

Form ADV Part 2A  
Investment Advisor Brochure



**Cover Page**

This Form ADV Part 2A (Investment Advisor Brochure) provides information about the qualifications and business practices of Signature Intelligent Portfolios, LLC ("SIP").

If you have any questions about the contents of this brochure, please contact us at 844-839-7353 or [operations@seia.com](mailto:operations@seia.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of training.

Additional information about SIP also is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Attached are the Brochure Supplements for Deron McCoy (SIP Chief Investment Officer), as well as SIP's Privacy Notice and Business Continuity Program.

Date of Brochure as Last Revised: March 29, 2019

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Securities offered through Royal Alliance Associates, Inc. member FINRA/SIPC. Investment advisory services offered through SIP, LLC. SIP, LLC is a subsidiary of SEIA, LLC and its investment advisory services are offered independent of Royal Alliance Associates, Inc. Royal Alliance Associates, Inc. is separately owned and other entities and/or marketing names, products or services referenced here are independent of Royal Alliance Associates, Inc.

# Material Changes to Investment Advisor Brochure

## **Summary of Material Changes**

Date of Brochure as Last Revised: March 29, 2019

The purpose of this section is to discuss only material changes since the last annual update of the Signature Intelligent Portfolios, LLC (“SIP”) Investment Advisor Brochure.

1. Updated language throughout the brochure to reflect the purchase of Signator Investors Inc. by Royal Alliance Associates, Inc. (“RA”) and its parent company Advisor Group. Updates include: changing name of BD throughout the brochure and details of SIP’s affiliation with RA in Other Financial Industry Activities and Affiliations.
2. SIP has added the ability to manage accounts custodied at Fidelity via Fidelity Brokerage Services (“FBS”) Automated Managed Platform (“AMP”) accessible through eMoney’s emX Select platform (or any replacement or successor platform) which is sub-advised by Geode Capital Management, LLC (“GCM”). SIP has updated all sections, as applicable, of this brochure to reflect this new capability.

Please review the full document SIP ADV 2A for further information associated with these changes.

Delivery: Within 120 days of our fiscal year end we will deliver our annual Summary of Material Changes if there have been material changes since the last annual updating amendment.

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## **Advisory Business**

### **Advisory Firm**

Signature Intelligent Portfolios, LLC (“SIP”) is a registered investment advisory firm that was launched in 2015 to provide an automated investing solution to meet the needs of a new generation of investors. SIP is a wholly owned subsidiary of Signature Estate & Investment Advisors, LLC® (“SEIA”), of which the principal owner is Brian D. Holmes. Both SIP and SEIA are Registered Investment Advisers under the Investment Advisers Act of 1940, as amended (“The Act”). SIP provides services to clients referred by SEIA.

As of December 31, 2018, SIP manages \$5,621,041 of client assets on a discretionary basis.

### **Advisory Services**

SIP is the client’s investment adviser and primary point of contact. Regular and continuous internet access is required to engage SIP’s services. SIP allows us to provide clients with an online investment management solution which includes paperless account opening, paperless funding experience and automation in certain key aspects of the investment process. SIP will determine the overall appropriateness of SIP’s services for each client. SIP offers its automated investment solutions through two separate and distinct platforms (further described below). Each platform includes an online questionnaire that helps us determine the client’s investment objectives, risk tolerance and goals to ultimately tailor our advisory services to the individual needs of the client. Based on the responses provided by the client, SIP selects the appropriate corresponding model portfolio. SIP will monitor and manage the portfolio on an ongoing basis.

SIP offers its automated investment solutions through two separate and distinct platforms

3. Schwab Intelligent Portfolios® is sponsored by Charles Schwab & Co., Inc. (“Schwab”). Schwab provides administration and related services for the Program. Charles Schwab Investment Advisory, Inc. (“CSIA”), an affiliate of Schwab, provides portfolio management services.
4. Fidelity Brokerage Services (“FBS”) Automated Managed Platform (“AMP”) accessible through eMoney’s emX Select platform (or any replacement or successor platform) which is sub-advised by Geode Capital Management, LLC (“GCM”).

SIP is independent of and not owned by, affiliated with, sponsored by or supervised by Schwab Intelligent Portfolios®, CSIA, Schwab, FBS, AMP, eMoney or GCM.

The CSIA platform is described in detail in the Schwab Intelligent Portfolios® Disclosure Brochure (the “Disclosure Brochure”), which is delivered to clients by CSIA during the online enrollment process. The AMP platform is described in detail in the Geode Capital Management, LLC Form ADV 2A brochure for Fidelity Automated Managed Platform Managed Account Service, which is delivered to clients by FBS during the online enrollment process.

SIP can only provide investment advice with respect to those investments currently available on the available platforms.

The investments currently available for Schwab Intelligent Portfolios®: Schwab ETFs™ and third-party ETFs are filtered through a carefully selected set of stringent criteria. This ensures that all ETFs chosen for

Schwab Intelligent Portfolios deliver both diversity and cost efficiency. These selection criteria, as explained in the Program Disclosure Brochure, pares down more than 1,800 ETFs to the 53 ETFs (subject to change) that could potentially be part of your Schwab Intelligent Portfolios account.

The investments currently available for AMP: Fidelity ETFs, Fidelity Mutual Funds, Blackrock Investments LLC (or one of its affiliates, collectively "BlackRock"), including iShares® ETFs and, to a more limited extent, other third-party ETFs. It is GCM's expectation that the portfolios will be invested primarily in funds offered by Fidelity and BlackRock.

Clients are able to impose reasonable restrictions on investing in certain types of securities.

With respect to Schwab Intelligent Portfolios®: Clients will not be allowed to make trades in their account. Clients may request that certain ETFs be excluded from their account, but SIP or Schwab Intelligent Portfolios is not required to accept account restrictions that it deems unreasonable. A request to exclude certain ETFs from a client's account may result in delays in the management of the account. The client will be notified if the account cannot be managed with the requested investment restrictions. Clients also may request that CSIA use a tax-loss harvesting strategy so that tax losses are generated to offset potential capital gains in their account, subject to meeting minimum balance requirements (currently \$50,000, which is subject to change).

With respect to AMP: Adviser Clients are entitled to impose reasonable restrictions on the management of their Accounts. Account restrictions may be requested, or changed, by an Adviser Client by contacting SIP. SIP will relay any such request to GCM promptly in writing (including through an online platform, electronic mail or other electronic means). Any proposed restriction, or any change in a pre-existing restriction, is subject to the receipt and acceptance by GCM. A restriction request may result in delays in the management of an Account, and if an Account cannot be managed with the requested investment restriction, GCM will notify SIP, who shall then notify the Adviser Client. Such a restriction may include prohibitions with respect to the purchase of a particular fund or funds, provided such restriction is not inconsistent with GCM stated investment strategy or philosophy or is not fundamentally inconsistent with the nature or operation of the Service. If a restriction is accepted, assets will be invested in a manner that is appropriate given the restriction. Accounts with imposed management restrictions may experience different performance from Accounts without restrictions, possibly producing less favorable performance results as a result of such restriction. Restrictions will be reevaluated on an as-needed basis, including but not limited to as a result of changes in the underlying funds or Models, which may result in the denial or modification of the restriction that was previously accepted. If an Adviser Client makes any changes to the Profile selected for his or her Account that causes a change to the corresponding Model selected for such Account (or if SIP otherwise changes the selection of a Model for such Account) while such Account is subject to a restriction and SIP or the Adviser Client would like that restriction to remain in place after any such change, a new request must be submitted by the client and/or SIP to GCM LLC in writing (including through an online platform, electronic mail or other electronic means).

## **Fees and Compensation**

### **Advisory Fees**

Fees are computed as an annualized percentage of assets under management including cash balances and accrued interest. The fees are non-negotiable and are payable quarterly in arrears. Fees begin accruing when accounts become linked to us or when funded. To allow for additional account setups, transfers, final strategy discussions, etc., at our discretion, SIP can delay or waive the first quarter fee. The first payment is assessed and due at the end of the first calendar quarter and will be assessed pro rata in the event the Agreement is executed at any time other than the first day of the current calendar quarter. Subsequent payments are due and will be assessed on the first day after the end of each calendar quarter based on the value of the account assets under supervision as of the close of business on the last business day of that quarter. Fees may be waived at our discretion, on the value of deposits made shortly before the end of the quarter.

The below table shows the annualized fee which is charged for all accounts over \$5,000.

Platform Name	Fee
Schwab Intelligent Portfolios®	50 bps
Fidelity Automated Managed Platform	65 bps*

\* Client will receive access to eMoney.

Clients will authorize the custodian holding client funds and securities to deduct SIP advisory fees direct from the client account in accordance with statements prepared and submitted to the custodian by SIP. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by SIP. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated. In no case are fees collected in advance for services to be performed.

The fees are for advisory services only and do not include any expenses related to investments in mutual funds and ETFs. With investments in mutual funds or ETFs: clients pay the ongoing expenses of the mutual fund or ETF, known as the expense ratio. The expense ratio is the annual fee that all funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Details regarding the expense ratio associated with any particular mutual fund can be found in the prospectus. The SIP program seeks out low-cost funds however, they may not be the lowest cost funds available.

Further, the advisor fee does not include any fees related to custodial fees, brokerage fees, transaction costs or commissions which may be charged separately by the broker/dealer custodial firm. See **Brokerage Practices** (below) for further information.

SIP 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.

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

SIP does not charge performance-based fees. (A fee that is based on gains in the client account.)

## **Types of Clients and Account Minimums**

SIP is generally available to individual investors who reside in the U.S. for their taxable accounts or retirement accounts. Living trust accounts and organizations, such as corporations, limited liability companies and limited partnerships, may be able to participate in the SIP program however, they will not have the same digital client experience as individual clients. Clients that are government entities or accounts that would be subject to the Employee Retirement Income Security Act of 1974, are not eligible for SIP's services.

There is no minimum to establish a SIP account however, to be initially invested in an investment strategy the account must meet a \$5,000 per account minimum.

## **Methods of Analysis, Investment Strategies**

Under Schwab Intelligent Portfolios® SIP's **D**epartment of **I**nvestment **M**anagement and **E**conomic **S**trategy ("DIMES") is responsible for constructing investment strategies that consist of diversified portfolios of ETFs combined with a cash allocation pursuant to parameters of Schwab Intelligent Portfolios®. DIMES will design a strategy for each of the risk levels available to the client based on client responses to the online questionnaire. DIMES may at their own discretion add, remove, or change investment strategies used in the Program.

DIMES uses the principles found in Modern Portfolio Theory, proprietary research, and third-party research. Underlying this approach is:

- Strategic Macro Asset Allocation, which is based on asset class and style through the use of computer software models, based on capital market assumptions and modern portfolio theory principles.
- Tactical Micro Allocation, which is based on business cycle, global and domestic macro / micro-economic conditions and other potential event-driven opportunities.

DIMES analysis and investment selection are driven by a two-prong approach to filter the universe of ETFs for inclusion in the investment strategies:

- Quantitative metrics focus on identifying potential investments with consistent, good risk-adjusted performance returns based on mathematical and statistical methods and analysis.
- Qualitative metrics focus on the "quality" of potential investments that meet the above quantitative standards. DIMES focuses on attributes of investments that cannot be directly captured by quantitative measurement.

The universe of investments available to select from is limited to the investments available on the Schwab Intelligent Portfolios platform. See further details in **Advisory Business**.

Under Fidelity AMP, GCM as subadvisor, produces a set of asset allocation Models, including selecting a combination of Funds (ETFs and Mutual Funds) for each Model, and manages the assets in each Account on a discretionary basis to correspond to the Model selected by SIP, in coordination with the client, based

on the clients responses to the online questionnaire for such Account. This activity shall be in accordance with the parameters described in GCM ADV 2A brochure for Fidelity Automated Managed Platform Managed Account Service. The universe of investments available to select from is limited to the investments available on the AMP platform. See further details in **Advisory Business**.

## **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. Future returns are not guaranteed, and a loss of principal may occur. There is no guarantee that a particular portfolio will meet its investment objective.

### **General Mutual Fund and ETF Risks:**

The risks associated with Mutual Funds and ETFs depend on the underlying securities they hold, as well as added manager risk, which refers to the manager underperforming their benchmark. Stock funds have similar risks as stocks, just as bond funds have similar risks as bonds. Some ETFs that trade infrequently will have an added liquidity risk. These and additional risks that may impact the underlying securities are discussed below.

**Market Risk** - Market risk applies mainly to stocks but can also apply to other securities. Also referred to as volatility, market risk is the day-to-day fluctuation in a securities' price. Volatility is not so much a cause but an effect of certain market forces. Volatility is a measure of risk because it refers to the behavior, or "temperament", of your investment rather than the reason for this behavior. Because market movement is the reason why people can profit from stocks, volatility is essential for returns, and the more unstable the investment the more chance there is that it will experience a dramatic change in either direction.

**Financial Risk** - Financial risk is the additional risk a shareholder bears when a company uses debt in addition to equity financing. Companies that issue more debt instruments would have higher financial risk than companies financed mostly or entirely by equity.

**Business Risk** - A company's risk is composed of financial risk, which is linked to debt, and business risk, which is often linked to economic climate. If a company is entirely financed by equity, it would pose almost no financial risk, but it would be susceptible to business risk or changes in the overall economic climate. Further, business risk may refer to the risk that any one business may no longer be able to operate due to a regulatory event, natural disaster or other major event.

**Management Risk** - This term refers to the risk of the situation in which the company and shareholders would have been better off without the choices made by management.

**Liquidity Risk** - The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly which may expose an investor greater volatility.

**Interest Rate Risk** - Interest rate risk is the risk that an investment's value will change as a result of a change in interest rates. This risk affects the value of bonds, or bond funds, more directly than stocks.

**Credit Risk** - Credit risk is the risk that a company or individual will be unable to pay the contractual interest or principal on its debt obligations. This type of risk is of particular concern to investors who

hold bonds, or bond funds, in their portfolios. Government bonds, especially those issued by the US federal government, will normally have the least amount of default risk and with corresponding lower interest rates, while corporate bonds tend to have the highest amount of default risk but also higher interest rates. Bonds with a lower chance of default are considered to be investment grade, while bonds with higher chances are considered to be below investment grade (“junk bonds”). Bond rating services, such as Standard & Poors (“S&P”), give investors their opinions on which bonds are investment-grade, and which bonds are “junk”.

**Currency Risk** - When investing in foreign countries you must consider the fact that currency exchange rates affect asset prices. Currency risk applies to all financial instruments that are in a currency other than your domestic currency. As an example, if you are a resident of America and invest in a Canadian stock priced in Canadian dollars, even if the share value appreciates, you may lose money if the Canadian dollar depreciates in relation to the American dollar.

**Country Risk** - A collection of risks associated with investing in a foreign country. These risks include political risk, exchange rate risk, economic risk, sovereign risk and transfer risk, which is the risk of capital being locked up or frozen by government action. Country risk can reduce the expected return on an investment and must be taken into consideration whenever investing abroad

#### **Use of Algorithms Risks:**

The SIP platform employs algorithms to automate key aspects of our investment process. This investment management process exposes accounts to risks specific to the use of algorithms. The algorithms assume that portfolio holdings quantity and price data is accurate and complete. There is a risk that the algorithms and data input into the algorithms may not be programmed to consider relevant factors such as short-term asset class volatility, individual tax circumstance or certain questions from the online questionnaire and could have errors, omissions, imperfections and malfunctions (collectively, “Algorithm Issues”). Any decisions made in reliance upon incorrect data expose clients to potential risks. Algorithm Issues are often extremely difficult to detect. Some Algorithm Issues may go undetected for long periods of time and some may never be detected. It is also possible that the algorithms do not accurately and efficiently forecast security and portfolio risk. These risks are mitigated by testing and human oversight of the algorithms and their output. Algorithm Issues are an inherent risk of investing in the SIP platform and there is no assurance that the algorithms will always work as intended or produce the optimal results and as such, clients should be prepared to bear these risks.

### **Disciplinary Information**

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client’s evaluation of the advisory business or of the integrity of its management personnel.

SIP does not have any disclosure items.

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

SIP is not, but the IARs of the firm are licensed as Registered Representatives with Royal Alliance Associates, Inc. ("RA"). RA is a general securities broker/dealer, member FINRA & SIPC. RA is a wholly-

owned subsidiary of Advisor Group, Inc. ("AG"). AG is one of the largest networks of independent wealth management firms in the United States. The four individual firms that comprise Advisor Group are Royal Alliance Associates, FSC Securities Corporation, SagePoint Financial, and Woodbury Financial Services.

Signature Intelligent Portfolios, LLC ("SIP") and Signature Investment Advisors, LLC ("SIA") are subsidiaries of Signature Estate & Investment Advisors, LLC ("SEIA"). SEIA has been providing Investment Advisory Services since 1997. SEIA is a Registered Investment Advisor under The Act. The principal owner is Brian D. Holmes, founder, President, CEO, and Secretary. Mr. Holmes has been in the financial services industry since 1984. SEIA provides investment advisory services direct to individuals, high net worth individuals and organizations. SIA provides investment advisory services to clients referred from RA Corporate RIA. SIP provides investment advisory services to clients referred from SEIA.

IARs of SIP are also IARs of SEIA and may also be IARs of SIA. SEIA, SIA and SIP are all Registered Investment Advisers under The Act. SEIA, SIA and SIP have shared personnel. IARs and other associated persons of SIP may also act in other capacities for SEIA and/or SIA and would have additional disclosures if/when acting under SEIA or SIA. It is not anticipated that SIP clients will be clients of SEIA. However, if a client were to receive services of SEIA, then the client would receive the SEIA disclosure document. It is not anticipated that SIP clients will be clients of SIA. However, if a client were to receive services of SIA, then the client would receive the SIA disclosure document.

SEIA has other affiliated companies, Signature Comprehensive Insurance Services LLC ("SCIS") (for processing fixed insurance other than John Hancock USA("JHUSA")) & Signature Estate & Insurance Services LLC ("SEIS") (for processing JHUSA fixed insurance). It is not anticipated that SIP clients will be clients of SCIS or SEIS. However, if a client were to receive services of SCIS or SEIS, then the client would receive proper disclosure. SEIA, SIP, SCIS and SEIS have shared personnel.

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

### **Code of Ethics**

SIP maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Clients may request a copy of the Code of Ethics.

### **Employee Personal Trading**

SIP's policy is designed to avoid conflicts of interest with our clients. We will adhere to the Advisor's fiduciary responsibilities to our clients. At times the interests of SIP and/or its access persons correspond with our client's interests, and then we may invest in the same securities that are recommended to clients. It may be the case that an employee transacts in the same security at or about the same time as a client. Additionally, these access persons may trade in securities not recommended to clients, when their investment objectives differ. IARs and other associated persons may take more or less risk in their personal investing compared to what is recommended to clients. We are mindful that SIP and its access persons shall not misappropriate an investment opportunity that should first be offered to eligible clients.

SIP has a comprehensive personal trading policy designed to supervise employees personal trading activities and monitor for potential conflicts of interest. SIP monitors its access persons' personal security transactions on an on-going basis. All flags detected by the system will be reviewed by the compliance department. Review will be documented.

Should a material conflict be detected, disclosure will be made to the client(s) or in some instances the access person may be required to reverse the transaction and forfeit any profits. Incidental trading not deemed to be a conflict (i.e. a purchase or sale of an access person's prior holding of a security which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be deemed a material conflict.

SIP and its access persons will keep records of all personal securities transactions whether done through the firm or not.

### **Principal Trades**

SIP does not participate in Principal trades.

### **Brokerage Practices**

SIP requires clients to open brokerage accounts in their own name at Charles Schwab & Co. ("Schwab"), or Fidelity Brokerage Services LLC ("Fidelity"). If the client chooses to open their account at an alternative broker, SIP cannot manage that account. SEIA does not permit clients to direct brokerage as such direction may adversely affect our ability to manage the account. Clients that elect to open their account at Schwab will use Schwab Intelligent Portfolio® platform and have all transactions routed to Schwab for execution while clients that elect to open their account at Fidelity will use the AMP platform and have all transactions routed to Fidelity for execution. As a result, clients should be aware that this practice may not always result in the most favorable price as compared to another broker-dealer. SIP, CSIA and GCM all work to confirm clients receive best execution. Best execution does not solely seek the most favorable priced execution but instead seeks the best execution based on both quantitative and qualitative factors. Clients will not be charged commissions on transactions on either platform.

With respect to CSIA Intelligent Portfolios, the Sweep Program is a feature of the Program required by CSIA. Each investment strategy involves a cash allocation to the Sweep Program. The cash allocation will be a mandatory minimum of 4% of the account's value to be held in cash, and may be higher, depending on the chosen investment strategy and the amount of the cash allocation set for that investment strategy. Charles Schwab Bank, an FDIC-insured depository institution that is a Schwab affiliate, earns income on the Cash Allocation for each investment strategy, creating a potential conflict of interest for SWIA. Additional details regarding the Sweep Program are described further in the Program Disclosure Brochure.

With respect to AMP, 15 bps of the client is allocated to Fidelity. In exchange for this 15 bps fee the client receives access to eMoney.

Both CSIA Intelligent Portfolios and AMP both use a significant allocation to their respective Schwab and Fidelity proprietary funds. SIP does not, but Schwab and Fidelity may earn additional revenue when clients hold these positions.

For additional specific details on the brokerage practices of the two platforms please review the GCM ADV 2A brochure for Fidelity Automated Managed Platform Managed Account Service or the CSIA Program Disclosure Brochure.

SIP is not affiliated with Schwab or Fidelity. The IARs of our firm are not affiliated with Schwab or Fidelity and do not receive any commissions or fees from them for recommending these services.

### Soft Dollar Practices

SIP does not participate in any programs for soft dollar credits.

Schwab and Fidelity do make available soft dollar benefits for research and non-research products that benefit SIP and may not directly benefit its client accounts. Schwab and/or Fidelity may provide benefits to SIP based in part on the total assets maintained under management by SEIA and its affiliates.

SIP receives research benefits. SIP has access to research available through Schwab and Fidelity. This research is readily available to any investment advisor that utilizes Schwab and Fidelity as a custodian.

SIP also receives non-research benefits. These benefits include software and other technology that are used to service all or a substantial number of SIP's accounts.

- Platform technology—which includes SIP's access to CSIA Intelligent Portfolios and AMP
- Technology to access client account data
- Technology to facilitate trade execution
- Billing interface technology
- Reporting tools to help satisfy recordkeeping requirements

Schwab and Fidelity may also provide other services intended to help SIP manage and further develop its business enterprise. They may make these available through independent third-parties. They may discount or waive fees that would otherwise be charged for these services or pay all or a part of the fees of a third party providing these services to SIP. These services may only benefit SIP and include:

- Compliance software
- Consulting services
- Publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing.

SIP's recommendation that clients maintain their assets at Schwab or Fidelity may be based in part on the benefit to SIP of the availability of some of the foregoing products and services and not solely on the quality or costs of services provided by Schwab or Fidelity, which may create a potential conflict of interest. SIP does not have discretion as to brokerage firms and therefore the client is always free to accept or reject any recommendation by SIP.

### Client Referrals from Brokers

See the main section heading **Client Referrals & Other Compensation** (below) for disclosure.

### Trade Aggregation

Trade orders for client portfolios are generated by CSIA and GCM automated investment engine and as such SIP does not have anything to disclose in this section. For additional specific details on trade aggregation policies please review the GCM ADV 2A brochure for Fidelity Automated Managed Platform Managed Account Service or the CSIA Program Disclosure Brochure.

## **Review of Accounts and Reports on Accounts**

### **Review of Accounts**

Clients’ portfolios are reviewed and approved when they are initially opened. More frequent reviews may be triggered by material changes in the client’s financial situation or investment objectives and major market or economic events. Clients who have experienced material changes in their financial situation or investment objectives should promptly update their information on the online questionnaire.

SIP’s Department of Investment Management and Economic Strategy (“DIMES”) monitors and makes any necessary updates to the available CSIA Intelligent Portfolio strategies on a continuous basis.

### **Reports on Accounts**

We do not provide written reports to clients, unless asked to do so. Clients will receive standard account statements from the qualified custodian or investment sponsor.

## **Client Referrals & Other Compensation**

### **Compensation for Client Referrals**

SIP may compensate for client referrals. All solicitors’ agreements are in compliance with The Act. In addition, all applicable federal and state laws will be observed. All clients procured by outside solicitors will be given full written disclosures by the solicitor, describing the terms and fee arrangements between SIP and the solicitor, prior to or at the time of entering into the advisory agreement.

SIP has entered into an agreement with SEIA to compensate for client referrals. SIP pays all solicitor fees under this arrangement to SEIA.

	Total Advisory Fee	SIP	Solicitor (SEIA)	Custodian
Charles Schwab Accounts	50 bps	5 bps	45 bps	0 bps
Fidelity Accounts	65 bps	5 bps	45 bps	15 bps*

\*Client receives eMoney

### **Other Compensation Arrangements**

We receive an economic benefit from Schwab and Fidelity in the form of the support products and services (Soft Dollar Benefits) they make available to us. These products and services, how they benefit us, and the related conflicts of interest are described above in **Brokerage Practices**. The availability to us of these services is not based on us giving particular investment advice or recommending particular securities for our clients.

## **Custody**

SIP has limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. SIP is also deemed to have custody of clients' funds or securities when clients have standing authorizations ("SLOA") with their custodian to move money from their account to a third-party or first-party wire and under that SLOA authorize SIP to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

A qualified custodian holds clients' funds and securities. 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 our fee.

Clients should carefully review the account statements they receive from the qualified custodian. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

## **Investment Discretion**

A limited power of attorney will be obtained from clients. SIP has discretionary authority to manage accounts enrolled in the Program. SIP will not have authority to withdraw funds or to take custody of client funds or securities, other than as described under **Custody** above.

CSIA and GSM as subadvisors, assume discretionary trading and investment authority over the assets in the SIP platform account. The subadvisor will manage each account based on the model selected by SIP in conjunction with the client and based off the online questionnaire. This discretionary authority is subject to the reasonable restrictions requested by clients and accepted by SIP, CSIA and GSM as applicable.

## **Voting Client Securities**

SIP, CSIA and GCM do not have or accept authority to vote proxies for clients. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. SIP may respond to questions from clients regarding proxies and corporate actions in an educational fashion. It is the ultimately the clients' decision and responsibilities to vote proxies.

## **Financial Information**

An investment advisor must provide financial information if a threshold of fee prepayments is met or, if there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years.

SIP does not have any disclosure items in this section.



**Form ADV Part 2B**  
**Brochure Supplement**

Name of Supervised Person/IA Rep	Deron McCoy
Address	2121 Ave. of the Stars, Suite 1600, Los Angeles, CA 90067
Phone Number	310-712-2323
Date of Brochure as Last Revised:	November 5, 2018

Name of Registered Investment Advisor	Signature Intelligent Portfolios, LLC ("SIP")
Address	2121 Ave. of the Stars, Suite 1600, Los Angeles, CA 90067
Phone Number	844-839-7353
Website Address	<a href="http://www.signatureportfolios.com">www.signatureportfolios.com</a>

This Brochure Supplement provides information about Deron McCoy that supplements the Signature Intelligent Portfolios, LLC brochure. You should have received a copy of that brochure. Please contact SIP's Compliance Department via the contact information on the cover page if you did not receive Signature Intelligent Portfolios, LLC's brochure or if you have any questions about the contents of this supplement. Additional information about Deron McCoy is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Deron McCoy is the Chief Investment Officer for SEIA's Department of Investment Management and Economic Strategy ("DIMES"). DIMES is responsible for the research and development of SIP's portfolio allocation targets.

## ***Educational Background and Business Experience***

### **Education and Business Background**

Name: Deron McCoy, CFA, CFP®, CAIA, AIF®  
Year of Birth: 1972  
Education: University of California Los Angeles (UCLA), Los Angeles, CA  
BS Mathematics-Applied Science, Specialization in Economics, 1995  
Business: SEIA/SIA/SIP, Los Angeles, CA – Chief Investment Officer, DIMES  
SEIA - 9/2001 – present; SIA - 11/2011 – present; SIP - 10/2015 – present  
Royal Alliance Associates, Inc., Los Angeles, CA – Registered Representative  
11/18 – present  
Signator Investors, Inc., Los Angeles, CA – Registered Representative  
6/95 – 11/18

### **Professional Designations Qualifications**

**CFP®** - Certified Financial Planner is issued by the Certified Financial Planner Board of Standards, Inc. Candidates must meet the following requirements:

- Complete CFP® education program or fulfillment by another specified credential
- Bachelor's degree (or higher) from an accredited college or university
- Pass CFP® certification exam
- 3 years of full-time personal financial planning experience
- Continuing education requirement of 30 hours every 2 years

**CFA** – Chartered Financial Analyst is issued by the CFA Institute

CFA certificants must meet the following requirements for regular membership:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience
- Complete and pass the CFA Program – a graduate-level self-study program culminating in three sequential six-hour exams
- Have at least 4 years of qualified work experience in the investment decision-making process
- Fulfill society requirements; which require two sponsor statements as part of each application
- Commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct
- Must be a regular member

**CAIA** - Chartered Alternative Investment Analyst

Candidates must meet the following requirements:

- Successfully pass both the Level I and Level II exams
- Become a member of the CAIA Association
  - Pass the Level II exam within three years of passing the Level I exam
  - Hold a U.S. bachelor's degree or the equivalent, and have more than one year of professional experience
  - Agree on an annual basis to abide by the Member Agreement

## **AIF® - Accredited Investment Fiduciary**

Candidates must meet the following requirements:

- Complete the AIF training program
- Pass the final certification exam
- Continuing education requirement of 6 hours per year

### ***Disciplinary Information***

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the IA Rep. Deron McCoy does not have any disclosure items.

### ***Other Business Activities***

Deron McCoy is the Chief Investment Officer for Signature Estate & Investment Advisors, LLC ("SEIA"), Signature Investment Advisors, LLC ("SIA") and Signature Intelligent Portfolios, LLC ("SIP"). SIA and SIP are subsidiary companies of SEIA. Each entity is a Registered Investment Advisor ("RIA"). This activity does not pose a conflict of interest.

Deron McCoy is a Registered Representative with Royal Alliance Associates, Inc. ("RAA"), a Broker-Dealer, member FINRA/SIPC. This This activity does not pose a conflict of interest as Mr. McCoy does not sell securities or insurance products.

### ***Additional Compensation***

Deron McCoy receives a portion of revenues derived from management of *discretionary* services offered through the Department of Investment Management. Mr. McCoy does not receive any securities commissions.

### ***Supervision***

Deron McCoy serves on the Investment Committee, which provides research and formulates investment strategies. Mr. McCoy will apply the asset allocation strategy as he sees fit to *discretionary* client accounts. The Investment Committee performs oversight. Further, Deron McCoy is supervised by the CEO, Brian D. Holmes. The CEO has created a Compliance Department to assist in monitoring for compliance with the Advisors Act. The CEO may be contacted at 310-712-2323.

## Privacy Notice

### **NOTICE OF PRIVACY OF CONSUMER FINANCIAL INFORMATION**

Respect for clients' privacy is highly valued at Signature Intelligent Portfolios, LLC and its affiliated company Signature Estate & Investment Advisors, LLC ("we") and your privacy is important to us. We understand that the trust you have placed in us is conditional upon our proper handling of your personal information.

Federal law gives you the right to know what information is being collected about you and how the information will be used.

We collect non-public personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information that you specifically have had your other professional advisors forward to us.

We do not disclose any non-public personal information about our customers or former customers to anyone, except as required by federal or state law, or as directed by you – our customer.

- Under the law, we may disclose all of the information we collect to companies that perform support services on our behalf as necessary to affect, administer, or process a transaction, or for maintaining and servicing your account.
- As directed by you, we will be working with your other professional advisors and we will provide information in our possession that is reasonably requested by other advisors.

We do not give or sell information about you or your accounts to any other company individual or group.

We restrict access to non-public personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, administrative, and technical procedural safeguards that comply with federal standards to guard your non-public personal information.

You do not need to call or do anything as a result of this notice. It is meant to inform you of how we safeguard your non-public personal information.

Should you have any questions regarding our privacy procedures, please feel free to contact us at 844-839-7353.

## Business Continuity Program

Signature Intelligent Portfolios, LLC and its affiliated company Signature Estate & Investment Advisors, LLC seek to provide uninterrupted client service. We believe the stability of our business practices, as well as our technology systems, is vital to earning your trust, therefore we make every effort to provide uninterrupted service through a Business Continuity Plan aligned with rigorous SEC and FINRA requirements.

In the event of a natural or unnatural disaster that interrupts our normal business operations at our corporate headquarters at 2121 Avenue of the Stars, in Los Angeles, California 90067; our comprehensive Business Continuity Plans include but are not limited to the following:

Pre-defined alternate worksites and communications systems for all business-critical functions.

- 610 Newport Center Dr. Suite 300, Newport Beach, CA 92660 Ph 949-705-5188 or 800-472-1066 Fax 949-705-5199
- 155 N. Lake Ave., Suite 780, Pasadena, CA 91101 Ph 626-795-2944 Fax 626-795-2994
- 1650 Tysons Blvd, Suite 1575, Tysons Corner, VA 22102 Ph 703-940-3000 Fax 703-738-2259
- 1848 S. Elena Ave., Suite 100, Redondo Beach, CA 90277 Ph 310-712-2322 Fax 310-712-2377
- 3 East Third Ave., #217, San Mateo, CA 94401 Ph 800-723-5115 Fax 310-712-2345
- 1700 Post Oak Boulevard, 2Blvd Place, Suite 600, Houston, Texas 77056 Ph 713-963-4699 Fax 310-712-2345
  
- Multiple layer data backup and recovery systems.
  
- Various methods of communicating with and providing service to clients via the Internet, local offices and automated telephone forwarding services.
  
- Annual employee awareness and Business Continuity training.

While no contingency plan can eliminate all risk of service interruption or temporarily impeded account access, we continually assess, test, and update our Plan to mitigate all reasonable risk.

If we find it necessary to temporarily move our operations, we will attempt to notify you. Please understand that this may take from 24 to 48 hours or longer.

Please refer to the Business Continuity Programs of your custodian for additional key information. A complete copy of our Business Continuity Plan may be viewed in our office during regular business hours.

Sincerely,



Brian D. Holmes, MS, CFP®, CMFC, AIF®  
President, CEO