

**FORM ADV Part 2A
Investment Advisor Brochure**



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This Brochure provides information about the qualifications and business practices of Newmarket Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at 954-253-5812 or www.newmarket-advisors.com. Currently, our Brochure may be requested free of charge by contacting Steven Z. Newman, President/CEO at 954-253-5812 or steve@newmarket-advisors.com. Our Brochure is also available free of charge on our web site www.newmarket-advisors.com.

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.

Newmarket Advisors, Inc. is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor. Additional information about Newmarket Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes made to our Newmarket Advisors, Inc. Brochure since our last annual update on January 24, 2019.

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Item 4 – Advisory Business

Newmarket Advisors, Inc. corporate registration was granted by the State of Florida on August 28, 2002. Steven Z. Newman (CRD Number 122744) is the sole Registered Investment Advisor Representative and CEO, President of the company. Mr. Newman owns one hundred (100%) percent of the equity of the Newmarket Advisors, Inc. Newmarket Advisors, Inc. is not publicly owned or traded. There are no indirect owners of Newmarket Advisors, Inc. or intermediaries, which have any ownership interest in the company. Client assets are managed on an individualized basis. Newmarket Advisors, Inc. does not sponsor any wrap programs, nor does it take possession of any client assets. As of December 31, 2019, Newmarket Advisors, Inc. managed approximately \$36,287,133.21. Assets are managed on a discretionary basis.

Newmarket Advisors, Inc. provides Investment Supervisory Services, defined as giving continuous advice to a client about appropriate investments, based on the individual needs of the client through personal discussions in which goals and objectives based on the client's particular circumstances are established. Clients complete and sign a written Newmarket Advisors, Inc. Client Profile Confirmation / Investment Policy Statement questionnaire. Newmarket Advisors, Inc creates and manages a portfolio based on that policy. Newmarket Advisors, Inc. provides this service to individuals only.

Account supervision is guided by the stated objectives of the client. Newmarket Advisors, Inc. will create a portfolio including (but not necessarily limited to) no-load mutual funds. Other types of investments may include individual stocks, exchange traded funds, bonds, and other investments suitable for diversification of securities accounts. Newmarket Advisors, Inc. will allocate the client's assets among various investments taking into consideration the overall management style and risk tolerance selected by the client.

The mutual funds will be selected on the basis of any or all of the following criteria: the fund's effectiveness in diversifying the final portfolio, the fund's performance history (in terms of both risk and returns); manager tenure; the industry sector in which the fund invests; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances including risk tolerance. Clients will have the opportunity, subject to agreement with Newmarket Advisors, Inc. to place reasonable restrictions on the types of investments that will be made on the client's behalf. Newmarket Advisors, Inc. may decline to accept accounts for which the Client's restrictions would make Newmarket Advisor's Inc. investment

discipline impractical to apply. Clients will retain individual ownership of all securities at all times. Newmarket Advisors, Inc. is not the custodian of any client assets.

To protect portfolios in the face of changing markets Newmarket Advisors, Inc. may participate in short term trading (selling securities within 30 days of purchase) though such trades would not be common.

Based on a client's individual circumstances and needs, Newmarket Advisors, Inc. will determine which of its portfolio management disciplines is appropriate for that client. Factors considered in making this determination include life expectancy, liquidity needs, account size, risk tolerance, the opinion of each client and the client's investment philosophy. Newmarket Advisors, Inc. will meet or talk via phone / email with the client on a regular basis, determined by the client, to review the account.

It is the client's responsibility to promptly notify Newmarket Advisors, Inc. if there is ever any change in their financial situation, risk tolerance, or investment objectives for the purpose of reviewing, evaluating, and revising Newmarket Advisor's previous recommendations.

Newmarket Advisors, Inc. clients can also receive limited general financial and investment advice. This may include advice on areas of concern such as: estate planning, insurance, taxes, retirement planning, college planning, or any other financial topics. Employees of Newmarket Advisors, Inc. are neither attorneys nor accountants.

The minimum account size is \$100,000.00. As a service to clients with IRAs or other special needs, Newmarket Advisors, Inc. may at its sole discretion accept smaller accounts. Management of accounts that, subsequent to opening, are drawn down below \$25,000 may be terminated at Newmarket Advisors, Inc. discretion.

Item 5 – Fees and Compensation

Newmarket Advisors, Inc. typically receives compensation based on a percentage of total assets under management. The following fee schedule lists the annual fee.

Fee Schedule

\$100,000 - \$200,000	1.75%
\$200,001 - \$300,000	1.50%
\$300,001 - \$500,000	1.25%
\$500,001 - \$1,000,000	1.00%
\$1,000,000 and up	0.90%

Fees for accounts greater than \$1,000,000 are subject to negotiations.

Fees are calculated on the above basis or Newmarket Advisors, Inc. and client may mutually agree upon an alternate fixed annual percentage fee for all assets under management instead of the above fee schedule.

Fees charged by Newmarket Advisors, Inc. are separate from any management and custodian fees charged by mutual funds. Newmarket Advisors, Inc. fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which might be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to Newmarket Advisors, Inc. fee, and Newmarket Advisor, Inc. shall not receive any portion of these commissions, fees, and costs. Newmarket Advisors, Inc. typically utilizes "no-load" mutual funds

A client could invest in a mutual fund directly, without the services of Newmarket Advisors, Inc. In that case, the client would not receive the services provided by Newmarket Advisors, Inc. which are designed among other things, to assist the client in determining which mutual fund or funds, or other financial assets, are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Newmarket Advisors, Inc. to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Newmarket Advisors, Inc. management fees of all types are paid "in advance," are payable quarterly and are billed by the 15th day of the first month of the calendar quarter. Assets under management are determined by computing the market value of each account as of the close of trading on the last business day of the quarter. For billing purposes, quarter's close the last day in March, June, September, and December. The management fee for the following quarter is calculated by multiplying the closing account balance by one-quarter ($\frac{1}{4}$) of the annual fee percentage. New clients' fees are based on the account balance at inception, may be estimated for the first billing and are prorated for the period from inception to the end of a quarter. Clients who agree to a fixed quarterly fee are billed only that fixed fee.

If a client terminates the investment management service prior to the close of a quarter the client will receive a refund of the unearned portion of the quarterly management fee

on a pro rata basis. The client may terminate the investment management contract at any time with thirty (30) days written notice. A new client has the right to terminate an Agreement without penalty within five (5) business days after entering into the Agreement.

All fees and account minimums are negotiable. Newmarket Advisors, Inc. in its sole discretion may charge a lesser management fee or impose a lesser account minimum based upon certain criteria (e.g. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, type of asset management services required, related accounts, account composition, negotiations with client, etc).

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

Newmarket Advisors, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Newmarket Advisors, Inc. provides portfolio management services to individuals. The account size for investment advisory services at Newmarket Advisors, Inc. is a minimum of \$100,000.00.

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

Newmarket Advisors, Inc. follows a value investing approach by utilizing the research and analysis techniques defined below:

- *Fundamental:* Fundamental analysis is a general assessment based upon various factors including sale price, asset value, market structure, and history.
- *Cyclical:* Cyclical analysis is a time based assessment which incorporates past and present performance to determine future value.
- *Technical:* Technical analysis employs the use of advanced data aggregation techniques to define certain trends of progressions in marketplace activity.

Newmarket Advisors, Inc. main sources of research information include electronic and print media; financial newspapers, magazines, and financial newsletters, inspections of corporate activity, corporate ratings services, annual reports, prospectuses, filings with the United States Securities and Exchange Commission, company press releases, and research materials prepared by others.

Newmarket Advisors, Inc. seeks to allocate its client's investment management assets, on a discretionary basis among mutual funds, exchange traded funds, debt and equity

securities as well as the securities components of clients existing variable annuities and variable life insurance contracts in accordance with the investment objectives of the client. The firm may, from time to time, invest in cash, equity securities, corporate debt, municipal securities, warrants, commercial paper, certificates of deposit, and U.S. government securities.

Newmarket Advisors, Inc. uses the following investment strategies in its investment advisory business: long-term purchases (securities held longer than one year), short-term purchases (securities sold within a year), short-term trading (buying and selling securities within 30 days).

On occasion, client may direct that a particular security be held or traded in their account, and Newmarket Advisors, Inc. may accommodate their request without taking responsibility for the performance of that security.

Risk of Loss: Investing in securities involves a certain amount of risk of loss that clients should be prepared to bare. Past performance is not a guarantee of future returns. Securities may fluctuate in value or lose value. Newmarket Advisors, Inc will assist clients in determining an appropriate strategy based on their risk tolerance. It is the client's responsibility to inform the Advisor of ongoing changes to financial condition, goals or other factors that may affect Advisors risk analysis. Newmarket Advisors, Inc. does not represent, warrant or imply that the services or methods of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or fluctuations. No guarantees can be offered that client's goals or objectives will be achieved. Furthermore, no promises or assumptions can be made that the advisory services offered by Newmarket Advisors, Inc. will provide a better return than other investment strategies.

Client is advised that the investment recommendations and advice offered by Newmarket Advisors, Inc. are not legal or accounting advice. Client should coordinate and discuss the impact of financial advice with their attorney and/or accountant.

Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Newmarket Advisors, Inc. or the integrity of Newmarket Advisors, Inc. management. Newmarket Advisors, Inc. has no information applicable to this Item and no disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

Newmarket Advisors, Inc. and its management are not registered as a broker-dealer and do not have any applications pending to register as a broker-dealer or as representative of a broker-dealer.

Newmarket Advisors, Inc. and its management are not registered as a futures commission merchant and do not have any applications pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

Newmarket Advisors, Inc. and its management have no arrangements, oral or in writing where it is paid cash by, or receives some economic benefit (including commissions, equipment or non-research services) from, a non-client in connection with giving advice to clients.

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

Newmarket Advisors, Inc. has established a formal written Code of Ethics for all employees. Newmarket Advisors, Inc. has established the following restrictions in order to ensure its fiduciary responsibilities. This Code of Ethics is given to all current and prospective clients.

The Code of Conduct includes the following sections:

- Fiduciary Obligations
- Consequences for Failure to Comply and Reporting Certain Conduct
- Confidentiality, Privacy, and Protection of Material Non Public Information
- Personal Securities Trading
- Securities Covered by the Code
- Protect and Properly Use Company Assets
- Personal Trading Oversight and Monitoring
- Compliance with Laws, Rules, and Regulations

Newmarket Advisors, Inc. has adopted this Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other

things. All supervised persons at Newmarket Advisors, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Newmarket Advisors, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Newmarket Advisors, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Newmarket Advisors, Inc. its affiliates and/or clients, directly or indirectly, have a position of interest.

Newmarket Advisors, Inc employees and persons associated with Newmarket Advisors, Inc. are required to follow Newmarket Advisors, Inc. Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Newmarket Advisors, Inc. may trade for their own accounts in securities which are recommended to and/or purchased for Newmarket Advisors, Inc. clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Newmarket Advisors, Inc. will not interfere with making decisions in the best interest of advisory clients and implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Newmarket Advisors, Inc. clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Newmarket Advisors, Inc. and its clients.

Newmarket Advisors, Inc. clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Steven Z. Newman, President, and CEO.

It is Newmarket Advisors, Inc. policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Newmarket Advisors, Inc. will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in

relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer. That is not the case with Newmarket Advisors, Inc.

Item 12 – Brokerage Practices

Newmarket Advisors, Inc. makes recommendations to clients regarding which specific mutual funds, exchange traded funds or securities to buy and/or sell, and how much of each mutual fund or security to buy and/or sell. Newmarket Advisors, Inc. does not use a broker dealer and is not a custodian of client assets.

Clients come to Newmarket Advisors, Inc. with current 401K, 403B, and variable annuities, etc. that cannot be moved. We sometimes recommend Fidelity Investments Inc. because of their history of quality of client reporting, quality of custodial services, ease of effecting transactions, breadth of investment products available, free financial educational services and economical costs. Newmarket Advisors, Inc. does not receive any referrals, compensation, monetary or otherwise from Fidelity Investments, Inc. or any broker. Newmarket Advisors, Inc. does not have any agreements written or otherwise with any broker. Any products, research, or other services provided to client or Newmarket Advisors, Inc. by any broker are free and in the public domain or free to client domain.

Newmarket Advisors, Inc. does not accept or solicit soft dollar benefits. Newmarket Advisors, Inc. does not direct client transactions to a particular broker in return for product and/or research services received.

Item 13 – Review of Accounts

Steven Z. Newman, CEO, Newmarket Advisors, Inc. will review all client accounts weekly. Steven Z. Newman will review accounts more frequently than weekly if there is any unusual activity in the securities held by such account or if external market factors require review.

Clients receive written or electronic reports from the third party holding company (i.e., Fidelity Investments, Inc.) on their accounts monthly. A written or electronic year-end tax information report is also sent. Such reports consist of an inventory of securities, including market value on a specified date. Newmarket Advisors, Inc urges clients to review their custodian's statements for accuracy. (Also see Item 15 - custody)

Item 14 – Client Referrals and Other Compensation

Newmarket Advisors, Inc. is profiled in several online websites that compile from public information, data about Newmarket Advisors, Inc., and other financial advisory companies. Investors use the online services to learn about financial advisors, to learn how to avoid bad financial advice, to learn how to select quality advisors, to search for financial advisors, and to view advisor documentation. Newmarket Advisors, Inc. does not pay for, or receive compensation from, any such service.

Item 15 – Custody

Newmarket Advisors, Inc. is deemed to have limited legal custody of client's accounts. For purposes of providing management services, client's give contractual permission for Newmarket Advisors, Inc. to access client's account via on-line access. This ability to have access to client accounts causes Newmarket Advisors, Inc. to exercise limited custody over client's funds or securities. Newmarket Advisor's Inc. does not have physical custody of client's funds and/or securities. Client's funds and securities will be held with a qualified custodian. Clients should receive "at least" quarterly statements from the mutual fund company, broker dealer, bank, or other qualified custodian that holds and maintains client's investment assets. Newmarket Advisors, Inc. urges clients to carefully review such statements. Newmarket Advisors, Inc. bills client directly for services and does not debit clients account. (Also see Item 13 - Review of Accounts)

Item 16 – Investment Discretion

Newmarket Advisors, Inc. accepts discretionary authority from the client. When suggesting securities and determining amounts, Newmarket Advisors, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions are provided to Newmarket Advisors, Inc. in writing in the form of the Client Profile Confirmation/Investment Policy Statement.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Newmarket Advisors, Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Newmarket Advisors, Inc. may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Newmarket Advisors, Inc. financial condition. Newmarket Advisors, Inc. 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. Newmarket Advisors, Inc does not solicit fee pre-payment of six months or more in advance. Newmarket Advisors, Inc. meets the requirements of the Florida Office of Financial Regulation by filing with that office a yearly audited financial statement and meeting net capital requirements.

Item 19 – Requirements for State-Registered Advisers

Principal Executive Officers and Management Persons

The principal executive officer and management person of Newmarket Advisors, Inc. is Steven Z. Newman, CEO, and President. Persons providing advice to clients on behalf of Newmarket Advisors, Inc. are required to hold a college degree, the appropriate examinations, and/or designation, if any, required by the jurisdictions in which they are licensed. The education and business background for employees are provided in the Form ADV Part 2B Supplement.

Other Business Activities

Newmarket Advisors, Inc. and our employees do not engage in any other business activities besides providing investment advice. (See Item 10 - Other Financial Industry Activities and Affiliations)

Performance Based Fees

Newmarket Advisors, Inc. does not receive any performance-based fees.

Legal and Disciplinary Issues

Newmarket Advisors, Inc. and our employees seek to maintain the highest level of business professionalism, integrity, and ethics. Newmarket Advisors, Inc. and its employees do not have any legal or disciplinary events to disclose.

Arrangements with Securities Issuers

Newmarket Advisors, Inc. and our employees have no relationships or arrangements with issuers of securities (See Item 10 - Other Financial Industry Activities and Affiliations)