

Part 2A of Form ADV: *Firm Brochure*

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01/26/2012

This brochure provides information about the qualifications and business practices of Pennant Management, Inc.. If you have any questions about the contents of this brochure, please contact us at 414-359-1044 or melste@pennantmanagement.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.

Additional information about Pennant Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 106974.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 01/26/2012, is our new disclosure document prepared according to the SEC's new requirements and rules. Our initial filing of this Brochure was on 3/28/11.

This Item serves to provide our clients with a summary of new and/or updated information since the initial filing. The only changes to this year's Brochure were updates to our "assets under management" (Item 4) and our research paid with soft dollars (Item 12).

Consistent with the new 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. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Item 3	Table of Contents	Page
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	9
Item 6	Performance-Based Fees and Side-By-Side Management	17
Item 7	Types of Clients	17
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	18
Item 9	Disciplinary Information	21
Item 10	Other Financial Industry Activities and Affiliations	21
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	22
Item 12	Brokerage Practices	25
Item 13	Review of Accounts	29
Item 14	Client Referrals and Other Compensation	31
Item 15	Custody	31
Item 16	Investment Discretion	32
Item 17	Voting Client Securities	32
Item 18	Financial Information	33

Item 4 Advisory Business

Pennant Management, Inc. is a SEC-registered investment adviser with its principal place of business located in Milwaukee, Wisconsin. Pennant Management, Inc. began conducting business in 1992.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- U.S. Fiduciary Services, Inc.,

Pennant Management, Inc. offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit

- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in equity and mezzanine finance

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Growth	This objective is interested exclusively in growth and has no immediate income requirements. It may hold all types of investment vehicles including up to a 100% fully invested position in stocks and stock equivalents. At other times, it may be appropriate to hold 100% of the assets in fixed income instruments or in other types of investment vehicles. In general, portfolio asset weight of equities is typically greater than or equal to 75%. This account is more likely to be traded and may show a higher degree of turnover. Since this account is aiming for high total return, it will bear higher risks in terms of potential price depreciation in trying to obtain these returns.
Growth/Income	This objective can have an identical or larger position in stocks than Income/Growth - however, there is no need that the stocks pay a dividend like that associated with the investment objective category of Income/Growth. This objective is primarily interested in long term growth to enhance the purchasing power of the assets. As a result, it is expected that the majority of the assets in this type of account will be invested in equities or equity equivalents. Typically this account will have an asset allocation of between 55% to 75% stocks and stock equivalents.
Income/Growth	This objective can have an identical or larger position in stocks than Growth/Income - however, there is a general pre-disposition towards the purchase of issues that pay a dividend. This objective is interested in long term growth to enhance the purchasing power of the assets, but accompanied by the generally stabilizing benefits of regular income flow. Typically this objective will have an asset allocation of between 35% to 55% in stocks and

Income	<p>stock equivalents - with the emphasis on stock issues that pay income.</p> <p>This objective should provide the maximum income obtainable consistent with safety of principal and with some provision for maintaining the purchasing power of the assets. Investment vehicles will normally be composed of bonds, with equities and equity equivalents present in order to protect against longer term price inflation. In keeping with an emphasis on income, the current income return should normally exceed that available on the broad stock market averages. Portfolio asset weight of equities is less than or equal to 35%.</p>
Short Term Bond	An approach stressing the active management of bond securities using short to intermediate bonds with an average maturity of 1 to 5 years depending on account specific objectives.
Managed Money Market	A low volatility, highly liquid, bond investment approach using money market instruments with an average maturity of 1 to 360 days depending on account specific liquidity needs.
Alternative Equity Strategy	The Alternative Equity Strategy employs a flexible investment strategy that is designed to make money when the market is moving higher and protect money when the market is declining. The AES team actively manages portfolios based on current economic conditions.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance

- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because investments involve degrees of risk, they will only be recommended and implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. send quarterly packages to each Model Portfolio Management Services client noting their model portfolio investment objective;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client; and
4. maintain client suitability information in each client's file.

MUTUAL FUND PORTFOLIO MANAGEMENT

Pennant Management, Inc. provides discretionary portfolio management services to the USFS Funds Limited Duration Government Fund and USFS Funds Tactical Asset Allocation Fund, registered under the Investment Company Act of 1940 (the "Mutual Funds"), and the USFS Short Term Investment Fund for Qualified Plans Trust , a collective investment fund (the "CIF").

Pennant Management, Inc. serves as the investment manager to the Mutual Funds and the CIF, and continuously manages the fund assets based on the investment goals and objectives as outlined in the Mutual Funds' prospectus and the CIF's Disclosure

Memorandum.

Interested investors should refer to the Mutual Funds' prospectus and Statement of Additional Information ("SAI") and the CIF's Disclosure Memorandum for important information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures. These documents are available on-line at www.pennantmanagement.com.

Prior to making any investment in the Mutual Funds or the CIF, investors and prospective investors should carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment in the Mutual Funds and the CIF.

PENSION AND PORTFOLIO CONSULTING SERVICES

We also provide several advisory services separately or in combination. Although the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, when appropriate, to individuals, trusts, estates, banks, and charitable organizations. Pension and Portfolio Consulting Services are comprised of the following distinct services. Clients may choose to use any or all of these services.

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

We will meet with the client (in person or over the telephone) to determine the client's investment objectives and an appropriate investment strategy designed to meet those objectives. Our firm then prepares a written IPS detailing those objectives and investment strategy. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Construction of Asset Allocation Models:

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both indexed and managed) to determine which funds should be included in each model. The number of funds to be recommended will be determined by the client's IPS.

Monitoring of Investment Performance:

We monitor client investments continually, based on the procedures and timing intervals delineated in the client's IPS. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own accounts ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined in consultation with the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will not provide plan participants with individualized, tailored investment advice or

individualized, tailored asset allocation recommendations.

PUBLICATION OF PERIODICALS

Pennant Management, Inc. publishes a quarterly newsletter providing general information on various financial topics including, but not limited to, estate and retirement planning, the economy, and market trends. No specific investment recommendations are provided in this newsletter and the information provided does not purport to meet the objectives or needs of any individual. This newsletter is distributed free of charge to our advisory clients.

CONSULTING SERVICES

Clients can also receive specialized consulting services applicable to the management of deposit gathering entities, like banks and other financial services companies. These specialized consulting services include, asset and liability analysis, bond accounting analysis, policy review consulting, investment strategy and forecasting consulting, and regulatory reporting consulting.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Following are descriptions of two of our specialized consulting services:

ASSET & LIABILITY ANALYSIS

Asset & Liability Analysis combines a bank's call report data and history to measure interest risk in a portfolio on a quarterly basis. Its purpose is to give bankers a tool with which to determine interest rate risk and to help prepare for examinations. A bank's financial history will be combined with its most recent call report and established interest rate risk measurement techniques to produce a reasonable estimate of both interest margin and equity risk. When combined with an active control program, this analysis fulfills the Asset Liability Committee (ALCO) process and risk sensitivity measures. The analysis helps the banker develop risk analysis methods, rate risk strategies, levels of risk tolerance and the ability to understand and communicate risk.

BOND ACCOUNTING ANALYSIS

This analysis integrates portfolio analysis with investment accounting. The analysis calculates and incorporates duration, average life, convexity, rate shock analysis, cash flow and budget, and planning projections with details of portfolio accounting. This service is typically transaction oriented.

AMOUNT OF MANAGED ASSETS

As of 12/31/2011, we were actively managing \$2,663,982,394 of clients' assets on a discretionary basis, plus \$2,867,945,603 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS")

INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Individual Portfolio Management Services are charged on a percentage of assets under management and generally range from .10% to .50%, according to the following schedules:

**PENNANT MANAGEMENT, INC.
SCHEDULE OF INVESTMENT ADVISORY FEES
FOR INSTITUTIONAL CASH MANAGEMENT
and BOND PORTFOLIO ACCOUNTS**

Effective: 9/01/10

MARKET VALUE OF ASSETS	ANNUAL FEE
All assets except assets invested through the Pennant Management, Inc. Master Repurchase Arrangement	0.100% of Market Value
Assets invested through the Pennant Management, Inc. Master Repurchase Arrangement	0.500% of Market Value

MINIMUM ANNUAL FEE	\$ 5,000.00
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**PENNANT MANAGEMENT, INC.
SCHEDULE OF INVESTMENT ADVISORY FEES
FOR INSTITUTIONAL BALANCED and EQUITY PORTFOLIO ACCOUNTS**

Effective: 05/01/10

MARKET VALUE OF ASSETS	ANNUAL FEE
First \$ 100,000,000	0.350% of Market Value
Balance	0.180% of Market Value

MINIMUM ANNUAL FEE	\$ 14,000.00
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PENNANT MANAGEMENT, INC.
SCHEDULE OF INVESTMENT ADVISORY FEES

Effective: 08/01/09

MARKET VALUE OF ASSETS	ANNUAL FEE
First \$ 250,000	1.250% of Market Value
Next \$ 750,000	0.900% of Market Value
Balance	0.650% of Market Value

MINIMUM MONTHLY FEE	\$ 250.00
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PENNANT MANAGEMENT, INC.
SCHEDULE OF INVESTMENT ADVISORY FEES
FOR CASH MANAGEMENT ACCOUNTS

Effective: 08/1/09

MARKET VALUE OF ASSETS	ANNUAL FEE
Balance	0.400% of Market Value

MINIMUM MONTHLY FEE	\$ 250.00
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PENNANT MANAGEMENT, INC.
SCHEDULE OF INVESTMENT ADVISORY FEES
FOR ALTERNATIVE EQUITY STRATEGY ACCOUNTS

Effective: 8/01/09

MARKET VALUE OF ACCOUNT	ANNUAL FEE
First \$ 75,000	2.00% of Market Value
Next \$ 75,000	1.50% of Market Value
Next \$ 350,000	1.25% of Market Value

Next \$ 500,000	1.00% of Market Value
Balance	0.80% of Market Value

MINIMUM ANNUAL FEE	\$ 1,500.00
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FEES FOR EXTRAORDINARY SERVICES

When extraordinary or unusual services are rendered, an additional charge will be made depending on the time required and responsibility involved.

TERMINATION FEE

We reserve the right to charge a reasonable termination fee based upon the time required to complete our duties.

A minimum of \$1,000,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Pennant Management, Inc. may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Pennant Management, Inc. has established the aforementioned fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Facts and circumstances considered in determining exceptions to the fee schedules may include assets to be placed under management, anticipated future additional assets, and related accounts. The specific annual fee schedule is identified in each client's contract with the adviser.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT FEES

Our annual fees for Model Portfolio Management Services are charged on a percentage of assets under management and generally range from .40% to 2.0%, according to the following schedules:

PENNANT MANAGEMENT, INC.
SCHEDULE OF INVESTMENT ADVISORY FEES
FOR INSTITUTIONAL CASH MANAGEMENT
and BOND PORTFOLIO ACCOUNTS

Effective: 9/01/10

MARKET VALUE OF ASSETS	ANNUAL FEE
All assets except assets invested through the Pennant Management, Inc. Master Repurchase Arrangement	0.100% of Market Value
Assets invested through the Pennant Management, Inc. Master Repurchase Arrangement	0.500% of Market Value
MINIMUM ANNUAL FEE	\$ 5,000.00

PENNANT MANAGEMENT, INC.
SCHEDULE OF INVESTMENT ADVISORY FEES
FOR INSTITUTIONAL BALANCED and EQUITY PORTFOLIO ACCOUNTS

Effective: 05/01/10

MARKET VALUE OF ASSETS	ANNUAL FEE
First \$ 100,000,000	0.350% of Market Value
Balance	0.180% of Market Value
MINIMUM ANNUAL FEE	\$ 14,000.00

PENNANT MANAGEMENT, INC.
SCHEDULE OF INVESTMENT ADVISORY FEES

Effective: 08/01/09

MARKET VALUE OF ASSETS	ANNUAL FEE
First \$ 250,000	1.250% of Market Value

Next \$ 750,000	0.900% of Market Value
Balance	0.650% of Market Value

MINIMUM MONTHLY FEE	\$ 250.00
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PENNANT MANAGEMENT, INC.
SCHEDULE OF INVESTMENT ADVISORY FEES
FOR CASH MANAGEMENT ACCOUNTS

Effective: 08/1/09

MARKET VALUE OF ASSETS	ANNUAL FEE
Balance	0.400% of Market Value

MINIMUM MONTHLY FEE	\$ 250.00
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PENNANT MANAGEMENT, INC.
SCHEDULE OF INVESTMENT ADVISORY FEES
FOR ALTERNATIVE EQUITY STRATEGY ACCOUNTS

Effective: 8/01/09

MARKET VALUE OF ACCOUNT	ANNUAL FEE
First \$ 75,000	2.00% of Market Value
Next \$ 75,000	1.50% of Market Value
Next \$ 350,000	1.25% of Market Value
Next \$ 500,000	1.00% of Market Value
Balance	0.80% of Market Value

MINIMUM ANNUAL FEE	\$ 1,500.00
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FEES FOR EXTRAORDINARY SERVICES

When extraordinary or unusual services are rendered, an additional charge will be made depending on the time required and responsibility involved.

TERMINATION FEE

We reserve the right to charge a reasonable termination fee based upon the time required to complete our duties.

A minimum account size is required for each model portfolio fee schedule. This account size may be negotiable under certain circumstances. Pennant Management, Inc. may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Pennant Management, Inc. has established the aforementioned fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Facts and circumstances considered in determining exceptions to the fee schedules may include assets to be placed under management, anticipated future additional assets, and related accounts. The specific annual fee schedule is identified in each client's contract with the adviser.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

MUTUAL FUND PORTFOLIO MANAGEMENT FEES

Pennant Management, Inc. charges an asset-based fee for this service. The fee arrangement, termination, and refund policies are described in the Mutual Fund's prospectus and Statement of Additional Information ("SAI"). The Advisor often invests portions of managed client portfolios in the Mutual Funds, which means that it is possible for Pennant Management or the Related Companies to receive revenue from assets invested in the Mutual Funds while the Advisor also collects its advisory fee.

PENSION AND PORTFOLIO CONSULTING FEES

Pennant Management, Inc.'s Pension and Portfolio Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Pension and Portfolio Consulting Services fees are calculated and charged on either an hourly or fixed fee basis, ranging from \$100 to \$500 per hour or a fixed fee ranging from \$500 to \$60,000. An estimate for the total hours is determined at the start of the advisory relationship. Fixed fee arrangements will be reached with the client prior to entering into the contract.

PUBLICATION OF PERIODICALS OR NEWSLETTERS

Pennant Management's newsletter is published free of charge to its clients and is publically available on its website, www.pennantmanagement.com.

CONSULTING SERVICES FEES

Pennant Management, Inc.'s Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Consulting Services fees are calculated and charged on either an hourly or fixed fee basis, ranging from \$100 to \$500 per hour or a fixed fee ranging from \$500 to \$60,000. An estimate for the total hours is determined at the start of the advisory relationship. Fixed fee arrangements will be reached with the client prior to entering into the contract.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Pennant Management, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.