

SHDR Investment Advisers, Inc.

3 Independence Pointe

Greenville, SC 29615

864-527-0600

www.shdr.com/ia

March 31, 2011

This Brochure provides information about the qualifications and business practices of SHDR Investment Advisers, Inc. If you have any questions about the contents of this Brochure, please contact us at the number or address shown above. 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.

SHDR Investment Advisers, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training

Additional information about SHDR Investment Advisers, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 14, 2011, is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

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

Currently, our Brochure may be requested by contacting Linda Gale, Administrative Assistant at 864-527-0613 or LGale@shdr.com. Our Brochure is also available on our web site www.shdr.com/ia, also free of charge.

Additional information about SHDR Investment Advisers, Inc. is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Adviser who are registered, or are required to be registered, as investment adviser representatives of SHDR Investment Advisers, Inc.

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Item 4 – Advisory Business

SHDR Investment Advisers, Inc. (hereinafter “SHDR IA”) is a wholly-owned subsidiary of BB&T Corporation, established in 1992, which provides investment consulting and portfolio management services to ERISA and Non-ERISA employee plans, local government employee retirement plans, foundations, endowments, deferred compensation programs and corporate investment accounts. Specific retirement plan needs, anticipated cash flows, risk tolerance, ERISA’s diversification mandate and the retirement plan’s legal framework are considered in developing an investment management process. We accept the direction of our clients regarding what securities and asset classes are allowed in their portfolios.

SHDR IA is not an asset manager. SHDR IA provides advisory and consulting services on investment manager selection and provides ongoing manager monitoring for its clients.

Along with open and closed-ended mutual funds, SHDR IA also offers advice to its clients on stable value collective investment trusts that are organized under the Investment Company Act of 1940, as well as managed separate accounts and pooled accounts of Registered Investment Advisers.

SHDR IA works on a retained, ongoing basis and is also engaged to perform project work such as vendor searches, fiduciary studies, allocation studies, expense studies, etc. for its clients.

Some clients will also be clients of BB&T Corporation that provides fee-based administrative services or custodial and trust services to employee benefit plans.

As of 12/31/2010, the total amount of assets under advisement was \$1,145,792,761. On a non-discretionary basis the amount was \$964,253,245. The amount under advisement on a discretionary basis was \$181,539,516.

Proxy Voting

Unless a discretionary engagement is offered and accepted in writing by contract, SHDR IA will not accept discretionary authority over clients’ proxies; this policy will be disclosed prominently in the advisory agreement executed by the client and SHDR IA.

Item 5 – Fees and Compensation

Fees for services may be calculated as a percentage of assets under management on a sliding scale as follows:

<u>Portfolio Size</u>	<u>Annual %</u>
First \$5,000,000	.50 (50 basis points)
Next \$5,000,000	.35 (35 basis points)
Next \$10,000,000	.25 (25 basis points)
Next \$30,000,000	.15 (15 basis points)
Excess of \$50,000,000	.05 (5 basis points)

Staff Assigned Hourly Fee Rate

Investment Advisory Consultant	\$250
Investment Research Analyst	\$175
Production Specialist	\$125
Administrative Assistant	\$60

Fees may also be determined by reference to a previously negotiated asset based schedule that is client specific. Fees for certain limited or special circumstance engagements may also be determined by reference to a fixed dollar fee as stated in the contract for services.

Fees are payable quarterly in arrears based upon the average assets, determined at month end for the prior period. The first payment is assessed and due at the end of the first calendar quarter and will be assessed pro rata in the event the Investment Advisory Agreement is executed at any time other than the first day of the current calendar quarter. Subsequent payments are due and will be assessed on the first day of each new quarter.

Fees may be negotiated (increased or decreased) for accounts:

*expected to have a substantial change in assets under management

*based on any special circumstance that may exist, or

*any additional special service requested.

The fee charged will not be provided on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (SEC Rule 205(a)(1)).

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 60 days written notice. SHDR IA may bill for its services or deduct its fees from the client portfolio as agreed to by the client. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

All fees paid to SHDR IA for investment advisory services are separate from the fees and expenses charged to shareholders of mutual fund shares by the mutual funds. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. Also, all fees paid to SHDR IA for investment advisory services are separate from the fees and expenses which may be charged by other Third Party investment managers, custodian fees and other service providers.

Some SHDR IA clients may direct a third party, such as an independent broker-dealer or related party, such as Stanley, Hunt, DuPree & Rhine or BB&T Corporation to pay a portion of the advisory fees otherwise due. In all cases, the compensation received by SHDR IA is not affected by the client's decision as to the source of the fee payments.

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

SHDR IA does 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 Clients

SHDR IA provides investment consulting and portfolio management services to ERISA and Non-ERISA employee plans, local and state government employee retirement plans, foundations, endowments, deferred compensation programs and corporate investment accounts. SHDR IA does not have minimum account balance requirements for initiating or maintaining an investment advisory relationship.

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

“Investing in securities involves risk of loss that clients should be prepared to bear.”

When analyzing investments for clients, SHDR IA gathers information from national investment firms that maintain databases of performance data, and prepare analyses of specific managers. Peer universes, passive indexes, multi-factor and mean-variance computer programs are also tools used to design strategies and evaluate performance and risk. Specific information regarding investments is gathered through analysis of published prospectuses as well as direct interviews with investment managers in person, by telephone and by written inquiry. These sources of information provide a framework for determining the potential returns and risks of the investments which are matched against the best interest of each client. The investments suggested by SHDR IA change as information regarding those investments changes, and as the needs of each client change.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SHDR IA or the integrity of SHDR IA's management. SHDR IA has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

SHDR IA is not a broker-dealer, although under the greater BB&T Corporation umbrella of subsidiary ownership, there are subsidiaries or affiliates that are.

SHDR IA is not a futures commission merchant, commodity pool operator or commodity trading adviser, although under the greater BB&T Corporation umbrella of subsidiary ownership, there are subsidiaries or affiliates that are.

SHDR IA is not a part of another investment adviser, although there are other investment advisers as subsidiaries or affiliates under the greater BB&T Corporation umbrella of subsidiary ownership.

SHDR IA is a wholly owned subsidiary of BB&T Corporation. Directors, officers and other employees of SHDR IA may also be employed by BB&T Corporation, or Stanley, Hunt, DuPree & Rhine. SHDR IA may be contracted to prepare investment related

materials such as economic commentary, newsletters, mutual fund performance reports, etc. that are distributed to SHDR clients and participants for plan education purposes. BB&T Corporation may perform record keeping services on plans to which SHDR IA serves as Investment Advisor.

SHDR IA is not an insurance company or agency, although under the greater BB&T Corporation umbrella of subsidiary ownership, there are subsidiaries or affiliates that are.

SHDR IA's advisory affiliates may be employees of Stanley, Hunt, DuPree & Rhine, Inc. (hereinafter "SHDR"), an affiliated consulting administration and actuarial firm for defined benefit plans. SHDR IA serves as Investment Advisor to many of the Actuarial clients.

SHDR IA does not create or package limited partnerships, although under the greater BB&T umbrella of subsidiary ownership, there are subsidiaries or affiliates that do.

As a related person, BB&T affiliates participate in various partnerships and solicit their clients to invest in them. SHDR IA does not solicit its clients for those investments.

Item 11 – Code of Ethics

Each person representing SHDR IA is obligated to abide by the firm's current Code of Ethics. The Code establishes certain standards of business conduct that are designed to emphasize our fiduciary responsibility and place interests of clients first.

The underlying principles of the Code relate to independence in investment recommendations, confidentiality of client information, disclosure of conflicts of interest, and adherence to all Federal and local securities laws. SHDR IA has appointed a Chief Compliance Officer whose responsibility includes reviewing the records of personal securities transactions for conflicts of interest and reporting violations to the board of directors. Sanctions for Code of Ethics violations can include termination of employment.

The SHDR Investment Advisers, Inc. Code of Ethics reflects SHDR IA's principles and philosophy regarding ethics, its fiduciary duty to clients and the obligation of personnel to uphold that duty. SHDR IA's Code of Ethics attempts to accomplish the following:

- Protect clients by deterring misconduct;
- Educate employees regarding the adviser's expectations and laws governing employee conduct;

- Remind the employees that they are in a position of trust and that they must act with complete propriety at all times;
- Protect the reputation of the adviser;
- Guard against violation of securities laws; and
- Establish procedures for the adviser's employees to follow so that they adviser may determine whether its employees are complying with its ethical principles.

Clients may request a complete copy of the Code of Ethics by contacting the Chief Compliance Officer at the firm's address.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

SHDR IA does not conduct principal transactions, cross transactions, recommend to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest. However, as required by the Form ADV 2, these issues are addressed because some of our affiliates through the greater BB&T Corporation do.

Advisory affiliates may be licensed registered representatives of a broker-dealer.

BB&T Corporation has several affiliates and subsidiaries who are financial service providers. Included would be mutual fund companies, broker-dealers and other Registered Investment Advisors. Those subsidiaries and affiliates may buy and sell securities for itself or sell securities it owns to any client. They may also be broker or agent effecting securities transactions for compensation for a client. They may also act as broker or agent for a person other than a client effecting transactions in which client securities are sold to or bought from a brokerage customer.

Sterling Capital Funds, managed by SCM, an affiliate, may be included in the investments offered for consideration to clients when permitted by regulation.

SHDR IA or individuals associated with SHDR IA may buy or sell mutual funds identical to those recommended to customers for their personal accounts.

SHDR IA or any affiliated individuals may have an interest or position in a mutual fund which may also be recommended to a client. Due to the nature of open-end mutual funds, it is extremely unlikely that a client's investment could be affected by this ownership.

As these situations may represent a conflict of interest, SHDR IA has established the following restrictions in order to ensure its fiduciary responsibilities:

- (1) A Director, officer or employee of SHDR IA shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of SHDR IA shall prefer his or her own interest to that of the advisory client.
- (2) The Compliance Officer for SHDR IA reviews security transactions in accordance with Rule 204-2 of the Investment Advisers Act of 1940.
- (3) All clients are fully informed that certain related parties may receive separate compensation when effecting transactions during the implementation process.
- (4) SHDR IA emphasizes the unrestricted right of the client to decline to implement any advice rendered.
- (5) SHDR IA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

ADDITIONAL COMPENSATION

Clients using the services of BB&T Corporation may be required by those firms to use a designated affiliated or unaffiliated broker-dealer in order to receive credit for certain fee reimbursements. SHDR IA is not a direct party to and does not benefit from those arrangements.

Commissions and other compensation may be received by BB&T Corporation for actuarial, consulting, recordkeeping and other services outside the scope of SHDR IA's advisory contract.

SHDR IA will not have the authority to withdraw funds or take custody of client funds or securities.

SHDR IA does not have any solicitation agreements or arrangements with any other parties although under the greater BB&T Corporation of subsidiary ownership, there are subsidiaries or affiliates that do.

Item 12 – Brokerage Practices

SHDR IA does, for a small number of its clients (less than 5%) exercise discretion over the securities to be bought or sold.

SHDR IA does, for a small number of its clients (less than 5%) exercise discretion over the amount of securities to be bought or sold.

SHDR IA does not exercise any brokerage discretion although under the greater BB&T Corporation of subsidiary ownership, there are subsidiaries or affiliates that do.

SHDR IA does not exercise any commission discretion although under the greater BB&T Corporation of subsidiary ownership, there are subsidiaries or affiliates that do.

In the event that a client directs SHDR IA to use a particular broker-dealer, it should be understood that under those circumstances SHDR IA will not have authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

Securities purchased for client portfolios may be shares in mutual funds, individual stocks and bonds or interests in managed accounts. Block trading, volume discounts and commission negotiations are not applicable to SHDR IA's mutual fund transactions.

SHDR IA does not participate in any soft dollar programs of any kind and receives no such remuneration.

Item 13 – Review of Accounts

Reviews: The internal rate of return for each portfolio component is reviewed quarterly to detect exceptions that are not consistent with other client accounts. This review may suggest record keeping errors or the need for client contact and further action. Exceptions are targeted for further investigation and client specific analysis. Each advisory account is reviewed in depth on a quarterly basis as to the performance of each strategy implemented and evidenced by the client's investment policy statement and each specific investment chosen to represent that strategy. Risk and return characteristics for the recent quarter and historical periods are compared to the benchmarks chosen by the client and quantified in the quarterly performance report prepared by SHDR IA. One or more members of the client service team are available to personally present the results of this review in accordance with the agreement for services.

Operations Manager: The Operations Manager is responsible for account reconciliations, investment manager data coordination/retrieval, and client report production. Each investment and advisory account is reviewed in the preparation phase by an operations staff member for consistency with prior reports, exceptions to other accounts and investments, and mathematical accuracy.

Relationship Manager & Specialists: Staff members who have specific knowledge of the investment policy and needs of each advisory account are responsible for reviewing all reports before final delivery.

Senior Consultant: Each account is also reviewed by the Senior Consultant on a quarterly basis and advises the client service team concerning all actions or

recommendations to make to the client. These staff members are responsible for the individual client management and relationships. They are individuals qualified through experience and accreditation to give investment guidance to SHDR IA's clients and make investment recommendations. They serve as the principal information conduit from SHDR IA to the client; conducting meetings, delivering reports, and performing other special projects for the client as needed.

SHDR IA Investment Committee: Each investment held by one or more clients is reviewed quarterly for performance and risk in relation to peer groups and best-fit indexes as well as appropriateness for client portfolios. Recommendations are developed for new investments as well as removal of those with poor expectations. More frequent reviews may be triggered by material political, economic, or market events or by changes in the client's circumstances.

Each client would receive account statements and confirmations directly from the provider that holds custody of its assets.

SHDR IA prepares quarterly reports for delivery to each investment supervisory account client. Specific reports provided will vary with facts and circumstances such as the obligations by contract, type of client and data which is available. These reports may include information about:

- Transactions
- Fees
- Contributions, withdrawals, realized and unrealized gains or losses, interest, and dividends
- Beginning and ending market values
- Dollar-weighted and time-weighted rates of return by investment and portfolio (when applicable)
- Risk and return statistics for appropriate indexes and benchmarks
- Modern portfolio evaluation statistics

Item 14 – Client Referrals and Other Compensation

Business Development Officers employed by BB&T Institutional Services, an affiliate of SHDR IA, receive commission compensation for selling all financial services offered by BB&T Institutional Services. The financial advisory services offered by SHDR IA is just one of those services. Those Business Development Officers are paid by BB&T Institutional Services, not by SHDR IA directly. Further, BB&T Institutional Services Consultants sell additional services to their managed client relationships, with SHDR IA investment consulting being among those services. There are currently no other arrangements under which referrals to SHDR IA are compensated.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. SHDR IA urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. SHDR IA's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

SHDR IA occasionally receives discretionary authority from the client at the outset of an advisory relationship to select the securities to be included in the portfolio. This is expressly set out in the Investment Advisory Agreement with the client. Also, SHDR IA has in those cases the authority to change the investments in the portfolio without consent of the client. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account as set out in the Investment Policy Statement which is agreed to by the client.

Item 17 – Voting Client Securities

From time to time SHDR IA is hired as a discretionary advisor. In this event, SHDR IA will vote proxies on behalf of the client, under the following procedure:

1. Proxies will be directed to SHDR IA's main office by U.S. Postal Service or by electronic means.
The proxy material will be then directed to the Chief Compliance Officer who will vote the proxy in discussion with the client's SHDR IA consultant.
2. The proxy will be logged into the Proxy Voting Log established by SHDR IA, briefly describing the source, the date, the issues to be voted, the due date and the votes cast.
3. The proxy materials will be returned via United States Postal Service or by electronic means as dictated by the proxy service.
4. The proxy log will be available to be sent to the client upon request by email at: lgale@shdr.com.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about SHDR IA's financial condition. SHDR IA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

NOT APPLICABLE

BROCHURE SUPPLEMENT

The Owner of SHDR IA is BB&T Corporation. A company which is listed on the New York Stock Exchange (symbol BBT) and as of 03/01/2011 the 10th largest financial institution in the United States. EIN:59-0939887

The Officers of SHDR Investment Advisers, Inc. are:

Raymond K. McCulloch is the Chairman of the Board of SHDR Investment Advisers, Inc. He is also an Executive Vice President of BB&T and is head of BB&T Retirement and Institutional Services. He has over 30 years of banking and bank trust management experience and leads the areas of retirement plan administration, corporate trust and custody, document custody and retirement consulting. He has been Chairman since BB&T purchased it in 2002. Mr. McCulloch holds the Series 65 License.

CRD # 4374200

Phillip M. Floyd is the Vice Chairman of the Board of SHDR Investment Advisers, Inc. He is a Senior Vice President of BB&T and is the BB&T Senior Manager of Retirement Consulting, investment advisory, flexible spending administration and document custody. Mr. Floyd has over 30 year of Bank Trust experience and had been Vice Chairman since BB&T purchased SHDR IA in 2002. Mr. Floyd holds the Series 7, 63, and 65 licenses and since 2006 is an Accredited Investment Fiduciary, having received rigorous training in the compliance and ethical issues surrounding investment fiduciary obligations from the Institute of Fiduciary Studies.

CRD# 2756018

Jonas F. Mullins, Jr. is the President and Chief Compliance Officer of SHDR Investment Advisers, Inc. as well as serving as a Board Member. Mr. Mullins directs the subsidiary on a day-to-day basis, serves on its Investment Committee and is a Senior Investment Consultant. Mr. Mullins holds the Series 7, 3, and 65 licenses and since 2007 is an Accredited Investment Fiduciary, having received rigorous training in the compliance and ethical issues surrounding investment fiduciary obligations from the Institute of Fiduciary Studies. Additionally, Mr.

Mullins earned the Certified Investment Management Analyst (CIMA[®]) designation from the Investment Management Consultants Association in conjunction with the Wharton School of Business in 2009. This designation involves the learning of Modern Portfolio Theory, Investment Risk Management, Investment Manager Evaluation, Investment Performance Measurement and Portfolio Construction.

CRD# 4732194

Peter J. Vanderfleet is Senior Vice President of SHDR Investment Advisers, Inc. as well as a Senior Investment Consultant. Mr. Vanderfleet holds the Series 7 and 63 Licenses, and since 2007 is an Accredited Investment Fiduciary, having received rigorous training in the compliance and ethical issues surrounding investment fiduciary obligations from the Institute of Fiduciary Studies.

CRD# 848493