

# SGIM INC.

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## **ADV Part 2A: JANUARY 2018 FIRM BROCHURE**

This brochure (this “Brochure”) provides information about the qualifications and business practices of SGIM Inc. (“SGIM”) and its related personnel. If you have any questions about the contents of this Brochure, please contact us (855) 951-1800 and/or [support@sgim.com](mailto:support@sgim.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

SGIM is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information with which you determine to hire or retain an adviser.

Additional information about SGIM also is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). SGIM may be searched by name or using our CRD #291173.

## Item 2 – Material Changes

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

This is the first Form ADV Part 2 that SGIM has filed. Therefore, there are no material changes to report.

Generally, SGIM will notify clients of material changes on an annual basis in SGIM's annual Brochure update. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

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## Item 4 – Advisory Business

### **Firm Overview**

SGIM, Inc. was incorporated in Delaware in October of 2017. The principal shareholders are Adam Forbes & Mitchell Wonboy. There are no subsidiaries.

### **Firm Services**

SGIM is a financial technology investment manager that utilizes an algorithmic portfolio allocation, construction and investment process, eliminating human biases and focusing entirely on empirical data. The end result ultimately makes the portfolio construction, allocation, risk and money management process more efficient.

The core mission of SGIM is to offer our clients a superior customer experience by simply putting our client's interest above our own. We accomplish this through innovation led by technology, and a fee structure that only charges clients if SGIM outperforms a stated benchmark net of fees.

SGIM only invests on behalf of their clients in public equities, bonds and fixed income exchange traded funds.

The asset allocation process begins with prospective clients answering several questions in order to determine the appropriate mix of stocks and bonds that should exist within their investment portfolios. SGIM has developed a set of core criteria with which to discover the optimal blend of stocks and bonds by assigning a proprietary score to a set of influencing factors such as time horizon and cash flow needs. Next, SGIM recommends an asset allocation plan and once agreed to, we proceed in building and managing the client's portfolio.

### **Client Tailoring**

As stated above, the SGIM asset allocation process begins with prospective clients answering several questions in order to determine the appropriate mix of stocks and bonds that should exist within their investment portfolios. SGIM clients are given the following three portfolio options in order to determine the appropriate benchmark to be applied to their account: 1. United States only portfolio (with a portfolio benchmark of the S&P 500), 2. Global portfolio (with a portfolio benchmark of the MSCI World Index), and 3. A Socially Responsible portfolio (with a benchmark of the MSCI KLD 400 Social Index (USD)).

When creating client portfolios, SGIM recommends one of four allocation structures: 1. 100%, equity, 2. 70% equity/30% bonds, 3. 60% equity/40% bonds, or 4. 30% equity/70%

bonds. If a client is unhappy with the SGIM recommendation, he or she has the option to override the SGIM recommendation and choose which of the four structures best suits his or her needs.

### **Wrap Fee Program**

SGIM does not participate in any wrap fee programs.

### **Client Assets Under Management**

SGIM does not currently have any client assets under management.

## **Item 5 – Fees and Compensation**

SGIM is compensated for advisory services by charging a quarterly fee only if it outperforms an agreed upon benchmark, by more than .25%. No other fees are charged to the client. SGIM pays for all trading costs and custodial fees regardless of the client's underlying performance.

It is our core belief that much of the underperformance that investors experience is due to unjustifiably high fees, poor portfolio positioning, and abysmal risk management. Most individual investors pay two separate management fees, one to the intermediary financial or investment advisor for portfolio construction and another to the underlying investment vehicles – such as a mutual fund or ETF for actually purchasing and managing the underlying securities within the portfolio. The fees paid to the mutual fund or ETF manager are subtracted directly at the fund or ETF level and not at the individual account level as a consequence of this practice many individual investors don't actually know how much they are paying for money management services and most importantly they are typically paying a duplicative fee – one to the intermediary and another to the investment vehicle.

Another flaw in this money management approach is that mutual fund and ETF holdings are somewhat opaque. It is not transparent what the underlying holdings are in most individual investors accounts because the typical disclosure on an account statement is the name of the mutual fund or ETF vehicle, not the underlying securities. We believe that a direct consequence of this lack of transparency is that many investors unwittingly have duplicate positions throughout their portfolio, owning similar securities in multiple investment vehicles. A direct consequence of this is poor security concentration management and increased risk due to lack of diversification, which can lead to significant underperformance in both the short and long term.

At SGIM one of our core values is transparency. Therefore, each of our clients will know exactly how much they are paying for portfolio management as well as portfolio construction. We eliminate the middleman and charge only one fee for both services. Also, SGIM only purchases individual securities within our client's equity portfolios, thus significantly increasing investor awareness of their holdings as well as significantly improving security concentration risk management.

SGIM is an active manager; therefore, our goal is to outperform an individually predetermined portfolio benchmark consistently. SGIM's fee structure is aligned directly with that belief. Our core value is simply that we put our client's interests above our own and therefore believe that SGIM does not deserve to collect a fee if we do not deliver on the expectation of outperformance.

SGIM directly debits its management fee from client accounts if the performance criteria are met and a fee is earned. SGIM has policies and procedures in place to ensure fees are calculated correctly and in accordance with clients agreed upon rates. On the first business day after the end of SGIM's fiscal quarter, SGIM determines whether a management fee was earned by SGIM in each of its client's accounts. If any fee is determined to be due, it is paid in arrears from the relevant account.

The following tables and fee examples are indicative of the fee expectations in the given scenarios.

Quarterly Fee charged if SGIM outperforms the agreed upon portfolio benchmark by more than .25%:

Account Size	Quarterly Management Fee
\$1 million or less	0.25%
\$1 million to \$5 million	0.20%
\$5 million to \$10 million	0.15%
\$10 million and above	0.12%

Quarterly Fee: Fee charged if SGIM underperforms the agreed upon portfolio benchmark by less than .25%

Account Size	Quarterly Management Fee
\$1 million or less	0.00%
\$1 million to \$5 million	0.00%
\$5 million to \$10 million	0.00%
\$10 million and above	0.00%

Here are several examples of various fee scenarios:

Example	Dollar Value of Account	Quarterly management fee	Benchmark of S&P Quarterly Return	SGIM Quarterly Return	Fee Charged?	Amount billed for Quarter
1	\$500,000	0.25%	7.00%	7.30%	Yes	\$1,250.00
2	\$500,000	0.25%	7.00%	6.90%	No	\$0.00
3	\$500,000	0.25%	-10.00%	-8.00%	Yes	\$1,250.00
4	\$500,000	0.25%	-10.00%	-10.25%	No	\$0.00

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

SGIM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

As discussed above, SGIM only charges fees equal to a set percentage of assets under management to clients when quarterly returns on a client's account outperform the portfolio benchmark (as agreed to between the client and SGIM).

As no performance-based fees are charged, SGIM does not incur any side-by-side management conflicts.

#### Item 7 – Types of Clients

SGIM's goal is to have a client base made up almost entirely of high-net-worth individuals. We are also launching an alternate investment model comprised of less broad-based strategies and benchmarks which will initially focus on family offices, foundations and endowments. SGIM generally requires a minimum of \$10,000 in investible assets; however, SGIM has the authority to waive or increase the minimum investor requirement, on a case by case basis, in its sole discretion.

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

##### **Asset Allocation Assessment**

Effective investment solutions start with the development of an appropriate asset allocation strategy based on an analysis of financial goals, which ultimately determines the proper mix of stock, bonds, cash and other securities to hold. SGIM has developed a set of core criteria with which to discover the optimal blend by assigning a proprietary

score to a set of influencing factors such as time horizon, cash flow needs, investment restrictions and portfolio-related tax considerations. Based on the answers provided by the client at the client onboarding stage, SGIM recommends an asset allocation plan. Once this plan is agreed to, SGIM builds and manages the portfolio. Material changes to any of the factors specified in the initial planning conditions could warrant a different allocation recommendation.

### **Security Selection**

SGIM is built on the foundational idea that it is possible to outperform broad market indexes through employing an algorithmically-based investment approach in the security selection process for our equity portfolios. We recognize that this is an opposing view from many professionals in the investment management community. Nonetheless, we accomplish this through the analysis of both fundamental and technical data points, incorporating copious amounts of figures, statistics, and information. We then significantly reduce the universe of data to a set of core conditions, which we ultimately use to develop our security selection.

The fixed income allocations in SGIM's portfolios are typically passive and managed through a broadly diversified ETF. SGIM views fixed income as a volatility dampener, and therefore we focus on generating outperformance through an active equity allocation.

### **Investment Strategies**

SGIM uses investment benchmarks as a framework for constructing client portfolios, as well as calculating quarterly performance fees and monitoring portfolio performance by comparing rates of return over time. SGIM can adjust its investment strategy for each client as appropriate depending on market conditions. In general, SGIM's clients are high-net-worth individuals that are invested in equity, fixed income or a combination of both based on their individual financial goals and objections, restrictions or investment limitations. If SGIM's model forecasts a prolonged downturn in equity markets, it may adopt a defensive strategy for client's equity accounts by investing substantially in fixed income securities or money market instruments or exchange-traded funds. This defensive positioning is built into our algorithm and will naturally take place during different market cycles to reduce volatility and capture less market downside participation, since our goal is to outperform the aforementioned portfolio benchmarks by limiting our client's downside during periods of market corrections, bear markets or extreme volatility,

### **Risk Management**

SGIM believes that owning individual securities is critical to manage risk and adequately construct a portfolio efficiently. This methodology is different from that of the vast



majority of investment advisors building portfolios using the multitude of managers approach in which the advisor doesn't actually directly manage any assets they merely hire a third party such as a mutual fund or use an investment vehicle such as an ETF and collect a fee for standing in between the end investor and manager. Consequently, the individual investors that work with an advisor using this approach end up paying two charges, one to the investment advisor constructing the portfolio and another to the actual manager picking the underlying holdings. Additionally, in our experience, another significant consequence of this approach exists that is often overlooked and less visible. Portfolios constructed using a multitude of managers often have thousands of underlying positions controlled by managers who do not communicate with one another, leading to significant individual security overlap and industry over-concentration. Ultimately, the investor is left with a risk management catastrophe that is virtually impossible to efficiently manage and in our experience, leads to deep underperformance. SGIM eliminates this impediment by purchasing individual securities and combining risk management with portfolio construction.

### **Algorithm Risks**

SGIM utilizes proprietary algorithms to generate portfolio performance on a daily basis. Its algorithms do not consider any inputs other than what is generated by the author of the algorithm. No third parties are involved in the construction or maintenance of the algorithm and the algorithm is not made available to all clients or any third party. Algorithms are, however, subject to human error. While SGIM strives to avoid this error, it is impossible to eliminate it entirely.

### **Risk of Loss**

Investing in capital markets involves risk of loss that each client should be prepared to bear. Investing in foreign stock markets involves additional risks including currency risk as well as differences in accounting methods. There can be no guarantee that a portfolio will meet its investment objectives or that it will not suffer losses.

SGIM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. While SGIM's model is to trade as infrequently as possible, SGIM reserves the right to trade in the following securities, which may carry the following risks:

**Equities:** Investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Fixed Income:** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, and credit risk.

**Treasury Bonds:** The risk of default on treasury bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**ETFs:** Exchange traded funds carry certain performance risks. ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF.

#### Item 9 – Disciplinary Information

SGIM is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of SGIM or the integrity of SGIM's management. No such events have occurred at SGIM.

#### Item 10 – Other Financial Industry Affiliations

Neither SGIM nor any of its management personnel is registered or has an application pending to register, as a broker-dealer or broker-dealer representative, futures commission merchant, commodity pool operator, commodity trading adviser, or associated person of the foregoing. SGIM does not anticipate any such affiliations in the future.

Adam Forbes is the principal owner and Chief Investment Officer of Forbes Capital Management, LLC, a Delaware limited liability company ("Forbes Capital"). Forbes Capital offers investment advisory services to individuals, high-net worth individuals, and pension or profit-sharing plans. Mr. Forbes also established a pooled investment vehicle named Lume ALPHA, LP, a Delaware limited partnership ("Lume ALPHA"), in October 2015. Lume ALPHA has few investors, of which Mr. Forbes is one, but may add other investors in the future.

There is no evident conflict between these businesses and SGIM, since the recommendations SGIM provides to its clients are algorithm-driven and Mr. Forbes does not make individual investment recommendations to SGIM clients. Furthermore, to mitigate any perceived conflict of interest between SGIM and Lume ALPHA, SGIM will execute its trades ahead of any proposed investment by Lume ALPHA.

#### Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

SGIM has a written Code of Ethics that covers the following areas: confidentiality, insider trading, gifts and entertainment, personal trading policies, prohibited activities, compliance procedures, reporting violations, training, among other things. Failure to abide by the Code of Ethics could result in disgorgement of profits or gains and/or disciplinary action, including censure, suspension, or dismissal, against the individual by SGIM. The Code of Ethics is available upon request to any client or prospective client.

SGIM maintains a culture of ethics and integrity with the highest possible emphasis on clear and transparent communication and takes pride in its fiduciary duty to put its client's interest above its own under all circumstances. SGIM does not recommend the purchase or sale of any security in which SGIM or its affiliates have any material financial interest. SGIM may, however, from time to time, buy or sell securities for itself that it also recommends to clients. Such transactions may create a conflict of interest. SGIM will always disclose any transactions that could be construed as a conflict of interest and will always conduct any such transaction only after the client's transaction has been effected.

In an attempt to mitigate the anticipated conflicts of interest, SGIM requires that its employees act in accordance with all applicable Federal and State regulation governing investment advisory practices, which includes, among other things, the policies and procedures regarding conflicts of interest and personal trading procedures.

#### **Business Continuity Plan**

SGIM has developed a Business Continuity Plan to address how we will respond to events that may significantly disrupt our business. Since the timing and impact of disasters and disruptions is inherently unpredictable, our response needs to be flexible to address actual events as they occur. If after a significant business disruption, you cannot contact us as you usually do by email at support@sgim.com or by telephone at (855) 951-1800, you should contact our clearing firm, Apex, at (888) 268-6220. SGIM's policy is to respond to a significant business disruption by safeguarding employees' lives and firm property, making a financial and operational assessment, quickly recovering and resuming

operations, protecting all of the firm's books and records, and allowing our customers to transact business. In the event that we determine we are unable to continue our business, we will assure customers prompt access to their funds and securities. Our Business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with clients, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counterparty impact; regulatory reporting; and assuring our clients prompt access to their funds and securities if we are unable to continue our business.

Our clearing firm represents that it backs up our records at a remote site. Our clearing firm represents that it operates a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our clearing firm has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing and it has confirmed that it tests its back-up arrangements regularly.

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, hard and fast deadlines that must be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption and status of critical infrastructure—particularly telecommunications—can affect actual recovery times.

Recovery refers to the restoration of clearing and settlement activities after a wide-scale disruption. Resumption refers to the capacity to accept and process new transactions and payments after a wide-scale disruption. Our clearing firm has reasonable recovery times, typically within one day, and resumption objectives.

SGIM will adhere to the procedures set forth in its Business Continuity Plan and described in this disclosure to the extent commercially reasonable and practicable under prevailing circumstances. However, there are innumerable potential causes of a business disruption. In addition, disruptions (and the events that caused them) may vary significantly in nature, size, scope, severity, duration and geographic location and will result in distinct degrees of harm to human life; firm assets; the national banking system, securities exchanges, clearing houses and depositories with which SGIM conducts business; and local, regional and national systems infrastructure (e.g., telecommunications, Internet connectivity, power generation and transportation) that could affect SGIM's recovery in vastly disparate ways. In recognition of this, SGIM reserves the right to flexibly respond to particular emergencies and business disruptions in a manner appropriate to the disruption that it deems prudent under the circumstances, in its sole discretion. Nothing in this document is intended to provide a guarantee or warranty regarding the actions or

performance of SGIM, Apex, its computer systems, or its personnel in the event of a significant disruption. SGIM may modify its Business Continuity Plan and this disclosure at any time.

For other disclosures relating to Apex, please see the following link: <https://www.apexclearing.com/disclosures/>.

#### Item 12 – Brokerage Practices

SGIM does not engage in “Soft Dollar” arrangements in connection with client securities transactions. SGIM does not pay commissions to effect securities transactions on behalf of client accounts. SGIM does not currently have any relationships with broker-dealers and does not offer directed brokerage to its clients. SGIM does not currently utilize block trading. Trades in all SGIM client accounts are executed through Apex.

Custodians may charge commissions and other fees to clients for their services, however SGIM does not participate in these or any other commission arrangements between a client and their custodian.

#### Item 13 – Review of Accounts

Account information, including quantities and values of securities held, the amount of cash and cash equivalents and account transaction activity for each client is maintained on SGIM’s computer system as well as with our client’s custodian. This information is reconciled electronically against statements or electronic files from our custodial agent on a daily basis. All of this information can be accessed by our clients through logging onto SGIM.com under the client portal without restriction.

Additional account reviews may be triggered by material market, economic or political events, or by changes in client’s financial situations (such as retirement, termination of employment, physical move, or inheritance).

Clients will receive written quarterly accounting reports showing asset value by security, unit cost, total cost, cash balances, and current per share values, portfolio benchmark quarterly return, benchmark inception return, client’s quarterly return and client’s benchmark return. Additionally, SGIM intends to show additional return data aligned with the longevity of the accounts.

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

SGIM does not receive any economic benefit for referrals from any source.

In the course of its business, SGIM may enter into written third-party agreements with members of the financial services community (the “Solicitors”) pursuant to which such Solicitors will solicit Clients on behalf of SGIM. Any fees paid to a Solicitor shall be a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act, and any corresponding state securities law requirements. If a Solicitor introduces a Client to SGIM, that Solicitor will disclose the nature of the Solicitor relationship with SGIM at the time of the solicitation. In addition, the Solicitor will provide each prospective Client with a copy of this Disclosure Brochure, and a copy of a written disclosure statement from the Solicitor to the Client, disclosing the terms and conditions of the arrangement between the Solicitor and SGIM, including the compensation the Solicitor will receive from SGIM. This compensation shall in no way affect the fee schedule applicable to Clients outlined in Item 5 of this Brochure.

#### Item 15 – Custody

SGIM does not take possession or maintain custody of client securities or funds. SGIM uses a centralized automated portfolio management system to execute and maintain its client portfolios. Client portfolio trading is performed through a third-party custodian. SGIM client’s assets are housed at Apex. SGIM requires clients to engage Apex as the broker-dealer/custodian (“Custodian” and “Apex”). Apex is a FINRA-registered broker-dealer and member of the Securities Investor Protection Corporation (“SIPC”). This requirement is based on the custodian's stability, reputation, ability to provide professional services, competitive commission rates, prices, and trading platform, compatibility with SGIM’s website and other services which will help SGIM in providing investment management services to clients.

#### Item 16 – Investment Discretion

SGIM generally has limited power of attorney to act on a fully discretionary basis on the client's behalf. SGIM may choose the amount and type of securities to be bought and sold to fulfill investment objectives. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. Discretionary authority is executed by agreement through the investment advisory contract.

When such limited powers exist between SGIM and a client, SGIM may choose both the amount and type of securities to be bought and sold to satisfy account objectives.

#### Item 17 – Voting Client Securities (Proxy Voting)

SGIM will vote by proxy or otherwise on all matters for which a shareholder vote is solicited by, or concerning, issuers of securities beneficially held in client’s accounts in such a manner as SGIM deems appropriate. SGIM does reserve the right to abstain from voting. SGIM

clients delegate to SGIM the authority to receive and vote all proxies and related materials for any security held in SGIM accounts. SGIM will do so in a way that is reasonably expected to ensure that proxy matters are conducted in the best interest of clients.

#### Item 18 – Financial Information

SGIM has no financial commitment that impairs its ability to meet contractual and

fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

#### Item 19 – Requirements for State Registered Advisers

SGIM is managed by Adam Forbes and Mitchell Wonboy, whose information and background can be found in the attached Part 2B Brochure Supplement. SGIM has one principal office located at 42 Broadway, 12th Floor, New York, NY 10004. SGIM is not engaged in any business activities other than those discussed herein. Mr. Forbes and Mr. Wonboy receive a performance based fee as described in Item 5 of this Brochure. No management person has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management. No manager of SGIM has any relationship or arrangement with issuers of securities.



## **ADV Part 2B: JANUARY 2018 BROCHURE SUPPLEMENT**

This Brochure Supplement provides information about the qualifications and business practices of SGIM Inc. ("SGIM") and its related personnel. If you have any questions about the contents of this Brochure, please contact us (855) 951-1800 and/or [support@sgim.com](mailto:support@sgim.com).

Currently, our Brochure may be requested free of charge by contacting Mitchell Wonboy, SGIM's President at (855) 951-1800 or at [support@sgim.com](mailto:support@sgim.com).

Supervised Persons:

**Adam Forbes**

Co-Founder/Treasurer/Chief Investment Officer  
42 Broadway, 12th Floor, New York, NY 10004

**Mitchell Wonboy**

Co-Founder/President & Secretary/Chief Compliance Officer  
42 Broadway, 12th Floor, New York, NY 10004

**Adam Forbes**

Co-Founder/Treasurer/Chief Investment Officer

42 Broadway, 12th Floor, New York, NY 10004

**Item 2: Educational Background and Business Expertise**

BA, The Cooper Union, 1994

Adam Forbes has been a programmer since he was ten years old and an entrepreneur since 1997. After starting his career in computer networking, he co-founded Calvin Alexander Networking, and in 1999 sold it to Micromuse (NASDAQ: MUS E) where he continued as its SVP of Networking Technology until 2001. In 2001, he co-founded Helicor, Inc., established after Mr. Forbes co-invented a biofeedback stress management device. He served as Helicor's CEO, overseeing its accumulation of \$14+ million, including \$4.5 million from Respironics, a \$1+ billion medical device company. In 2010, he was the first angel investor in OfferPop, now Wyng.com, a successful online marketing platform. In 2012, Mr. Forbes began working with Greenrock, a synthetic paper company, and became its first investor — he financed its first year of operations, including its pilot plant in Cincinnati. Simultaneously, Mr. Forbes developed a value investing model that has become the investment algorithm for Lume ALPHA, LP and Forbes Capital Management, now part of SGIM. Mr. Forbes has lectured in Adam Dell's Entrepreneurship class at the Columbia Business School.

**Item 3: Disciplinary Information**

Mr. Forbes has never been the subject of any legal or disciplinary event, proceeding or action.

**Item 4: Other Business Activities**

None.

**Item 5: Additional Compensation**

Mr. Forbes does not receive any additional compensation for his investment advisory activities outside of the performance-based fees listed in Part 2A of the Brochure.

**Item 6: Supervision**

Mr. Forbes serves as the Managing Member for SGIM, and as such, is subject to and follows all of the supervisory and other policies and procedures of the firm.

**Mitchell Wonboy**

Co-Founder/President & Secretary/Chief Compliance Officer

42 Broadway, 12th Floor, New York, NY 10004

**Item 2: Educational Background and Business Expertise**

University of Michigan, 1996

Mitchell Wonboy began his career at JP Morgan in 1997 working with the private banking equity derivative solutions team creating and marketing equity-linked notes. In 1999, he transitioned to lead the private banking taxable fixed income trading desk focusing on US Treasuries, agencies and corporate bonds. In 2003, Mr. Wonboy joined the UBS investment bank institutional fixed income derivative trading desk, focusing on distribution. At UBS Mr. Wonboy provided fixed income derivative solutions and opportunistic trading strategies, including both interest rates and credit derivatives, to a multifaceted client base including hedge funds and family offices. In 2011 Mr. Wonboy rejoined the JP Morgan Private Bank as a senior global investment advisor. Mr. Wonboy previously served on the board of directors of the Wayne State University Foundation, an \$800 million university endowment.

**Item 3: Disciplinary Information**

Mr. Wonboy has never been the subject of any legal or disciplinary event, proceeding or action.

**Item 4: Other Business Activities**

None.

**Item 5: Additional Compensation**

Mr. Wonboy does not receive any additional compensation for his investment advisory activities outside of the performance-based fees listed in Part 2A of the Brochure.

**Item 6: Supervision**

Mr. Wonboy serves as the Managing Member for SGIM, and as such is subject to and follows all of the supervisory and other policies and procedures of the firm.