



Newport Investment Advisors, Inc.
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March 31, 2024

Firm Brochure
Part 2a of FORM ADV

This Brochure provides information about the qualifications and business practices of NEWPORT INVESTMENT ADVISORS, INC. (N I A). If you have any questions about the contents of this Brochure, please contact us at 216-514-5151 and/or ken@getnewport.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.

Newport Investment Advisors, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Newport Investment Advisors, Inc., is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On March 31, 2024, Newport Investment Advisors, Inc. qualified to transition to supervision by the SEC from the previous state supervision of Ohio and Wisconsin.

NIA adopted a new standard fee schedule for new clients as of 12/31/2023.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at 216-514-5151 or ken@getnewport.com.

Additional information about Newport Investment Advisors, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Newport Investment Advisors, Inc. who are registered, or are required to be registered, as investment adviser representatives of Newport Investment Advisors, Inc.

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Item 4 – Advisory Business

A) Firm Description

Newport Investment Advisors, Inc. (NIA) was incorporated in April, 1989. The primary services offered by NIA consist of mutual fund asset allocation strategies (Strategies). Most clients of NIA are direct clients, but some clients may be introduced by investment advisor representatives (IARs). The IARs are typically not also registered as investment advisors.

Owner of Newport Investment Advisors, Inc.

Kenneth M. Holeski President, CIO 100% shareholder Ownership Code-C

B) Types of Advisory Services

Newport Investment Advisors, Inc. (hereinafter referred to as “NIA”) offers advisory services for Managed Accounts typically of \$50,000.00 or more. In certain circumstances smaller Managed Accounts will be accepted. These Managed Accounts will be offered in all states in which NIA is registered.

After entering into an advisory agreement, NIA reviews the client's investment portfolio. Based upon the review and discussions with the client and/or the client's registered representative, the client's financial needs and investment objectives will be determined. The client's investment objectives will be delineated within the investment agreement and investments will be chosen that are consistent with the identified client needs and objectives.

C) Assets under Management

The Registrant manages the following amount of client assets on a full discretionary basis as of December 31, 2023:

Discretionary Assets - \$ 112,457,000

Non-discretionary Assets – \$2,295,000

D) Wrap Programs

Registrant does not currently offer wrap programs. In the event that Registrant participated in a wrap program, a portion of the fee charged to the client would be shared by the sponsor with Registrant.

Item 5 – Fees and Compensation

Fees are charged in advance. Fees for NIA services will be determined on a basis of Managed Account assets multiplied by the appropriate per annum percentage based on the fee schedule shown below. The quarterly amount will be one-fourth the annual rate. The fee will be based upon the most recent quarter ending valuation reflecting market prices at the end of that quarter. NIA's fees for services provided will be governed by the following fee schedule:

\$ 0 to \$999,999.99	@ 1.00%
\$1,000,000 to \$4,999,999.99	@ 0.75%
\$5,000,000 to \$9,999,999.99	@ 0.60%
\$10,000,000.00 or greater	@ negotiable

Fees are customarily deducted from the client account. Clients may request to be invoiced directly instead.

Performance based fees are available by negotiation. Performance based fees are not available to clients in the state of Wisconsin. The state of Wisconsin does not allow performance-based fees.

NIA does not share in the capital gains of a client account.

All fees are subject to negotiation. Some negotiable circumstances may include charitable portfolios or situations in which competitive fees are a factor in the selection of an advisor.

Upon termination, any prepaid fee is refundable on a pro-rata basis for the period unearned. Certain clients of the NIA will be former clients of NIA shareholder's former employer. In such cases, fees charged to those Managed Accounts will be based upon that former employer's fee schedule then in effect.

In those circumstances where NIA serves as a sub-advisor, NIA's fee is determined by contract with the other investment advisor. NIA will obtain assurance from the advisor that it is properly registered in states that NIA is engaged to sub-advise.

Services offered are primarily in the form of a reactive allocation service. Reallocations may be performed on a stock and/or bond mutual fund(s). NIA may suggest mutual fund families to be used. Client accounts typically invest in ETFs, no-load, or load-waived mutual funds. For defensive purposes, client account may be positioned to hold cash or money market funds. Trade decisions are based upon proprietary decision models. Such decision models include technical and fundamental indicators such as moving averages, collars, yield curve and other factors.

Since most accounts will involve the purchase of mutual fund shares, ETFs, CEFs or variable annuities, the client pays a direct advisory fee to NIA and an indirect advisory fee to the advisor to

the funds, which reduces the net asset value of the funds' shares. Therefore, NIA's clients pay two levels of advisory fees for the management of their assets. As such, the total advisory fees paid may exceed that which may be charged by other advisors. The total fees may also be lower than other advisors.

Newport Investment Advisors, Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment advisors and other third parties such as fees charged by managers, custodial fees, deferred sales charges/early redemption fees, 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 NIA's fee.

NIA does not provide financial planning.

Item 12 further describes the factors that NIA considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Newport Investment Advisors, Inc. may enter into performance fee arrangements with qualified clients: such fees are subject to individualized negotiation with each such client. Performance based fees are not available to state of Wisconsin clients. The state of Wisconsin does not allow performance-based fees. Newport Investment Advisors, Inc. will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions there under, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Newport Investment Advisors, Inc. shall include realized and unrealized capital gains and losses.

Performance based fee arrangements may create an incentive for Newport Investment Advisors, Inc. to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. Newport Investment Advisors, Inc. has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Performance fee arrangements are only available to qualified clients pursuant to SEC Section 205-3. "Qualified Client" means:

- (i) A natural person who or a company that immediately after entering into the contract has at least \$1,000,000.00 under the management of the investment advisor;
- (ii) A natural person who or a company that the investment advisor entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering the contract, either:
 - (A) Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,100,000.00, at the time the contract is entered into, or Is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(51)(A)) at the time the contract is entered into; or
- (iii) A natural person who immediately prior to entering into the contract is:
 - (A) An executive officer, director, trustee, general partner, or person serving in a similar capacity, of the investment adviser; or
 - (B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

Item 7 – Types of Clients

Newport Investment Advisors, Inc. provides or offers to provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, private investment funds, and trust programs.

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

Investing in bonds and high yield securities involves risks, including interest rate risk, credit risk, and reinvestment rate risk. Investing in small cap stocks involves additional risks, including operating risk and liquidity risk. Investing in international and emerging market stocks involves additional risks, including political risk and currency risk.

Investing in inverse mutual funds, which are designed to profit from declining securities prices, involves certain risks that may include increased volatility due to the funds' possible use of short sales of securities (borrowing securities in the belief the securities will decrease in value and then purchasing the securities later at a lower price) and derivatives such as options and futures, which give the options and futures owner the ability to purchase the securities later at a more beneficial price. The use of leverage or borrowing money to purchase additional securities by a mutual fund increases risk of the fund. The more a fund invests in leveraged instruments, the

more the leverage will magnify any gains or losses on those investments. NIA's Strategies will sometimes involve frequent trading. Frequent trading can affect investment performance since this may increase the potential for taxes and/or commissions from multiple purchases and sales of securities.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

Clients may select brokers or broker dealers that are not affiliated with NIA. Most accounts managed by NIA are custodied at TD Ameritrade. There is no obligation to utilize TD Ameritrade.

NIA may compensate IARs and/or broker/dealers employing them by sharing a portion of the advisory fee paid by the clients to NIA. Customarily, 50% of the fee received by NIA is shared with the IAR and/or its affiliated broker/dealer.

The average management fee for accounts that have been solicited by IARs have historically been higher than the average management fee charged to unsolicited direct NIA clients. The lower fees for unsolicited direct accounts are due to many reasons including competition, incentive arrangements, commission offsets, charitable affiliations, larger average size of accounts, and other reasons. You may discuss and attempt to negotiate/receive a lower fee than the standard fee schedule with your solicitor based upon your specific circumstances.

Item 11 – Code of Ethics

Newport Investment Advisors, Inc. has adopted a 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 Newport Investment Advisors, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Newport Investment Advisors, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Newport Investment 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 Newport Investment Advisors, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. Newport Investment Advisors, Inc.'s employees and persons associated with Newport Investment Advisors, Inc. are required to follow Newport Investment Advisors, Inc.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Newport Investment Advisors, Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Newport Investment Advisors, Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Newport Investment Advisors, Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) 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 Newport Investment Advisors, Inc.'s 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 Newport Investment Advisors, Inc. and its clients.

Newport Investment Advisors, Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Justin Holeski.

It is Newport Investment Advisors, Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Newport Investment Advisors, Inc. does not cross trade between client accounts. Principal transactions are generally defined as transactions where an adviser, 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 adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, 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 adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

NIA does not receive soft dollar benefits from custodians or from brokers utilized to execute transactions. Clients referred to NIA by IARs are likely to have their accounts held at the brokerage firm of the introducing IAR. NIA does not obligate the use of any brokerage firm.

NIA reserves the right to refuse the use of any particular brokerage firm to maintain efficiency of trading for all accounts. Generally, Clients may direct NIA as to the brokerage firm to be used. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Newport Investment Advisors, Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Newport Investment Advisors, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Neither NIA nor any of its employees receives commissions for placing trades for its clients.

Most clients of NIA utilize TD Ameritrade for brokerage and custody of client accounts. TD Ameritrade may not be the lowest cost brokerage firm available.

NIA considers the cost to execute trades, efficiency of trading platforms and execution of orders when selecting brokerage platforms for recommending to clients. Timely execution of orders is an important consideration in the selection of a custodian or brokerage platform.

Since most accounts managed by NIA are invested in mutual funds, pricing of securities is not as critical as if individual stocks or bonds were being purchased.

Any client directing the brokerage firm to be utilized for their account accepts the responsibility to investigate costs and efficiency of execution. If NIA determines that execution is not adequate the information will be brought to the client's attention.

Item 13 – Review of Accounts

Due to the tactical nature of the Strategies, decision making regarding market position and measuring risk is constant. Clients receive monthly or quarterly statements from their respective custodians. Custodians send Client's confirmations reflecting transaction values and quantities upon exchanges, purchases or sales. NIA produces a statement that measure value, quarterly performance, year to date performance and rolling twelve-month performance which is reviewed by staff before mailing to clients.

Item 14 – Client Referrals and Other Compensation

NIA advisory programs are marketed directly by officers and employees of NIA and through IARs. Usually, the sales representative is a licensed sales person employed by a broker/dealer. As such, the representative may receive, or has received, commissions for the Client's initial investment in

the mutual funds and subsequent commissions depending on the advisory program entered into by the Client. NIA does not receive any portion of those commissions.

Although no current clients of have been introduced by a non-employee of NIA, customarily IARs and/or broker/dealers employing them typically share in the advisory fee paid to NIA.

IARs warrant to NIA that they are compliant with any licensing requirements of their resident or non-resident state of residence before referring accounts to NIA.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client’s investment assets. Newport Investment Advisors, Inc. urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Custodians send Client’s confirmation upon the execution of a transaction upon their account.

NIA has custody of client assets only indirectly to the extent that it may deduct advisory fees from a client account. NIA does not take possession of client assets. All client accounts are registered in the name of the client.

Clients should never make checks payable to NIA except for periodic management fees.

NIA bills quarterly.

Item 16 – Investment Discretion

Newport Investment Advisors, Inc. usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Newport Investment Advisors, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to Newport Investment Advisors, Inc. in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Newport Investment 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. Newport Investment 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 Newport Investment Advisors, Inc.'s financial condition. Newport Investment 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.

NIA does not solicit clients to pay advisory fees for six months or more in advance and more than \$500.00.

Item 19 – Requirements for State-Registered Advisers

For information in Item 19.A, 19.B, 19.D.1, 19.D.2 and 19.E please refer to ADV Part 2B Brochure Supplement.

In reference to Item 19.C please refer back to Item 6 in ADV Part 2A, which will discuss Newport Investment Advisor, Inc. performance-based fees program.