

Effective Date 12/23/2015

Nella Investment Advisers

20650 S. Cicero Ave.
Ste. No. 339
Matteson, IL 60443-0339
<http://www.NellaAdvisers.com>

Who to Contact

Gregory Clay, Investment Adviser
312-324-0825
gregoryaclay@gmail.com



This brochure provides information about the qualifications and business practices of Nella Investment Advisers. If you have any questions about the contents of this brochure, please contact Gregory Clay at the contact information shown above. 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 Nella Investment Advisers also is available on the SEC's website at www.adviserinfo.sec.gov. NOTE: Registration as an Investment Adviser does not imply a certain level of skill or training.

Material Changes

This brochure does NOT contain any material changes from any previous versions, updates or filings.

Table of Contents

Effective Date 12/23/2015	1
Nella Investment Advisers.....	1
Who to Contact	1
Material Changes.....	1
Advisory Business	3
Fees & Compensation.....	4
Performance-Based Fees and Side-By-Side Management	5
Types of Clients	5
Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Trading Account Allocation	6
Disciplinary Information	8
Other Financial Industry Activities and Affiliations	8
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	8
Code of Ethics	8
Participation or Interest in Client Transactions and Personal Trading.....	9
Brokerage Practices.....	9
Review of Accounts	10
Client Referrals and Other Compensation	10
Custody.....	10
Investment Discretion	10
Voting Client Securities	11
Financial Information	11

Advisory Business

- Gregory Clay is the principal owner and has operated Nella Investment Advisers the past 10 years. No other individual or firm has a substantial ownership interest in the business. Nella Investment Advisers does not have any publicly held subsidiaries.
- Nella Investment Advisers (Investment Adviser) will perform **Proprietary Trading** services as a 'Proxy Trader'.
- The definition of **proprietary trading** is when a person or firm trades its own account (no public funds) to generate a gain. A **proxy trading** account is simply an investment account where the investment adviser is authorized to execute trades on the clients' behalf.
- Nella Investment Advisers proxy trading is primarily focused on these investment types 1) stocks trading on the major stock exchanges, the major stock indexes, and Exchange Traded Funds (ETF's), 2) option contracts on stocks, stock indexes, volatility index and ETF's.
- The objective of the proxy trader is to generate income each and every month from trading short term option contracts on stocks, stock indexes, and Exchange Traded Funds (ETFs). Short term is generally defined as trade duration from one to eight weeks.
- The proxy trading strategy is specifically customized to the individual risk profile of clients. Clients may impose restrictions on investing in certain securities or types of securities.
- Nella Investment Advisers shall provide investment advisory services specific to the needs of each client. Prior to providing proxy trading services, the investment adviser will ascertain each client's investment objective(s).
- Prior to engaging Nella Investment Advisers to provide proxy trading services, clients are generally required to enter into the *Proxy Trading Agreement* with the investment adviser setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee paid by the client for proxy trading services, based on the schedule noted below.
- In performing its services, Nella Investment Advisers shall not be required to verify any information received from the client or from the client's expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the investment adviser if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising the investment advisers previous recommendations and/or services.
- A copy of Nella Investment Advisers' written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Proxy Trading Agreement*. Any client who has not received a copy of Nella Investment Advisers' written Brochure at least 48 hours prior to executing

the *Proxy Trading Agreement* shall have five business days subsequent to executing the agreement to terminate the investment advisers' services without penalty.

- As of December 31, 2015, Nella Investment Advisers had \$500,000 in discretionary assets under management and \$350,000 in non-discretionary assets.

Fees & Compensation

- Nella Investment Advisers charges a subscription fee to provide discretionary or non-discretionary proxy trading based on the total market value of securities under management.
- If a client determines to engage Nella Investment Advisers to provide proxy trading services, the annual investment advisory subscription fee is a percentage of the total market value of assets placed under management as follows:

Account Balance		Percent	Account Balance		Percent
\$ 20,000	\$ 20,499	6.00%	\$ 110,000	\$ 110,499	1.95%
\$ 25,000	\$ 25,499	5.75%	\$ 115,000	\$ 115,499	1.88%
\$ 30,000	\$ 30,499	5.50%	\$ 120,000	\$ 120,499	1.82%
\$ 35,000	\$ 35,499	5.25%	\$ 125,000	\$ 125,499	1.77%
\$ 40,000	\$ 40,499	4.75%	\$ 130,000	\$ 130,499	1.73%
\$ 45,000	\$ 45,499	4.25%	\$ 135,000	\$ 135,499	1.70%
\$ 50,000	\$ 50,499	3.75%	\$ 140,000	\$ 140,499	1.67%
\$ 55,000	\$ 55,499	3.45%	\$ 145,000	\$ 145,499	1.64%
\$ 60,000	\$ 60,499	3.20%	\$ 150,000	\$ 150,499	1.61%
\$ 65,000	\$ 65,499	3.00%	\$ 155,000	\$ 155,499	1.58%
\$ 70,000	\$ 70,499	2.85%	\$ 160,000	\$ 160,499	1.55%
\$ 75,000	\$ 75,499	2.70%	\$ 165,000	\$ 165,499	1.52%
\$ 80,000	\$ 80,499	2.55%	\$ 170,000	\$ 170,499	1.49%
\$ 85,000	\$ 85,499	2.43%	\$ 175,000	\$ 175,499	1.46%
\$ 90,000	\$ 90,499	2.32%	\$ 180,000	\$ 180,499	1.43%
\$ 95,000	\$ 95,499	2.22%	\$ 185,000	\$ 185,499	1.40%
\$ 100,000	\$ 100,499	2.12%	\$ 190,000	\$ 190,499	1.37%
\$ 105,000	\$ 105,499	2.03%	\$ 195,000	\$ 195,499	1.34%

- The proxy trading annual subscription fee shall be prorated and a portion billed monthly, based upon the market value of the assets as measured by the average daily balance during the prior month. Proxy trading accounts generally require a minimum market value of \$20,000. Nella Investment Advisers, in its sole discretion, may charge a lesser investment adviser fee and/or reduce or waive its annual minimum investment based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be hedged, related accounts, account composition, negotiations with client, etc.).

- The proxy trading agreement with the client will continue in effect until terminated by either party by written notice in accordance with the terms of the agreement.
- There are no other types of client payments, commissions or expenses associated with proxy trading and prepayment is not required. The client subscription fee provides 100% of the revenue.
- Neither Nella Investment Advisers nor related persons accept any compensation for any security or other investment product we recommend.
- The investment adviser does not have a working relationship with any agent or broker and clients should select any agent/broker they prefer.

Performance-Based Fees and Side-By-Side Management

Neither Nella Investment Advisers nor any of our supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets in the account. Neither investment adviser nor supervised persons engage in managing accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee.

Types of Clients

The types of clients who typically utilize Nella Investment Advisers' proxy trading services are individual investors, investment companies, pensions and profit sharing plans, estates and charitable trust. Proxy trading accounts generally require a minimum market value of \$20,000. Nella Investment Advisers, in its sole discretion, may charge a lesser investment adviser fee and/or reduce or waive its annual minimum investment.

Methods of Analysis, Investment Strategies and Risk of Loss

- The investment adviser will apply a 'Market Neutral' **proxy trading strategy** to client's investment account. The logic for utilizing Market Neutral strategies is that the traders not need to anticipate market direction, whether stocks go up or down is not important. An investment strategy or portfolio is considered market-neutral if it seeks to avoid or mitigate market risk, typically by hedging. One of the main advantages of the market neutral strategy is the emphasis on hedging; this has been particularly useful over the past five years. While investment funds utilizing other strategies have underperformed the market during that time, most market neutral portfolios have performed above the average of other equity funds due to the emphasis on limited risk taking.

- Investment advisers primary trading strategy is based on technical analysis which is a method of evaluating investments by analyzing statistics generated based on market activity, such as past prices and volume. Technical analysts do not rely on investments intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.
- Fundamental analysis is company specific data that can impact risk/reward profile of a potential trade. Scheduled quarterly earnings, revenue and future guidance announcements, declared dividends, news related to new products, mergers & acquisitions, stock splits, potential legal issues, etc. can influence the potential value of a stock investment.
- Investment adviser may recommend long and/or short ETF's that are designed to perform in either an inverse relationship to certain market indices for the purpose of hedging against downside market risk. The adviser may also suggest option contracts on long and/or short ETF's.
- Additional strategies are utilized to trade either bullish or bearish price moves in an underlying stock. Trades involving various combinations of call and put option contracts are used for trade adjustments and/or minimize the cost of a trade.
- Fundamental investment analysis (analysis performed on historical and present data, with the goal of making financial forecasts) and technical analysis charting techniques (analysis performed on historical and present data to forecast the direction of prices) are predominantly used to formulate trading strategies for clients.

Trading Account Allocation

- 25% of the trading account is allocated for monthly credit spreads
- 25% is directed towards weekly credit spreads
- 15% allocated to debit trades
- 15% is reserved for any trade adjustments
- 20% is a loss reserve to cover drawdowns

Note: Account Allocation varies depending on the stock market volatility, market corrections, price trends, quarterly earnings, etc.

- General trade duration of one to eight weeks is suggested to minimize trade frequency which reduces fees & commissions.
- Investment adviser attempts to limit the potential maximum risk of loss from each trade to less than 2% of the total trading account.
- The significant investment strategy and analysis techniques rely on historical data. The material risk associated with this type of methodology is that future performance does not necessarily mirror past results.

- Every method of analysis has its own inherent risks. To perform an accurate market analysis, Nella Investment Advisers must have access to current/new market information. Investment Adviser has no control over the dissemination rate of market information; therefore, unbeknownst to the adviser, certain analyses may be compiled with outdated market information, severely limiting the value of the adviser's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.
- Primary recommended securities are 1) stocks trading on the major stock exchanges, the major stock indexes, and Exchange Traded Funds (ETF's), and 2) option contracts on stocks, stock indexes, volatility index and ETF's. The material risks associated with these types of investments are a) market risk attendant to the overall investment markets, b) business risk related to specific companies, and c) asset class risk connected to the performance of specific categories of investments.
- Investing in securities involves risk of loss that clients should be prepared to accept.
- Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the investment adviser) will be profitable or equal any specific performance level(s).
- The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract.
- Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin.
- There can be no assurance that any investment strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Nella Investment Advisers, in writing, not to recommend or suggest any or all such strategies on the clients' behalf.

Disciplinary Information

- There are no legal or regulatory disciplinary events that are material to a client's or prospective client's evaluation of Nella Investment Advisers or the integrity its management.

Other Financial Industry Activities and Affiliations

- Neither the firm nor any of its management is registered or has a pending application to register as a broker-dealer or registered representative of a broker-dealer.
- Neither the firm nor any of its management is registered or has a pending application to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- Neither the firm nor any of its management has any relationship or arrangement that is material to the advisory business or to our clients, further there is no relationship or arrangement that creates a material conflict of interest with clients.
- Neither the firm nor any of its management recommends or selects other investment advisers for clients or has any other business relationships with those advisers that create a material conflict of interest.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Pursuant to SEC Rule 204A-1, Nella Investment Advisers has a Code of Ethics that promotes the fiduciary duty of the firm and its representatives. The Code of Ethics articulates the importance of trust as a foundation to the relationship between an investment adviser and its Clients and establishes policies and procedures to ensure that Nella Investment Adviser and its representatives place the interests of the Clients first. The Code of Ethics requires the investment adviser and its representatives to adhere to all applicable securities and related laws and regulations. The Code of Ethics also requires the investment adviser and its representatives follow industry "best practices" involving: confidential information, suitability of investments, personal trading on the part of the adviser and its representatives, outside business activities of representatives, and the disclosure of conflicts of interest. A copy of the Adviser's Code of Ethics is available upon request for any Client or prospective Client.

Participation or Interest in Client Transactions and Personal Trading

While Nella Investment Advisers or representatives have no material financial interest in Client transactions, it may have a financial interest in Client transactions insofar as they may personally invest in the same securities recommended to Clients. These transactions involve a conflict of interest as investment adviser or its representatives may benefit from an increase in price from subsequent purchases by Clients. To address this conflict of interest, Nella Investment Advisers and its representatives will adhere to the following procedures regarding their personal trading:

- 1) Client transactions will always be placed ahead of those for the investment adviser, its management, and its representatives.
- 2) Nella Investment Adviser and its representatives will only trade securities that are widely traded.
- 3) Neither the client, investment adviser nor its representatives will have enough funds invested in any given security to move the market in that particular security.

Brokerage Practices

- Nella Investment Advisers does not select or recommending broker-dealers for client transactions or determine the reasonableness of broker compensation (e.g., fees and commissions).
- Neither the investment adviser nor its representatives receives any research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (soft dollar benefits).
- Investment adviser does not use any soft dollar benefits to service clients' accounts.
- Neither investment adviser nor related persons receives client referrals from a broker-dealer or third party.
- The investment adviser does not direct brokerage (routinely recommend, request or require that a client direct the adviser to execute transactions through a specified broker-dealer). However, since the investment adviser proxy trades for clients, clients are permitted to require the investment adviser execute transactions through whichever broker-dealer the client selects.
- Investment adviser executes proxy trades in each individual client account separately and therefore does not have the opportunity to aggregate.

Review of Accounts

- For those clients to whom Nella Investment Advisers provides proxy trading services, account reviews are conducted on an ongoing basis by the advisers Principals and/or representatives. All investment advisory clients are advised that it remains their responsibility to advise Nella Investment Advisers of any changes in their investment objectives and/or financial situation. All clients are encouraged to review investment objectives and account performance with the investment adviser annually.
- Nella Investment Advisers **may** conduct account reviews on other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Nella Investment Advisers may also provide a written periodic report summarizing account activity and performance.

Client Referrals and Other Compensation

- No one who is not a client provides an economic benefit to Nella Investment Advisers nor its management for providing investment advice or other advisory services to our clients.
- Neither the Investment Adviser nor related persons directly or indirectly compensates any source for client referrals.

Custody

- Other than executing proxy trades in the clients investment account(s), neither Nella Investment Advisers nor related persons have custody or control of client funds or securities. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts

Investment Discretion

- The client can determine to engage Nella Investment Advisers to provide investment advisory services on a discretionary basis. Prior to the adviser assuming discretionary authority over a client's account, the client shall be required to execute a Proxy Trading *Agreement*, authorizing Nella Investment Advisers as the client's representative, granting the investment adviser full

authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

- Clients who engage Nella Investment Advisers on a discretionary basis may, at any time, impose restrictions, **in writing**, on the advisers discretionary authority, (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the advisers use of margin, etc.).
- For those clients who wish to enjoy a greater degree of participation in the management of their investments, we offer the **non-discretionary** proxy trading service whereby we contact clients to advise and discuss investment matters. No transactions are carried out without the client's approval.

Voting Client Securities

- Neither Nella Investment Advisers nor related persons will accept authority to vote client securities.
- Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent and the investment adviser does not answer questions about a particular solicitation.

Financial Information

- Neither Nella Investment Advisers nor related persons will require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- Neither investment adviser nor related persons is the subject to any financial condition that is reasonably likely to impair discretionary authority over client funds.
- Neither investment adviser nor related persons is the subject of a bankruptcy petition.