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Form ADV, Part 2A Brochure

March 26, 2020

This brochure provides information about the qualifications and business practices of Strategic Global Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 949- 706- 2640. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Strategic Global Advisors, LLC is a registered investment adviser. Any reference to or use of the terms "registered investment adviser" or "registered," does not imply that Strategic Global Advisors, LLC or any person associated with Strategic Global Advisors, LLC has achieved a certain level of skill or training.

Additional information about Strategic Global Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Revised March 26, 2020

This Firm Brochure, dated March 26, 2020, provides you with a summary of Strategic Global Advisors, LLC (“SGA”) advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows:

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm’s fiscal year end (FYE) of December 31, 2019. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). Material changes requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client’s full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated March 29, 2019:

There are no new material changes in this update.

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ITEM 4 - ADVISORY BUSINESS

Description of Advisory Firm

Strategic Global Advisors, LLC (“SGA,” “we,” “our,” or “us”) is an independent, majority employee and women- owned and controlled Limited Liability Company headquartered in Newport Beach, California. In December 2005, Cynthia Tusan, CFA founded Strategic Global Advisors, LLC. In March 2006, SGA started operating as an investment adviser registered with the U.S. Securities and Exchange Commission. Investment professionals with ownership include Cynthia Tusan, CFA, Gary Baierl, PhD and Mark Wimer, CFA.

Advisory Services Offered

Investment Management Services

SGA currently manages client portfolios in International Large Cap, All Cap, Small Cap, Small-Mid Cap, Emerging Markets, Domestic and Global equity strategies, primarily using foreign ordinaries or domestic common stocks. SGA also offers strategies that are comprised primarily of ADRs, such as the International Equity ADR strategy. While similar to the foreign ordinaries strategies, there can be significant differences in the number of securities and the exposure to alpha and risk factors, as well as currency, industry and country weights.

SGA’s investment management team has developed investment strategies within a collaborative environment, primarily utilizing a bottom-up decision-making process. Our investment process integrates quantitative and fundamental methods. We generally construct portfolios with a focus on stock selection, rather than country and sector market timing, although the firm may, from time to time, employ country and sector tilts depending on market conditions. Certain strategies of the firm may allow a greater degree of sector and country timing than other strategies. Portfolio managers provide active oversight and exercise significant discretion when managing portfolios while employing the firm’s quantitative models. Therefore, portfolio construction decisions are not made solely by a model, but rather are overseen by a portfolio manager. Please refer below to **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss** associated with our investment strategies.

SGA provides continuous and regular investment management services on a discretionary basis, limited by the client’s individual needs and specific restrictions imposed by them on the account. We offer clients the ability to gain exposures to international and global equity markets through our product offerings, diversified portfolios and custom solutions. SGA’s services are provided through separate accounts and, as further described below, wrap account advisory programs, model portfolio programs, mutual funds, collective investment trusts, and other investment vehicles in certain foreign jurisdictions.

We discuss our discretionary authority below under **Item 16 - Investment Discretion**. For more information about the restrictions clients can put on their accounts, see **Tailored Services and Client Imposed Restrictions** in this Item below.

We describe the fees charged for investment management services below under ***Item 5 - Fees and Compensation***.

Limitations on Investments

In some circumstances, SGA's advice may be limited to certain types of securities. We may hold individual mutual funds, ETFs or fixed-income securities, depending on the investment strategy of the account, transition requirements, and client restrictions and preferences. The holding period may be temporary or based on the individual needs of the client and objective of the strategy. SGA may also utilize mutual funds and ETFs when transitioning accounts and equitizing cash positions, or as proxies for exposures to certain equities that are illiquid or not otherwise easily available to SGA client accounts.

Limitation by Client

SGA may also limit advice based on certain client-imposed restrictions. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this Item below.

Limitation by Broker-Dealer/Custodian

The investment options and markets available to clients may be further limited by the broker-dealer/custodian chosen by the client and/or SGA.

Wrap Fee Programs

SGA also provides investment recommendations to clients participating in wrap fee programs sponsored by national broker-dealers. SGA may enter into a separate investment advisory agreement with each client participating in such a program. At this time, SGA does not act as a sponsor to a wrap fee program.

Model Portfolio Services

SGA enters into arrangements to provide model portfolio recommendations to unaffiliated third-parties. The third-parties use the model portfolio recommendations/weights to provide investment management services to their clients. SGA does not have any knowledge of the clients' identities or financial situations, and, therefore, the service is not tailored to a specific client's needs. When we provide such model portfolio recommendations, we use reasonable efforts to confirm that the third-party providing or publishing the information has a policy to limit the distribution of changes to the model around the time of those changes to those clients and their advisors who have selected the applicable model portfolio. Once confirmed, SGA will include the model platform in its trade rotation process with other accounts managed and executed exclusively by SGA. If we find distribution is not limited, we may delay the release of applicable research reports or model portfolios to the third-party.

Services to Registered Investment Companies

SGA provides investment advisory services to both affiliated and unaffiliated registered investment companies (mutual funds). The affiliated registered investment companies (mutual funds) are sponsored by an unaffiliated institutional trustee. SGA has entered into a written agreement which outlines the

services performed for each fund. SGA may from time to time recommend these funds to investment management clients.

Services to Collective Investment Trusts

SGA provides investment advisory services to one or more collective investment trusts (CITs) sponsored by an unaffiliated institutional trustee. SGA has entered into a written agreement with the trustee which outlines the services performed for each CIT. SGA may from time to time recommend these CITs to investment management clients.

Services to Undertakings for Collective Investment in Transferable Securities

SGA provides sub-advisory services to Undertakings for Collective Investment in Transferable Securities (UCITS) sponsored by an unaffiliated third party. UCITS are investment funds regulated by the European Union. SGA will enter into a written agreement with the third party which outlines the services we will perform for the UCITS product. The UCITS fund manager is responsible for distribution of this product in relevant jurisdictions.

Tailored Services and Client Imposed Restrictions

SGA manages client accounts based on the investment strategy the client chooses, as discussed below under ***Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss***. SGA applies the strategy for each client and may take into account the client's and client advisors'/consultants' direction or restrictions. We may tailor investment decisions for clients based on this information. Our recommendations may be limited if the client does not provide us with accurate and complete information. It is the client's responsibility to keep SGA informed of any changes to their investment objectives or restrictions. Currently SGA does not have clients for whom they provide general financial planning or asset allocation advice.

Clients may provide SGA with general investment guidelines, across a variety of parameters including, but not limited to, country, industry, and sector limitations. Clients may also request other restrictions on the account, such as when a client wants to keep a minimum level of cash in the account or does not want SGA to buy or sell certain specific securities or security types in the account. SGA relies on the accuracy of the restrictions and investment guidelines that the client provides to SGA or receives from a third-party vendor. SGA is generally not expected to perform additional reviews of the list of restricted securities provided by the client or third-party vendor to confirm accuracy or completeness. SGA will apply these restrictions prior to trading, adjusting portfolios to reflect client restrictions, which may result in portfolio parameters that are significantly different from SGA's default parameters and may cause performance dispersion. SGA reserves the right to not accept and/or terminate management of a client's account if we feel that the client-imposed restrictions would limit or prevent us from meeting or maintaining the client's investment strategy.

Assets Under Management

SGA manages client assets in discretionary accounts on a continuous and regular basis. As of 12/31/2019, SGA was actively managing \$5,138,861,880 of client assets on a discretionary basis. Additionally, through

unified managed accounts (UMAs) the Firm provided advice on \$444,006,475 of client assets on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

Fee Schedule

Investment Management Services

SGA charges advisory fees for investment management services. SGA's advisory fees for separate accounts may be charged based on the value of the client's account per the following schedule subject to minimum account assets:

<u>Strategy</u>	<u>Annual Fee Minimum account size of \$25MM</u>
International Equity	0.75%
International All Country World ex-US	0.85%
International All Cap Equity	0.85%
International SMID Cap Equity	0.90%
International Small Cap Equity	0.90%
International ADR Equity	0.75%
Emerging Markets Equity	0.90%
U.S. Large Cap Equity	0.55%
Global Equity	0.75%
U.S. Small Cap Equity	0.70%

Our fees and minimum account size may be negotiable based on a number of factors, which include but are not limited to "grandfathered" accounts, related accounts, sub-advisory relationships, account sizes, investment vehicles, restricted accounts and other structures that we may consider in special situations. Lower fees for comparable services may be available from other sources.

In certain situations, SGA would consider using a performance-based fee for qualified clients. Such fees, for example, could be based on the value added relative to portfolio performance measured against a specific benchmark or other factors, as would be specified in the client agreement, and be capped at an explicit fee level where required. Please refer to **Item 6 - Performance-Based Fees And Side-By-Side Management** below for further information regarding performance-based fees.

Wrap Accounts and Model Portfolios

SGA does not determine the fees that clients pay to the third-party wrap program and model portfolio sponsors. In the case of the wrap programs, SGA charges separate advisory fees directly to the sponsors. In the case of the model portfolios, the sponsors compensate SGA based on the amount of assets that are managed according to the recommendations and model portfolios that SGA provides. SGA's negotiated fees with such model portfolio sponsors are typically less than 0.5% of the assets that are managed according to SGA's recommendations and model portfolios.

Services to Registered Investment Companies

The fees SGA receives for providing investment advisory or sub-advisory services to mutual funds are negotiated with each fund's board of trustees and outlined in the written advisory agreement. The fees are disclosed and described in each fund's prospectus. Agreements with mutual funds may be terminated per the terms in the agreement, which may vary by fund.

Services to Collective Investment Trusts

The fees SGA receives for providing investment advisory services to CITs are negotiated with the trustee and outlined in the written advisory agreement. The fees are disclosed and described in the offering documents for each CIT. The agreements with the trustee may be terminated per the terms in the agreement.

Services to Undertakings for Collective Investment in Transferable Securities

The fees SGA receives for providing investment sub-advisory services to UCITS are negotiated with the unaffiliated adviser/manager of the UCITS and outlined in the written sub-advisory agreement. The fees are disclosed and described in the applicable regulatory documents that govern such vehicles. The sub-advisory agreement with the unaffiliated third-party may be terminated per the terms in the agreement.

Billing Method

Investment Management Services

Generally, SGA's advisory fees are payable quarterly in arrears based on the average month-end account market value. For some clients (including mutual funds or various other daily valued vehicles), SGA's advisory fees are payable monthly in arrears based on the daily account market value for prior month. The daily account market value may be provided directly by the client or provided by the client's custodian.

The first payment is due after the first calendar quarter or month under management. For new accounts, we may prorate this fee for the first month based on the number of days SGA manages the account. For terminated accounts, we will prorate the fee based on the date of liquidation and/or transfer that SGA receives and accepts in a termination notification.

For advisory fee calculation purposes, a calendar quarter is a period beginning on January 1, April 1, July 1, or October 1 and ending on the day before the next quarter. A day is any calendar day including

weekends and holidays.

We will negotiate with the client whether the advisory fees are withdrawn directly from their custodian account, paid via a wire transfer or paid by check. With client authorization, we will automatically withdraw our advisory fee from the client's account held by a qualified custodian. In such cases, the custodian typically withdraws advisory fees from the client's account during the first month of each quarter based on our instruction.

Clients who choose to have SGA's fee paid via wire transfer or by check will need to arrange in advance with SGA to determine what documentation is needed to process the payment of SGA's fees. Upon request, SGA will send an invoice to the custodian and/or client. The invoice will include the fee calculation and the fee due.

For some clients, SGA withdraws advisory fees by direct debiting fees from the client's account held by a qualified custodian. In such cases, these clients will receive brokerage statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee for those clients who authorize the advisory fees to be withdrawn directly from their custodian account.

Other Fees and Expenses

SGA's fees do not necessarily include proxy fees, custodian fees and other holdings and transaction related fees. Clients generally pay all brokerage commissions, stock transfer fees, and/or other similar charges incurred in connection with transactions in accounts from the assets in the account, which are in addition to the fees a client pays to SGA. Transaction fees for securities traded on foreign exchanges may be higher than fees for securities traded through U.S. domestic exchanges, and may include such additional charges as stamp taxes, foreign settlement costs, account movement charges, and foreign exchange fees. See **Item 12 - Brokerage Practices** below for more information. Client accounts may also be subject to foreign tax withholding which is generally the responsibility of the client to reconcile and reclaim.

For accounts where SGA is the sub-advisor, SGA's management fee is paid by the advisor and typically represents a percentage of the management fee paid to the advisor by the client. Similarly, when SGA participates in a wrap program, the program sponsor typically pays SGA a percentage of the overall bundled (wrapped) fee paid by the client. There may also be dual contract arrangements in place, whereby the advisor and SGA as sub-advisor to each contract directly with the client, in which case the client would pay SGA directly.

Termination

Written notice requirements for termination may vary between accounts. Generally, at least 5 days' notice is required to allow for oversight of the settlement of any pending transactions. The client may terminate the agreement by writing SGA at our office. Upon termination of the agreement, any earned, unpaid advisory fees will be due and payable. The client will receive an invoice showing the advisory fees due for services rendered and not yet paid.

Other Compensation

SGA does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

SGA does not currently charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client. SGA may from time to time offer a performance-based fee option. We would structure any performance or incentive fee arrangement subject to Section 205 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 under the Advisers Act. In measuring clients' assets for the calculation of performance-based fees, we would include realized and unrealized capital gains and losses as well as accrued, but unpaid, interest. Additionally, we manage portfolios for persons affiliated with us and portfolios in which we have an interest. For example, we may provide initial funding to seed new strategies or otherwise invest in registered investment companies managed by us.

Potential Conflicts of Interest on Performance-Based Fees and Side-by-Side Management

Performance-based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different investment management fee arrangement. Performance-based fee arrangements also create an incentive to favor higher fee-paying portfolios over other portfolios in the allocation of investment opportunities. We have adopted policies and procedures designed to treat all clients fairly and equally over time and seek to prevent this potential conflict from influencing the allocation of investment opportunities among our portfolios. None of our employees are compensated in any way that is explicitly linked to the performance of any portfolio we manage.

We may manage portfolios for persons affiliated with us, accounts we have a direct interest in, and private investment funds that we have an interest in. These arrangements can create an incentive for us to favor one or more of these portfolios or types of portfolios over others. We believe that our policies and procedures mitigate these potential conflicts of interest and allow us to manage all portfolios fairly and in the best interests of our clients. Please refer below to **Item 12 - Brokerage Practices** for a description of our brokerage practices, including our policies on broker selection and allocation.

ITEM 7 - TYPES OF CLIENTS

SGA offers discretionary investment advisory services to high net worth individuals, trusts and estates. In addition, we offer advisory services to pension and profit sharing plans, charitable and non-profit organizations, and businesses. We provide investment recommendations to wrap program clients (including, among others, individuals, corporations, retirement plans, and foundations) and model portfolio services to other financial services firms. We provide advisory services to both unaffiliated and affiliated investment companies (mutual funds). We also provide advisory services to collective investment trusts (CITs) sponsored by an unaffiliated institutional trustee. Additionally, we provide sub-

advisory services to Undertakings for Collective Investment in Transferable Securities (UCITS) which is managed by an unaffiliated third-party.

Account Requirements

Generally, SGA requires clients to maintain a minimum account size depending on the type of strategy chosen. Please reference the chart on page 8, Item 5 regarding account minimums.

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

Methods of Analysis and Investment Strategies

SGA seeks to generate total return in each account, primarily through investing in equity securities of publicly traded international and domestic companies, in developed, emerging and frontier countries, across a broad spectrum of capitalizations that meet SGA's investment criteria. We employ stock selection methodologies that begin with a quantitative process to identify companies we believe have a potential for high risk-adjusted returns. SGA believes that by analyzing market data in a timely and disciplined manner we can identify mispricing in the market and generate returns in excess of general market returns. SGA's process ranks companies against their global peers as well as within a strategy across a variety of predictive factors in order to identify the potentially most attractive investment opportunities. Using a risk model and optimization tool, SGA narrows the universe of available securities for our analysts and portfolio managers to conduct additional review and analysis. We also manage accounts based on a client's overall investment objectives and restrictions. SGA currently uses this investment strategy in various investment products including, but not limited to, the following:

- **International Equity** seeks to provide long-term total relative return by investing in ADRs or directly in primarily foreign large and mid-capitalization equity securities traded primarily on foreign exchanges.
- **International All Country World ex-US** seeks to provide long-term relative return by investing in ADRs or directly in foreign markets, primarily in large- and mid-capitalization equity securities traded on foreign exchanges.
- **International All Cap Equity** seeks to provide long-term total relative return by investing in ADRs or directly in foreign large-, mid- and small-capitalization equity securities traded primarily on foreign exchanges.
- **International SMID Cap Equity** seeks to provide long-term total relative return by investing in ADRs or directly in foreign, small- to mid-capitalization equity securities traded primarily on foreign exchanges.
- **International Small Cap Equity** seeks to provide long-total relative return by investing in foreign, primarily small-capitalization equity securities directly or through ADRs.

- **International ADR Equity** seeks to provide long-term total relative return by investing in foreign equity securities, primarily large- and mid-capitalization companies, traded in the U.S., primarily as American Depositary Receipts (ADRs).
- **Emerging Markets Equity** seeks to provide long-term total relative return by investing in ADRs or directly in primarily foreign large- and mid-capitalization equity securities traded on foreign exchanges.
- **U.S. Large Cap Equity** seeks to provide long-term total relative return by investing in U.S. equity securities, primarily large- and mid-capitalization companies, traded in the U.S.
- **U.S. Small Cap Equity** seeks to provide long-term total relative return by investing U.S. equity securities, primarily small-capitalization companies, traded in the U.S.
- **Global Equity** seeks to provide long-term total relative return by investing in equity securities in both domestic and foreign markets, primarily large and mid-capitalization companies traded on foreign exchanges and in the U.S.

Analytic Framework

SGA has developed an alpha generation model, as well as a risk model and optimizer, all based on both academic research and industry experience. Currently, SGA builds many of our models in-house but may incorporate outside models as well. SGA seeks to rank all equity stocks across four alpha categories (value, growth, quality, and sentiment). SGA also estimates risk characteristics for each stock in the universe, and, through an optimization process, constructs “potential” portfolios as its “output.” SGA through our ongoing research and portfolio manager review may make changes at all levels of the models and process. Each strategy, and sometimes each client, has its own benchmark and portfolio restrictions that may impact the output. The optimization process ultimately seeks to maximize the expected alpha, subject to a level of benchmark relative volatility and additional diversification and holdings constraints as well as portfolio manager input.

The output becomes the focus list of stocks upon which additional analysis and review may be conducted before a “final” optimization, portfolio management review, and trading takes place.

SGA ranks securities and conducts optimizations and analyses on an ongoing basis, and can make trades at any time, but generally rebalances portfolios every six to ten weeks. The frequency of trading may vary depending on portfolio manager discretion, market conditions and opportunity to improve expected portfolio returns.

The alpha categories offer a framework for completing a systematic assessment of each stock. Within each alpha category, there are a number of sub-factors. We generally score stocks relative to their global industry peers across each of the individual sub-factors. Then we combine the scores by applying predetermined percentage weights for each factor and compare the aggregate score relative to strategy

peers to create a single alpha, or potential outperformance score, for each company. The weights we use are based on a combination of testing, experience, and intuition. SGA maintains a long-term perspective and generally only changes the weights and formulas from time to time, not necessarily for short term market timing purposes. As a result of its ongoing research and review, SGA may make changes at all levels of the models and process.

Fundamental Analysis and Portfolio Manager Oversight

SGA believes that a combined quantitative and fundamental approach should make extensive use of a fundamental framework, portfolio manager judgment, and experience in our application of the alpha model, risk model, fundamental overlay, and optimization process. Our investment process includes fundamental review of the output of the alpha model, risk model and optimization process. We may remove proposed trades for companies that are experiencing litigation risk, extreme political risk, pending negative earnings reports, or other negative or positive conditions that might otherwise be overlooked by our quantitative model. Additionally, we attempt to eliminate trades in securities that may represent risk due to the integrity of their data, management and industry trends as well as macroeconomic variables. SGA believes that this overlay does not detract from the power of the alpha model. SGA recognizes that any model may miss important market information that can impact the return and risk of portfolios. In summary, portfolio managers, with input from both fundamental analysts and quantitative analysts, have full discretion over accounts to make adjustments to trades proposed through the optimization and fundamental review process, based on what they believe may be deficiencies in the models and optimization process in order to enhance the risk adjusted returns of the portfolios and better reflect the current market environment.

Strategy for Registered Investment Companies

When SGA provides investment advice to a mutual fund, we will purchase and sell securities as outlined in the fund's prospectus and statement of additional information. The securities we purchase and investment strategies we use will generally be the same as those utilized for other managed accounts; however, mutual funds may have different restrictions by regulation or fund policy to which SGA must adhere.

Strategy for Undertakings for Collective Investment in Transferable Securities

When SGA provides investment advice to any Undertakings for Collective Investment in Transferable Securities (UCITS), we will purchase and sell securities as outlined in the fund's governing documents. The securities we purchase and investment strategies we use will generally be the same as those utilized for other managed accounts; however, UCITS may have different restrictions by regulation, foreign jurisdictions, or UCITS policy to which SGA must adhere.

Risks

Investing in securities involves risk of loss, and clients should be prepared to bear that risk.

General Risks of Owning Securities

The prices of securities held in client accounts and the income they generate may decline in response to

certain events taking place around the world. These may include events directly involving the conditions affecting the general economy and overall market changes. Other contributing factors may include local, regional, or global political, social, medical, humanitarian, or economic instability and governmental or governmental agency responses to economic or other conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

Investments in securities issued by entities based outside the United States may be subject to increased levels of the risks described above. Currency fluctuations and controls, different accounting, auditing, financial reporting, disclosure, regulatory and legal standards and practices could also affect investments in securities of foreign issuers. Additional factors may include expropriation, changes in tax policy, greater market volatility, different securities market structures, and higher transaction costs.

Further, various administrative difficulties, such as delays in clearing and settling portfolio transactions, or in receiving payment of dividends can increase risk. Finally, investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

Equity Securities

Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of equity securities may fluctuate based on, among other things, events specific to their issuers and market, economic and other conditions. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

There may be little trading in the secondary market for particular equity securities, which may adversely affect the ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities.

Small Capitalization Equity Securities

Investing in smaller companies may pose additional risks as it is often more difficult to value or dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.

Exchange-Traded Funds (ETFs) and Mutual Funds

ETFs and mutual funds are types of Investment Companies (usually, an open-end fund or unit investment trust) containing a basket of stocks. Typically, the objective of an ETF is to achieve the same return as a particular market or sector index. An ETF is similar to an index mutual fund in that it will primarily invest in securities of companies that are included in a selected market.

Traditional mutual funds can only be redeemed at the end of a trading day, while ETFs trade throughout the day on an exchange. The prices of the underlying securities and the overall market may affect ETF and mutual fund prices. Similarly, factors affecting a particular industry segment may affect ETF prices that track that particular sector. ETFs and mutual funds bear expenses over and above the fees charged by SGA.

Exchange-Traded Notes (ETNs)

An ETN is a senior, unsecured, unsubordinated debt security issued by an underwriting bank whose primary objective is to achieve the same return as a particular market index. Similar to other debt securities, the credit of the issuer is the only backing for ETNs, which have a maturity date. Although performance is contractually tied to whatever index or asset the ETN is intended to track, ETNs do not have any assets, other than a claim against their issuer for payment according to the terms of the contract. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETNs trade throughout the day on an exchange. ETNs, as debt instruments, are subject to risk of default by the issuing bank as counter party. This is the major design difference between ETFs and ETNs: ETFs are only subject to market risk whereas ETNs are subject to both market risk and the risk of default by the issuing bank. The client should be aware that ETNs bear expenses over and above the fees of SGA.

Warrants and Rights

Warrants may be issued together with bonds or preferred stocks. Warrants generally entitle the holder to buy a proportionate amount of common stock at a specified price, usually higher than the current market price. Warrants may carry an expiration date or exist in perpetuity. Rights are similar to warrants except that they normally entitle the holder to purchase common stock at a lower price than the current market price.

Investing Outside the U.S.

Investing outside the United States may involve additional risks. These risks may include currency controls and fluctuating currency values, and different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices. Additional factors may include changing local, regional, and global economic, political, and social conditions. Further, expropriation, changes in tax policy, greater market volatility, different securities market structures, and higher transaction costs can be contributors. Finally, various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends can also lead to additional risk.

Investments in developing markets can further heighten the risks described above. Although there is no universally accepted definition, SGA generally considers a developing country as a country that is in the earlier stages of its industrialization cycle with a low per capita gross domestic product (“GDP”) and a low market capitalization to GDP ratio relative to those in the United States and the European Union. In addition, SGA may also consider a developing country as a country that is defined as “emerging” by a specific index data provider (i.e. MSCI or Standard & Poor’s, etc.). Historically, the markets of developing countries have been more volatile than the markets of developed countries.

Developing countries may have less developed legal and accounting systems. The governments of these countries may be more unstable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect security prices. In addition, the economies of these countries may be dependent on a relatively few industries that can be more susceptible to local and global changes. Securities markets in these countries are also relatively small and

have substantially lower trading volumes. As a result, securities issued in these markets may be more volatile and less liquid than securities issued in markets with more developed economies.

An account's investment activities outside the United States could lead to additional costs. Brokerage commissions may be higher outside the United States, and the account will bear certain expenses in connection with its currency transactions. Investments in certain markets may incur transaction fees specific to those markets (e.g., Stamp Duties, conversion fees, exchanges fees, taxes, etc.). Furthermore, increased custodian costs may be associated with maintaining assets in certain jurisdictions.

In determining the domicile of an issuer, SGA will consider the domicile determination of a leading data provider, such as Standard & Poor's or Bloomberg, and may take into account such factors as where the company lists its securities, where the company is legally organized, and where it maintains principal corporate offices, and/or conducts its principal operations. The account may purchase and sell currencies to facilitate securities transactions.

Emerging and Frontier Markets Risk

SGA invests in foreign companies or governments which may be located in, or operate in, developing markets. Companies in these markets may have limited product lines, markets or resources, making it more difficult to measure the value of the company. Political instability, possible corruption, as well as lower standards of business regulation increase the risk of fraud and other legal issues. In addition to foreign investment risk described below, emerging market investments may be exposed to greater volatility as a result of such issues.

Depository Receipts (DRs include ADRs, GDRs, EDRs, etc.)

A Depository Receipt (DR) is a security that generally trades in US Dollars typically in the United States, but also on foreign exchanges such as the London stock exchange. DRs represent a specified number of shares in a foreign corporation. Investors buy and sell DRs just like regular stocks. Banks and brokerage firms issue both sponsored and unsponsored DRs. DRs are subject to additional costs associated with conversion from local shares to DRs and additional risks of investing in foreign securities, including, but not limited to, less complete financial information available about foreign issuers, less market liquidity, more market volatility, and political instability. In addition, currency exchange-rate fluctuations affect the U.S. dollar- value of foreign holdings. Some DRs and ordinary shares of foreign securities pay dividends, and many foreign countries impose dividend withholding taxes. Depending on a custodian's ability to reclaim any withheld foreign taxes on dividends, taxable accounts may be able to recoup a portion of these taxes by use of the foreign tax credit. However, tax-exempt accounts, to the extent they pay any foreign withholding taxes, may not be able to utilize the foreign tax credit. Therefore, investors may be unable to recover any foreign taxes withheld on dividends of foreign securities or DRs.

Systematic or Quantitative Process Risk

There is potential for shortfall in any investment process due to a variety of factors including, but not limited to, data and system imperfections, analyst judgment, and the complex nature of designing and implementing portfolio construction systems and other quantitative models. Such shortfalls in systematic

or quantitative processes in particular pose broader risk because they may be more pervasive in nature. Furthermore, SGA's systems may not necessarily perform in a manner in which they have historically performed or were intended to perform. SGA recognizes that such shortfalls are inherent to both fundamental and quantitative processes, but it believes that combining both approaches improves the opportunity to reduce these shortfalls. These efforts may not necessarily result in the identification of profitable investments or the management of risk.

ITEM 9 - DISCIPLINARY INFORMATION

SGA does not have any disciplinary information to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

SGA serves as the investment advisor to the SGA International Equity Fund ("The Fund") of Advisors Inner Circle Trust III, a family of mutual funds. The Fund is a diversified, open-end investment company registered under the Investment Company Act of 1940.

Certain SGA employees are FINRA registered representatives sponsored by Foreside Fund Services ("Foreside"). Generally, one of the SGA employees is designated as supervisory principal to the other registered representatives. Foreside is not an affiliate of SGA. Foreside is a limited-purpose broker-dealer who distributes mutual funds to financial advisors, broker-dealers, registered investment advisers, and other authorized financial intermediaries. Registered representatives are licensed as wholesalers through Foreside for purposes of marketing the Fund. Registered representatives are employees of SGA and not employees of Foreside.

Additionally, SGA is firm registered as a Portfolio Manager with the Ontario Securities Commission and is authorized to do business in British Columbia, Manitoba, Ontario, and Quebec. SGA was assigned NRD #50880.

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

Code of Ethics

SGA believes that we owe clients our highest level of trust and fair dealing. Further, as part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. SGA's personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

SGA's Code of Ethics attempts to address specific conflicts of interest that we have identified or that could likely arise. SGA's personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, outside business activities, and adherence to applicable federal securities laws. The Code of Ethics includes policies and procedures addressing material non-public information and other confidential information. All personnel receive a copy of each amendment of the Code of Ethics, which they acknowledge in writing. Additionally, our personnel are subject to personal trading policies governed by the Code of Ethics. The personal trading policies are summarized below under *Personal Trading Practices*.

SGA will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

Personal Trading Practices

SGA and our personnel may purchase or sell securities for themselves, regardless of whether the transaction would be appropriate for the client account. SGA and our personnel may purchase or sell securities for themselves that we also recommend to clients. This presents a potential conflict of interest as we may have an incentive to take investment opportunities from clients for our own benefit, favor our personal trades over client transactions when allocating trades, or to use the information about the transactions we intend to make for clients to our personal benefit by trading ahead of clients.

Our policies to address these conflicts include the following:

1. SGA and our personnel have a fiduciary duty to each of SGA's clients. A client's interest takes precedence over the personal interests of SGA and its personnel. If a potential conflict arises, SGA and the Employee must resolve the matter in the client's favor.
2. Transactions for client accounts must take precedence over personal transactions.
3. SGA and our personnel are prohibited from placing a trade ahead of a client in order to get a better price than the client ("front running").
4. SGA and our personnel are prohibited from trading on any material nonpublic information.
5. SGA must first offer limited investment opportunities to clients, to the extent the investment is appropriate for clients, before SGA or our personnel may take advantage of such an opportunity. SGA Personnel must obtain written pre-approval from the Chief Compliance Officer ("CCO") or a designee, before trading or investing in IPOs, limited offerings, such as private placements, or offerings in interests in limited partnerships, or any thinly traded securities, whether public or private.
6. SGA generally prohibits personnel from purchasing or selling, in their personal accounts, U.S. and foreign equity securities and ETFs that are held by a client in an account managed by SGA or that is being considered for purchase on behalf of a client ("Prohibited Securities"). We may make an exception for the sale of securities owned before we purchased the security for clients, or before the employee joined the firm. We require personnel to obtain written pre-approval for the sale of all such Prohibited Securities. The CCO or a designee will review such requests- and if approval is granted, transactions may be executed through the following business day.
7. SGA makes the following exceptions to the pre-approval requirements above.
 - a. We may exclude certain accounts from the pre-approval requirements:
 - i. We may exclude accounts for the pre-approval requirement where the account owner has provided evidence that they have no direct or indirect influence or control over the account.
 - ii. We may exclude personal and propriety accounts which are being managed on a discretionary basis by a third-party manager. The CCO or a designee may approve these exceptions upon review of all material facts.
 - iii. We may exclude personal accounts which are being managed by SGA on a fully discretionary basis.

- iv. We may exclude personal or proprietary accounts in which we are incubating a new investment strategy.
- b. We do not require pre-approval for the following types of transactions in personal or proprietary accounts:
 - i. Transactions for accounts managed by the firm and that are blocked with client accounts;
 - ii. Transactions where the account owner does not exercise investment discretion at the time of the transaction; for example, certain corporate actions;
 - iii. Transactions in automated investment plans; and
- 8. To monitor compliance with these policies, SGA requires personnel to report personal securities transactions quarterly and investment holdings upon employment and annually thereafter. The CCO or a designee reviews these reports.

Aggregation with Client Orders

As an investment adviser to individually managed accounts, SGA executes transactions and allocates trades to each client on a fair and equitable basis, taking into consideration the make-up of the investment portfolio of each client and the amount of cash available. SGA may aggregate orders for its clients in the same securities in an effort to seek best execution, negotiate more favorable commission rates, and/or allocate differences in prices, commissions, and other transaction costs equitably among clients. These are benefits of aggregating orders that SGA might not obtain if it placed those orders independently.

SGA may aggregate trades in like securities among clients as well as with accounts of SGA (such as proprietary accounts) and its personnel, if it follows the policies described below. This presents a potential conflict of interest as SGA may have an incentive to allocate more favorable executions to its proprietary accounts or the accounts of its personnel. The Firm's policies to address this conflict are as follows:

1. SGA will disclose its aggregation policies in this brochure;
2. SGA will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution for its clients. The trade also needs to be consistent with the terms of the investment advisory or limited partnership agreement with each client that has an account included in the aggregation;
3. SGA will not favor any account over any other account. This includes accounts of SGA or any of its personnel. Each account in the aggregated order will participate at the average share price for all SGA transactions in a given security on a given business day. All accounts will pay their individual transaction costs. There may be instances when SGA trades the same security several times on the same trading day, and each of the aggregated blocks could be booked out separately. Those blocks may include the same account(s);
4. When SGA personnel's personal security transactions are not aggregated with client transactions (i.e., excluded from the block transaction), SGA personnel are required to obtain pre-clearance from the Chief Compliance Officer (the "CCO") for their personal securities transactions. In the event that approval is granted, SGA personnel may transact in their own accounts only after the

block transaction is placed;

5. Before entering an aggregated order, SGA will prepare a written statement (the “Allocation Statement”) specifying the participating accounts and how it intends to allocate the order among those accounts;
6. If the aggregated order is filled entirely, SGA will allocate shares among its clients according to the Allocation Statement; if the order is partially filled, SGA will generally allocate on a pro rata basis to each individually managed account and/or private fund participating in the transaction.
7. However, SGA may allocate the order differently than specified in the Allocation Statement if all its clients receive fair and equitable treatment. In this case, SGA will explain and the CCO must approve the reasons for a different allocation.
8. When the total final execution amount of a trade order is materially less than the amount of the requested order, certain accounts or groups of accounts may be removed entirely from the list of participants and the amounts of the allocation can be adjusted to avoid inefficient results;
9. SGA’s books and records will retain Allocation Statements and written statements that reflect the securities transacted in each client account;
10. Funds and securities of clients participating in an aggregated order will be deposited with one or more qualified custodians. Clients’ cash and securities will not be held collectively any longer than is necessary to settle the trade on a delivery versus payment basis. Following settlement, cash or securities held collectively for clients will be delivered out to the qualified custodian as soon as practical;
11. SGA does not receive additional compensation or remuneration of any kind as a result of aggregating orders; and
12. SGA will provide individual investment advice and treatment to each client’s account.

ITEM 12 - BROKERAGE PRACTICES

SGA generally requires clients to open one or more accounts in their own name at a qualified custodian of the client’s choice. For clients in need of brokerage or custodial services, SGA may recommend, but not require, the use of certain broker-dealers/custodians based on the investment strategy the client selects and the types of securities that we trade for that strategy. For example, SGA may recommend certain custodians or brokers based on their ability to provide best execution and settlement of foreign ordinary securities. SGA may recommend different brokers or custodians for client accounts that will be trading only on domestic exchanges. However, a client is not under any obligation to custody their assets with any custodian we recommend. All clients are free to select any custodian of their choice. The client will enter into a separate agreement with the custodian to custody the assets. Some clients grant SGA discretion to select broker-dealers for client transactions. Other clients may direct SGA to use a particular broker-dealer or category of broker-dealer for some or all of the client’s transactions. SGA is independently owned and operated and not affiliated with any broker-dealer/custodian.

Factors Considered in Selecting Broker-Dealers for Client Transactions

SGA considers several factors in selecting broker-dealers for client transactions. Factors that SGA may consider when selecting a broker-dealer may include pricing, research, ease of use, reputation, execution capabilities, operations/settlements capabilities, and financial strength.

SGA periodically monitors transaction results to evaluate the quality of execution provided by the various brokers and dealers it uses, to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those brokers and dealers in light of all the factors described above.

Directed Brokerage

Clients who direct SGA to use a particular broker-dealer for some or all trading may pay higher commission charges. Under these circumstances, SGA may not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. Clients should further understand that when they direct SGA to use a specific broker, disparity in transaction charges might exist between the transaction costs charged to other clients managed in a similar manner. SGA may not be able to aggregate orders to reduce transaction costs and clients who direct SGA to use a particular broker-dealer may receive more or less favorable execution. Any client providing instructions to SGA regarding direction of brokerage transactions must notify SGA in writing if the client desires SGA to cease executing transactions with or through any such broker-dealer.

Aggregation and Allocation of Transactions

SGA may (but is not obligated to) combine purchase and sale orders for all clients with the same order. SGA will generally allocate the proceeds arising out of those transactions (and the related transactions expenses) on an average price basis among the various participants in the transactions. SGA believes that by combining orders in this way it will be advantageous to all participants. However, the average price could be less advantageous to a particular client than if that client had been the only account effecting the transaction or had completed its transaction before the other participants. SGA has developed policies and procedures that seek to ensure that no client is favored over any other client. See additional disclosures under **Item 11- Aggregation with Client Orders** above.

SGA may also place orders for the same security for different clients at different times and in different relative amounts due to, among other things, differences in investment objectives, cash availability, size of order, and practicability of participating in “block” transactions. The level of participation by different clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular client. There are circumstances when some of a client’s transactions in the security may not be aggregated with other clients. SGA has adopted policies and procedures intended to ensure that our trading allocations are fair to all of our clients.

SGA manages ADR dedicated accounts and purchases ADRs from time to time for other accounts. Those transactions generally take place on the same trading day as other accounts, unless part of a third-party model portfolio platform. Model portfolio recommendations to third party platforms are discussed in **Item 4**, above.

ITEM 13 - REVIEW OF ACCOUNTS

Managed Account Reviews

We manage portfolios on a continuous basis and generally review client accounts daily. We offer account reviews to clients on a quarterly basis. Clients may choose to receive reviews in person, by telephone, or in writing. Cynthia Tusan, CFA (Chief Executive Officer of SGA), Gary Baierl, PhD (Chief Investment Officer of SGA), Mark Wimer, CFA (Senior Portfolio Manager of SGA), Cherie Badri, CFA (Director of Fundamental Research and Senior Portfolio Manager of SGA), and/or Brendan Skarra-Corson, CFA (Senior Portfolio Manager of SGA) conduct reviews based on a variety of factors. These factors may include but are not limited to, stated investment objectives, economic environment, outlook for the securities markets, and the merits of the securities in the accounts.

Account Reporting

Generally, clients receive a written statement or electronic access to such statements from their custodian that includes an accounting of all holdings and transactions in the account for the reporting period. For formal tax related information, SGA refers clients to formal performance documents received from their account custodians for reconciliation of performance and tax reporting. SGA may also provide additional reporting as agreed upon by SGA and the client on a case-by-case basis. These reports may detail performance in a client's accounts on a monthly and/or quarterly basis.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

SGA does not compensate any third-party for client referrals. We do not receive other compensation outside of the fees earned from advisory services.

ITEM 15 - CUSTODY

SGA is deemed to have custody of a clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. The SEC has set forth a set of rules intended to protect client assets in such situations, which we follow.

Generally, clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of SGA'S fee. Clients should carefully review the account statements they receive from their qualified custodian. When clients receive statements from SGA as well as from the qualified custodian, clients should compare these two reports carefully. Clients with any questions about their statements should contact SGA at the address or phone number on the cover of this brochure. Clients who do not receive their statement from their qualified custodian at least quarterly should also notify SGA.

As a matter of policy and practice, SGA does not permit employees or the firm to accept or maintain custody of client assets other than as identified above.

ITEM 16 - INVESTMENT DISCRETION

SGA has full discretion to decide the specific security to trade, the quantity, and the timing of transactions for client accounts. SGA will not contact clients before placing trades in their account, but clients may receive confirmations directly from the broker for any trades placed. Clients grant SGA discretionary authority in the contracts they sign with SGA. Clients also give SGA trading authority over their accounts when they sign the custodian paperwork.

However, certain client-imposed conditions may limit SGA's discretionary authority, such as where the client prohibits transactions in specific security types or directs SGA to execute transactions through specific broker-dealers. See also **Item 4 - Tailored Services and Client Imposed Restrictions** and **Item -12 Brokerage Practices**, above.

ITEM 17 - VOTING CLIENT SECURITIES

Proxy Voting

Generally, SGA does not accept or have the authority to vote client proxies. In that case, clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Exceptions to this policy exists when an account is subject to ERISA and proxy voting authority has not been delegated to another named fiduciary in the plan's written documents or when SGA serves as an adviser or sub-adviser to a registered investment company. However, at the request of a client, SGA may agree to vote proxies for securities held by individually managed accounts. In those cases, SGA will apply the proxy voting policies and procedures described below, unless the client provides their own proxy voting policy.

SGA has adopted proxy voting policies and procedures (the "Policies") with respect to portfolio securities for which SGA has proxy voting authority. Under the Policies, SGA utilizes an independent third-party proxy voting service, Institutional Shareholder Services, Inc. ("ISS"), to vote proxies according to ISS' proxy voting recommendations. SGA has adopted ISS' proxy voting guidelines and has instructed ISS to vote proxies on its behalf in accordance with those guidelines and to vote (a) any issue or proposal designated in the guidelines to be voted on a "case by case basis" and (b) any issue or proposal not listed in the guidelines, according to ISS' recommendation. SGA oversees the proxy voting process and periodically reviews a sample of the voting recommendations of ISS.

If SGA determines that no material conflict of interest exists we reserve the right to withdraw any proxy item from ISS and to vote the proxy item. The proxy item will be submitted to SGA's Brokerage Oversight Committee, which will determine the vote for each of the proposals in a manner consistent with the client's best interests. If SGA determines that a material conflict of interest exists, the Brokerage Oversight Committee will not vote, and we will return the proxy item to ISS for voting in accordance with ISS' guidelines.

Where a proxy proposal raises a material conflict between SGA's interests and the interests of the client, ISS shall vote on behalf of SGA in accordance with ISS' pre-determined voting guidelines. Alternatively, the client may specifically direct SGA to forward all proxy matters in which SGA has a conflict of interest regarding the client's securities to an identified independent third party for review and recommendation

or to consult with an identified independent third-party's recommendations. Clients must make such a request in writing. Where such independent third-party recommendation is received on a timely basis or are otherwise publicly available, SGA will vote all such proxies in accordance with such third-party's recommendation. ISS will vote the securities held by that client's account in accordance with ISS' voting guidelines if the third-party's recommendations are not timely received. SGA's Chief Compliance Officer is responsible for reviewing the proxy proposal for conflicts of interest as part of the overall vote review process.

Upon request to SGA, clients may obtain a copy of these policies and information on how SGA voted shares on behalf of the managed account.

Class Actions

Class action offers for legal settlements can be legally binding decisions that may prevent a client from taking any legal action in the future. SGA generally does not provide a recommendation as this could constitute legal advice, which is not in the scope of SGA's role or duty under the typical investment management agreement. However, should a client choose to participate in the class action, SGA will provide holdings and transaction information in order to assist in filing the claim. Clients should refer to formal holdings documents provided by their account custodian for official reconciliation of holdings and transactions.

ITEM 18 - FINANCIAL INFORMATION

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. SGA does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.