



Investment Advisers, LLC

PART 2A FORM ADV

Investment Adviser Registration

Information and Disclosure Brochure

Date of this brochure: March 15, 2011

*This brochure provides information about the qualifications and business practices of PensionTrend Investment Advisers, LLC.*

*The information in this brochure has not been approved or verified by the SEC or any state or federal government authority.*

*Additional information about PensionTrend Investment Advisers, LLC is available on the SEC website at [www.advisersinfo.sec.gov](http://www.advisersinfo.sec.gov)*

*Being a "registered investment advisor" or describing ourselves as being "registered," does not imply a certain level of skill or training.*

Questions or Comments can be directed to PTIA at:

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**Item 2: Material Changes**

Since our last annual filing dated March 31, 2010, PensionTrend Investment Advisers, LLC (PTIA) has terminated its broker/dealer affiliation with Cambridge Investment Research effective June 3, 2010. This termination was initiated by PTIA to facilitate our transition to a fee-only investment advisor.

This is the only material change to report since our last filing.

### Item 3: Table of Contents

Section Title	Sub-Section Titles	Pg.
<b>Item 1: Cover Page</b>		<b>1</b>
<b>Item 2: Material Changes</b>		<b>2</b>
<b>Item 3: Table of Contents</b>		
	A. List of SEC Items	<b>3-4</b>
<b>Item 4 : Advisory Business</b>		
	A. Description of Firm	<b>5</b>
	B. Type of Services Offered	<b>5</b>
	C. Assets Under Management	<b>5</b>
	D. Wrap Fee Programs	<b>5</b>
<b>Item 5: Fees and Compensation</b>		
	A. Fee Schedule	<b>6</b>
	B. Fee Billing	<b>6</b>
	C. Other Fees	<b>6</b>
	D. Fee Billing	<b>6-7</b>
	E. Additional Compensation	<b>7</b>
<b>Item 6: Performance Based Fees and Side-by-Side Management</b>		
	A. Performance-Based Fees	<b>8</b>
<b>Item 7: Types of Clients</b>		
	A. Type of Clients	<b>9</b>
	B. Account Minimums	<b>9</b>
<b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss</b>		
	A. Investment Strategies and Methods of Analysis	<b>10</b>
	B. Risks and Frequent Trading	<b>10-11</b>
	C. Individual Securities Risk	<b>11</b>
<b>Item 9: Disciplinary Information</b>		
	A. Criminal or Civil Actions	<b>12</b>
	B. Administrative Proceedings	<b>12</b>
	C. Self-Regulatory Organization Proceedings	<b>12-13</b>

<b>Item 10: Other Financial Industry Activities and Affiliations</b>		
	A. Broker-Dealer Affiliations	<b>14</b>
	B. Commodities Affiliations	<b>14</b>
	C. Other Material Relationships	<b>14</b>
	D. Recommendations to Other Advisors	<b>14</b>
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>		
	A. Code of Ethics	<b>15</b>
	B. Participation or Interest in Client Transactions	<b>15</b>
	C. Personal Trading	<b>15</b>
<b>Item 12: Brokerage Practices</b>		
	A. Broker-Dealer Selection	
	1. Research and Other Soft Dollar Benefits	<b>16</b>
	2. Brokerage for Client Referrals	<b>16</b>
	3. Directed Brokerage	<b>16-17</b>
	B. Aggregation of Orders	<b>17</b>
<b>Item 13: Review of Accounts</b>		
	A. Periodic Reviews	<b>18</b>
	B. Additional Reviews	<b>18</b>
	C. Client Reports	<b>18</b>
<b>Item 14: Client Referrals and Other Compensation</b>		
	A. Other Compensation	<b>19</b>
	B. Client Referrals	<b>19</b>
<b>Item 15: Custody</b>		<b>20</b>
<b>Item 16: Investment Discretion</b>		<b>21</b>
<b>Item 17: Voting Client Securities</b>		
	A. Voting Policy and Procedure	<b>22</b>
	B. Proxy Delivery	<b>22</b>
<b>Item 18: Financial Information</b>		
	A. Prepayment of Fees	<b>23</b>
	B. Impaired Ability	<b>23</b>
	C. Bankruptcy	<b>23</b>

#### **Item 4: Advisory Business**

- A. PensionTrend Investment Advisers, LLC is a Michigan Limited Liability Company. Our order granting registration with the Securities and Exchange Commission occurred on November 13, 2001. The members of the LLC are Jon D. Murray, Lee M. Kliebert, Richard C. Delaney and Bradford H. Hyde.
- B. Our firm's primary focus is providing investment advisory services to ERISA participant directed retirement plans, both at the plan sponsor and plan participant level, in a fiduciary capacity. The scope of the services at the plan sponsor level can be described as management of the fiduciary due diligence process, which includes Investment Policy Statement drafting, investment menu construction, investment fund monitoring reports and fund replacement recommendations.

At the plan participant level, we provide group education and individual participant consulting and advice.

In addition, our firm provides investment/portfolio management services to trustee-directed pension and profit sharing plans, banks and thrift institutions, trusts, estates, charitable organizations, corporations or business entities, and individuals on a fee-only basis as described herein.

- C. Advisory services are tailored to the individual needs of our clients. Our methods of analysis, investment strategies and risk management processes are set out in Item 8. Clients may impose specific limitations or restrictions on the types of securities used within their portfolios.
- D. Our firm does not participate in wrap fee programs.
- E. Our assets under management as of December 31, 2010 are detailed below:

##### **ERISA Participant Directed Qualified Plans:**

Non-Discretionary Assets: \$697,140,147.22  
Discretionary Assets: \$0.00

##### **Investment/Portfolio Management Clients:**

Non-Discretionary Assets: \$33,121,298.58  
Discretionary Assets: \$21,032,954.39

## Item 5: Fees and Compensation

- A. Our firm is a fee-only advisor and fees are based on assets under management. Listed below are our standard fees for our two primary lines of business.

### ERISA Participant Directed Qualified Plan Fee Schedule:

<u>Assets Under Management</u>	<u>Annual Management Fee</u>
First \$1,000,000	100bps
Next \$1,000,000 to \$2,500,000	50bps
Next \$2,500,000 to \$5,000,000	25bps
Above \$5,000,000	10bps

### Investment/Portfolio Management Fee Schedule\*:

<u>Assets Under Management</u>	<u>Annual Management Fee</u>
First \$1,000,000	100bps
Next \$1,000,000 to \$2,500,000	75bps
Next \$2,500,000 to \$5,000,000	50bps
Above \$5,000,000	25bps

*\*The fee schedule set forth above includes commission costs for trading.*

Fees are negotiable when dictated by competitive circumstances as long as neither ours nor the client's fiduciary status would be compromised by such negotiation.

- B. Our firm bills clients in advance and bills are payable at the beginning of each calendar quarter. A pro-rata fee is calculated for services started at any time other than at the beginning of a calendar quarter. Clients may elect to have their fees debited from their account at the qualified custodian or pay the fees directly to our firm via invoice. Clients must pay fees in advance; however a client may obtain a full refund of fees paid if client terminates the Investment Management Agreement within 5 days of signing our agreement.
- C. In addition to our advisory fee, there are types of fees or expenses clients may pay in connection with our advisory services. Examples include fees to custodians or third party service providers such as trust companies that clients may engage. Clients may also incur brokerage and other transaction costs, as set forth in the prospectuses of those funds, paid by the funds but ultimately borne by the investor.
- D. Clients must pay fees in advance; however a client may obtain a full refund of fees paid if client terminates the Investment Management Agreement within 5 days of signing our agreement. In the event a client terminates our services, they may request

a refund of any fees paid in advance. We will calculate and refund the unused portion of the fee based on the straight proration of the fee collected.

- E. Our firm 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. This practice would present a conflict of interest by providing an incentive to recommend investment products based on the compensation received rather than on a client's needs. Our firm has no loyalty or preference when using specific mutual funds or any other investment product.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

- A. Our firm does not accept performance-based fees. Performance-based fees are fees based on a share of gains on or capital appreciation of the assets of a client. Our firm charges fees only as described in Item 5 above.



## **Item 7: Types of Clients**

- A. As previously disclosed in Item 4, our firm provides investment advisory services to ERISA participant directed retirement plans. In addition, we provide investment/portfolio management services to trustee-directed pension and profit sharing plans, banks and thrift institutions, trusts, estates, charitable organizations, corporations or business entities and individuals.
  
- B. The minimum account size for ERISA participant directed retirement plans retaining investment advisory services is \$1,000,000. Our firm generally requires a minimum of \$500,000 in assets for individual clients who want to establish an investment/portfolio management account. However, our firm has discretion to waive the account minimums where special circumstances exist and only at our discretion.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

- A. The fiduciary process we employ to deliver investment advisory services to ERISA participant directed retirement plans is designed to develop a menu of investment choices that promotes broad diversification and will allow each participant to develop an investment strategy suitable for their circumstances.

The concept of asset allocation, (spreading investments among a number of asset classes such as domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; growth and value stocks; actively and passively managed portfolios; corporate bonds) is at the heart of our strategies. Our firm seeks to promote an efficient diversification of assets to help lessen risk without sacrificing the effectiveness of the portfolio in an effort to reduce volatility in year over year portfolio performance.

Our method of analysis in working with individual clients begins with an understanding of a client's financial goals and lifestyle. The most important factors in developing a plan involve the client's risk tolerance and current and future spending patterns. Clients complete a fact-finding questionnaire to help furnish us with this information.

Our mutual fund analysis is performed by an investment team which includes a practicing CFA. The Chartered Financial Analyst program is a post-graduate level curriculum focusing on ethics, economics, corporate finance and financial accounting. It provides a comprehensive study of most types of domestic and international investments, quantitative analysis and overall investment portfolio management.

Recommendations for or purchases of investments will be based on publicly available reports and analysis. Mutual fund recommendations are based on reports and analysis of the fund's performance and managers. Asset allocation strategies are developed with the assistance of certain computer programs to develop asset allocation models consistent with Modern Portfolio Theory as initially formulated by Dr. Harry Markowitz and refined on numerous occasions since its original formulation.

Investing in securities involves risk of loss that clients should be prepared to bear. We strive to keep clients informed as to the risks associated with their portfolios on a continuing basis.

- B. Our firm seeks to promote an efficient diversification of assets to help lessen risk without sacrificing the effectiveness of the portfolio in an effort to reduce volatility in year over year portfolio performance. Asset allocation strategies are developed with the assistance of certain computer programs to develop asset allocation models consistent with Modern Portfolio Theory as initially formulated by Dr. Harry Markowitz and refined on numerous occasions since its original formulation. All

investment strategies employed contain a level of risk. Our strategies do not expose our clients to significant or unusual risks. We strive to keep clients informed as to the risks associated with their portfolios on a continuing basis.

Our firm will not engage in strategies that involve frequent trading. We believe the risks and expenses associated with such strategies are inconsistent with our long-term strategies. Clients or prospective clients seeking such programs are encouraged to look elsewhere.

- C. Our portfolios are constructed primarily through the use of mutual funds and exchange traded funds. On rare occasion, individual positions are established in specific stocks or investment grade bonds. In total, our portfolios are well diversified in order to prevent exposure to significant or unusual risks,

## Item 9: Disciplinary Information

There are **NO** legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

- A. **NO** criminal or civil actions in a domestic, foreign or military court of competent jurisdiction in which our firm or a management person:
  - 1. Was convicted of, or pled guilty or nolo contendere ("no contest") to (a) felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion or (c) a conspiracy to commit any of these offenses;
  - 2. Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  - 3. Was found to have been involved in a violation of an investment-related statute or regulation; or
  - 4. Was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting your firm or a management person from engaging in any investment-related activity or from violating any investment-related statute, rule or order.
- B. There have been **NO** administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which our firm or a management person:
  - 1. Was found to have caused an investment-related business to lose its authorization to do business; or
  - 2. Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
    - i. Denying, suspending, or revoking the authorization of our firm or a management person to act in an investment-related business;
    - ii. Barring or suspending our firm's or a management person's investment-related activities; or
    - iii. Imposing a civil money penalty of more than \$2500 on our firm or a management person.
- C. There are **NO** self-regulatory organization (SRO) proceedings in which our firm or a management person:
  - 1. Was found to have caused an investment-related business to lose its authorization to do business; or

2. Was found to have been involved in a violation of the SRO's rules and was:
  - (i) barred or suspended from membership or from association with other members or was expelled from membership.

## Item 10: Other Financial Industry Activities and Affiliations

- A. No management persons are registered as a broker-dealer or are registered representatives of a broker-dealer.
- B. No management persons are registered as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.
- C. Our firm has relationships or arrangements that are material to our advisory business as set out below:

Our firm is affiliated with PensionTrend, Inc., a third party administrator. Our firm is located within the same offices as PensionTrend, Inc. Recordkeeping and client information for each firm are separate and distinct. Our firm may provide services to the same clients as PensionTrend, Inc., however no clients are obligated to utilize the services of either firm. PensionTrend, Inc. is 100% owned by Jon D. Murray, a Member of PensionTrend Investment Advisers, LLC. Mr. Murray has a 25% ownership interest in PensionTrend Investment Advisers, LLC.

PensionTrend Investment Advisers, LLC performs investment management services as a sub-advisor to 5 Collective Investment Funds that are managed by Wilmington Trust Company. Retirement plan clients of PTIA have the option of using these funds as part of the investment menu within their participant-directed retirement plan. All fees payable to PTIA, PensionTrend, Inc. and Wilmington Trust Company are disclosed to the Plan Sponsor in the disclosure documents executed by all parties at the time the funds are introduced to the Plan.

- D. From time to time our firm may recommend other investment advisors, registered representatives of broker dealers or life insurance agents to our clients. **PTIA and its advisory affiliates are strictly prohibited by the terms of our written supervisory procedures from receiving compensation of any kind as a result of such recommendation**

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. As an SEC registered advisor, our firm follows the CFA Institute Code of Ethics and Standards of Professional Conduct. A copy of this code of ethics is available to any client or prospective client upon request.
- B. Our firm does not buy or sell securities in which our firm or a related person has a material financial interest for client accounts.
- C. Our firm or a related person may invest in the same securities that our firm or a related person recommends to clients. This practice has the potential to cause conflicts of interest. Each security transaction executed on behalf of a related person for our firm is reviewed by our Compliance Department to avoid actual conflicts of this nature. Client transactions take priority and every precaution is taken not to buy or sell securities for the firm or any related persons in the same securities at or about the same time.

## Item 12 Brokerage Practices

- A. Our firm does not have an economic relationship with any broker-dealer that would create a conflict of interest. Our ERISA participant directed qualified plan clients trade their accounts on several different platforms. The vast majority trade either on the Fidelity Institutional Investment platform or at Wilmington Trust Company, where PensionTrend, Inc. maintains individual participant recordkeeping capabilities.

Our Investment/Portfolio Management accounts are traded at Pershing Advisor Solutions, LLC. Trading our clients on the same platform provides us with economies of scale in the trading process that allows us to service our clients efficiently, economically and with familiarity. We may not be able to achieve the most favorable execution of all client transactions, which could potentially cost clients extra fees. However, given the nature of our portfolio management process and the practically exclusive use of mutual funds and exchange traded funds within our client portfolios, the utilization of Pershing as our exclusive platform adds value to our client relationships.

1. Our firm does not receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions.

Our firm does not solicit or accept soft dollar benefits from any third party.

Our firm does not direct client transactions to any particular broker-dealer in return for soft dollar benefits.

2. Our firm does not direct client transactions to a broker-dealer in order to receive client referrals.
3.
  - a. Our Investment/Portfolio Management accounts are traded at Pershing Advisor Solutions, LLC. Trading our clients on the same platform provides us with economies of scale in the trading process that allows us to service our clients efficiently, economically and with familiarity. We may not be able to achieve the most favorable execution of all client transactions, which could potentially cost clients extra fees. However, given the nature of our portfolio management process and the practically exclusive use of mutual funds and exchange traded funds within our client portfolios, the utilization of Pershing as our exclusive platform adds value to our client relationships.



- b. Our firm does not permit clients to direct brokerage.
- B. PensionTrend Investment Advisers, LLC pays all commissions for the trading of securities on behalf of clients of all clients that are on the standard fee schedule disclosed in Item 5. Explicit costs for executing trades, i.e. trading commissions, are borne by PensionTrend Investment Advisers, LLC, however implicit trading costs in the form of bid-ask spreads or costs that are priced into the security at the time of execution are borne by the client.

PensionTrend Investment Advisers, LLC reserves the right to aggregate client orders if it is expected to result in the best execution for all clients involved.

For fixed income trades where two or more accounts are buying or selling the same security, an aggregate order would be prepared if the pricing of the security was such that a larger order would receive better pricing. For fee-based clients subject to the standard fee schedule, commissions would be paid by PensionTrend Investment Advisers, LLC.

For individual equity trades and exchange traded funds (ETF) orders across multiple accounts, PensionTrend Investment Advisers, LLC generally does not aggregate orders. Since PensionTrend Investment Advisers, LLC pays all commissions for the trading of securities for clients on the standard fee schedule, there is not a cost savings to a client for aggregating orders with regards to commissions.

For mutual fund orders where multiple clients are buying the same security, trades are not aggregated as there is no pricing advantage to the client(s) for aggregating buys or sells of these securities. Clients receive the closing price for the fund as of the day the trade is entered (assuming the trade is entered before 4:00 PM Eastern Time) regardless of order flow into or out of the fund in question and receive no preferential pricing for larger orders. There are no additional costs to clients for not aggregating mutual fund orders.

## Item 13 Review of Accounts

- A. Our firm reviews the underlying portfolio assets of client accounts as circumstances dictate, which may result in daily, weekly, monthly or quarterly reviews. Our firm will request an investment review meeting at least annually, however clients may initiate an investment review meeting as often as quarterly or more frequently if circumstances dictate. The investment review will examine investment results, asset allocation, client objectives, time horizons and risk tolerance.

Lee M. Kliebert our Chief Investment Officer and Andrew Calogerakis, Portfolio Manager are responsible for conducting reviews of individual client accounts. Reviews of pension and/or profit sharing plan accounts will be conducted by advisory representatives of our firm under the direction of Lee M. Kliebert our firm's Chief Investment Officer and Managing Partner.

- B. Any material change in a client's financial status, risk tolerance, employment status or portfolio size may trigger a review of a client's account outside of the regular periodic review established. Our firm requires clients to notify us immediately of any changes in their financial status that would require a review or a change in their investment strategy.
- C. All clients receive written quarterly reports from us no later than the end of the sixth week after the end of each calendar quarter.

Our ERISA participant directed qualified plan clients receive a report which includes a market commentary, holdings summary, style analysis, investment performance, expenses analysis, watch list report and investment commentary for funds on watch.

Our Investment/Portfolio Management clients receive a report containing a market commentary, asset allocation analysis, portfolio summary, portfolio value summary and historical index return information.

#### **Item 14: Client Referrals and Other Compensation**

- A. Our firm does not receive any economic benefit from outside parties (cash or non-cash) for providing investment advice or other advisory services to our clients.
- B. Our firm does have formal arrangements with persons or firms who provide us with client referrals and who we compensate for such. Here is a list of current persons or firms we have a formal agreement with:
  - a. Arizona Hospital and Healthcare Association
  - b. Bruce Meyer
  - c. Provider Group, Ltd.
  - d. Arnold Slutzky
  - e. Farm Bureau Life Insurance Company of Michigan

If a referral arrangement exists, prospective clients will receive a formal written notice that outlines the details of the arrangement and a copy of the PTIA ADV Part2. Compensation paid to referral sources does not affect the fees paid by the clients.

**Item 15: Custody**

Our firm does not take custody of client funds or securities. Clients will receive account statements directly from their qualified custodian and should carefully review their account statements for accuracy.

## **Item 16: Investment Discretion**

Our firm does accept discretionary authority to trade securities on behalf of investment/portfolio management clients. When discretionary authority is authorized by the client, PTIA will make all decisions to buy, sell or hold securities, cash or other investments for the Client's account(s) at the sole discretion of the Advisor and without first consulting the Client. Clients are not obligated to authorize discretionary authority and can add or remove it at any time by completing a new investment management agreement. Clients who do not authorize discretionary authority will approve all trade recommendations provided by PTIA before execution.

Our discretionary authority is limited to making trades within client accounts that are consistent with the client's Investment Policy Statement. Client's investment objectives and any special instructions or limits that the client wishes the Advisor to follow in managing the client's account(s) are written in the Investment Policy Statement.

All assets under the Advisor's discretionary management shall be held or distributed in the client's name or as the client otherwise directs the Advisor in writing. The Advisor shall not have custody or possession of the client's cash, checks, securities, or other property, which is not permitted under applicable law. Services to be provided by the Advisor under this agreement are limited to management of the account(s) and do not include financial planning or other services.

## **Item 17: Voting Client Securities**

- A. Our firm will not exercise proxy voting authority over securities held in client accounts. The obligation to vote proxies shall at all times rest with the client. Our firm shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client or discretionary authority over the client account.
- B. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Should our firm inadvertently receive proxy information for a security held in a client's account, we will make a good faith effort to forward such information on to the client in a timely manner, but will not take any further action with respect to the voting of such proxy.

**Item 18: Financial Information**

- A. Our firm does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.
- B. Our firm does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.
- C. Our firm has not been subject to a bankruptcy petition at any time during the past ten years.