registered, or are required to be registered, as investment adviser representatives of SIA.**

**Siebert Investment Advisors Inc. is required to be registered as an 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**

The purpose of this page is to inform you of any material changes since the previous annual update to this brochure. If you are receiving this brochure for the first time this section may not be relevant to you.

SIA, Inc. ("SIA") reviews and updates the brochure at least annually to confirm that it remains current. This brochure is dated March 31, 2015 and the prior version of the brochure was dated March 3, 2015.

Material changes since the prior issuance of the brochure are:

- Joseph Giordano has been appointed Chief Compliance Officer to replace Daniel Bardelli, who previously held that role. Dan Bardelli continues in his role as a Compliance Officer at SIA's broker-dealer affiliate.
- The section entitled fees and compensation has been revised.
- Effective March 12, 2015, SIA became registered with the Securities and Exchange Commission ("SEC"). As such, the section entitled requirements for state registered advisors and the ADV Part 2B Brochure Supplements have been removed.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to the SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will also provide other ongoing disclosure information about material changes as necessary, without charge.

We will provide you with a new Brochure as necessary based on changes or significant new information, at any time, without charge. You may also request a copy of this brochure free of charge by contacting SIA by telephone at (855) 299-1980 or by email at [jgiordano@siebertadvisors.com](mailto:jgiordano@siebertadvisors.com).

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## **ITEM 4 - ADVISORY BUSINESS**

SIA Inc. ("SIA") is a registered investment adviser. SIA began conducting business in 2014. SIA is affiliated with Muriel Siebert & Co. a registered broker dealer since 1967. Siebert Financial Corp. is SIA's parent company.

SIA offers advice to clients regarding asset allocation and the selection of investments. Our investment management services include the design, implementation, and continued monitoring of client accounts on a discretionary or non-discretionary basis. Investment selections/recommendation are guided by the stated objectives of the Client, other considerations include the Client's risk profile and financial status. Joseph Ramos will serve as President and Chief Investment Officer, with full authority and final say over the vetting of the investment products and services, determining asset allocations, the hiring practices of Investment Advisory Staff, Portfolio Managers and Sub-Advisors, and nature and type of products and services to be offered through SIA to its clients. Please contact your SIA Investment Adviser Representative ("IA Representative") for information about our advisory programs or to request a copy of our disclosure brochures.

### **(I) Investment Management Services.**

SIA offers to its clients a number of asset management programs ("Managed Programs") consisting of asset allocation, flexible asset management and focused or completion strategies. In these Managed Programs, SIA acts as the co-adviser to clients. IA Representatives will assist each client in reviewing information about the programs, completing a client questionnaire to determine the client's risk tolerance, financial situation and investment objectives and selecting an investment strategy. Please refer to the descriptions below for information regarding these programs. SIA does not ever act as portfolio manager directly it selects other investment advisers to act as portfolio manager on behalf of its clients.

IA Representatives are available to clients on an ongoing basis to determine if there have been changes in the client's financial situation which may affect the appropriateness of the client's particular portfolio. The Managed Programs are described below:

**Palladium LLC Managed Account Program.** SIA has entered into an agreement with Palladium, LLC ("Palladium"), an unaffiliated third-party SEC registered investment adviser, to offer the following program as sub-adviser to clients. In this program, Palladium provides on-going investment management services on a discretionary basis that include the ability to adjust asset allocations, add, remove or replace securities in the account, and rebalance the account as it deems necessary. Palladium also provides advice related to program design and support, including the structure and design of asset allocation portfolios and underlying investment research on Separately Managed Accounts ("SMAs"), which are portfolios of individually owned securities managed by an asset manager and that are often referred to as "sub-managers", mutual funds and Exchange-Traded Funds ("ETFs") that may be available within this program. National Financial Services, LLC ("NFS") serves as account custodian for client assets in this program. Please refer to Palladium's Part 2A of Form ADV for additional details on its program.

**Investnet Asset Management Program.** SIA has entered into an agreement with Investnet Asset Management, Inc. ("Investnet"), an unaffiliated third-party SEC registered

investment adviser, to offer Brinker Capital's Destination program as co-advisers to its clients. In this program, Envestnet provides on-going investment management services on a discretionary basis that include the ability to adjust asset allocations, add, remove or replace securities in the account, and rebalance the account as it deems necessary. National Financial Services, LLC ("NFS") serves as account custodian for client assets in this program.

**Managed Account Solution Program.** The Managed Account Solution Program is an asset allocation program which offers both SMA portfolios and mutual funds. Sub-managers are selected by Envestnet from a universe of managers who specialize in a particular investment style. As part of the Managed Account Solution Program, the client may select the PMC Enhanced Portfolio Strategies - Low Volatility or Structured Growth. These are actively traded portfolios designed to provide the characteristics of alternative investments in the form of a portfolio of registered mutual funds and other investment vehicles. The portfolio's attributes include little or no correlation with public equities and fixed income markets, low volatility relative to equities, a favorable return/risk profile, and the ability to enhance overall portfolio diversification. The portfolio is constructed using a diversified group of funds spanning many different style categories, such as, bear market, world bond, domestic equities and emerging markets.

**Destinations Program,** SIA has entered into an agreement with Brinker Capital ("Brinker"), an SEC registered investment adviser, to offer its Destinations Program to clients. Brinker Capital allocates assets among no-load mutual funds in a brokerage account established through National Financial Services, LLC ("NFS"), which serves as account custodian for client assets in this program. Brinker is responsible for selecting the mutual funds and for ongoing asset management services to achieve the goals of the asset allocation strategy chosen by the client. Brinker also offers a Personalized Distribution Strategy ("PDS") within the Destinations Program. The PDS, which is intended to provide the client with a stream of periodic distributions, consists of two elements: an actively managed cash liquidity reserve (a money market fund or other short term investment vehicle) and a portfolio of mutual funds selected based upon each client's Destinations asset allocation strategy. The client determines the amount of each periodic distribution. The initial cash reserve will equal 24 months of distribution for new clients in the Destinations program. Accordingly, the amount in the cash reserve will vary depending upon the monthly distribution amount specified by the client. All interest and dividends on the portfolio will be swept into the cash reserve. Please refer to Brinker's Part 2A of Form ADV for additional details on the PDS.

## ***ITEM 5 - FEES AND COMPENSATION***

The following details the fee structure and compensation methodology for investment management. Each client shall sign an Investment Advisory Agreement that details the responsibilities of SIA and the Client. The client will pay a fee which will cover the advisory management fee for SIA. In addition other fees which are paid separately may include third party adviser fees, transactional and trading cost associated to the account.

**Portfolio Management** For services provided by SIA, Investment Advisory Fees will be paid quarterly in advance pursuant to the terms of the Investment Advisory Agreement. Investment Advisory Fees are based on the market value of the assets under management at the end of each calendar quarter. Investment Advisory Fees schedules area as follows:

### Equity Fee Schedules:

- 1.50% on the first \$500,000
- 1.25% on the next \$500,000
- 1.10% on the next \$1,000,000
- 1.00% on the nest \$3.000, 000
- 0.75% on assets in excess of \$5,000,000

### Fixed Income Fee Schedule:

- 0.75% up to the first \$1,000,000
- 0.60% on the next \$1,000,000
- 0.50% on the next \$5,000,000
- 0.35% on assets in excess of \$10,000,000

### Balanced Fee Schedule:

- 1.35% on the first \$500,000
- 1.10% on the next \$500,000
- 1.00% on the next \$1,000,000
- 0.75% on the nest \$3,000,000
- 0.65% on assets in excess of \$5,000,000

Investment Advisory Fees in the first quarter of service are prorated to the inception date of the account to the end of the first quarter. Fees are also prorated when deposits and withdrawals are made. The Client's fees will take into consideration the aggregate assets under management with the advisor. Investment Advisory Fees can be paid by check or automatically deducted from the Client Account by the Custodian. Clients will provide written authorization permitting SIA to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement. The amount due is calculated by applying the quarterly rate (annual rate divided 365 days and then multiplied by the number of days in the quarter) to the total assets under management with SIA at the end of the prior quarter. Clients will be provided with a monthly statement from the Custodian reflecting amount of deduction of the Investment Advisory Fee. In addition, at the client's request SIA will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients may not incur transaction charges for trades executed in their accounts. Clients will pay the following

separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). Clients should review the ADV brochures of any third party managers for details about any additional fees they charge.

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

SIA does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because SIA has no performance-based fee accounts, it has no side-by-side management.

## ***ITEM 7 - TYPES OF CLIENTS***

SIA generally provides investment advice to individuals, high net worth individuals, families, trusts, corporations and business entities.

The minimum account size is \$100,000 although this requirement may be waived from time to time in our discretion. We may reduce or waive the minimum account size requirement based upon certain criteria such as anticipated future earning capacity, anticipated future additional assets, specific dollar amount of assets to be managed, related accounts, account composition or negotiations with the client.

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

Siebert Investment Advisors, Inc. does not use any methods of analysis or investment strategy. Please refer to the ADV of the third party for Brinker or Palladium or Envestnet for additional information concerning products they use or offer.

### **Risks Associated with Certain Investments Used in the Products**

It is important to remember that all investments carry at least some degree of risk. Risk may include loss of some, or even all, of your investment. No particular type of investment, or approach to investing, is guaranteed to perform well, and there may be other investment vehicles, portfolio managers or approaches not offered by SIA that may perform as well or better. You should consider these factors carefully before deciding to invest and be prepared to bear losses. Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The value of a stock may decline due to general weakness in the stock market or because of factors that affect a company or a particular industry.

### **Management Risk**

SIA investment products are subject to management risk because each account is an actively managed portfolio. Palladium's management practices and investment strategies might not produce the desired results.

**Market Risk**

The prices of the securities in which Palladiem invests and strategies it recommends may decline for a number of reasons including in response to economic developments, factors relating to the company, and market activity.

**Adjustable Rate and Floating Rate Securities Risks**

Although adjustable and floating rate debt securities tend to be less volatile than fixed-rate debt securities, they nevertheless fluctuate in value.

**Alternative Investments and Derivatives**

Mutual funds used in product may invest in alternative investments strategies or derivatives that are often more volatile than other investments and may magnify the vehicle's gains and losses. A derivative is a security or contract (futures, options etc.) the value of which fluctuates with the value of another security (i.e., its value is "derived" from the value of another). An investment vehicle that uses derivatives could be negatively affected if the change in market value of its securities fails to correspond as expected to the underlying securities.

Alternative investment products are not for everyone and entail risks that are different from more traditional investments. Alternative investment strategies are intended for sophisticated investors and involve a high degree of risk, including, among other things, the risks inherent in investing in securities and derivatives, using leverage, and engaging in short sales. An investment in an alternative investment product or strategy may be considered speculative and should not constitute a complete investment program. Diversification and strategic asset allocation do not assure a profit or protect against loss in declining markets.

The potential for a commodity investment vehicle to use derivative instruments, such as futures, options, and swap agreements, to achieve its investment objective may create additional risks that would not be present in the underlying securities themselves, thus raising the potential for greater investment loss.

**Concentration Risk**

Portfolios that invest a significant portion of assets in a small or limited number of securities, a single specific or closely-related sectors, industries, a specific region or country, may involve greater risks, including greater potential for volatility, than more diversified portfolios. The value of these holdings will vary considerably in response to changes in the market value of the securities that represent these sectors, industries, or regions.

**Covered Calls**

Mutual funds that engage in the selling (or writing) of covered calls may involve a high degree of risk and may not be suitable for all investors. For a call option that is sold (written), if that option is exercised, the upside potential is limited to the premium received plus the difference between its stock price and the stock purchase price. If the option is not exercised and expires out-of-the-money and with no value, the upside potential is any gain in share value plus the premium received. On the downside, limited protection is provided by the premium received from the call's sale. The loss potential may be substantial and is limited only by the stock declining to zero. Investors should read and understand the risks associated with options prior to engaging in any covered call strategy. These risks are more



fully described in the booklet entitled “The Characteristics & Risks of Standardized Options”, which can be accessed at [www.optionsclearing.com](http://www.optionsclearing.com).

### **Credit Risk**

The issuers of the bonds and other debt securities held in products offered through SIA may not be able to make interest or principal payments.

### **Currency Risk**

If invested in non-U.S. securities, SIA products are subject to the risk that foreign currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged.

### **Foreign Securities Risk**

SIA's clients with Palladium's approval may invest a significant portion of assets in securities of foreign issuers denominated in U.S. dollars, including issuers in emerging markets. Foreign economies may differ from domestic companies in the same industry. Foreign economies may differ from domestic companies in the same industry. Investment in emerging markets involves additional risks, including less social, political and economic stability, smaller securities markets and lower trading volume, restrictive national policies and less developed legal structures.

### **Foreign Securities and Emerging Markets Risk**

The value of foreign investments offered through SIA and approved by Palladium may be adversely affected by changes in the foreign country's exchange rates, political and social instability, changes in economic or taxation policies, decreased liquidity and increased volatility. Foreign companies may be subject to less regulation than U.S. companies. Investment in emerging markets involves additional risks, including less social, political and economic stability, smaller securities markets and lower trading volume, restrictive national policies and less developed legal structures.

### **Gold**

SIA clients approved by Palladium may invest in ETFs that invest in gold bullion. Several factors affect the price of gold, including: global supply and demand; global or regional political, economic or financial events and situations; investors' expectations with respect to the rate of inflation; currency exchange rates and interest rates. There is no assurance that gold will maintain its long-term value in terms of purchasing power in the future. The price of gold has fluctuated widely over the past several years and may experience significant volatility.

### **Government-Sponsored Entities Risk**

SIA clients approved by Palladium may invest in securities issued or guaranteed by government-sponsored entities, including GNMA, FNMA and FHLMC. However, these securities may not be guaranteed or insured by the U.S. Government and may only be supported by the credit of the issuing agency.

### **Interest Rate Risk**

In general, the value of bonds and other debt securities falls when interest rates rise. Longer term obligations are usually more sensitive to interest rate changes than shorter term obligations.

**Liquidity Risk**

Low or lack of trading volume may make it difficult to sell securities held in the PIPs product at quoted market prices.

**Long/Short Positions**

Investment vehicles, such as mutual funds and ETFs, used in the Strategies may employ the use of long and short positions, which may involve risks different from those normally associated with other types of investment vehicles. It is possible that the fund's long positions will decline in value at the same time that the value of the securities sold short increases, thus raising the potential for greater investment loss. Market neutral investing, in using long and short positions, provides no guarantee that it will be successful in limiting the fund's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Investment in a strategy involved in long and short selling may have higher portfolio turnover rates, which may result in additional tax consequences. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

**Portfolio Turnover Risk**

A high portfolio turnover rate (100% or more) has the potential to result in the realization and distribution to shareholders of higher capital gains, which may subject you to a higher tax liability. A high portfolio turnover rate also leads to higher transactions costs.

**REITS**

Issuer risk Investments in REITs are subject to many of the risks associated with direct real estate ownership and, as such, may be adversely affected by declines in real estate values and general and local economic conditions.

**Risks Associated with High Yield Securities**

Approved SIA clients may invest in high yield securities. Securities with ratings lower than BBB or Baa are known as "high yield" securities (sometimes referred to as "junk bonds"). High yield securities provide the potential for greater income and opportunity for gains than higher-rated securities but entail greater risk of loss of principal.

**Risks Associated with Inflation and Deflation**

Inflation risk is the risk that the rising cost of living may erode the purchasing power of an investment over time. Deflation risk is the risk that prices throughout the economy decline over time – the opposite of inflation.

**Risks Associated with Mortgage-Backed Securities**

These include Market Risk, Interest Rate Risk, Credit Risk, Prepayment Risk as well as the risk that the structure of certain mortgage-backed securities may make their reaction to interest rates and other factors difficult to predict, making their prices very volatile. In particular, the recent events related to the U.S. housing market have had a severe negative impact on the value of some mortgage-backed securities and resulted in an increased risk associated with investments in the securities.

**Small- and/or Mid-Cap issuer risk**

Small and midsize companies carry additional risks because the operating histories of these companies tend to be more limited, their earnings and revenues less predictable (and some companies may be experiencing significant losses), and their share prices more volatile than those of larger, more established companies. The shares of smaller companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities. These companies may have limited product lines, markets or financial resources, or may depend on a limited management group. Some investments will rise and fall based on investor perception rather than economic factors. Other investments are made in anticipation of future products, services or events whose delay or cancellation could cause the stock price to drop.

**Exchange-Traded Funds**

There are special risks associated with ETFs, such as: ETF shares are not individually redeemable; the market price of ETF shares may differ from the net asset value; an active trading market for ETF shares may not exist and if it does exist, it may not be maintained over time; and trading of ETF shares may be halted by regulators under certain circumstances. Certain ETFs may have elected to be treated as partnerships for federal, state and local income tax purposes. You should consult your tax advisor in determining the tax consequences of any investment. For more information on tax handling and certain ETF expenses, refer to the ETFs' prospectus.

**Exchange-Traded Notes**

Exchange-Traded Notes are a type of senior, unsecured, unsubordinated debt security of the issuing company. This type of debt security differs from other types of bonds and notes because ETN returns are generally based upon the performance of a market index minus applicable fees, no periodic coupon payments are distributed and no principal protection exists. Similar to ETFs, ETNs are generally traded on a securities exchange. Investors can also hold the debt security until maturity. At that time, the issuer is obligated to give the investor a cash amount that would be equal to the principal amount times the applicable index factor less investor fees. The index factor on any given day is a mathematical equation equal to the closing value of the underlying index on that day divided by the initial index level. ETNs are subject to credit risk and liquidity risk that impact the price received upon disposition of the notes. Additional risks of investing in ETNs include limited portfolio diversification, price fluctuations, issuer default, uncertain principal repayment, and uncertain federal income tax treatment. The performance of the ETNs may vary from the actual performance of the underlying index and the performance of the underlying index components. By investing in ETNs, the owner does not have certain rights that investors in the underlying index or the underlying index components may have, such as stock voting rights.

***ITEM 9 - DISCIPLINARY INFORMATION***

Neither SIA nor its employees have been the subject of any disciplinary actions as outlined in NASAA's instructions for Form ADV Part 2. SIA is obligated to disclose any disciplinary event that would be material to you when evaluating SIA to initiate a Client relationship with Siebert Investment Advisors, Inc.

## ***ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS***

SIA is not a broker-dealer. Some of its investment adviser representatives are registered with Muriel Siebert & Co., Inc. an affiliated broker-dealer who also has a clearing arrangement with National Financial Services, LLC. We are not pending registration as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

Financial Industry Affiliations:

Siebert Investment Advisors, Inc. is wholly owned by Siebert Financial Corp.

Affiliates of SIA may refer Consultants, Co-Sponsors, or Sub-Advisers to SIA. SIA shall make an independent determination as to whether to do business with such entities. Affiliates of SIA may also have business arrangements with Consultants, Co-Sponsors, Custodians or Sub-Advisers that may indirectly benefit from such entities' business with SIA.

SIA does not receive any additional compensation from third party advisers.

## ***ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING***

SIA has adopted its Investment Advisory Compliance Program (the "Program"), pursuant to Rule 206(4)-7 under the Investment Advisers Act of 1940 ("Advisers Act"). Part of that program includes the adoption of written policies and procedures, which are incorporated within SIA's Compliance Manual. SIA employees receive periodic training relating to the Compliance Program, which is amended periodically to reflect additional policies.

### **Code of Ethics and Personal Trading**

SIA has adopted a Code of Ethics ("Code") pursuant to Rules 204A-1 and 204-2 under the Advisers Act. The Code is updated periodically, as necessary, and distributed to all personnel. Periodic training on the Code is provided to existing employees and all new employees upon hire. All of our employees are required to accept in writing the terms of the Code of Ethics upon employment, on amendment of the Code of Ethics and annually.

The Code sets out our standard of conduct of investment advisory personnel, including the fiduciary and confidential duty of personnel, trading and gift policies, reporting and record-keeping obligations, and avoidance of conflicts of interest.

With respect to personal trading, the Code contains rules and restrictions on the purchase and sale of securities by employees. These rules and/or restrictions are designed to protect SIA's Clients. All officers and employees are required to put the interests of the Clients first in all dealings relating to the Client and their investments.

Generally, the Code of Ethics provides that:

- ☐ Employees must pre-clear all personal trades for their own accounts or accounts over which they have an interest or control ("employee-related accounts")
- ☐ Pre-clearance requests will not be granted for trades in securities that are under consideration for a client account or are the subject of an unexecuted order for a client account
- ☐ Brokerage statements and confirmations for all employee-related accounts must be sent to the firm
- ☐ Employees must report personal securities transactions in all employee-related accounts quarterly

□ Limitations on SIA personnel's ability to participate in initial public offerings and private placements; however SIA personnel may invest in SIA managed portfolios approved by Pallidum Partners, LLC.

Employee personal trading reports are reviewed by Compliance personnel to verify the employees are complying with the Code. SIA may impose penalties and sanctions on employees who have violated provisions of the Code, including the personal trading policy. In addition, the Code of Ethics contains policies and procedures concerning the misuse of material non-public information and concerning political activities and contributions.

The Code of Ethics also dictates activities that are strictly prohibited, which include:

- Having a personal interest or receiving a personal benefit in any Client transaction;
- Using knowledge of Client transactions for personal gain; and
- Allowing anything to influence or impact an independent, unbiased judgment with respect to Client communications. SIA will provide a copy of the Code to you or any prospective Client, upon request.

### **Privacy Policy**

SIA protects your personal information. You may review a copy of SIA's Privacy Policy upon request.

### **Business Continuity**

SIA has adopted a business continuity strategy to maintain critical functions in the event of circumstances, which impact our physical plants, applications, data centers or networks.

SIA has engaged in planning and process development to reduce risk in this area.

### **Error Correction**

SIA seeks to correct errors affecting Client accounts in a fair and timely manner and in such a way that the Client will not suffer a loss. To manage potential conflicts of interest concerning errors, we have implemented a written error resolution policy, whereby risk management personnel monitor and resolve such issues.

### **Risk Management Review**

The Risk Management Committee provides oversight of investment management and operational policies and procedures including a scheduled review designed to mitigate key risks.

## ***ITEM 12 - BROKERAGE PRACTICES***

Upon receiving written authorization from the client, Advisor may provide discretionary investment advisory services for client portfolios. When discretionary authority is granted, Advisor will have the authority to determine the type and amount of securities that can be bought or sold for the client portfolio, to select the broker or dealer to be used for the purchase and sale of securities in client's portfolio, and to determine commission rates paid without obtaining the client's consent for each transaction.

The broker-dealers or other entity serving as custodian or executing securities trades for Advisor's clients are selected based upon best execution practices for a particular trade or service. SIA does not engage in soft dollar relationships with broker-dealers. The Advisor does not use client brokerage to reward brokers for client referrals. As a fiduciary, SIA endeavors to act in its clients' best interests. SIA does not aggregate trades.

## ***ITEM 13 - REVIEW OF ACCOUNTS***

### **Account Reviews**

SIA has policies and procedures implemented to monitor an account's holdings with respect to the selected investment strategy. Your account will be reviewed quarterly to help ensure that allocations in your account are in accordance with the relevant policy guidelines, and in accordance with your specific investment restrictions and policies. In addition, an investment adviser representative has responsibility for reviewing: account holdings; account cash levels above or below designated thresholds; an exception account drift report that compares an account's security and style allocation percentages to the selected portfolio's target allocation percentages; and a quarterly review of those accounts whose performance deviates materially from the composite performance of accounts within the same strategy. SIA will use account level reports generated by the Custodian. These reviews are supervised by the Chief Investment Officer. Your Registered Investment Adviser is responsible for:

- ☐ obtaining information from you regarding your financial situation and investment objectives, and providing you with the opportunity to impose reasonable restrictions on the management of the account;
- ☐ monitoring your investment objectives or guidelines on an on-going and periodic basis, but not less frequently than quarterly, to confirm consistency with your investments/portfolios.
- ☐ asking you, at least annually, to inform them of any changes in your financial condition or of any changes to investment restrictions which you wish to impose.

While there are no restrictions on your ability to contact and consult with the third party adviser personnel, it is generally preferred that you do so through, or together with your SIA investment adviser representative.

### **Unfunded Account Termination**

If your account has a zero balance for more than six months, SIA will terminate your advisory agreement. Your underlying brokerage account, however, will remain open, unless terminated by the custodian. Once an advisory account has been terminated, SIA will not be held responsible for account trading delays and SIA will not provide any communications to you or your Registered Investment Adviser. New account paperwork may be required and other procedures for reactivating the account must be followed.

We may review client accounts more frequently than the periodic reviews described in this Brochure. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

We provide written quarterly performance reports to all clients.

We do not provide verbal reports to clients, unless asked to do so.

## ***ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION***

We do not receive any compensation from third parties for investment advice or other advisory services to our clients. Currently, SIA does not have any or plan to have any solicitor arrangements. If it does in the future, it will make proper disclosures prior to engaging in those agreements.

## ***ITEM 15 - CUSTODY***

We do not have physical custody of client assets or provide custodial services. In order to use our services, you must establish a custodial account with another institution, such as a brokerage firm, bank, trust company, or other qualified custodian from a specific list of custodians with which we will work.

You will generally receive custodial account statements about portfolio holdings at least monthly directly from the custodian that maintains your funds and securities. You are encouraged to carefully review the custodial account statements you receive from the custodian and compare the information on those statements to any report on an account that you receive from SIA. If you require additional information about the content of a SIA report, you should contact Client Service at 1-855-299-1980.

In addition to custodial brokerage statements provided by the custodian, SIA on a quarterly basis will provide investment performance and evaluation reports to your Registered Investment Representative, so you can measure your progress toward your financial goals.

It is SIA's policy that it does not advise, initiate or take any other action on your behalf relating to securities held in the your account managed by Palladium Partners, LLC or Brinker Capital in any legal proceeding (including, without limitation, class actions, class action settlements and bankruptcies).

SIA does not file proofs of claim relating to securities held in your account and does not notify you or your custodian of class action settlements or bankruptcies relating in any way to such account. You should consult with your custodian and other service providers to ensure such coverage.

## ***ITEM 16 - INVESTMENT DISCRETION***

SIA generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by SIA and its Chief Investment Officer Palladium Partners, LLC. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement in writing containing applicable limitations, if any, to such authority. All discretionary trades made by SIA will be in accordance with each Client's investment objectives and goals. If Client's Investment objectives change, the Client must provide such changes in writing to the Advisor.

## ***ITEM 17 - VOTING CLIENT SECURITIES***

If you, as a client of SIA, opt to have your portfolio manager of the selected Managed Program vote proxies for you, your custodian will send reorganization notices and proxy materials to the portfolio manager. If your account is a tax-qualified retirement plan subject to ERISA, unless you opt to do it yourself, your portfolio manager will vote your proxies. If your account is not an ERISA account, you may either retain the right to vote proxies or delegate such authority to your portfolio manager.

The portfolio managers for each Managed Program have their own proxy voting policies and the policies differ for each Managed Program. Clients should review the Form ADV Part 2A of the portfolio managers for their selected Managed Program for specifics regarding the managers' proxy voting policies. Clients can contact their SIA investment adviser representative if they have any questions about specific proxy votes.

SIA does not vote proxies on behalf of clients directly.

## ***ITEM 18 - FINANCIAL INFORMATION***

As an advisory firm we are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. SIA does not foresee any financial condition and or impairment that would preclude SIA from meeting its contractual commitments to clients. SIA is not required to deliver a balance sheet along with this Brochure, as the firm does not collect advance fees for services to be performed six months or more in advance.