

Saunders Retirement Advisors, Inc.

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1/10/2012

This Brochure provides information about the qualifications and business practices of SAUNDERS RETIREMENT ADVISORS, INC. ("ADVISER"). If you have any questions about the contents of this Brochure, please contact us at (804) 320-8800 or via email at info@saundersretirement.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.

SAUNDERS RETIREMENT ADVISORS, INC. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about SAUNDERS RETIREMENT ADVISORS, INC. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

Pursuant to new SEC rules, we have submitted the paperwork to be registered as an Investment Adviser in the state of Virginia. Saunders Retirement Advisors, Inc. will be dually registered with the SEC and the state of Virginia until March 31, 2012 at which time we will withdraw our SEC registration. We have added the "Requirements for State Registered Advisers" and updated the "Advisory Business Introduction" sections to reflect our new registration status.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

You may request our Brochure, at any time, by contacting Mark Saunders, President at (804) 320-8800. Our Brochure is also available on our website at www.saundersretirement.com.

Additional information about Saunders Retirement Advisors, Inc. is also available via the SEC's website, www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with Saunders Retirement Advisors, Inc. who are registered, or are required to be registered, as investment adviser representatives of Saunders Retirement Advisors, Inc.

Item 3 - Table of Contents

Item 2 - Material Changes	2
Item 3 - Table of Contents	3
Item 4 - Advisory Business Introduction	5
Services	5
1. Financial Planning	6
2. Asset Management	6
3. Third Party Managers.....	7
4. Other Services	8
Item 5 - Fees and Compensation.....	8
1. Financial Planning Fee.....	9
2. Asset Management Fee Schedule	9
3. Third Party Managers.....	10
4. Other Services Fees.....	10
Item 6 - Performance Based Fee and Side by Side Management	10
Item 7 - Types of Client(s).....	10
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	10
Risks.....	11
Item 9 - Disciplinary Information	11
Item 10 - Other Financial Industry Activities and Affiliations.....	11
Item 11 - Code of Ethics.....	12
1. Responsibility	13
2. Privacy Statement	13
3. Prohibited Acts.....	13
4. Conflicts of Interest.....	13
5. Gifts	13
Item 12 - Brokerage Practices	14
1. Soft Dollars.....	14
2. Brokerage for Client Referrals.....	14
3. Directed Brokerage	14
Item 13 - Review of Accounts	14
1. Duty to Supervise	14
2. Reviews	15

3. Reports.....	15
Item 14 - Client Referrals and Other Compensation.....	15
Item 15 - Custody.....	15
Item 16 - Investment Discretion	16
Item 17 - Voting Client Securities.....	16
Item 18 - Financial Information.....	16
Item 19 - Requirements for State Registered Advisers.....	17
H. Mark Saunders	18
Thomas A. Scott.....	22
Linda G. Saunders	24
Glossary of Key Terms	27

Item 4 - Advisory Business Introduction

Saunders Retirement Advisors, Inc. ("SRAI") is a registered investment adviser, broker-dealer, and insurance broker that provides investment advice, securities, insurance, and other financial services to clients. We have applied for registration as a state registered investment adviser through the Virginia Division of Securities and Retail Franchising and are currently registered with the SEC. We are currently regulated by the United States Securities and Exchange Commission ("SEC"). In June of 2012, we will withdraw our SEC registration as required by the Dodd-Frank Act.

We provide investment advice through investment adviser representatives ("Advisors") associated with our company. These advisors are also registered representatives of our broker-dealer and insurance agents.

SRAI has been in business for 26 years, since the firm was founded by H. Mark Saunders in 1985. Mr. Saunders remains the Owner, President, and Chief Compliance Officer of the firm.

Services

We provide asset management and financial planning, with an emphasis and specialization on retirement planning and services. While we may provide general and other investment advisory services, our focus is to help you with your retirement planning goals. We provide various advisory services such as Financial Planning, Advisor Managed Accounts, and the Managed American Portfolio Account.

General Information about the services we offer:

We provide asset management services for 38 accounts, managing total assets of \$12,000,000. The number of accounts and assets under management are calculated as of 12/31/2011. This amount is managed on a discretionary basis. Generally, the definition of discretion is giving us the authority to determine the following:

- Securities to be bought or sold for a client's account
- Amount of securities to be bought or sold for a client's account
- Broker or dealer to be used for a purchase or sale of securities for a client's account
- Commission rates to be paid to a broker or dealer for a client's securities transaction

If you authorize, we will select the securities to be bought or sold and the amount of securities to be bought or sold. You will have the opportunity to meet with us to periodically review the assets in your account. Your account may be rebalanced or reallocated in order to reestablish the targeted percentages of your initial asset allocation on an intermittent or period basis. This rebalancing or reallocation may occur at such times as you request, in response to a market event or on a specific date (e.g., your account is reviewed and adjusted quarterly). You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account.

We generally use our broker-dealer to implement securities transactions for your account; however the client is not required to implement through our broker-dealer. You may select any broker-dealer to implement recommendations. Commission rates, if any, are determined by the specific investment vehicle you select. If you choose to implement recommendations through our broker-dealer or purchase insurance products through us, there may be additional fees, such as transaction costs, charged to you and additional compensation due to us.

1. Financial Planning

We may perform financial planning, estate planning, educational, and retirement planning. We may prepare a written financial plan for you. In performing financial planning services, we typically examine and analyze your overall financial situation, which may include, but is not limited to, such issues as taxes, insurance needs, overall debt, credit, business planning, retirement savings and current investment program. Our services may focus on all or only one of these services depending on the scope of the engagement with you. If you engage us to perform these services, you will receive a written agreement detailing the services, fees, terms and conditions of the relationship. You will also receive this Brochure. You are under no obligation to implement recommendations through our investment adviser, broker-dealer, or insurance broker.

2. Asset Management

Asset Management is the professional management of securities (stocks, bonds, ETFs, and other securities) in order to meet your specified investment goals. With an Asset Management Account, you engage us to assist you in developing a personalized asset allocation program and custom-tailored portfolio designed to meet your investment objectives. The recommended portfolio may include various securities such as individual equity securities, ETFs, and bonds.

You will meet with us to discuss your financial circumstances, investment goals and objectives, and to determine your risk tolerance. We may ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information. Based on the information you shared with us, we will analyze your situation and recommend an appropriate asset allocation or investment strategy. We will recommend an appropriate asset allocation or investment strategy. Our recommendation and ongoing management is based upon your investment goals and objectives, risk tolerance, and the investment portfolio you selected. We will monitor the account, trade as necessary, and communicate regularly with you. Your circumstances will be monitored in quarterly and annual account reviews. We will work with you on an ongoing basis to evaluate your asset allocation as well as rebalance your portfolio to keep it in line with your goals as necessary. You must notify us promptly when your financial situation, goals, objectives, or needs change as these provide the basis for your investment strategy.

You may, at any time, impose restrictions on the account. Restrictions may be a specific company security, industry sector, asset class, or any other restriction you request.

Under certain conditions, securities from outside accounts may be transferred into your advisory account. However, we may recommend that you sell any security if we believe that it is not suitable for

the current recommended investment strategy. You are responsible for any taxable events in these instances. We do not provide tax advice or tax management services. You should always consult with your tax advisor for specific tax advice. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not an indication of future performance.

The funds in the account will be held in custody, in your name, at a custodial firm. We generally use TD Ameritrade as the custodial firm. You will enter into a separate custodial agreement with TD Ameritrade. You will at all times maintain full and complete ownership rights to all assets held in your managed account, including the right to withdraw securities or cash, proxy voting, and receiving transaction confirmations. You grant, in writing, limited discretionary authority so that we may select the securities bought and sold and the amount to be bought and sold, within the parameters of the objectives and risk tolerance of your account. The custodian will provide all clearing, trading, and brokerage services for your account. You will receive statements directly from the custodian at least quarterly. We may:

- Review your current financial situation
- Monitor and track assets under management, including quarterly reviews and annual rebalancing
- Provide portfolio statements, periodic rate of return reports, asset allocation statements, and rebalancing reports as needed
- Advise on asset selection
- Determine asset allocation models
- Provide research on performance and factors relating to investments
- Determine a risk management profile
- Assist you in setting and monitoring goals and objectives
- Provide personal consultations as necessary

The Asset Management relationship may be terminated at any time upon written notice by either party. If written notice is made, by you, within the first five (5) days from the date of the Advisory Agreement, any fees paid by you will be refunded. Thereafter, you are responsible for paying for services rendered up until the date the written notice of termination is received by us.

3. Third Party Managers

We may determine that opening an account with a professional third party money manager is in your best interests. We have contracts with several approved third party money managers that you may use.

These programs allow you to obtain portfolio management services that typically require higher minimum account sizes outside of the program. The money managers selected under these programs will have discretion to determine the securities they buy and sell within the account, subject to reasonable restrictions imposed by you. Due to the nature of these programs, each of the independent money managers is obligated to provide you with a separate disclosure document. You should carefully review this document for important and specific program details, including pricing.

Under these programs, we may:

- Assist in the identification of investment objectives
- Recommend specific investment style and asset allocation strategies
- Assist in the selection of appropriate money managers and review performance and progress
- Recommend reallocation among managers or styles within the program
- Recommend the hiring and firing of money managers utilized by you

You should read the ADV Part 2 disclosure document of the money manager for complete details on the charges and fees you will incur.

4. Other Services

On occasion, we may provide specific investment advice pertaining to investments, securities, or financial circumstances not related to our standard Asset Management services. We may also assist you with the selection of other Advisers or financial services professionals.

Item 5 - Fees and Compensation

We provide asset management services for a fee. Management fees are based on a percentage of assets under management. Fees are billed quarterly in advance for the services rendered based upon the most recent quarter end market value and are prorated for cash flow in and out of the account during the billing period. Our Advisory Agreement outlines the services you will receive and the fees you will pay. You may authorize the custodian to directly debit fees from your account held at the custodian. Management fees are prorated for each contribution and withdrawal made during the applicable calendar quarter (with the exception of small inconsequential contributions and withdrawals). Upon termination of any account, any fees that are in excess of the management services performed will be promptly refunded to you. Any fees that are due, but have not been paid, will be billed to you through the custodian. The custodian will deduct the fee from your account and send it to us.

Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians, brokers, investment companies, and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual Funds, money market funds and exchange traded funds also may charge internal management fees, which are disclosed in the fund's prospectus. These fees include, but are not limited to, a management fee, sales charges, and other fund expenses. All such fees are in addition to our management fee. You should review all fees charged to fully understand the total amount of fees you will pay.

Certain strategies offered by us may involve investment in mutual funds. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b) (1) fees". The 12(b) (1) fee, deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund's prospectus.

You may invest in ETFs, bonds, and other investments directly without our services. The advisory fees we charge may be higher or lower than those charged by other advisers for comparable services, but such costs are generally within a competitive range for similar services. The advisory fee we charge may be more than you would pay to buy or sell the securities directly on a commission basis in a non-managed account.

You are neither obligated nor required to implement recommendations through us and may elect to purchase investment products we recommend through other brokers or agents not affiliated with us. If investment recommendations are implemented through our broker dealer there may be additional compensation due to us and paid by you. The potential for such payments may create a conflict of interest to the extent we recommend products for which we may receive additional compensation. We may have an incentive to recommend particular products based upon the potential compensation rather than your needs. This potential conflict is addressed in our Code of Ethics and internal policies, and through our commitment to placing your needs first. Additionally, we generally take these steps to reduce potential conflicts, primarily recommend no-load mutual funds when recommending funds

1. Financial Planning Fee

Fees are based on an hourly basis for financial planning engagements. The fee is based upon the complexity of the engagement and a total cost estimate can be provided to you in advance. Hourly fees range between \$75 and \$250, based upon the scope of the engagement. Generally, 50% of the estimated fee is payable as a retainer at the establishment of the agreement with the remainder due upon completion of the plan. The fee is not refundable.

2. Asset Management Fee Schedule

We generally charge fees on a quarterly basis, in advance. The first quarter is computed on a pro rata basis and paid upon the engagement of the advisor. The quarterly fee is based on the total market value of the client's account under management. The market value is determined by the closing net asset values published for the end of the month immediately prior to the billing date. The fee is due upon receipt. You may elect to be billed directly for fees or to authorize the advisor to directly debit fees from your account(s). If you authorize the deduction of fees from your account, you will be responsible for any fees, charges or other costs associated with such deduction as well as the tax impact associated with any such deduction. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Fees may be negotiable, subject to circumstances and not to exceed the maximum rate. Our annual advisory fees are based upon a variety of factors such as, but not limited to, account size, account type and types of investments in your account.

Our usual advisory fee is a percentage based upon the account size and will be determined from the following schedule:

Annual Fee Percentage	Portfolio Size (AUM)
1.20% (F or R Shares)	Under \$1,000,000
0.095% (F or R Shares)	> \$1,000,000
1.20% (A Shares)	Under \$1,000,000

0.095% (A Shares)	> \$1,000,000
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The advisory fees we charge may be higher or lower than those charged by other advisers for comparable services, but such costs are generally within a competitive range for similar services. The advisory fee we charge may be more than you would pay to buy or sell the securities directly on a commission basis in a non-managed account.

3. Third Party Managers

We may refer you to one of our approved third party money managers. There are several money managers available. You will receive a Form ADV Part 2 from the selected money manager that details how its fees and expenses are paid and our relationship with them. You should read it carefully and ask us any questions you may have. Your Advisory Agreement will disclose the services you will receive and the fees you will pay. You may pay advisory fees to a third party money manager and to us depending upon which manager you select.

4. Other Services Fees

For special projects or additional advice beyond the scope of any existing relationship, we charge hourly fees ranging between \$75 and \$250, based upon the scope of the engagement.

Item 6 - Performance Based Fee and Side by Side Management

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 - Types of Client(s)

We provide portfolio management services and financial planning services to individuals, high net worth individuals, and small businesses. We generally, have no minimum account size. A minimum asset level may be required by client's selection of a specific investment option, such as the Managed American Portfolio (MAP) Accounts, invested in mutual funds. In this case, the minimum account size is \$200,000 unless the client is engaged in a periodic investment plan or has executed a letter of intent to grow the assets to the minimum threshold within a short timeframe.

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

We analyze investment programs and products by reviewing the background of the persons associated with the manager, the manager's investment process, investment philosophy, methodology used within the program, and disclosure documents related to the program. In the case of individual stocks, we analyze the company management, expenses and profits, history, and other factors deemed relevant to the performance of the stock. Advisors may at times perform their own research on various securities and/or programs through third party resources available to the public.

Investment in securities, mutual funds, or other investment vehicles involves a risk of loss that you should be prepared to bear. There is no guarantee you will receive profits or gains, and you must understand there may be a loss of assets.

You may be given additional material about your investment, such as a mutual fund prospectus. You are strongly encouraged to read all supplemental information about the funds and to ask the advisor additional questions for clarification as necessary.

We meet with you and analyze goals, objectives, and financial circumstances to develop asset allocation models and investment advice tailored to your needs. On an annual basis, we will offer to meet with you to re-evaluate your needs.

Risks

There is no guarantee that our analysis methods will yield a return. Loss of principal is always a risk and past performance is no guarantee of future results. Investing in securities involves a risk of loss that our clients should be prepared to handle. Investment decisions made by you and your advisor for your account are subject to various market, currency, political, and business risks. The investment decisions we make for you in managing your account on a discretionary basis will not always be profitable nor are there any guarantees as to any level of performance. Additionally, dividend or interest payments are not guaranteed and may also fluctuate as market conditions change. You need to be sure you understand the risks related in investing in securities. For a comprehensive description of all the risks associated with our strategies, methodology, and products please refer to the glossary under Risks.

Item 9 - Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We do not have any legal or disciplinary events applicable to this item.

Item 10 - Other Financial Industry Activities and Affiliations

We are a registered securities broker-dealer and insurance broker, as well as being a registered investment adviser. In our capacity as a broker-dealer, investment adviser, and insurance broker our advisors may offer a wide variety of securities and insurance products and services. In addition, the commissions, fees, bonuses, or distribution of trail fees and other forms of compensation paid in connection with the purchase or sale of products and services vary. These commissions are paid to our advisors and would be in addition to the advisory fees you may pay us. This may cause a material conflict to arise as there may be a financial incentive to recommend investment products based upon compensation received, rather than on the client's needs. This conflict is addressed in the Code of Ethics and the firm's commitment and requirement to put the client's needs first. We monitor for this and will take action against any violation of this policy. However, there is no obligation to implement advice or recommendations through us or our broker-dealer.

Item 11 - Code of Ethics

We have legal and fiduciary obligations to our clients that require certain restrictions on the investment activities of our owners, officers, and employees, members of each of their immediate family members, and affiliated entities (collectively, “Supervised” or “Subjective” persons). We have adopted a Code of Ethics and Conflict of Interest Statement (“Code of Ethics”) to disclose the potential conflicts of interest, and policies and procedures that address these activities. The Code of Ethics describes our high standard of business conduct and fiduciary duty to you. The Code of Ethics includes provisions relating to the confidentiality of your 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. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics addresses the following principles that guide the investment activities of our firm and the Supervised Persons in light of the firm’s legal and fiduciary duties.

1. The interest of the client always takes precedence over personal interests.
2. Advisory personnel must not take inappropriate advantage of their position as securities industry professionals.
3. Personal investing activities must be conducted in a manner as to avoid any actual or potential conflict with investment activities undertaken for clients.

We allow Supervised Persons to maintain personal securities accounts, provided any investment activities are consistent with our fiduciary duties to you.

We may recommend securities to you that we have purchased for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

We have established the following policies:

- We will only buy or sell for you securities of companies that the principals of ours or a related person do not have a material interest (5% or more ownership).
- No transactions will be executed that would not be deemed an arm’s length transaction and in your best interest.
- Priority will be given to your orders over orders of related persons
- We will not buy or sell securities for our personal portfolio(s) where the decision is derived, in whole or in part, from our role as an Investment Adviser, unless the information is also publically available.
- You have the right to decline any investment advice given and are under no obligation to implement recommendations
- All Supervised Persons are required to disclose all personal and directed accounts upon commencement of employment, and thereafter.

Under certain circumstances, exceptions may be made to the policies stated within the Code of Ethics. Records of these trades, including reasons for the exceptions, will be maintained. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest.

You may request a copy of the firm's Code of Ethics by contacting H. Mark Saunders.

1. Responsibility

It is the responsibility of all supervisory personnel to ensure that we conduct business with the highest level of ethical standards and in keeping with our fiduciary duties to you. We must put your interests first and refrain from having outside interests that conflict with your interests.

2. Privacy Statement

We are committed to protecting the confidentiality, integrity and security of your personal non-public information. We are committed to preventing unauthorized access to, or the use or disclosure of your personal information. Our privacy policy will be offered to you at the time you open an account and offered annually thereafter. Additionally, you may always request a copy of the privacy policy.

3. Prohibited Acts

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices
- Purchasing, indirectly or directly, any security from or selling any security to a client account
- Purchasing equity securities in initial public offerings (“IPO”)

4. Conflicts of Interest

We have a duty to disclose potential and actual conflicts of interest.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interest of all the accounts we advise.

5. Gifts

We prohibit officers and employees from receiving a gift of substantial value (i.e., in excess of \$100.00), a cash payment in any amount, a preferred personal investment opportunity, or other things of more than a “de minimis” value from any person or entity doing business or seeking to do business with us.

Item 12 - Brokerage Practices

1. Soft Dollars

We do not accept or receive soft dollar benefits from other firms such as broker-dealers, custodians, or other third parties. Soft Dollar Benefits are generally defined as the practice of receiving research and other services in exchange for directing client transactions to a specific broker-dealer or investment company.

2. Brokerage for Client Referrals

We do not select or recommend broker-dealers based upon whether or not we receive client referrals.

3. Directed Brokerage

As a general matter, we execute transactions through our broker-dealer or TD Ameritrade. You are not required to execute through our broker-dealer and may implement the recommendations anywhere.

- If you elect to execute transactions through our broker-dealer the fees and expenses you pay may be more or less than the expenses should you decide to implement recommendations through another broker-dealer or investment advisory firm. We may receive compensation, in addition to the advisory fees you pay, when portfolio transactions are effected on behalf of investment advisory clients through us in our capacity as a broker-dealer. We may receive compensation as a result of acting in one or both capacities. This may be deemed to create a conflict of interest since we may have an incentive to increase compensation to our company.
- If you chose to direct us to a specific broker for execution of transactions we may not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. You may pay higher commissions, transaction cost, and receive less favorable net prices than other clients.

We do not aggregate the purchase or sales of securities for various client accounts. Due to the volume of transactions, there is no economic benefit to the client.

Item 13 - Review of Accounts

1. Duty to Supervise

We have a duty to ensure adequate supervision over the activities of persons associated with our firm and to have a compliance program in place reasonably designed to adhere to securities regulations.

We have:

- Established procedures reasonably designed to prevent and detect violations of securities law
- Created written policies and procedures and a system of controls that govern our operations
- Required all affiliated or associated persons to read and confirm understanding of policies and procedures

2. Reviews

On a quarterly basis your advisor, and the Chief Compliance Office, will review client(s) account statements and current positions/allocations for accuracy of trade confirmation data, fee calculations and charges, and consistency with stated investment objectives, as well as any restrictions placed by the client.

On a quarterly basis, the client will receive a statement, prepared by the custodian of the assets, detailing the current holdings, any transactions that have occurred during the period, loss or gain, and fees and expenses.

For ongoing financial planning engagements, the advisor will offer to meet with the client on an annual basis to review the plan and any changes to financial or personal condition, goals, or objectives of the client. Any change in information will be recorded and analyzed to determine if the previous recommendations are still appropriate given the client's current circumstances. The client and the advisor shall determine if changes to the engagement and/or a new financial plan is appropriate. Financial plans will be reviewed by the Chief Compliance Officer or an appropriate designee.

3. Reports

You will be provided with quarterly statement reflecting the calculation and deduction of our advisory fees. We urge you to carefully review such statements and compare the official custodial record to the account statement that we provide. If you notice any discrepancies, please contact H. Mark Saunders.

The reports you will receive include:

- Quarterly billing statements
- Quarterly Income and Expense transactions
- Quarterly Portfolio Overviews

You may also request a report at any time.

Item 14 - Client Referrals and Other Compensation

We may enter into written agreements to pay referral fees to other third-party investment advisers who are unaffiliated individuals. We may compensate these unaffiliated individuals for referring our advisory services. Any such arrangements with an unaffiliated third-party will be pursuant to a solicitation agreement that complies with rule 206(4)-3 under the Advisers Act. At the time of the solicitation and prior to entering into an advisory agreement with SRAI, you will receive a document disclosing the compensation arrangement between SRAI and the third-party.

Item 15 - Custody

You should receive at least quarterly statements from the broker-dealer or other qualified custodian that holds and maintains your investment assets. We urge you to carefully review such statements and

compare the official custodial records to the account statements and reports that we may provide to you. Our statements may vary from custodial statements based upon account procedures, reporting dates, or valuation methodologies of certain securities. If you notice any discrepancies, please contact H. Mark Saunders.

We do not debit the client fees directly from your advisory account. Only the custodian has the authority to directly charge and debit the advisory to your account, which is then forwarded to us. The Custodian will provide you immediate transaction confirmations and monthly statements, either by mail or electronically per your request. Monthly statements list the total value of the account at the start and end of the month and itemize all transactions and security positions. For taxable accounts, the Custodian will provide you consolidated year-end summary statements including IRS forms 1099 and other tax-related forms, as applicable. We are not allowed to make alterations or amendments to the custodian's statement. This preserves the integrity of the Custodian's statement and provides you with an independent appraisal of the account.

Item 16 - Investment Discretion

We are granted discretionary authority over your account, by you, at the onset of our advisory relationship. This discretionary authority is documented in writing, as well as any restrictions placed by you. This discretionary authority allows us to select which securities to buy or sell, the quantity and the dollar amount to buy or sell. In all cases, discretionary authority will be exercised in a manner consistent with the stated investment objectives and risk tolerance for your account. You will have the opportunity to meet with your advisor to periodically review your account. In the discretionary asset management of your account, we will observe the investment policies, limitations, and restrictions on your account.

Item 17 - Voting Client Securities

As a matter of firm policy and practice, we do not generally vote proxies for our clients. If you desire us to vote proxies on your behalf, you should make appropriate arrangements with your custodian. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios.

Item 18 - Financial Information

We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you.

Item 19 - Requirements for State Registered Advisers

SRAI is wholly owned and managed by H. Mark Saunders, CFP®. Mark is the owner, President, and Chief Compliance Officer. There are two other Officers of the company; they are Linda Saunders and Thomas Scott. Please refer to the individual Brochure Supplements, which are included at the end of this Brochure, for more information on these individuals.

Brochure Supplement (Part 2B of Form ADV) H. Mark Saunders

Saunders Retirement Advisors, Inc.

H. Mark Saunders
7400 Beaufont Springs Drive, Suite 300
Richmond, VA 23225
(804) 320-8800

This brochure supplement provides information about Mark Saunders and supplements the Saunders Retirement Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Mark Saunders if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Additional information about Harold Mark Saunders is available on the SEC's website at www.adviserinfo.sec.gov.

H. Mark Saunders

Mark was born in 1953.

1. Educational Background and Business Experience

Education

M.P.A., University of Southern California

M.S., Virginia Commonwealth University

B.A., Averett University

Designations

Certified Financial Planner® Practitioner

Minimum Designation Requirements

Certified Financial Planner (CFP)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Prerequisites/Experience: Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year)

Educational Requirements: Complete an advanced college level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning

Examination Type: Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and

client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances

Ethics: Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

Continuing Education/Experience Requirements: Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct to maintain competence and keep up with developments in the financial planning field

Ethics: Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Business History

11/1993-Present: Owner, President, Chief Compliance Officer, Saunders Retirement Advisors, Inc.

1992-2005: President, Saunders Asset Management, Inc.

1990-1992: Vice President and Treasurer, Saunders, Shepherd Asset Management

1987-1990: Vice President and Treasurer, Cecil & Saunders, Inc.

1985-1987: President, Investor Planning Services

1984-1985: Registered Representative, Dean Witter Reynolds

1982-1984: Registered Representative, Wheat First Securities

2. Disciplinary Information

Mark has no disciplinary history that must be disclosed.

3. Outside Business Activities

Mark is a Registered Representative and Insurance Broker with Saunders Retirement Advisors, Inc. broker-dealer as well as being an Investment Advisor Representative. In his capacity as a registered representative or insurance broker, Mark may sell or buy securities products and insurance products on behalf of clients. He may be compensated for such purchases and sales by commissions, bonuses, or distribution of trail fees in addition too, or separately from, his regular compensation of advisory fees.

This may cause a material conflict to arise as there may be a financial incentive to recommend investment products based upon compensation received, rather than on the client's needs. This conflict is addressed in the Code of Ethics and the firm's commitment and requirement to put the client's needs first.

4. Additional Compensation

There is no additional compensation awarded Mark for providing advisory services, such as sales awards or prizes. He may receive additional compensation for sales of insurance products.

5. Supervision

Mark is the Owner, President, and Chief Compliance Officer and performs all supervisory duties for his firm.

6. Requirements for State-Registered Advisers

Mark has no reportable events to disclose here.

Performance Fees

We do not charge a performance-based fee (fees based on a share of capital gains on, or capital appreciation of, the assets of a client) for our normal asset management accounts.

Other Relationships

Neither the firm nor Mark has any relationship with any issuer of securities

Brochure Supplement (Part 2B of Form ADV) Thomas Scott

Saunders Retirement Advisors, Inc.

Thomas Scott
7400 Beaufont Springs Drive, Suite 300
Richmond, VA 23225
(804) 320-8800

This brochure supplement provides information about Thomas Scott and supplements the Saunders Retirement Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Thomas Scott if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Additional information about Thomas Scott is available on the SEC's website at www.adviserinfo.sec.gov.

Thomas A. Scott

Thomas A. Scott is a financial service professional with over 15 years of experience. He has spent his career working with H. Mark Saunders to build and grow Saunders Retirement Advisors. Tom was born in 1951.

1. Educational Background and Business Experience

Education

M.B.A. Finance, University of North Carolina, Chapel Hill

B.B.A, University of Georgia

Business History

11/1994-Present: Registered Principal, Saunders Retirement Advisors, Inc.

2. Disciplinary Information

Tom has no disciplinary history that must be disclosed.

3. Outside Business Activities

Tom is a Registered Representative and Insurance Broker with Saunders Retirement Advisors, Inc. broker-dealer as well as being an Investment Advisor Representative. In his capacity as a registered representative or insurance broker, Tom may sell or buy securities products and insurance products on behalf of clients. He may be compensated for such purchases and sales by commissions, bonuses, or distribution of trail fees in addition too, or separately from, his regular compensation of advisory fees. This may cause a material conflict to arise as there may be a financial incentive to recommend investment products based upon compensation received, rather than on the client's needs. This conflict is addressed in the Code of Ethics and the firm's commitment and requirement to put the client's needs first.

4. Additional Compensation

There is no additional compensation awarded Tom for providing advisory services, such as sales awards or prizes. He may receive additional compensation for sales of insurance products.

5. Supervision

H. Mark Saunders is the Chief Compliance Officer of SRAI. Mark may be contacted at (804) 320-8800. In the course of his supervisory duties as Chief Compliance Officer, Mark will periodically review Tom's advisory accounts, correspondence, financial plans, and advisory activities.

6. Requirements for State-Registered Advisers

Tom has no reportable events to disclose here.

Performance Fees

We do not charge a performance-based fee (fees based on a share of capital gains on, or capital appreciation of, the assets of a client) for our normal asset management accounts.

Other Relationships

Neither the firm nor Tom has any relationship with any issuer of securities

Brochure Supplement (Part 2B of Form ADV) Linda Saunders

Saunders Retirement Advisors, Inc.

Linda Saunders
7400 Beaufont Springs Drive, Suite 300
Richmond, VA 23225
(804) 320-8800

This brochure supplement provides information about Linda Saunders and supplements the Saunders Retirement Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Linda Saunders if you did not receive the firm's brochure or if you have any questions about the contents of this supplement.

Additional information about Linda Saunders is available on the SEC's website at www.adviserinfo.sec.gov.

Linda G. Saunders

Linda G. Saunders is public relations professional with over thirty years of experience. She has spent her career working with firms in the financial and healthcare industries with management roles in corporate communications and marketing as well as journalism. Linda is not an investment adviser, she is an Officer of the firm. Linda was born in 1956.

1. Educational Background and Business Experience

Education

Bachelor of Arts in English and Journalism, 1978
University of Richmond, VA

Business History

May 2010 – Present:	Financial and Operations Principal at Saunders Retirement Advisors, Inc.
April 2007 – May 2010	Marketing Communication Specialist at Wellpoint, Inc.
March 1983 – August 2006	Vice President of Corporate Communications at Freddie Mac

2. Disciplinary Information

Linda has no disciplinary history that must be disclosed.

3. Outside Business Activities

Linda does not participate in any outside business activities.

4. Additional Compensation

There is no additional compensation awarded Tom for providing advisory services, such as sales awards or prizes.

5. Supervision

H. Mark Saunders is the Chief Compliance Officer of SRAI. Mark may be contacted at (804) 320-8800. In the course of his supervisory duties as Chief Compliance Officer, Mark will periodically review Linda's role in maintaining the firm's financial responsibility and recordkeeping requirements as a FINRA member.

6. Requirements for State-Registered Advisers

Linda has no reportable events to disclose here.

Performance Fees

We do not charge a performance-based fee (fees based on a share of capital gains on, or capital appreciation of, the assets of a client) for our normal asset management accounts.

Other Relationships

Neither the firm nor Linda has any relationship with any issuer of securities.

Glossary of Key Terms

Adviser – Saunders Retirement Advisors, Inc.

Advisor – Your individual representative at SRAI

Asset Allocation – The process of dividing investments among different kinds of assets, such as stocks, bonds, real estate and cash, to optimize the risk/reward tradeoff based on an individual's or institution's specific situation and goals. This is a key concept in financial planning and money management.

Asset-class investment portfolios – An asset class is a grouping of similar investments whose prices tend to move together. Asset classes can be defined on a very general level, such as stocks or on a more specific level, such as American silver producing companies. The concept of asset classes is important because one of the goals when building an investment portfolio is to use different asset classes that are not correlated with each other.

Exchange-Traded Funds (ETFs) – A type of an investment company (either an open-end company or UIT) whose objective is to achieve the same return as a particular market index. ETFs differ from traditional open-end companies and UITs, because, pursuant to SEC exemptive orders, shares issued by ETFs trade on a secondary market and are only redeemable from the fund itself in very large blocks (blocks of 50,000 shares for example).

Expense Ratio – The fund's total annual operating expenses (including management fees, distribution (12b-1) fees, and other expenses) expressed as a percentage of average net assets.

Fees – A list of all fees associated with different products we offer are listed below:

1. **12b-1 Fees** – Fees paid by the fund out of fund assets to cover the costs of marketing and selling fund shares and sometimes to cover the costs of providing shareholder services. "Distribution Fees" include fees to compensate brokers and others who sell fund shares and to pay for advertising, the printing and mailing of prospectuses to new investors, and the printing and mailing of sales literature. "Shareholder Service Fees" are fees paid to persons to respond to investor inquiries and provide investors with information about their investments.
2. **Account Fee** – A fee that some funds separately impose on investors for the maintenance of their accounts. For example, accounts below a specified dollar amount may have to pay an account fee.
3. **Distribution Fees** – Fees paid out of fund assets to cover expenses for marketing and selling fund shares, including advertising costs, compensation for brokers and others who sell fund shares, and payments for printing and mailing prospectuses to new investors and sales literature prospective investors. Sometimes referred to as "12b-1 fees."
4. **Management Fee** – Fee paid out of fund assets to the fund's investment adviser or its affiliates for managing the fund's portfolio, any other management fee payable to the fund's investment adviser or its affiliates, and any administrative fee payable to the investment adviser that are

not included in the "Other Expenses" category. A fund's management fee appears as a category under "Annual Fund Operating Expenses" in the Fee Table.

5. **Operating Expenses** — The costs a fund incurs in connection with running the fund, including management fees, distribution (12b-1) fees, and other expenses.
6. **Purchase Fee** — A shareholder fee that some funds charge when investors purchase mutual fund shares. Not the same as (and may be in addition to) a front-end load.
7. **Redemption Fee** — A shareholder fee that some funds charge when investors redeem (or sell) mutual fund shares. Redemption fees (which must be paid to the fund) are not the same as (and may be in addition to) a back-end load (which is typically paid to a broker). The SEC generally limits redemption fees to 2%.
8. **Sales Charge (or "Load")** — The amount that investors pay when they purchase (front-end load) or redeem (back-end load) shares in a mutual fund, similar to a commission. The SEC's rules do not limit the size of sales load a fund may charge, but FINRA rules state that mutual fund sales loads cannot exceed 8.5% and must be even lower depending on other fees and charges assessed.
9. **Shareholder Service Fees** — Fees paid to persons to respond to investor inquiries and provide investors with information about their investments. See also "12b-1 fees."

Index Fund — A type of mutual fund or Unit Investment Trust (UIT) whose investment objective typically is to achieve the same return as a particular market index, such as the S&P 500 Composite Stock Price Index, the Russell 2000 Index, or the Wilshire 5000 Total Market Index.

Investment Adviser — Generally, a person or entity who receives compensation for giving individually tailored advice to a specific person on investing in stocks, bonds, or mutual funds. Some investment advisers also manage portfolios of securities, including mutual funds.

Investment Company — A company (corporation, business trust, partnership, or limited liability company) that issues securities and is primarily engaged in the business of investing in securities. The three basic types of investment companies are mutual funds, closed-end funds, and unit investment trusts.

Investment Goals — Objective or target, usually driven by specific future financial needs. Some common goals for an individual are: saving for a comfortable retirement, saving to send children to college, managing finances to enable a home purchase, minimizing taxes, and maximizing return on investments given a certain risk tolerance, and estate or trust planning.

Investment Objectives — The financial goal or goals of an investor. An investor may wish to maximize current income, maximize capital gains, or set a middle course of current income with some appreciation of capital. Defining investment objectives helps to determine the investments an individual should select.

Margin — Borrowing money (usually using securities you already own as collateral) that is used to purchase securities.

Mutual Fund — The common name for an open-end investment company. Like other types of investment companies, mutual funds pool money from many investors and invest the money in stocks, bonds, short-term money-market instruments, or other securities. Mutual funds issue redeemable shares that investors purchase directly from the fund (or through a broker for the fund) instead of purchasing from investors on a secondary market.

NAV (Net Asset Value) — The value of the fund's assets minus its liabilities. SEC rules require funds to calculate the NAV at least once daily. To calculate the NAV per share, simply subtract the fund's liabilities from its assets and then divide the result by the number of shares outstanding.

No-load Fund — A fund that does not charge any type of sales load. But not every type of shareholder fee is a "sales load," and a no-load fund may charge fees that are not sales loads. No-load funds also charge operating expenses.

Open-End Company — The legal name for a mutual fund. An open-end company is a type of Investment Company.

Portfolio — An individual's or entity's combined holdings of stocks, bonds, or other securities and assets.

Profile — Summary of key information about a mutual fund's costs, investment objectives, risks, and performance. Although every mutual fund has a prospectus, not every mutual fund has a profile.

Prospectus — Document describing the mutual fund to prospective investors. Every mutual fund has a prospectus. The prospectus contains information about the mutual fund's costs, investment objectives, risks, and performance. You can get a prospectus from the mutual fund company (through its website or by phone or mail). Your financial professional or broker can also provide you with a copy.

Risks — A list of all risks associated with the strategies, products and methodology we offer is provided below:

1. Fundamental Analysis Risk

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics
- When using this method with mutual funds, the funds are composed of many companies and not all of them will be undervalued
- The data used may be at least six months out of date
- It is difficult to give appropriate weightings to the factors
- In the early 1970s and 1980s price/earnings multiples of 80 or 90 were considered acceptable by some for 'blue chip' stocks in the United States

- In the 1980s in the United States some biotechnology stocks sold at '50 times sales'. The companies had no earnings and paid no dividend. The new yardstick to value these became 'products in the pipeline'. By the late 1980s most had lost three-quarters of their stock price
- It assumes that the analyst is competent
- A fundamental analyst assumes that other fundamental analysts will form the same view about the company and buy the stock, thus restoring its value and returning the trader or investor a capital gain. In practice, an undervalued company's stock price can stay at approximately the same level (or decline) for years
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on
- It assumes that there is no monopolistic power over markets
- Even when fundamental analysis reveals an undervalued company, or a stock with high growth prospects, it does not tell us anything about the timing of the purchase of the stock. In other words, we may have discovered a grossly undervalued stock whose price has been falling for some time, and may well continue falling

2. Mutual Funds Risk

Mutual funds can offer the advantages of diversification and professional management. But, as with other investment choices, investing in mutual funds involves risk and fees, and taxes will diminish a fund's returns.

Mutual funds have features that some clients might view as disadvantages, such as:

- **Costs Despite Negative Returns** — Clients must pay sales charges, annual fees, and other expenses) regardless of how the fund performs. And, depending on the timing of their investment, clients may also have to pay taxes on any capital gains distribution they receive — even if the fund went on to perform poorly after they bought shares
- **Lack of Control** — Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades
- **Price Uncertainty** — With an individual stock, you can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling your advisor. You can also monitor how a stock's price changes from hour to hour. But with a mutual fund, the price you purchase or redeem shares for will typically depend on the fund's NAV, which the fund might not calculate until many hours after you've placed your order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close

The following is a list of some general risks associated with investing in mutual funds:

- **Country Risk** — The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline

- **Currency Risk** — The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk
- **Income Risk** — The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates
- **Industry Risk** - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk** — The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns
- **Manager Risk** — The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives
- **Market Risk** — The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall
- **Principal Risk** — The possibility that an investment will go down in value, or "lose money," from the original or invested amount

3. Bond Fund Risk

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields. The risks associated with bond funds include:

- **Call Risk** — The possibility that falling interest rates will cause a bond issuer to redeem — or call — its high-yielding bond before the bond's maturity date
- **Credit Risk** — The possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk
- **Interest Rate Risk** — The risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds
- **Prepayment Risk** — The chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield

4. Stock Fund Risk

Although a stock fund's value can rise and fall quickly over the short term, historically stocks have performed better over the long term than other types of investments — including corporate bonds, government bonds, and treasury securities.

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

Not all stock funds are the same. For example:

- Growth funds focus on stocks that may not pay a regular dividend but have the potential for large capital gains
- Income funds invest in stocks that pay regular dividends
- Index funds aim to achieve the same return as a particular market index, such as the S&P 500 Composite Stock Price Index, by investing in all — or perhaps a representative sample — of the companies included in an index
- Sector funds may specialize in a particular industry segment, such as technology or consumer products stocks

5. Alternative Investment Risk

Investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- Loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices
- Lack of liquidity in that there may be no secondary market for the fund and none expected to develop
- Volatility of returns
- Restrictions on transferring interests in the fund
- Absence of information regarding valuations and pricing
- Delays in tax reporting
- Less regulation and higher fees than mutual funds

6. Overall Fund Risk

- Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund go up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change
- Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals
- While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market

7. Technical Analysis risk

- Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy
- Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data
- Models and rules can incur high transaction costs
- Technical analysis has not received the same level of academic scrutiny as fundamental analysis; academic appraisals often find that it has little predictive power

8. Options Risk

- An option holder runs the risk of losing the entire amount paid for the options in a relatively short period of time. Option writers run the risk of losing more than their original investment
- The more an option is out of the money and the shorter the remaining time to expiration, the greater the risk that an option holder will lose all or part of his investment in the option
- The exercise provisions of an option may create certain risks for the option holders
- Exercise restrictions may be imposed by the courts, SEC, other regulators, the Options Clearing Corporation or the respective options market
- Option writers may be assigned an exercise at any time during the period an option is exercised
- Spread option strategies are complex and the associated risks are not well understood
- A trading market in an option may not be available
- Options do not typically move in linear relationships to their underlying interest; sudden movements in underlying interests or volatility may cause sharp upward or downward spikes in the value of options that can trigger an option to be exercised
- Counterparty risk
- Options can increase leverage significantly

Risk Tolerance — The extent to which an investor is willing to accept more risk in exchange for the possibility of a higher return. An investor with a high risk tolerance is likely to invest in securities, such as stocks in startup companies, and is willing to accept the possibility that the value of his/her portfolio will decline, at least in the short-term. An investor with a low risk tolerance, on the other hand, tends to invest predominantly in stable stocks and/or highly-graded bonds. One's risk tolerance is subjective and may vary according to age, needs, goals, and personal dispositions.

Total Annual Fund Operating Expense — The total of a fund's annual fund operating expenses, expressed as a percentage of the fund's average net assets. You'll find the total in the fund's fee table in the prospectus.

Unit Investment Trust (UIT) — A type of investment company that typically makes a one-time "public offering" of only a specific, fixed number of units. A UIT will terminate and dissolve on a date established when the UIT is created (although some may terminate more than fifty years after they are created). UITs do not actively trade their investment portfolios.

You – The client