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Nestlerode & Loy, Inc.
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11/30/2018

This Brochure provides information about the qualifications and business practices of Nestlerode & Loy, Inc. If you have any questions about the contents of this Brochure, please contact us at 814-238-6249 and/or via email to banderson@nestlerode.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.

Nestlerode & Loy, 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 Nestlerode & Loy, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 11/30/2018 is a revised edition of a new document prepared according to the SEC’s requirements and rules.

The date of our last update of our brochure was 04/30/2018. This Brochure reflects updated wording in Section 5 to more adequately explain compensation to the advisor.

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 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 which is September 30th. 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 free of charge by contacting Jody Sharer, CCO at 814-238-6249 or JSharer@nestlerode.com. Our Brochure is also available on our web site www.nestlerode.com.

Additional information about Nestlerode & Loy, 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 Nestlerode & Loy, Inc. who are registered, or are required to be registered, as investment adviser representatives of Nestlerode & Loy, Inc.

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Item 4 – Advisory Business

Nestlerode & Loy, Inc, formally Nestlerode & Co., Inc. has been in business since 1937. The principal owners of the firm are Daniel J. Nestlerode and Judy L. Loy, CEO. Nestlerode & Loy, Inc. provides continuous investment advisory supervision, determining the amount, type and specific investments to buy or sell and completing the appropriate transactions in each advisory account with full investment discretion.

Within our general investment objectives, we further tailor individual accounts as required by our clients. For example, we have clients who restrict investment in tobacco firms, firms that make or distribute alcohol, and firms that produce weapons or weapon systems. Additionally, we tailor our investment portfolios to meet the requirements of non-profit institutions' policies for diversification and or investment restrictions. Tailoring is done on an individual portfolio basis. Most accounts have not requested or require such tailoring.

As part of our Investment Advisory services, we work with clients to do an overall financial plan, which includes but is not limited to:

Social Security Planning, MoneyGuide Pro plans, Retirement Contributions, Retirement Distribution planning, Charitable Gifts and Debt Management.

Wrap fee programs: None

The amount of client assets managed on a discretionary basis totaled \$119,096,794 as of 9/30/2018.

Nestlerode & Loy, Inc. provides discretionary investment advisory services on a fee basis as described below and provides investment consultation (non-continuous investment advice and planning) upon request at the rate of \$250.00 per hour. Fee is billed monthly until completion of the consultation. The minimum consultation fee is \$500.00

Item 5 – Fees and Compensation

The specific manner in which fees are charged by Nestlerode & Loy, Inc. is established in a client’s written agreement with Nestlerode & Loy, Inc. The advisor will generally bill its fees on a quarterly basis (three month intervals, not necessarily at the end of calendar quarters) based on the market value of each account on the third Friday of the appropriate month.

Individuals may have multiple accounts. Each account will be charged according to its individual investment objective. Fees may be discounted at the discretion of the Advisor.

A Core account will consist of equities and/or a combination of equities and fixed income to achieve the total return expectation of the client by investing in multiple asset classes (ie. large, mid, small cap stocks and foreign stocks) and various investment styles (including but not limited to aggressive growth, growth, growth & income, aggressive income and asset allocation.)

Core account annual fee schedule (post 8/2011):

Under \$500,000	1.5% of assets under management
\$500,000 - \$2,000,000	1.0% of assets over \$500,000
\$2,000,000 - \$5,000,000	0.75% of assets over \$2,000,000
Over \$5,000,000	0.60% of assets over \$5,000,000

The Income accounts will be invested generally in a limited quantity of dividend paying equities plus fixed-income, high-income (taxable and tax-free) and value securities in order to generate the income requirement of the client. As they require less oversight, we discount the management fee on these objectives.

Please Note: Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Nestlerode & Loy, Inc. maintains cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the advisory fee. Nestlerode & Loy, Inc.’s Chief Compliance Officer, Jody Sharer, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.

Nestlerode & Loy, Inc. has limited custody solely as a result of receiving fees directly deducted from client’s funds or securities because Nestlerode & Loy, Inc. possesses written

authorization from the client to deduct advisory fees from an account held by a qualified custodian; sends the qualified custodian written notice of the amount of the fee to be deducted from the client's account and; sends the client a written invoice itemizing the fee, including any formulae used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee is based.

Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter.

Nestlerode & Loy, Inc.'s fees are exclusive of transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a funds' prospectus. Any 12b-1 paid to the firm in a managed account is refunded to the client by RBC. First run fixed income offerings may also pay an additional markup which is disclosed on the trade confirmation. No advisor is paid on markup or ticket charges. Such charges, fees and commissions are exclusive of and in addition to Nestlerode & Loy, Inc.'s Advisory fees.

No fees are payable in advance. New clients may cancel the advisory account within five business days without penalty. Fees are negotiable in certain instances as determined by the advisor and agreed to in writing by the advisory client. Clients may terminate their agreement with Nestlerode & Loy, Inc. with written notice at any time. A closing management fee does apply if the account(s) have been open longer than a five business day period.

Item 12 further describes the factors that Nestlerode & Loy, Inc. 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

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

Item 7 – Types of Clients

Nestlerode & Loy, Inc. provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations and endowments and municipalities and trust programs.

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

Holding wealth in any form, including cash and government bonds involves the risk of potential loss of value and or purchasing power. Anyone or any organization accumulating wealth in any form cannot avoid the possibility of the risk of loss and those accumulating wealth should understand that there are a number of risks associated with savings and investment. Risk cannot be totally avoided and must be managed in any investment management operation.

Nestlerode & Loy, Inc. does not adhere to and has not adopted any singular method of portfolio management. Indeed, it is our opinion that no singular portfolio strategy is successful in all market environments. Eventually every portfolio management system, no matter how well grounded in historic facts, will fail as unanticipated economic and investment circumstances arise. To this end, Nestlerode & Loy, Inc. practices what we call the “Pay Attention” strategy to portfolio management. With sophisticated portfolio management software that is updated daily, we watch the performance of all our clients’ portfolios and take note when this performance strays from the expected results. Watching for the exceptions allows us to correct for errors in our notions about the future value of our clients holdings.

As such, attention is paid to the prices of the securities in all of our accounts. This is sometimes called technical analysis or the analysis of price movements of the securities we hold in client accounts. The bottom line is that our investment performance is totally dependent on the price performance of the securities held in our client accounts. To assist us with these efforts we use the TRX: Total Rebalance Expert portfolio management system called PowerAdvisor, Thomson One quote and charting computer systems, CircleBlack, MarketSmith, RiskAlyze and Investors Business Daily as well as references from such experts as Martin Pring’s technical analysis and Decision Point investment plotting services.

We use fundamental analysis of the economy, investment markets and individual securities using such sources as RBC Capital Markets, Argus, Credit Suisse, Investors Business Daily, Wall Street Journal, Value Line Investment Survey, Morningstar, Forbes, Business Week and Barron's.

We do not frequently trade securities as such costs are contrary to good portfolio performance. However, we will quickly sell securities that decline sharply to avoid adopting large permanent losses.

The securities that we place in our clients' accounts are priced daily and are generally quite liquid, allowing us to reduce or eliminate positions quickly. We do not buy non-publicly traded securities and do not recommend them. The ability to price securities daily and sell at any time reduces the risk of loss to the client. We do not recommend any securities in which Nestlerode & Loy's officers, owners or directors have any vested controlling interest. We generally do not use margin accounts to buy securities as it increases the risk of loss for the client. We typically buy stocks, bonds, municipal bonds, no-load mutual funds, exchange traded funds and notes, publicly traded real estate investment trusts, government bonds and certificates of deposit.

All securities fluctuate in price in the markets and as such may be worth more or less than was committed to them at purchase. Cash and currencies are subject to changes in value as inflation reduces purchasing power and currency traders make various currencies fluctuate in relation to other currencies.

In our estimation, there is no substitute to continually Paying Attention to the markets, the economy and the performance of our clients' accounts to reduce the risk of an unacceptable outcome. We do not use complicated schemes or securities to achieve our ends and seek to minimize counter party risk wherever possible. We do not generally rely on outside portfolio management, except where we might utilize a no-load mutual fund, ETF, or ETN to achieve a specific investment position. We monitor these outside managed funds as we would individual 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 Nestlerode & Loy, Inc. or the integrity of Nestlerode & Loy, Inc.'s management. Nestlerode & Loy, Inc. has no disciplinary events or outstanding legal items for the firm or its associates.

Item 10 – Other Financial Industry Activities and Affiliations

Daniel J. Nestlerode is a Registered Investment Advisor and is acting as a securities broker/dealer providing securities transactions on a commission, fee or markup or markdown basis. At the present time, Mr. Nestlerode spends approximately 1 hour a week in these activities and 7 hours a week managing portfolios and dealing with investment management clients.

Judy Lynne Loy is a Registered Investment Advisor and is the Chief Executive Officer/President and actively manages portfolios. She currently spends twenty percent of her time managing the company and eighty percent of her time managing portfolios and dealing with other traditional brokerage clients. Judy Loy holds a PA Insurance license for Variable Annuities & Life Insurance through Nestlerode & Loy, Inc. to assist her clients. The receipt of additional compensation creates a conflict of interest because it provides an incentive to recommend investment products based on the compensation tied to those products. Investment advisor representatives of the firm endeavor at all times to act in your best interest and to only recommend investments that are suitable for you. We have policies and procedures in place to monitor all Client transactions.

Brittany N. Cox is a newly appointed Registered Investment Advisor, as such she is an associate portfolio manager. She works with Dan Nestlerode and Judy Loy to actively manage portfolios and train. Brittany spends 75% of her time on managing portfolios, prospecting and helping clients and 25% of her time as a sales assistant to further her education as an advisor. Brittany will train as an associate portfolio manager for two years from her Series 65 and she will ascend to full portfolio manager status at the end of September 2019.

Item 11 – Code of Ethics

Nestlerode & Loy, 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 Nestlerode & Loy, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Nestlerode & Loy, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Nestlerode & Loy, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which the firm, its affiliates and/or clients, directly or indirectly, have a position of interest. Nestlerode & Loy, Inc.'s employees and persons associated with the corporation are required to follow Nestlerode & Loy, Inc.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Nestlerode & Loy, Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the firm's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Nestlerode & Loy, 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 Nestlerode & Loy, 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 Nestlerode & Loy, Inc. and its clients.

Related persons to the applicant invest for their own account and benefit. Related persons do not enter into direct transactions in securities with investment advisory clients, although related persons may buy or sell the same securities in which the investment advisory clients also have an interest. Related persons may not make any transactions in any securities that would in any way compromise the advisory client in which the related person has an interest other than that as a non-controlling minority shareholder. Nestlerode & Loy, Inc. maintains full records on all related person transactions and reviews the same periodically for insider trading and conflicts of interest.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Nestlerode & Loy, 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. Nestlerode & Loy, 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.

Nestlerode & Loy, Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jody Sharer, Chief Compliance Officer.

It is Nestlerode & Loy, Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts in equity securities. Nestlerode & Loy, Inc. will also not cross trades 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 - Trading Practices

Nestlerode & Loy, Inc. suggests, but doesn't require, that the clients retain Nestlerode & Loy, Inc. as the broker for the client account. If Nestlerode & Loy, Inc. is the broker, then the firm has the authority to determine the trading costs paid by clients for securities transactions. Trading costs charged advisory clients are generally lower than those charged by full service brokerage firms.

Clients are free to select another broker dealer of their choice. Investment Management maintains a fee schedule that is lower than many brokers and higher than others for the same or similar services. Nestlerode & Loy, Inc. as an investment advisor does not suggest or recommend other brokers to investment advisory clients.

Nestlerode & Loy, Inc. does not engage in what is called soft money purchasing of investment research by directing brokerage transaction fees on managed accounts to brokerage firms providing investment research. Research deemed worthy is bought outright for cash from the issuing firm. Usually Nestlerode & Loy, Inc. avoids brokerage

firms' research, as we believe it is tainted as most brokerage firms have numerous conflicts of interest regarding such research and the firms they are reviewing.

Item 13 – Review of Accounts

Accounts are reviewed quarterly with written reports provided to all investment management clients. Each client receives a monthly brokerage statement, if qualifying activity occurs in the account, from the broker maintaining custody of the account, typically our clearing firm, RBC CS, detailing all transactions within the account and a market valuation calculation of the account. Each client receives a quarterly brokerage statement regardless of activity in the account. Quarterly written reports from the IA include a complete summary of each account called a "portfolio status report", graphs depicting the performance of the account over time and fees charged to each account. Daniel J. Nestlerode, Judy L. Loy and Brittany N. Cox are the reviewers for advisory accounts.

Nestlerode & Loy, Inc. provides each investment advisory client with a written report as of the end of each calendar quarter. Reports are usually distributed within 40 days of the end of the quarter. Clients have the option to receive the reports via email. These reports include a "portfolio status report" created through the PowerAdvisor Software System, which includes the history of each investment (purchase date, total cost, number of shares, and the name of the investment), the current market valuation (market price per unit, value of the holding and a calculation showing the gain or loss from the purchase cost), the percentage each holding is of the entire portfolio and the estimated annual income generated by each investment. Totals are provided for each appropriate column. In addition, graphs depicting the market value of the account over time and the relative performance of the account versus a money market fund and the stock market (as measured by Value Line Geometric Stock Index and the Standard & Poor's 500 stock average) are provided. In addition, a letter or newsletter, written and edited by Judy L. Loy, Caitlin Bly and Brian L. Anderson and thoroughly reviewed by Jody Sharer, CCO, is usually provided.

Item 14 – Client Referrals and Other Compensation

Nestlerode & Loy, Inc. does not compensate anyone for providing investment advice nor compensates any person for client referrals, except for nominal gifts to clients to thank them for referring new clients.

Item 15 - Custody

Clients should receive at least quarterly statements from RBC Correspondent Services who is the qualified custodian that holds and maintains client's investment assets. Nestlerode & Loy, 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.

Item 16 - Investment Discretion

Nestlerode & Loy, Inc. 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, Nestlerode & Loy, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to the firm in writing.

Daniel J. Nestlerode, Judy L. Loy and Brittany N. Cox have the authority to effect transactions in investment management accounts with respect to the securities and the amount of the securities being transacted. These transactions are guided by the investment objectives of the client and the type of account (core or income) the client has with the advisor. The advisor is restricted to marketable securities that are generally traded and priced each day the market is open. Advisors may not buy options, puts, calls, limited partnerships, commodities, futures, and the like. Advisors are limited generally to purchasing stocks, bonds (government, corporate and municipal), mutual funds, exchange traded REITs, foreign stocks, bonds, exchange traded funds and notes and publicly-traded master limited partnerships (MLPs).

Item 17 - Voting Client Securities

As a matter of firm policy and practice, Nestlerode & Loy, 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. Nestlerode & Loy, 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 Nestlerode & Loy, Inc.'s financial condition. Nestlerode & Loy, 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.

Item 19 – Requirements for State-Registered Advisers

Daniel J. Nestlerode, born on 1/2/43, graduated from the Pennsylvania State University in December 1966. From September 1965, Mr. Nestlerode was a vice president and registered representative with Nestlerode & Loy, Inc. In October 1983, he was named president of the company. Mr. Nestlerode retired from active corporate management in July 2008 and now manages portfolios for clients and performs investment research.

Judy Lynne Loy, born 3/4/70, in Greensburg, Pennsylvania, graduated from the Pennsylvania State University in May of 1992. Ms. Loy was hired in May of 1992 by Nestlerode & Co., Inc. and became the Chief Financial Officer (CFO) on July 1, 1996 and the CEO/President for the firm in July 2008. She graduated from the Securities Industry Institute in March of 1999 offered by the Wharton School at the University of Pennsylvania. She obtained the designation of Chartered Financial Consultant (ChFC®) on April 1, 2011 and the Retirement Income Certified Professional (RICP®) on December 1, 2014.

Brittany N. Cox, born 12/3/91, graduated from the Pennsylvania State University in May, 2014. Ms. Cox was hired in December 2015 and has successfully passed her FINRA examinations to be a registered representative and fee-based Registered Investment Advisor. She is working as an Associate under Dan Nestlerode and Judy Loy for two years and will gain full portfolio manager status in September 2019.