



**Charter
Investment
Advisors, Inc.**

“Portfolio Management with a Personal Touch”

Cover Page

FORM ADV PART 2 BROCHURE

Dated: December 8, 2011

CHARTER INVESTMENT ADVISORS, INC

5956 Turkey Lake Road, Suite # 1

Orlando, FL 32819

Office Phone: 407-226-1112

Website: charterinvestment.com

This brochure provides information about the qualifications and business practices of Charter Investment Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at 407-226-1112 or email us at terry@charterinvestment.com.

Currently our brochure can be requested free of charge at the company address shown above. You may also view our brochure at the company website: charterinvestment.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State securities authority.

Charter Investment Advisors, Inc. is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor. Additional information about Charter Investment Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – Material Changes Since Previous Brochure

Material Change # 1:

Since the previous brochure, regulatory rules have been changed by the United State Congress. Firms with assets between \$25 million and \$100 million will now be considered “mid-sized” advisors and must withdraw from SEC registration and register with their applicable states. As a result, Charter Investment Advisors, Inc. is now in the process of converting from regulatory supervision by and registration with the Securities and Exchange Commission to registering with the State of Florida. This change will have no impact on the Company’s services being offered to current or new clients.

Note: NO OTHER MATERIAL CHANGES HAVE OCCURRED.

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ITEM 4 - ADVISORY BUSINESS

Charter Investment Advisors, Inc. (Charter) is owned by Terry Rodgers as majority shareholder and has been providing investment advisory, portfolio management, and estate planning services since the company was formed in September of 1988.

From the very beginning the company has concentrated on offering its services with two (2) very important concepts:

1. Provide “Professional Management with a Personal Touch”
2. Emphasize efforts to prevent any conflict of interest with clients and provide unbiased advice based on the risk tolerance of each client.

For more than 20 years, we have found that most clients continue to emphasize the importance of these beliefs and we have found that our long term clients have become our best source of new client referrals.

ITEM 5 - Fees and Compensation

The Fee Schedule applicable as of this Brochure is as follows:

Client Asset Value	Annual Fee (%) on Asset Values
On the first \$1,000,000	1.10% on managed assets
On the next \$1,000,000	0.75% on managed assets
On assets over \$2,000,000	0.50% on managed assets

When appropriate for non-management services, retainer fees and/or negotiated fees will be considered but only utilized with the written consent of the particular client involved.

The specific manner in which fees are calculated and charged by Charter Investment Advisors, Inc. is established in a client’s written agreement with Charter. Charter will bill its fees on a calendar quarter basis. Each client may elect to be billed directly for fees or they may authorize Charter to instruct the client’s selected custodian to debit fees directly from the client’s account(s). Management fees are not typically pro-rated for cash inflows or outflows from managed accounts which means that the fee is based on the value of an account as of the calendar quarter ending date.

However, any account that is newly opened or closed will have the fees prorated to reflect the portion of the quarter the assets are managed by Charter. Upon any account relationship being terminated, any pre-paid or unearned fees will be calculated and returned by Charter to the client either directly or by re-depositing it to a client’s account. All new clients have the right to terminate an agreement without penalty within five (5) business days after entering into the agreement. Charter retains the right to terminate any client relationship at any time and for any reason. If Charter determines that services being offered can not be provided without conflict, it may terminate its services but only after written notice or confirmation in writing to the client.

ITEM 5 - Fees (Continued):

Charter's fees are exclusive of brokerage commissions, transaction fees, exchange fees or taxes or any other related costs and expenses incurred by the client during the time Charter is managing assets. Clients may incur certain charges imposed by custodians, brokers, third party investment advisors and other third parties such as fees charged by managers, custodial fee, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees or taxes on broker accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management or administration fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Charter's fees. Charter shall not receive any portion of these third party commissions, fees, and costs.

ITEM 6 - Performance Fees and Side-by-Side Management

Charter does not charge any performance-based fees.

(Fees based on a share of capital gains or value appreciation of the assets managed)

Charter does not charge any Side-by Side Management Fees.

(Fees based on the performance of a specialty mutual fund or hedge fund type investments utilizing any independent or outside manager of client assets)

ITEM 7 – Types of Clients

Charter generally requires a minimum account of \$500,000 to open a managed account relationship. However, the company waives its minimum for any referral made by a current client, any related family member of a current client, or occasionally for other reasons determined reasonable by Charter.

Charter provides portfolio management services to:

Individuals
High net worth family groups
Charitable Institutions
Endowments
Foundations
Corporate retirement plan accounts

High net worth individuals
Corporate executives
Professional groups
Trusts and Estates including...
 Personal Trusts
 Family Trusts
 Family Limited Partnerships
 Charitable Trusts

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

Method of Analysis:

Charter uses the following methods of analysis when selecting investments for clients. These are listed in order of priority and importance in the overall analytical work done by Charter staff.

- Fundamental analysis – this involves reviewing those factors most important to how a particular stock, exchange traded fund, or equity based mutual fund price changes over different economic cycles. This includes consideration for industry factors, earnings growth in the past and projections in the future, dividend history, balance sheet information and the underlying financial strength and stability of the entity itself over time. Sources of information include financial newspapers, magazines, research materials provided by third party sources, press releases, corporate rating services, annual and periodic reports provided by the entity or company itself, and filings with the SEC.
- Charting analysis – history of prior price changes often reflect many elements that display the risk of price variability for any particular investment. Charter will utilize a charting service in order to better understand such price volatility factors before selecting an asset for individual portfolios.
- Technical Analysis – Charter sometimes uses technical analysis (price trends and trend lines) as a way to confirm what it believes might be a reasonable Buy Price or Sell Price for a particular asset. This is most commonly used as a “support” of a Buy or Sale rating after the fundamental analysis has been applied in order to classify an asset for investment purposes.

Investment Strategies:

Because Charter utilizes marketable securities for managed portfolios, the primary emphasis is placed on creating well-diversified portfolios using individual stocks, individual bonds and mutual funds than can be easily purchased and sold through any brokerage firm a client selects as their account custodian.

In order to provide unbiased advice, Charter does not recommend any private investments or other non-marketable assets. However, various account orientations can be chosen by clients as they wish. The specific strategy utilized depends on each client’s INVESTMENT OBJECTIVE and Cash Flow requirements as set forth in a written Statement of Investment Objectives which is part of Charter’s management contract with each client.

- **Balanced Account Strategy** – this type of account typically involves investments in stocks, bonds, and mutual funds plus there is often a cash reserve/money market type holding which can be used either as a reserve for future investments or a cash reserve for the client. This type of account generally exposes a client to average investment risk along with the prospect for moderate growth and some income as may be needed.
- **Stock Account Strategy** – this type of account is typically designed for a client who has a high risk of loss tolerance, wishes to participate in high growth investments, and who has other financial assets or income to use to sustain their current life-style or goals. Stocks and stock-based mutual funds are selected for investment even though a cash reserve or money market fund type investment may also be utilized during periods when general market conditions appear too risky and becoming defensive fits the client’s goal of taking profits and waiting for another growth investment opportunity.

Investment Strategies (Continued)

- **Bond Account / Income Account Strategy** – This type of account is generally created for clients who require income and positive cash flow in order to meet their needs. Some charitable trusts and foundations require this strategy because of their more conservative goals.
- **Mutual Fund Accounts:** This strategy has become popular in recent years as the number and type of mutual fund and exchange traded funds have increased. Because some clients prefer to avoid individual stock and bond investments, this strategy can be chosen. However, it should be noted that the “risk tolerance” of each client is the overriding factor in selecting which type of ETF or mutual fund is chosen for investment due to the variable risk factors that apply to each fund. There is a risk of loss in any investment fund.

Risk Of Loss:

INVESTING IN SECURITIES OF ANY KIND INVOLVES RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR.

ITEM 9 – Disciplinary Information

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to any prospective client’s evaluation of Charter Investment Advisors, Inc. or the integrity of Charter’s management just as it would any other advisory firm being considered.

Charter is pleased to say that it and its staff have no disciplinary events or information to report.

ITEM 10 – Other Financial Industry Activities and Affiliations

Charter does not have any affiliation with any broker-dealer or any other financial entity in the securities or insurance industry to report.

As stated previously in Item 4 (on page 4) of this Brochure, one of Charter’s basic business guidelines is the desire to provide unbiased investment management services to each and every client. Remaining independent with no fee-based affiliation to investment product entities has helped us to accomplish this goal.

ITEM 11 – Code of Ethics, Participation in Client Transactions & Personal Trading

Charter has adopted a Code of Ethic for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other activities. All supervised persons at Charter must acknowledge in writing the terms of the Code of Ethics not less than annually, or as the Code may be amended.

Charter anticipates that in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Charter has management authority to effect, and will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which Charter, its affiliates and/or other clients, directly or indirectly, have a position of interest. Charter's employees and persons associated with Charter are required to follow Charter's Code of Ethics. Subject to satisfying this policy and applicable laws the officers, directors, and employees of Charter and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Charter's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Charter will not interfere with (i) making decisions in the best interest of advisory clients and, (ii) implementing such decisions while, at the same time, allowing employees of Charter to invest for their own accounts.

Under the Code of Ethics, certain classes of securities may be designated from time to time as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Charter's clients. In addition, the Code requires clearance of many transactions, restricts trading on the same days as client trades, unless such transaction is reviewed and approved by the designated Compliance Officer or Vice President of Charter once it is determined that the client receives the most favored net price for any similar transaction by a staff employee. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity in such a security due to factors which are beyond Charter's control. Employee trading is continually monitored under the Code of Ethics in an effort to reasonably prevent conflicts of interest between Charter and its clients.

Personal or affiliated accounts which may be controlled by Charter may trade in the same securities with client accounts on an aggregated basis when consistent with Charter's management obligations. In such circumstances, the affiliated account(s) will share commission costs equally and receive securities at a total average price. Charter will retain records of such trade order(s) and the allocations to each account so that posting of such trades is completed accurately. In the event that only a partial trade is completed as compared to the initial trade order, the completed trades will be allocated on a pro-rata basis. Any exceptions will be reported and explained in writing and reviewed by Charter's Chief Compliance Officer (CCO) or other designated Company Officer in the absence of the CCO.

Charter's clients and prospective clients may request a copy of the firm's Code of Ethics by contacting the President of Charter at the address shown on the cover page of this brochure.

It is Charter's policy that the firm will **not** initiate any principal or agency "cross securities transactions" for client accounts. This type of transaction is commonly known as a "trade between two accounts" and it can only be affected by a common broker dealer for a common client account situation, and only upon direction by a client. Any such transaction would be under the direct control of the broker/custodian.

ITEM 12 – Brokerage Practices

Charter does not utilize any “soft dollar” payments for any services or other benefit to the firm or its employees.

Note: The term “soft dollars” is used to describe using the commissions paid by client trading activities for the payment of research services or specialized equipment or other expense that would normally be paid directly by the advisory firm. This was a common practice used by broker-dealers in order to entice advisors to do trades with their firm.

Because our clients are required to select their own broker-custodian of choice, Charter has no control over commissions paid and no access to using “soft dollars” for any purpose.

ITEM 13 – Review of Accounts / Review of Portfolios

Charter utilizes three (3) completely different methods to initiate the review of individual managed accounts.

1. Periodically scheduled reviews

When new client relationships are established the assigned portfolio manager establishes a regular schedule to review the client accounts (monthly or quarterly) in order to create the desired portfolio structure as guided by the Investment Objectives form that is required to be filled out and reviewed by the client at the time the account relationship is started.

2. Reviews required for special client purposes or upon client request.

In the normal course of business, clients often inform Charter of some changes in their life such as health issues, inheritances, spousal related changes, etc. Any such change often affects the risk tolerance or investment objectives for the client and the related accounts. This situation typically requires that each account be reviewed to reflect such changes.

3. Asset Change & Cash Flows ... Review to restructure portfolio

This is the most common reason for portfolio reviews to be completed by Charter. All assets held as investments in ALL client accounts are monitored on a daily, weekly or monthly basis. If for any reason Charter determines that a specific investment should be rated differently, such as Buy, Sell, Hold, or if risk of ownership changes, then all client positions in that security may be reviewed to consider appropriate changes. Profit taking, realizing losses, reducing or adding risk to an account, and adjusting the accounts' investment structure are normally involved. On many occasions, clients will either withdraw or add a meaningful amount of cash or assets. Because such changes alter the overall investment structure of an account, Charter will review any such account in order to consider changes and restructure an account so that it again matches the risk tolerance and long term goals of the client.

ITEM 14 – Client Referrals and Compensation to Others

Charter does not offer any cash payments any source of client referrals. All marketing efforts to acquire new clients are done by Charter staff and employees who are paid a salary. Current clients who refer new business to Charter may be provided a one-time fee discount or credit if Charter in its full discretion determines that such action is an appropriate way to show its appreciation.

ITEM 15 – Custody of Account Assets

Charter requires that all clients select their own broker-dealer custodian for the assets to be managed by Charter. If a client has a bank trust department as the designated custodian of assets, Charter will direct investment recommendations and changes to the appropriate custodial officer who then can effect the change with the desired broker of record at their discretion or in compliance with the client's specific directions to their custodian.

Clients should receive monthly or quarterly statements from the broker dealer or bank trust custodian that actually holds and maintains client's investment assets. Charter encourages clients to carefully review such statements and compare such official custodial records to the account statements that Charter may provide to you each calendar quarter. Charter's reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

ITEM 16 – Investment Discretion

Charter usually receives discretionary authority from clients at the outset of an advisory relationship to select the individual securities for investment including the amount (value) of the asset to be purchased, held, or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and risk tolerance for the particular client account.

When selecting securities and determining amounts, Charter observes the investment policies, limitations, and restrictions of the clients for which it advises. As a registered investment advisor, Charter's authority to trade securities for clients may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Charter in writing. Client investment objectives and risk tolerance assumptions will also be assessed and clarified in writing at the time a new advisory relationship is established.

ITEM 17 – Voting Client Securities (Proxy voting)

As a matter of firm policy and practice, Charter does NOT have any authority to, and does not vote proxies on behalf of advisory clients. Clients retain the ownership rights and they retain the responsibility for receiving and voting proxies for any and all securities owned and maintained in their client portfolios. Charter may provide its review and opinion regarding certain questions regarding such proxy voting when a client request help in determining what they perceive to be a proper vote on individual corporate matters.

ITEM 18 – Financial Information

Registered investment advisors are required in this brochure to you with certain financial disclosures or material information about our firm's financial condition. Charter has no financial commitment that impairs its ability to meet contractual and fiduciary responsibilities to clients and it has not ever been the subject of a bankruptcy proceeding.

ITEM 19 – Requirements for State-Registered Advisors

A. Educational and Business Background Information of Principal Officers of Charter.

Terry A. Rodgers, President: Date of Birth: 11-16-47

B.S. Degree: Indiana University - 1971

Masters Degree: University of Central Florida - 1981

Charter Financial Analyst (CFA), - 1975

Passed NASD Exam Series 65 - 1996

Founder and President of Charter Investment Advisors, Inc. - 1988

Formerly President and CEO of Key Trust Company of Florida NA - 1983 - 1988

Senior Vice President, SunTrust (Sun Bank NA), Trust Dept. 1973 - 1983

Lance C. Hope-Gill, Vice President: Date of Birth: 3-9-73

Bachelor of Science in Business Administration Degree: University of Florida (1995)

Portfolio Manager, Analyst & Securities Trader for Charter: 1996 to present

FACA, Inc.: 1995 – 1996 (Financial Officer)

Passed NASD Exam Series 65 - 1998

Certified Financial Planner™ (CFP®) certificant

B. Other Business Activities of Principal Officers of Charter

a. Terry Rodgers, Pres.

i. Realtor and holder of active Florida Real Estate License ...

(Time spent = variable / few hours per week)

Sales Associate for Pro-Star Realty LLC, which is a real estate company owned by Paula A. Rodgers (agent's spouse) that offers listing and sales services for people who own residential and commercial real estate. Primarily focus is on offering services on real estate parcels owned by Charter clients.

ii. Minority owner of Pro Street Corvettes LLC, which is an Orlando based company that does customized work on show cars for high-end car owners.

(Time spent = a few hours per month as consultant)

b. Lance Hope-Gill, Vice President

i. Realtor and holder of active Florida Real Estate License...

(Time spent = variable / few hours per week)

Sales Associate for Pro-Star Realty LLC, which is a real estate company that offers listing and sales services for residential and commercial real estate. Primarily focus is on offering services on real estate parcels owned by Charter clients.

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