

# POLLOCK

*Investment Advisors*  
LLC

412 East Huron, Ann Arbor, MI 48104  
734.929.2520 ♦ 877.929.2520  
www.pollockinvestmentadvisors.com

## FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Pollock Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact James K. Pollock, CFA at (734) 929-2520 and/or at [jim@pollockinvestmentadvisors.com](mailto:jim@pollockinvestmentadvisors.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.

Additional information about Pollock Investment Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Pollock Investment Advisors, LLC is 153350.

Pollock Investment Advisors, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

**March 1, 2017**

## Table of Contents

<b>Material Changes .....</b>	<b>2</b>
<b>Types of Clients.....</b>	<b>2</b>
<b>Advisory Business .....</b>	<b>3</b>
<b>Fees and Compensation.....</b>	<b>5</b>
<b>Performance-Based Fees and Side-By-Side Management .....</b>	<b>7</b>
<b>Client Referrals and Other Compensation.....</b>	<b>7</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>8</b>
<b>Other Financial Industry Activities and Affiliations.....</b>	<b>10</b>
<b>Custody.....</b>	<b>10</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>11</b>
<b>Investment Discretion.....</b>	<b>12</b>
<b>Brokerage Practices .....</b>	<b>13</b>
<b>Review of Accounts .....</b>	<b>14</b>
<b>Voting Client Securities.....</b>	<b>15</b>
<b>Financial Information .....</b>	<b>15</b>
<b>Disciplinary Information.....</b>	<b>15</b>

## Material Changes

This Brochure is our disclosure document prepared according to regulatory requirements. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures. We will provide you with other interim disclosures about material changes as necessary. At this time, there are no material changes to this Brochure, our privacy policy, or regulatory filings.

## Types of Clients

As a condition for starting and maintaining a relationship the Registrant has a minimum portfolio size of \$500,000. The Registrant, in its sole discretion, may waive or raise its minimum portfolio amount, based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. The Registrant shall only accept clients with less than the minimum portfolio size if, in the sole opinion of the Registrant, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. The Registrant may aggregate the portfolios of family members to meet the minimum portfolio size and minimum annual fee.

PIA generally provides investment advice and financial planning services to individuals, trusts, estates, charitable organizations, pension and profit sharing accounts, as well as corporations and select business entities other than those listed above.

## Advisory Business

Pollock Investment Advisors, LLC (the "Registrant" or "PIA") is an independent investment adviser registered with the Securities & Exchange Commission. PIA's primary service is to provide investment management services to individuals, families, charities, trusts, estates, retirement plans, corporations and other business entities including limited liability corporations and limited liability partnerships. In addition to direct investment supervisory services, the Registrant may also place clients' monies with third-party money managers, and engage in financial planning for clients. Principal owners of PIA are James K. Pollock, CFA and Robert N. Pollock, Jr.

PIA offers investment advisory services to separate accounts for a range of clients. These services include the evaluation and identification of a client's tolerance for risk, as well as their long term investment goals and objectives. These services included, but are not limited to:

- Establishing long term asset allocation targets
- Investing client assets consistent with long term goals and objectives
- Monitoring the individual investment positions as well as the client's consolidated portfolio of investable assets.

PIA will generally invest its clients' assets in some combination of exchange-traded funds, no-load mutual funds, equities, limited partnerships, U.S. Treasury securities and other debt instruments. In addition, PIA will provide clients with investment advice and strategy for their incentive stock options and restricted stock units, company and/or University retirement investment options, as well as college savings plan investment strategies and options.

PIA may also provide advice on any type of investment held in a client portfolio, or any investment that a client may have interest in at a later date.

PIA also offers financial planning services to some clients which complements their investment advisory service. Based on the needs of the client, financial planning services may include, but are not limited to the following:

- Preparation of an investment policy statement to help identify client's long-term goals, objectives, and risk tolerance.
- Review of retirement savings, long-term spending, and cash flow projections.
- Insurance review
- Coordinating tax and estate planning with clients' tax and legal advisors. We

identify issues that need further professional input.

- Generational wealth transfers
- Charitable giving

PIA does not render or provide tax or legal advice, nor do we receive any compensation from any clients' tax or legal advisors.

Prior to engaging the Registrant to provide investment advisory services, the client will be required to enter into one or more written agreements with the Registrant setting for the terms and conditions under which the Registrant shall render its services (collectively the "Agreement"). In addition, the Registrant may only implement its investment management recommendations after the client has arranged for and furnished the Registrant with all information and authorization regarding accounts with appropriate financial institutions.

All investment advisory services provided to clients are individually tailored to meet their objectives. At the onset of all client relationships, PIA evaluates factors that include but are not limited to, a client's current and future income needs, their current tax bracket if applicable, their age and health as well as their ability to understand and identify risks. PIA may incorporate the use of questionnaires that help identify risk profiles and return objectives.

Client goals and objectives are reviewed and updated, at least on an annual basis, with all clients.

PIA does not participate in any wrap fee programs.

### **Assets Under Management**

As of December 31, 2016, PIA had \$184,258,000 under management.

## Fees and Compensation

The Registrant charges clients for investment advisory services as a percentage-based fee, dependent upon the value of the client's assets under management with the Registrant.

For the percentage-based fee, the annual fee shall be prorated and charged monthly, in arrears, based upon the market value of the assets on the last day of the current month. The billable balance is based upon the custodian's market value placed on the assets under management. In absence of a custodial value, PIA and client agree to seek the opinion of an unaffiliated third party.

The annual fee shall vary depending upon the market value of the assets under management, and any breakpoints. Generally, the Registrant's fee schedule is as follows:

Assets Under Management	Advisory Fees
\$0 - \$3,000,000	1.00%
\$3,000,000 - \$5,000,000	.80%
Over \$5,000,000	.50%

The Registrant, in its sole discretion, may negotiate to waive its stated account minimum or charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.)

The Registrant's Agreement and/or the separate agreements with SEI Private Trust Company and/or TIAA ("SEI" and/or "TIAA", or the "Custodian"), authorizes the Registrant through the Custodian to debit the client's account for the amount of the Registrant's fee and to directly remit that management fee to the Registrant in accordance with applicable custody rules. The Custodian(s) recommended by the Registrant have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Registrant.

The client may make additions to and withdrawals from the account at any time, subject to the Registrant's right to terminate an account. Clients may withdraw account assets on notice to the Registrant, subject to the usual and customary securities settlement

procedures. However, the Registrant designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

For the initial month of investment management services, the first month's fees shall be calculated on a pro rata basis. The Agreement between the Registrant and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. The Registrant's fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

The Registrant's clients are advised to properly notify the Registrant if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions on their account.

### **Third Party Money Management**

In addition to actively managing the Client's assets, PIA may also place clients' monies with a third-party money manager to act as a sub-adviser to the account, particularly in the area of fixed income management. In this arrangement, clients will be responsible for paying fees directly to the third-party money manager at its set rate. These fees will be in addition to the fees paid to the Registrant.

### **Financial Consulting**

In this arrangement, the Registrant will consult on certain, discrete financial projects of its clients on an hourly or fixed fee basis. The fee for this service shall be determined at the time of contracting between the Registrant and the Client.

### **Payment of Fees**

For the percentage-based fee, the annual fee shall be prorated and charged monthly, in arrears, based upon the market value of the assets on the last day of the current month. The billable balance is based upon the custodian's market value placed on the assets under management. In absence of a custodial value, PIA and client agree to seek the opinion of an unaffiliated third party.

For the initial month of investment management services, the first month's fees shall be calculated on a pro rata basis. The Agreement between the Registrant and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. The Registrant's fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Advisory fees are deducted from clients' assets as detailed in the Investment Advisory Agreement. The Registrant, in its sole discretion, will bill clients for fees incurred instead of deducting fees from client accounts.

**Please note:**

- Clients pay the transaction costs associated with management of the account, including transaction fees, custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fees and other related expenses.
- The Registrant **shall not** receive any portion of these commissions, fees, and costs, and they are in addition to Registrant's fees.
- Advisory fees are billed monthly in arrears.

**Performance-Based Fees and Side-By-Side Management**

PIA does not accept performance based fees.

**Client Referrals and Other Compensation**

PIA does not directly or indirectly compensate any person for client referrals.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Independent and employee owned, PIA provides fundamental investment advisory services to our clients. Our primary investment strategy is to construct and manage diversified, low turnover, tax efficient portfolios that are tailored to the unique set of goals and objectives of each our clients.

To achieve the long term goals of our clients, our investment strategy could best be described as a top down approach with a bottom up focus on security and/or manager selection. We define top down as a focus on the major macro-economic forces that affect markets, investors and securities. Such forces include, but are not limited to, taxation, population trends, money supply and interest rates. The bottom up focus would include an evaluation of investment specific factors on a security by security basis.

The methods of analysis we utilize in formulating our investment advice focuses on an interview process with clients. PIA works closely with clients, as well as their legal and tax advisors where appropriate, to identify each client's long term investment goals, their investment time horizon as well as their tolerances for risk. The initial interview and meeting establishes the framework for our working relationship. Most importantly, this framework serves as a reminder during periods of market euphoria or duress, of a client's long-term goals and why they invest.

Clients are advised that investing involves risk of loss. This risk of loss is something that clients should be prepared to bear.

### **Investment Strategy - Individual equity securities**

PIA will construct and manage portfolios of individual securities for those clients whose risk tolerances will allow such a strategy. A portfolio of individual securities will typically be more concentrated and have a higher risk of loss than a more diversified mutual fund strategy.

This is a long-term approach to stock investing. Equities are selected from a universe of large, mid and small capitalization domestic companies. Companies are selected and retained based on factors that include:

- historical and forecast earnings growth and stability
- valuation
- historical and forecast dividend growth
- financial strength (low debt, return on equity, strong cash flows)

Portfolios of individual securities may differ from market benchmarks with respect to sector weightings and therefore exhibit greater variability of returns.

Portfolios are constructed to typically have low turnover. Low turnover can positively impact investment performance due to lower brokerage, transaction and tax costs.

### **Investment Strategy - Mutual Funds and Exchange Traded Funs (ETFs)**

PIA will construct and manage portfolios utilizing mutual funds and/or ETFs for those clients whose risk tolerances will allow such a strategy. A portfolio that includes mutual funds and/or ETFs will typically be more diversified than a strategy that utilizes individual securities.

Mutual funds and/or ETFs are selected and retained in portfolios based on a number of factors including:

- Investment style
- Consistent investment philosophy and methodology
- Portfolio Manager tenure
- Assets under management
- Fee structure
- Investment performance

Individual mutual funds and/or ETFs are selected in a range of investment styles and asset classes. This would include but is not limited to fixed income as well as equity mutual funds. Specific investment styles include, but are not limited to, large, mid and small company funds, international, emerging and frontier market funds, high yield, corporate, municipal and government bond funds, as well as alternative (i.e. managed futures, long/short, commodity) funds.

Portfolios typically include a number of funds to improve diversification.

### **Investment Strategy - Third party money managers**

PIA may utilize a third party money manager for select clients. These managers will typically maintain an investment competency that complements the core investment strategy of PIA. These third party managers will primarily manage a portion of client portfolios within certain risk parameters as directed by PIA. The third party managers may manage, but are not limited to, equity and fixed income securities.

Third party money managers are selected and retained based on a number of factors including:

- Investment style
- Consistent investment philosophy and methodology
- Portfolio Manager tenure
- Assets under management
- Fee structure
- Investment performance

Third party managers may be selected in a range of investment styles and asset classes. This would include but is not limited to fixed income as well as equity managers. Specific investment styles include, but are not limited to, large, mid and small company managers, international and emerging market managers, government, corporate, and municipal bonds, high yield bonds and commodity managers.

Portfolios utilizing third party managers may involve more risk depending upon the nature of the underlying investment style and the level of diversification utilized by the third party manager.

#### **Other Financial Industry Activities and Affiliations**

PIA does not have any additional financial industry activities or affiliations to report.

#### **Custody**

PIA does not maintain custody of client funds or securities. Qualified custodians send quarterly, or more frequent, account statements. Clients should carefully review these statements.

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

### **Code of Ethics**

PIA has adopted a code of ethics ("CODE") designed to comply with Rule 204A-I under the Investment Advisors Act of 1940 ("Advisor's Act").

This Code establishes rules of conduct for all employees of Pollock Investment Advisors, LLC ("PIA") and is designed to, among other things, govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that PIA and its employees owe a fiduciary duty to PIA's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests before those of clients (ii) taking inappropriate advantage of their position in the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by Pollock Investment Advisors, LLC continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

A copy of our Code of Ethics is available to any client or prospective client upon request.

### **Personal Trading**

The Registrant and investment advisory representatives persons associated with the Registrant are permitted to buy or sell securities that it also recommends to clients consistent with the Registrant's policies and procedures.

Generally, the Registrant and its associated persons will trade simultaneously with clients in block trades. If a limited security, the clients' transactions will always go first. Neither the Registrant nor any associated person shall receive preferential treatment in trading or receive a better price than the clients if done simultaneously.

The Registrant has adopted a Code of Ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Advisers Act, its Code of Ethics contains written policies reasonably designed to prevent the unlawful

use of material non-public information by the Registrant or any of its associated persons. The Code of Ethics also requires that certain of the Registrant's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients may contact the Registrant to request a copy of its Code of Ethics.

### Investment Discretion

PIA exercises discretion over its client account, including brokerage selection. For this PIA has determined to use **SEI** as custodian and broker-dealer for client trades. Brokerage commissions and/or transaction fees charged by **SEI** or any other designated broker-dealer are exclusive of and in addition to the Registrant's fee.

Factors which the Registrant considers in recommending **SEI** or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research, and service. **SEI** enables the Registrant to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commission and/or transaction fees charged by **SEI** may be higher or lower than those charged by other broker-dealers.

The commissions paid by Registrant's clients shall comply with the Registrant's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of the research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Clients may not place limitations on the discretionary authority of the Registrant.

## Brokerage Practices

### Research and Other Soft Dollar Benefits

PIA exercises discretion over its client account, including brokerage selection. For this PIA has determined to use **SEI** as primary custodian and broker-dealer for client trades. Except as provided for in any applicable wrap fee program, the brokerage commissions and/or transaction fees charged by **SEI** or any other designated broker-dealer are exclusive of and in addition to the Registrant's fee.

PIA will also use **TIAA** and/or Fidelity as the custodian for clients' University retirement plan assets. Except as provided for in any applicable wrap fee program, the brokerage commissions and/or transaction fees charged by **SEI** or any other designated custodian or broker-dealer are exclusive of and in addition to the Registrant's fee.

Factors which the Registrant considers in recommending **SEI, TIAA**, or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research, and service. **SEI** and **TIAA** enable the Registrant to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commission and/or transaction fees charged by **SEI, TIAA**, or any other broker-dealer may be higher or lower than those charged by other broker-dealers.

The commissions paid by Registrant's clients shall comply with the Registrant's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of the research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

### Brokerage for Client Referrals

Registrant does not direct brokerage in exchange for client referrals.

### **Directed Brokerage**

Generally, PIA does not accept client or directed brokerage arrangements.

### **Trade Aggregation**

Trades are consolidated where appropriate in order to obtain consistent execution for all clients.

### **Trade Errors**

Registrant corrects all trade errors through an Error Account at **SEI**. If there is a loss due to a trade error by the Registrant, the Registrant will **make the client whole**. If there is a gain in correcting the trade error, the gain will be retained by **SEI** to offset any future trade error loss.

## **Review of Accounts**

The Registrant monitors client portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by James K. Pollock and Robert N. Pollock, Jr. or their designee(s). All investment advisory clients are encouraged to discuss their needs, goals and objectives with the Registrant and to keep the Registrant informed of any changes thereto. The Registrant shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's investment objectives.

Clients receive regular reports for all accounts from the custodian at least quarterly. In addition, PIA may provide periodic reports to clients as well as select written communication. The frequency of these reports is based on the individual desires of the client, as well as the desire of the Registrant to communicate account and/or topical information.

### **Voting Client Securities**

Registrant votes client proxies. As described in our proxy voting policies, PIA casts most of its proxy votes, particularly on routine matters, in accordance with the company management recommendations unless we believe that the position of the management of a company may not be in the best interest of shareholders. As a general rule, PIA votes against any proposals which would reduce the rights or options of shareholders, reduce shareholder influence over the board of directors and management, reduce the alignment of interests between management and shareholders, or reduce the value of shareholders' investments. PIA generally votes in favor of ratification of accountants, changing corporate names and similar matters. It generally withholds voting authority on unspecified 'other matters' that may be listed on a proxy card. Records concerning proxy votes will be maintained in Registrant's office and are available for viewing upon client request.

### **Financial Information**

PIA has not been the subject of a bankruptcy petition at any time during the past ten years.  
PIA has no financial circumstances to report.

### **Disciplinary Information**

Neither PIA, its employees, nor its owners, James K. Pollock and Robert N. Pollock, Jr., have any disciplinary information to report.