

Item 1 – Cover Page

Form ADV Part 2A

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Piedmont Investment Advisors, LLC is registered with federal Securities and Exchange Commission. The statements contained herein have not been verified or evaluated by any regulator. Registration does not imply that Piedmont Investment Advisors, LLC, or its associates, have attained a certain level of skill or training.

Clients and prospective clients are encouraged to visit the SEC's Investment Adviser Public Disclosure (IAPD) for more information about Piedmont Investment Advisors, LLC. The IAPD web address: www.adviserinfo.sec.gov

Piedmont Investment Advisors, LLC shall be referred to as "Piedmont" in this document.

Item 2 – Material Changes

In July 2010, the United States Securities and Exchange Commission (“SEC”) amended the rules regarding Form ADV Part II. These rules require several changes to the Piedmont disclosure document, now known as Form ADV Part 2A and 2B. These changes include:

- Completely new formatting
- Expanded disclosure requirements for firms and certain personnel
- A requirement to write in plain English

This document is intended to meet the new regulatory requirements. This disclosure brochure is divided in two sections; 2A and 2B. Section 2A provides detailed information about Piedmont, Section 2B provides information regarding key Piedmont personnel.

In subsequent versions of Form ADV Part 2A and 2B, Piedmont will disclose material changes to this document in Item 2 – Material Changes. Anytime a material change is made to this document Piedmont will notify Clients and furnish all Clients with a copy of this document at no charge. If any clarification is needed on any point contained herein, please contact Piedmont directly.

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Item 4 – Advisory Business**A. Firm Information**

Piedmont Investment Advisors, LLC is an SEC-registered investment advisor offering discretionary investment advisory services and personalized solutions to individuals, trusts, estates, charitable organizations, corporations and business entities. Piedmont strives to maximize wealth by incorporating four fundamental principles: (i) create portfolios with a confident understanding of the risks involved; (ii) manage a combination of index and actively managed funds; (iii) recognize secular trends in markets; and (iv) discount short anomalies and minimize taxes.

William J. Militello and Lawrence Trammell are the owners and managing members of Piedmont. Piedmont is organized as a limited liability company in the Commonwealth of Virginia. Piedmont has been in continuous operation since June 2006.

B. Advisory Services Offered

Investment Supervisory Services. Piedmont provides Clients with ongoing investment advisory services on a fee-only basis. Piedmont's diversified portfolios typically consist of mutual funds and exchange traded funds. Services include establishing an appropriate asset allocation strategy, selecting a specific allocation model, making adjustments where appropriate, evaluating results and providing continuous communication and ongoing general financial advice.

Account management is guided by the stated objectives and guidelines of each client. Guidelines may indicate such variables as risk tolerance, capitalization ranges, tax sensitivity, and portfolio category. Piedmont uses a portfolio model approach. There are currently eight portfolio model categories: (1) Bond; (2) Income; (3) Preservation; (4) Defensive; (5) Conservative; (6) Balanced; (7) Moderate; and (8) Growth. These portfolio models are allocated among a group of mutual funds and exchange-traded funds consisting of equity, fixed income and commodity/futures funds depending on the risk tolerance of the client.

Piedmont may also recommend private investments in real estate or other types of limited partnerships managed by either affiliated entities or third party advisors to its client who are considered sophisticated investors and meet accredited investor and/or qualified purchaser requirements.

Wealth Management. Piedmont's job is to help clients retire safely and comfortably by providing access to the best performing, lowest cost investment funds in order for the capital markets to build wealth for the clients. Piedmont's unbiased advice is available to assist the clients in making personal financial planning and portfolio allocation decisions.

Private Investment Management. Piedmont is investment manager to an affiliated private investment vehicle structured as a limited partnership (the "Partnership") and available to certain sophisticated investors. Interests in the Partnership generally will be sold only to

persons who are “accredited investors” as defined in Regulation D under the Securities Act of 1933, as amended and “qualified clients” as defined in Rule 205-3 under the U.S. Investment Advisers Act of 1940.

Piedmont may, with respect to qualified Clients, direct Clients’ assets into the Partnership. Prior to a Client investing, Piedmont will ensure that such Client is an Accredited Investor and a Qualified Client and will provide the Client with the Partnership’s offering memorandum. For additional information regarding the Partnership and potential conflicts of interest, please refer to Items 6, 10 & 11 below.

C. Client Account Management

Prior to engaging Piedmont to provide investment advisory services, the Client is required to enter into an Investment Advisory Services Agreement with Piedmont setting forth the terms and conditions of the engagement, as well as describing the scope of the services to be provided. These services may include:

- Establishing an Investment Guidelines – During the initial structuring of each client account, Piedmont’s investment professionals and the client jointly determine an optimal investment strategy given the client's investment objectives.
- Piedmont may take investment action on behalf of one account that may be similar or different from the action taken on behalf of another account in terms of securities, timing, nature of transaction and other factors. Piedmont does not assure that it will purchase or sell for one account the same security which Piedmont purchases or sells for any other account. Risk levels are determined based on the current markets on the day a client invests and the models are used as guidelines.
- Selecting Investment Options – In some cases clients impose investment restrictions on their accounts and these restrictions must be in writing.
- Ongoing Investment Monitoring – Piedmont provides ongoing oversight of the Client’s investment program. The investment adviser representative responsible for the account will monitor account performance and periodically review accounts for consistency with client objectives and investment decisions. In addition, at least once a year every account will be reviewed by the Managing Principal/CCO.

D. Wrap Fee Programs

Piedmont does not place Client assets with any wrap fee programs. All management services are performed by Piedmont on behalf of Clients.

E. Assets Under Management

As of December 31, 2010, the most recent date for which such calculations are available, Piedmont manages the following assets:

Discretionary Assets	\$126,518,835
Non-discretionary Assets	\$9,165,000
Total	\$135,683,835

Item 5 – Fees and Compensation**A. Fees for Advisory Services**

Piedmont charges clients based on a percentage of assets under management (“Basic Fees”). Compensation is payable to Piedmont one quarter in advance. Fees are negotiable and minimum fees may be waived.

Advisory fees may be directly debited from Piedmont’s clients’ accounts when the following conditions are met:

- A qualified custodian as defined by Rule 206(4)-2 of the Investment Advisers Act of 1940 maintains the clients’ funds and securities.
- The qualified custodian agrees to send to each client a statement, at least quarterly, for which it maintains funds or securities, identifying the amount of the funds and each security in the account at the end of the period and setting forth all transactions in the account during that period.

A client may also choose to be billed directly.

Basic Fees. Fees charged are negotiable and may vary, but generally comport with percentages shown on the schedule further below. Piedmont will quote exact percentages to be charged each client, and include the fee schedule within its Management Agreement with the client.

*Investment Advisory Fee Schedule**

First \$ 250,000	1.50%
Next 250,000-500,000	1.25%
Next \$ 500,000-1,000,000	1.15%
Next \$ 1,000,000-5,000,000	1.00%
Thereafter	0.90%

* Fees are negotiable. Details about fees and expenses paid by fund shareholders are shown in a fund’s prospectus.

B. Fee Billing

Basic Fees are paid in advance on the first day of the calendar quarter based on a percentage of the market value of the account on the last business day of the previous quarter, unless otherwise agreed and stated in the advisory agreement. As approved in writing by the Client, Piedmont will request the custodian to debit Piedmont's fees directly from the Client's account. Each billing will be for one-quarter of the annual fee. For accounts opened after the beginning of a new quarter, fees will be prorated. All investment advisory fees paid directly to Piedmont will be clearly reflected on the Client's monthly brokerage statements that are prepared and sent to the Client by the custodian.

C. Other Fees and Expenses Clients May Pay

Investment Company Fees. All fees paid to Piedmont investment advisory services are separate and distinct from fees charged by investment companies (mutual funds and exchange traded funds) to their shareholders. Fees and expenses paid by shareholders in a fund are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

A client could invest in an investment company directly, without the services of Piedmont. In that case, the client would not receive the services provided by Piedmont which are designed, among other things, to assist the client in determining which funds or other investments are most appropriate to each client's financial condition and objectives. Accordingly, a client investing in a mutual fund or other funds should review both the fees charged by the funds and the fees charged by Piedmont to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services provided.

Piedmont may also recommend that a portion of the assets in an account be managed in an individual account by an external investment manager. There are additional fees associated with these investments and the client will pay those fees directly to the external investment manager.

Third Party Service Provider and Brokerage Fees. Clients may incur certain fees or charges imposed by third-parties in connection with investments made by Piedmont on behalf of Clients. Such third parties would include the custodian at which the Client maintains an account. These fees and charges are separate and distinct from the fees paid to Piedmont and may include, but not be limited to: transaction related fees (commissions and other brokerage fees), IRA and Qualified Retirement Plan fees, interest charged on margin borrowing, bank service fees, interest charged on debit balanced, and other servicing fees. Piedmont is not responsible for and does not receive any portion of these fees or charges. Please refer to Item 12 of this brochure for more information on brokerage practices.

Private Fund Fees. Clients will be billed on investments in private funds or private investments in accordance with the schedule of fees set forth in their individual investment management agreements. Clients will be billed based on their initial investment amounts and any subsequent investments of capital into the private funds or investments. Piedmont does not attempt to value a private fund, private limited liability company, or private investment after the initial investment has been made. Appraisals are not typically conducted except in the event of additional contributed capital or a liquidation, which would likely not affect fees. With respect to real estate based investments, if there is a refinancing of the property, an appraisal of the property may be available for determining a revised value. Because there is no secondary market for the private investments, it is extremely difficult to place a valuation on them. Therefore, annual management fees will continue to be billed by Piedmont based on the clients' initial investment amounts and any subsequent investments of capital even if the overall value of the private fund, private limited liability company, or private investment and/or the clients' ownership interests therein experience an actual increase or decrease in value.

D. Advance Fees

As noted in Item 5.B., basic fees are paid in advance on the first day of the calendar quarter based on a percentage of the market value of the account on the last business day of the previous quarter, unless otherwise agreed and stated in the advisory agreement. Piedmont or the client may terminate an investment advisory contract at any time upon 60 days' prior written notice to the other party unless otherwise stated by the contract. Such termination shall be without any penalty and without liability of either party to the other, except for any compensation due or refundable for services provided. Refunds will be prorated based on the close date during that quarter divided by the total number of days in the applicable quarter.

E. Compensation for Sale of Securities by Supervised Persons

Piedmont does not buy or sell securities, nor does Piedmont receive any direct compensation for the sale of securities.

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

A. Performance-Based Fees

Piedmont does not currently charge performance-based fees for any Client. If Piedmont enters into such an arrangement, full disclosure will be made in this section.

B. Side-By-Side Management

As discussed in Item 4.B., Piedmont is investment manager to an affiliated private pooled investment vehicle (the "Private Fund").

The Private Fund does not have investment objectives or investment strategies similar to those of Piedmont's individual Clients. Therefore, Piedmont does not expect the Private Fund to have simultaneous identical portfolio transactions to those of Clients.

Item 7 – Types of Clients

Piedmont may provide services to a variety of client types. Clients may include:

- Individuals, Personal Trusts and Estates – Private investors, investing personal assets
- Charitable Organizations, Foundations and Endowments – Non-profit entities investing contributions to support a stated mission or mandate
- Corporations – Taxable entities organized for a specific business purpose, investing cash reserves

The relative percentage each client type currently represents is available on Piedmont's Form ADV Part 1. The actual mix of the client types changes over time based upon market conditions, business plans and other factors. Piedmont does not specialize in, or actively seek, any given client type. Piedmont is committed to providing services to qualified investors, regardless of legal or corporate status.

Piedmont may only implement its investment management recommendations after the client has arranged for and furnished Piedmont with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, Fidelity, Charles Schwab and any other broker-dealer recommended by the Registrant, broker-dealer directed by the client, trust companies, banks etc.

Piedmont generally requires that clients maintain a minimum of \$1,000,000 of assets under management, although under certain circumstances this may be negotiable.

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

A. Methods of Analysis

Piedmont strives to maximize wealth by incorporating four fundamental principles: create portfolios with a confident understanding of the risks involved; manage a combination of asset classes and index managed funds; recognize secular trends in markets; and minimize taxes. Piedmont will establish an appropriate asset allocation strategy, selecting a specific allocation model, making adjustments where appropriate, evaluating results and providing continuous communication and ongoing general financial advice. Account management is guided by the stated objectives and guidelines of each client. Guidelines may indicate such variables as risk tolerance, capitalization ranges, tax sensitivity, and portfolio category.

Piedmont recommends a disciplined asset allocation approach with various portfolio model categories based on the client's assessment of the guidelines mentioned above. The original five (5) Piedmont models consisted of the following: Ultra-Conservative, Conservative, Conservative II, Balanced, Growth, and Income & Growth. Recently, eight (8) new models were introduced consisting of the following: Bond, Income, Preservation, Defensive, Conservative, Balanced, Moderate, and Growth. Some of the long-standing clients with the firm may have elected to remain with one of the older models due to tax consequences or other special circumstances.

Piedmont has researched, designed and successfully implemented these asset allocation model portfolios to be utilized with our wealth management clients. The allocation between equities and fixed income varies between 100% fixed income (our most conservative model) to 80% equities/20% fixed income (our most aggressive model).

Clients may individually request a customized model if they desire a special allocation be created and implemented to fit their specific needs. The portfolios are designed using Modern Portfolio Theory to achieve different economic outcomes, in other words different expected return $E(r)$ and expected volatility $E(v)$ depending upon the needs of the Client. Additionally, the portfolios work very well in conjunction with a glide path methodology. The portfolios are comprised of low expense ratio, institutional share class mutual funds and exchange-traded funds ("ETFs"). The funds are comprised largely of DFA, Vanguard and exchange-traded index funds and are broadly diversified across the world's equity and fixed income markets. We believe strongly in providing massive diversification and the benefit that occurs when multiple asset classes are represented in a portfolio of passively managed, low cost, low turn-over SEC registered mutual funds and ETFs.

Investment Company Due Diligence. Piedmont may invest its Clients' assets with mutual funds that pursue investment approaches that are diversified among multiple strategies, asset classes, regions, industry sectors and securities. In selecting a fund and allocating assets to them, Piedmont considers both quantitative and qualitative factors including:

- Relative performance during various time periods and market cycles
- Industry reputation
- Experience and training of staff investment professionals
- The clarity of, and adherence to, a viable investment philosophy
- Risk management process
- Portfolio management capabilities
- Fee structure
- Any other factor deemed appropriate by Piedmont

Private Investments. Piedmont provides advice to certain accredited investors relative to prospective investments in private investment limited partnerships, or other similar entities, such as hedge funds, fund of fund hedge funds, private equity funds and venture capital funds. These funds are offered in accordance with Regulation D of the Securities Act of 1933. Investment in these types of investments is limited to certain accredited investor Clients.

Private Investment due diligence is similar to mutual fund due diligence, outlined above. However, given the relatively unregulated nature of these investments, additional emphasis is placed on operational aspects to ensure the independent oversight of the fund being analyzed.

B. Risk of Loss

Every effort is made to ensure positive outcomes for Piedmont Clients. However, all investments carry the risk of losses. There can be no assurance that Clients will achieve their investment goals. Clients may lose a substantial portion of their investment. Individual Piedmont investment strategies are designed to be a complete investment program. Piedmont helps Clients diversify their assets among a variety of investment strategies, classes and securities to limit risk of loss.

Investment Companies. Investment Companies, although regulated, can incur losses. For specific risks to a fund, the Client should read a fund's prospectus. Piedmont monitors a Client's risk profile to that of the models employed (see Item 8.A. above). Below are a few potential risks to investors of mutual funds.

- Diversification risk (not all funds are diversified)
- Investment risk (equity market risk, interest rate risk)
- Management style risk

Private Investments. Private Investments may have certain risk characteristics not found in exchange traded securities and mutual funds. These types of investments may include a high degree risk due to the following characteristics:

- May employ leverage
- Speculative investment practices
- Illiquidity
- No periodic valuation information
- Complex tax structures or delays in distributing important tax information
- Loose regulatory oversight
- Higher fees than mutual funds or exchange traded funds
- Underlying investments may be not transparent

The performance of a private investment can be volatile. An investor could lose all or a substantial amount of their investment. There is often no secondary market for an investor's interest in private investments, and none may develop. There are restrictions on transferring interests in any private investment. Clients are encouraged to read the offering memorandum issued by a private investment before investing and discuss all risks and conflicts of interest with Piedmont before investing.

Item 9 – Disciplinary Information

Piedmont, as a firm, does not have any legal or disciplinary disclosures to make. However, an individual currently working for Piedmont, Mr. Mark Mensack, has one self regulatory organization proceeding in which Mr. Mensack was responsible for paying the claimant a fee in excess of \$2,500. While working with another firm, a customer dispute was filed against Mr. Mensack and his employer at the time of the dispute. The allegations by the customer were, among others, failure to supervise; misrepresentation and non-disclosure; omission of facts; and suitability with respect to mutual funds and annuities. Both the employer and Mr. Mensack denied the allegations. The NASD Dispute Resolution board awarded the customer compensatory damages (half of the amount requested), and punitive damages were denied. Damages awarded to the customer were paid equally by both Mr. Mensack and his employer at the time of the dispute. The disposition date of this case was April 18, 2003.

Item 10 – Other Financial Industry Activities and Affiliations**A. Broker-Dealer Affiliation.**

Piedmont or an affiliate is not registered, or have a registration pending, as a broker dealer, nor are any of its management persons registered as a registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor.

Piedmont and any of its affiliates are not registered as a futures commission merchant, commodity pool operator or commodity trading advisor.

C. Other Financial Industry Activities or Affiliations.

Accounting Firm and Insurance Company. Related persons of Piedmont have an affiliation with an accounting firm and insurance company. Mr. O'Neil, who is Director and an investment advisor for Piedmont, also has an insurance company affiliation, clients of which may also be clients of Piedmont. Mr. Brad Smith, and investment adviser representative with Piedmont, is also the founder of Smith & Co., LLP, an accounting firm, whose clients may also be clients of Piedmont.

General Partner of a Private Investment Company. A related person is general partner in a partnership in which clients are solicited to invest. Piedmont serves as the General Partner to Piedmont Numismatics, LLC, which invests in rare gold and silver coins.

In addition, Piedmont may recommend to Clients private real estate limited partnerships, in which an affiliate of Piedmont has some financial interest. William Militello owns 100% of Washington Affordable Properties ("WAP"). WAP may have ownership interest

in the private real estate limited liability companies and currently owns interest in Wheeler & 10th Place and 15th Place, LLC.

Sanford Capital II, LLC, Sanford Capital III, LLC and Sanford Capital IV, LLC, affiliated entities of Sanford Capital LLC, are partnerships which own, manage and invest in real estate. WAP owns an interest in Sanford Capital II, III and IV but is a non-managing member of the partnerships. Piedmont may recommend to clients the private real estate limited partnerships managed by Sanford entities.

For information regarding conflicts of interest with respect to the limited partnerships, please refer to Item 11.B. of this document.

Manager of Private Investment Companies. Piedmont and Militello Capital, LLC, the manager of certain private investment companies as described below, are under common control, and therefore, affiliated entities. Militello Capital, LLC (the “Manager” or “Militello Capital”) as the manager, conducts the business administrative functions for these private investment companies. Custody of the assets of the private investment companies is maintained by Millennium Trust, an unaffiliated qualified custodian.

Currently, Militello Capital is the manager for three single purposes entities formed as limited liability companies, Militello Venture Partners, LLC, Militello Energy Partners, LLC and Militello Realty Partners, LLC (each a “Company” and together the “Companies”). Each Company is organized to own interest in another business entity (“Underlying Investment”). As Manager of the Companies, Militello is entitled to receive a percentage of capital gains on the investment, if any.

In addition to the affiliation between Piedmont and Militello Capital, Mr. Militello may serve on the board of directors for an Underlying Investment.

Piedmont may present these Companies to qualified Clients as potential investment opportunities.

For information regarding conflicts of interest with respect to the private investment companies, please refer to Item 11.B. of this document.

D. Selection of Other Investment Advisers.

Piedmont does not receive compensation directly or indirectly from advisers that it may recommend or select for Clients.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**A. Code of Ethics**

Piedmont has adopted a Code of Ethics (the “Code”) to specify and control certain types of personal securities and other transactions deemed to create a potential or actual conflict of interest. Every officer, director and employee of Piedmont must receive, read and follow the Code’s procedures as well any amendments to its procedures.

The Code and Piedmont Insider Trading Policy contains policies and procedures that, among other things:

- Prohibit directors, officers and employees from taking personal advantage of opportunities belonging to Clients;
- Prohibit trading on the basis of material nonpublic information;
- Place limitations on personal trading by directors, officers and employees and impose preclearance and reporting obligations with respect to personal trading;
- Require initial, quarterly and annual reports of securities holdings and transaction reports by directors, officers and employees;
- Prohibit directors, officers and employees from violating Federal Securities Laws; and
- Require officers, investment adviser reps and employees to promptly report any violations of the Code to the Chief Compliance Officer (“CCO”).

Officers, employees and investment adviser representatives of Piedmont may open and retain personal trading accounts pursuant to the Code.

Piedmont’s Code and Insider Trading Policy are available upon request by contacting Piedmont’s CCO at 703-729-8333.

B. Interest in Client Transactions

As referenced in Item 10.C., Mr. Militello owns Washington Affordable Properties (“WAP”) which in turn has an ownership interest in private real estate limited liability companies. Some of Piedmont’s clients have invested in the equity of these companies as Class B members. WAP has rights and privileges as a Class A member that differ in some respects from the interests of clients who are Class B members. WAP provided financial analysis services to Sanford Capital relating to its construction projects; and WAP invested its own capital in order to receive its Class A membership interests. Class B members have contributed cash capital to receive their equity investment interests. Class B members are scheduled to receive no less than the greater of an 8% annual preferred return on their invested capital or 30% of net profit, to the extent there is a net profit. Class A members do not receive these same returns. Only if there is a profit after paying the Class B members the 8% annual preferred return does WAP receive a percentage return. WAP’s percentage return is equal to its ownership percentage of the

net profit either directly through its ownership interests in the limited liability companies or through its ownership interests in Sanford Capital II & III, LLC. To date, WAP has received less from rents than the Class B members on a percentage basis.

In addition to the above mentioned affiliation, Mr. Militello is the manager and owner of Militello Capital, which is the manager for certain private investment companies as described in Item 10.C. Some of Piedmont's clients may purchase units in the Companies as Class A members. Militello Capital has rights and privileges as a Class B member that differ in some respects from the interests of clients who are Class A members. Class A members have a preferred distribution and the Class B member has the right to elect the Manager. Upon dissolution of the private investment, provided that there is a profit, Class A members will receive 100% of their initial investment plus a certain percentage of the net profits and the Class B member, Militello Capital, shall receive the remaining percentage of the net profits as stated in the private investment's offering memorandum.

In addition to the affiliation between Piedmont and Militello Capital, Mr. Militello may serve on the board of directors to the underlying investment in which a Company invests. As a board member, Mr. Militello would have certain inside knowledge and oversight of that company of the underlying investment.

Piedmont holds its clients interests above its own and above those of its owners and affiliates. In making recommendations to invest, Piedmont's recommendations are based on reasonable inquiries or understandings of its clients' investment objectives, financial situation, needs and other factors.

C. Personal Trading and Participation in Client Transactions

Piedmont or its employees may purchase or sell for themselves similar or different securities than are recommended to Piedmont Clients. Piedmont has implemented an investment policy relative to personal securities transactions of its employees. This investment policy is part of Piedmont's overall Code of Ethics, as described above, which serves to establish a standard of business conduct for all of Piedmont's supervised persons. Piedmont's personal trading policy is based upon fundamental principles of openness, integrity, honesty and trust. To prevent conflicts of interest, all personal trades made by Piedmont's employees are reviewed by supervisory personnel. Additionally, Piedmont's policies and procedures prohibit the misuse of material nonpublic information and are designed to prevent insider trading by any employee.

Item 12 – Brokerage Practices

A. Factors Considered in Recommending Broker-Dealers

Brokerage Partners and Best Execution. In selecting brokers-dealers, and determining the reasonableness of commissions and mark-ups charged, Piedmont will attempt to effect securities transactions for Clients in such a manner that the Clients receive the highest quality transaction, under the circumstances. This is known as "Best Execution".

In selecting broker-dealers, Piedmont need not solicit competitive bids and does not have an obligation to seek the lowest available transaction cost (e.g., commission cost).

Piedmont may consider a number of factors in utilizing brokers-dealers for Client brokerage transactions. Among the factors considered by Piedmont are:

- Transaction net costs
- Security price
- Clearance and settlement practices
- Ease of execution
- Integration with existing Piedmont systems
- Interface applications for monitoring client investments
- Firm commitment to regulatory compliance
- Industry reputation
- General financial strength and stability
- Breadth of products and services
- Research capabilities

The foregoing factors are expected to enhance its portfolio management capabilities of Piedmont. Piedmont does not attempt to demonstrate that such factors are of a direct benefit to all Clients on all trades. Research and brokerage service received may be used to service some, or in certain circumstances, all Clients, subject to compliance with applicable law.

Piedmont has selected the Fidelity Investments and Charles Schwab as preferred brokerage services and custody providers for its Clients. See Item 15 below for more information about the services of Fidelity and Charles Schwab.

1. Soft Dollars. Consistent with Piedmont's Best Execution policies (see below) and section 28(e) of the Securities Exchange Act of 1934, Piedmont may pay commissions to broker-dealers at a level which may be higher than those charged by other firms. The difference in the commission rates is known as "Soft Dollars". These higher commission rates may be paid if Piedmont determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided by the executing broker viewed in terms of Piedmont's responsibilities to its Clients. Soft Dollars may be used to offset the cost of certain services, including; research data on particular industries and companies, economic surveys and analysis, quote services, trade execution systems, and computer-related costs. Such products and services provide lawful and appropriate assistance to Piedmont in the performance of its investment responsibilities for its Clients.

Piedmont receives access to the Fidelity Advisor Channel, a service provided by Fidelity Investments, and PortfolioCenter, a service provided by Charles Schwab. Both Fidelity and Charles Schwab are FINRA registered broker-dealers to Piedmont's investment advisory clients. While there is no direct affiliation, Piedmont receives this access and other benefits from Fidelity and Charles Schwab that it would not receive if they did not

manage assets at these Custodians. Some of these benefits include: integration with Piedmont's portfolio management system, online access to clients accounts, real time quotes, analytical support, ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements).

In addition, Piedmont has access to Dimensional Group's Returns 2.0 Software. This software provides Piedmont with performance analytical capabilities. Piedmont does use some of the Dimensional Funds in their portfolio models. While there is no direct affiliation, Piedmont receives this access and other benefits from Dimensional that it would not receive if they were not an approved adviser of Dimensional Group.

Client accounts may not benefit equally from services and products received via these Soft Dollars. These benefits cause a conflict of interest between Piedmont and Clients since these benefits may influence Piedmont's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Platform services received by Piedmont via Soft Dollars are standard to all advisers utilizing Fidelity and Charles Schwab.

2. Brokerage for Client Referrals. Piedmont does not receive referrals from brokerage or third parties and would not consider such referrals if any in recommending a broker-dealer.

3. Client Directed Brokerage. Piedmont has discretionary authority to select brokerage firms used to execute trades. However, Piedmont requests that the clients maintain their assets at either Fidelity Investments or Charles Schwab (each a "Custodian" and together the "Custodians"), and direct brokerage for all trades to the respective Custodian. Absent an existing brokerage relationship, Piedmont will assist the client with developing a relationship with Fidelity Investments or Charles Schwab. Piedmont reserves the right to decline business if a client requires trades to be cleared through another broker. Due to the nature of the trading that Piedmont engages in and the additional costs, Piedmont does not believe that trading away from a client's custodial broker would be in the client's best interests. It may be the case that the Custodians charge a higher fee for a particular type of service, such as commission rates, than can be obtained from another broker. It may also be the case that the total costs of all services provided by either Custodian may be higher than can be obtained at another broker if Piedmont determines in good faith that such total costs are reasonable in relation the value of brokerage and research services provided by such broker, viewed in terms of Piedmont's overall responsibilities to the client.

B. Aggregation of Client Trades

Piedmont generally invests Clients' assets in mutual funds and ETFs, where order aggregation will rarely come into play. However, should other types of investments be traded, the individual investment person managing the trade will allocate the securities across the accounts, considering account size, diversification, cash availability, and other factors, including, where appropriate, the value of having a round lot in the portfolio.

Piedmont's allocation procedures seek to allocate investment opportunities among Clients in the fairest possible way taking into account Clients' best interests. Piedmont will follow procedures as described below to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of Clients. Account performance is never a factor in trade allocations.

Orders for the same security entered on behalf of more than one client will generally be aggregated subject to the aggregation being in the best interests of all participating Clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. One exception is that subsequent orders may be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All Clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

When a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if Piedmont believes that a larger size block trade would lead to best overall price for the security being transacted.

Due to the nature of the bond market being an over-the-counter market, in most instances performing block transactions will provide best execution, including best price. Therefore, in instances where we want to transact a certain security for multiple accounts, we will always give consideration to performing the transaction as a single block trade.

When executing transactions in Rule 144A and other restricted securities, Piedmont will allocate such securities only to eligible client accounts. When Piedmont transacts in limited investment opportunities for advisory accounts, it takes into account cash availability and need, eligibility (per NASD Rule 2790), suitability, investment objectives and guidelines and other factors deemed appropriate in making investment allocation decisions. Since hot issue premiums provide the potential of an immediate profit and since Piedmont may typically receive only a small portion of the allotments sought, Piedmont will exercise particular care in the allocation of these securities.

Instances in which client orders will not be aggregated include, but are not limited to, the following: (i) Clients directing Piedmont to use certain broker/dealers, in which case such orders shall be separately effected; (ii) Piedmont determines that the aggregation is not appropriate because of market conditions; and (iii) Piedmont must effect the transactions at different prices, making aggregation unfeasible.

Item 13 – Review of Accounts**A. Frequency of Reviews**

The investment adviser representative responsible for the account will monitor account performance and periodically review accounts for consistency with client objectives and investment decisions. In addition, at least once a year every account will be reviewed by the Managing Principal/CCO.

B. Causes for a Review

In addition to the monitoring described above, reviews may be triggered by changes in a Client's tax or financial status. Macroeconomic and issuer specific events may also trigger reviews.

C. Client Reports

Clients will generally receive annual reports from Piedmont. The annual reports display the performance of the assets based upon time weighted rates of return for the designated period of statement of assets. A quarterly report, which is also distributed to clients, includes the following pertinent information: change in portfolio value, net contributions, income and expenses, management fees, investment gain and rates of return compared to benchmarks.

Piedmont maintains clients' funds and securities with qualified custodians. The qualified custodians agree to send at least as often as quarterly an independent statement to each client for whom it maintains funds or securities, identifying the amount of the funds and each security in the account at the end of the period and setting forth all transactions in the account during that period.

Item 14 – Client Referrals and Other Compensation

Piedmont may refer Clients to various third-parties to provide certain services necessary to meet financial goals. Likewise, Piedmont may receive a Client referral from a third-party.

A. Compensation Received by Piedmont

Piedmont does not receive any compensation from third-parties in exchange for referring business to that third-party. Except as otherwise disclosed in Item 12, Piedmont is compensated exclusively by Clients.

B. Client Referrals to Piedmont

Piedmont may pay fees to persons for client referrals, as permitted by Rule 206(4)-3 of the Investment Advisors Act of 1940. Piedmont will use a portion of Piedmont's

investment management fee to pay the referring party. All solicitor fees will be paid by Piedmont rather than by the client. Referral fees are paid annually so long as the client remains with Piedmont and as long as the solicitor remains eligible and qualified to receive such fees. The fee paid to a qualified solicitor is 30% of the fees collected by Piedmont from the Client.

Item 15 – Custody

Piedmont will not maintain physical possession of the funds or securities of any separately managed investment advisory Client. Piedmont Clients enter into an agreement with brokerage firms (typically Fidelity or Charles Schwab) that serve as custodian of the funds and/or securities. Both Fidelity Investments and Charles Schwab are FINRA member firms.

All Clients receive statements of account holdings from their account custodian no less frequently than quarterly. Additionally, Piedmont will provide Clients with account balance and activity details upon request.

While Piedmont does not have custody of Client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds Client funds pursuant to their account application. In certain jurisdictions this may be deemed constructive custody. Prior to permitting direct debit of fees, each Client provides written authorization permitting fees be made direct from the custodian. The custodian sends every Client an account statement no less frequently than quarterly showing all account activity, including the amounts disbursed from the account to Piedmont.

Item 16 – Investment Discretion

A. Discretionary Portfolio Management

All wealth management portfolios are managed on a discretionary basis. During the initial structuring of each client account, Piedmont's investment professionals and the client jointly determine an optimal investment strategy given the client's investment objectives. In some cases clients impose investment restrictions on their accounts and these restrictions must be in writing.

Piedmont may take investment action on behalf of one account that may be similar or different from the action taken on behalf of another account in terms of securities, timing, nature of transaction and other factors. Piedmont does not assure that it will purchase or sell for one account the same security which Piedmont purchases or sells for any other account.

In cases where Piedmont has full discretionary authority over Client accounts and the client has not imposed any specific restrictions, Piedmont will generally have unlimited discretionary authority, without obtaining specific consent, to determine:

- Securities to be bought or sold
- Amount of the securities to be bought or sold
- Broker of dealer to be used
- Commission rates paid to the broker dealer

In such cases, there are no limitations on Piedmont's authority in the areas indicated (other than as may be imposed by law or by a Client's specified restriction). It should be noted that with regard to commission rates, Piedmont does not have the power to determine the rates paid, only the authority to negotiate with and accept or reject rates offered by various broker-dealers. For more information on brokerage practices, please see Item 12 of this document.

Item 17 – Voting Client Securities

Piedmont does not accept proxy voting authority with respect to securities held in Clients' separately managed accounts. Consequently, all proxy solicitations will be sent directly to Clients for voting from either the custodian or the investment's transfer agent. A Client may contact Piedmont regarding questions they may have regarding a proxy.

Item 18 – Financial Information

Piedmont does not have any adverse financial information to disclose. The management of Piedmont believes that they are financially sound.