



An SEC-Registered Investment Adviser

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Form ADV Part 2
March 30, 2011

This brochure provides clients and prospective clients with information about Vantage Advisors, LLC and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client.

The contents of this brochure have not been approved or verified by the Securities and Exchange Commission (SEC) or any other state or federal regulatory authority. While the firm is an investment adviser registered with the SEC, registration alone does not imply a certain level of skill or training on the part of the firm or its associated personnel.

Questions relative to the firm, its services or this ADV Part 2 may be made to the attention of Ed Schaller, Chief Compliance Officer, at 866-273-8401, or to the address listed above. Additional information about the firm is also available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2. Material Changes

This brochure is the Adviser's first occasion to implement the SEC's new Form ADV Part 2. As such, the Adviser has enhanced the content and disclosure throughout the document. Therefore, clients and prospective clients are encouraged to review this brochure in its entirety.

Item 4. Advisory Business

Vantage Advisors LLC ("Adviser", "Vantage" or "firm") was established in 2002. As an SEC registered investment adviser domiciled and notice-filed in North Carolina, the firm and its associates may notice-file or meet certain exemptions in other jurisdictions in which they may conduct business. Majority shares in the firm are owned by Thomas A. Ashton and United Northwest Securities LLC.

Vantage Advisors, LLC, and in some cases its subadvisors, specializes in the construction and ongoing maintenance of asset allocation and various other investment strategy models applied to portfolios of mutual funds, exchange-traded funds ("ETFs"), stocks, bonds and the variable insurance trusts choices ("VITs") found in certain variable annuity contracts.

Based on an analysis by selected sub-advisors and/or consultants of the securities available, Vantage Advisors, or the sub-advisors, constructs the model portfolios.

Vantage's Investment Advisor Representatives (IAR's) will work with the client to select which subadvisor(s) and model(s) are suitable for the client. In the area where the Adviser has portfolio models variable annuities, the selling broker dealer (or their registered representative), will determine which model would be suitable for a particular client.

With direction and guidance from selected sub-advisors and/or consultants, Vantage Advisors, or the sub-advisor, may change the models for which they were hired to manage in regard to the composition and/or percentage allocation weightings of each model portfolio from time to time.

As of December 31, 2010, the Adviser had assets of \$79,984,761.50 under management, all of which are managed on a discretionary basis.

Item 5. Fees and Compensation

For clients in certain variable annuities (i.e., Security Benefit Life's AdvanceDesigns), Adviser makes available without charge, its services to these clients. Vantage's sole source of compensation with respect to this particular service is paid by the variable annuity carrier and has no effect on the fees paid to the carrier for these particular variable annuities.

Aside from the above variable annuity clients, Vantage Advisors provides investment management services for a fee, which are based on a percentage of assets under management. Fees are not negotiable, but exceptions may be made in special circumstances.

The maximum annual fee structure for accounts is currently:

<u>Assets Managed</u>	<u>Annual Fee</u>
Up to \$500,000	1.95%
\$500,001 to \$1,000,000	1.70%
Over \$1,000,000	1.50%

The above pricing is tiered; that is, breakpoint pricing is not retroactive: when a breakpoint is surpassed, the fees are only reduced for the assets above the breakpoint.

There is an initial account asset minimum of \$25,000, although exceptions may be made. For exceptions of accounts under \$25,000 a \$500 per year fee minimum will be charged.

Asset fees are billed quarterly in advance based on the value of the assets at the end of the prior quarter and are refundable on a pro-rata basis. Vantage Advisors, through the client custodian, will deduct fees from the client accounts. The advisory agreement between the client and Vantage are cancellable by either party upon written notice. Clients may terminate their account at any time, in which case fees will be prorated up to and including the termination date which is evidenced by receipt of written instructions from the client. If the daily proration results in an amount to be rebated to the client, such amount will be promptly refunded.

Applicant will pay advisory fees to its subadvisors quarterly in arrears, based on the value of assets at the end of the prior quarter. Adviser will pay its subadvisors a percentage of the client's fee, mutually agreed upon by both parties.

Vantage Advisors shall generally recommend that FolioFn serve as the custodian for client assets. Clients may incur certain charges imposed by FolioFn including a fee of .25% of assets under management with an annual minimum of \$300. This fee includes the cost of all trading by and/or for Vantage and its sub-advisors.

Item 6 – Performance-based Fees and Side-by-Side Management

A description of the fees charged by the Adviser is provided above in Item 5.

The Adviser's investment management services fees will not be based upon a share of capital gains or capital appreciation of the funds or any portion of funds of an advisory contract, also known as performance-based fees. Vantage Advisors LLC also prohibits any affiliated entity or employee to engage in or benefit from side-by-side investment management arrangements, often reflective of managing a hedge fund or other similarly pooled fund.

Item 7 – Types of Clients

The Adviser provides its services to individual investors.

As stated in Item 5 above, there is an initial account asset minimum of \$25,000, although exceptions may be made. For exceptions of accounts under \$25,000 a \$500 per year fee minimum will be charged.

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

Adviser provides model portfolio strategies of:

- variable annuity subaccounts,
- stocks, including exchange traded funds, bonds, mutual funds and other securities.

In evaluating investment company securities offered in annuity contracts and other platforms for inclusion in a model corresponding to a given client's risk tolerance, each investment company is analyzed for its investment style, its management, its performance and its risk.

Within Adviser's separate account model portfolios, each client is allocated among 1 or more model portfolios managed to represent a particular equity style both domestic and foreign; and fixed income. The managers within the program are periodically monitored by the Adviser to make certain they are investing within their respective disciplines. Adviser researches investment managers and the security analysis methods for different classes and investment styles.

Adviser's other sources of information for evaluating investments and Model Managers are publicly available information contained in the financial press and other sources; information, research and statistical materials prepared by others; information provided by the managers. Adviser may also employ computer readable financial databases containing business and financial statistics as well as outside consultants to support the ongoing evaluation process of investment.

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9 – Disciplinary Information

The Adviser is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Vantage Advisers LLC does not have any required disclosures to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Of members of management of the Adviser, two are registered at the following broker dealers: Thomas Ashton is registered at Ashton Stewart & Co., Inc.
Dale Garnett is registered at Valued Financial

Both firms are listed as affiliated firms in Part 1 of the Adviser's ADV.

Although the products of the Adviser are available to clients of the above listed broker dealers, there have been no such transactions. If such a transaction took place, compensation to any Investment Advisor Representative (IAR) of the Adviser would not exist for the first two years on any product for which the IAR was compensated on the broker dealer side (i.e. commission from the sale of a variable annuity).

Item 11 – Code of Ethics, Participation or Interest in Client Transactions

The Adviser has adopted a Code of Ethics that sets forth the policies of ethical conduct for all personnel. The following represents a summary of the Adviser's Code of Ethics. A complete copy is available upon request.

General Principles

- The interests of client accounts will at all times be placed first.
- Appropriate investment opportunities must be offered to clients first before the Company or any employee may act on them.
- All personal securities transactions will be conducted in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility
- Company personnel should not take inappropriate advantage of their positions.

Restrictions and Limitations

- Prohibition on Participation in IPOs
- Special Permission Required for Private Placements
- Disclosure of Private Placements in Subsequent Investment Decisions

Guidelines for Avoiding Prohibited Acts

Employees are prohibited from engaging in the following acts:

- Directing or recommending purchases or sales of securities that are not in accordance with the client's investment objectives and guidelines.
- Attempting to influence any client to purchase, sell or retain any securities for the purpose of seeking any form of personal gain.
- Warranting the value or price of any security or guaranteeing its future performance.
- Promising or representing that an issuer of securities will meet its obligations or fulfill its investment or business objectives in the future.
- Agreeing to protect a client against loss by repurchasing a security at some future time.
- Owning or taking title to any funds or assets of a client.
- Maintaining a joint brokerage or bank account with any client; sharing with any client any performance fee, carried interest or other benefit, profit or loss resulting from securities transactions; or entering into any business transaction with a client without the prior written approval of the Chief Compliance Officer.

- Borrowing money or securities from any client, regardless of the relationship between the client and the Company representative.
- Owning, operating, managing or otherwise engaging in or being employed by any outside business activity on either a full-time or part-time basis without the prior written approval of the Chief Compliance Officer.
- Failing to abide by the Company's Insider Trading Policies and Personal Securities Trading Rules.
- Manipulating or attempting in any way to manipulate the market for any securities, such as by entering matched buy and sell orders that create a false appearance of market activity. This also includes entering actual orders for the purpose of artificially inflating market valuations.
- Engaging in any "front-running" or "scalping" of accounts, by purchasing or selling securities in a personal account, in violation of the Company Insider Trading Policies and Personal Securities Trading procedures, when there is reason to know that the Company accounts will be purchasing or selling the same securities. This also includes trading for a personal account and then directing trades in the same securities or influencing others to trade in the same securities or clients.
- Engaging in any other activity that is intended to mislead or deceive, or that would have the effect of misleading or deceiving others. Conspiring with others to engage in any prohibited activity, or doing or attempting to do indirectly something that would be prohibited if done directly.

If any employee becomes aware of such prohibited conduct, or any other conduct that may violate this Code or any applicable law or regulation, he or she must report the incident immediately to the Adviser's Chief Compliance Officer.

Item 12 – Brokerage Practices

The Adviser utilizes the custody platform of FOLIOfn. The firm does not utilize the services of a broker dealer, nor recommends a broker dealer to any of its clients.

Item 13 – Review of Accounts

Adviser will periodically review its model portfolios, as well as those of its subadvisers.

Within a variable annuity, at the time the client purchases the variable annuity (or some later date) the client may choose Adviser's subaccount allocation service. If the client elects the service, the broker dealer selling the variable annuity supplies Adviser with information necessary to allocate the client's assets to appropriate model portfolio(s) (as determined by the broker dealer's registered representative). On an ongoing basis, Adviser will reallocate client

assets in accordance with the changes made to the model portfolios. The model portfolios may be constructed, evaluated and reconstituted by various sub-advisors and/or consultants selected by Adviser. Thomas Ashton, CIO of the Adviser, or his designee, or selected sub-advisors, are responsible for allocating and reallocating client assets within the selected model.

Within Adviser's separate account platform, when the client elects the services of Vantage Advisors, the introducing broker dealer supplies Adviser with information necessary to allocate the client's assets to appropriate model portfolio(s) (as determined by the broker dealer's registered representative). In the case of Adviser's own Investment Advisor Representatives (IAR's), the IAR will work with his/her client to select the model portfolio and submit to the Adviser for review and approval by Adviser's CCO, based on client new account form and data. At least annually, Adviser's IAR's will conduct an account review with each client that is on Adviser's separate account platform.

On an ongoing basis, Adviser will reallocate client assets in accordance with the changes made to the model portfolios. The model portfolios may be constructed, evaluated and reconstituted by various sub-advisors and/or consultants selected by Adviser. Thomas Ashton, CIO of the Adviser, or his designee, or selected sub-advisors, are responsible for allocating and reallocating client assets within the selected model.

Adviser undertakes no independent review of a client's (or his registered representative's) decision to a particular model portfolio, nor of the decisions made by sub-advisors or consultants to modify model portfolios with the exception of Adviser's review and analysis as described in Item 8.

Item 14 – Client Referrals and Other Compensation

Adviser may compensate its Investment Advisor Representatives (IAR's) for placement of investors with the Adviser. Such compensation would be based on a percentage of the assets under management which a IAR brought to the Adviser.

Currently there are no other compensation arrangements or any other kinds of solicitors other than the Adviser's own IAR's. Should this change, the Adviser would promptly update this document.

Item 15 – Custody

Adviser may be deemed to have constructive custody of certain client assets as a result of fee payments. Actual custody of the assets however is at the insurance carrier (in the case of variable annuities), or at the custodian, not at the Adviser. Currently the Adviser has engaged the services of FOLIOfn to be the custodian of the client assets under management of the Adviser outside of the insurance carriers mentioned previously.

The insurance carrier provides quarterly account statements to its clients. FOLIOfn provides quarterly statements to the Adviser's clients. Clients are urged to carefully review those statements upon receipt of them.

The Adviser has not ever, nor plans to, hold client assets.

Item 16 – Investment Discretion

The Adviser has limited discretion with regard to investment decisions. Adviser (and its sub-advisers) will make decisions with regards to the construction and maintenance of its asset allocation model portfolios. Such decisions are limited to the selection of investments and amount of those investments in each model portfolio. Adviser does not move client assets from one model portfolio to another without written consent from the client.

The client grants the Adviser the above limited discretion when becoming a client by completing the Adviser's Investment Management Agreement, which acts as a Limited Power of Attorney, describing in detail the limited role of the Adviser.

Item 17 – Voting Client Securities

The Adviser is required to disclose if it accepts authority to vote client securities. The Adviser does not vote client securities on behalf of its clients. Due to the nature of the Adviser's product offering, this section does not apply to the Adviser.

Item 18 – Financial Information

The Adviser does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, the Adviser is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. The Adviser has no disclosures pursuant to this item.