

PIEDMONT INVESTMENT ADVISORY

Six Concourse Parkway NE
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Atlanta, GA 30328

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PIEDMONT INVESTMENT ADVISORY, LLLP

FORM ADV, PART 2

BROCHURE TO CLIENTS

MARCH 31, 2012

This brochure provides information about the qualifications and business practices of Piedmont Investment Advisory, LLLP. If you have any questions about the contents of this brochure, please contact us at (770) 698-5500. 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 Piedmont Investment Advisory, LLLP also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or any state securities authority as an Investment Advisor does not imply a certain level of skill or training.

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ADVISORY BUSINESS

Piedmont Investment Advisory, LLLP is a Georgia limited liability limited partnership and registered investment adviser formed in 1989. Mr. William C. Brookshire, Jr. is the sole general partner of the Advisory. The Advisory is registered with the Securities and Exchange Commission as an investment adviser and is currently a professional clearance account of RBC Capital Markets Corp. The Advisory serves a limited number of private clients and does not actively solicit new clients.

The Advisory serves its clients in the management of accounts through the use of publicly traded securities. These include common and preferred equities and bonds, as well as equity derivatives primarily utilized for hedging risk. The individual needs of clients are commonly addressed and the accounts are managed in a way so as to cater to those specific needs.

Fundamental as well as technical methods are used to evaluate potential investments for client accounts.

As of December 31, 2010 assets under management were \$140.0 million

FEES AND COMPENSATION

Client accounts at the Advisory are managed either on a percentage of assets basis or a performance basis. These relationships and fee schedules are determined on an individual client basis. Currently all client accounts are charged on a percentage of assets basis.

Fees are negotiable on a client-by-client basis depending upon the time considerations for each account. Clients are notified upon deduction of fees from their accounts based upon total assets. These fees are currently charged quarterly. Alternate arrangements may be agreed upon with individual clients for charging their accounts (monthly, bi-annually, yearly).

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Advisory and its personnel do not receive performance-based fees.

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TYPES OF CLIENTS

The Advisory traditionally manages individual accounts, as well accounts for pension, profit sharing plans, trusts, estates, and charitable organizations. A minimum account size of \$1,000,000 is required for management consideration. The Advisory is currently not soliciting new clients.

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METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Advisory uses a traditional blend of fundamental and technical research for selecting proper investments for clients. Tax implications are also taken into consideration. Research includes, but is not limited to, financial newspapers and periodicals, annual reports and other regulatory filings and press releases, as well as research materials prepared by brokerage research departments.

Overall market or economic conditions – which neither the Advisory nor its principals can predict or control – could have a material effect on the performance of client accounts, and no assurance is given that performance will not be adversely affected by current or future market or economic conditions. Further, there is no assurance, notwithstanding the client's past performance, that the client's results will be non-correlated with (i.e., unrelated to) the general stock and bond markets.

Capital preservation, growth, and income are common objectives used by the Advisory, dependent upon individual client needs.

Investments in securities, whether through the services of the Advisory or otherwise, involve risks of loss that clients should be prepared to bear.

DISCIPLINARY INFORMATION

No legal or disciplinary events involving the Advisory or its personnel have occurred.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Advisory currently sub-leases space for its offices from Gifford, Hillegass & Ingwersen, LLP - a public accounting firm - to which the Advisory is a client.

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CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Advisory employs a standard code of ethics for employees. This includes signed copies of anti-money laundering and insider trading policies, and general compliance rules and regulations. There is a code of ethics manual that all employees are required to read and understand before signing related documents. The code of ethics handbook and signed documents are kept at the Advisory's offices and are available to all clients and prospective clients upon request.

BROKERAGE PRACTICES

Client account transactions are predominately executed through the custodian for client accounts. The custodian for client accounts is currently RBC Capital Markets. Clients can request to have trades directed to other brokerage firms through the Advisory's DVP (Delivery Versus Payment) account. This requires that the client submit necessary paperwork. Managers can also direct un-solicited trades through outside brokerage accounts for clients with DVP arrangements. Cost and services are considered for executing trades away from the custodian. For example, if an outside broker has provided research materials on an investment recommendation, a transaction involving the security may be placed with that broker.

This practice is not common for the advisory, as most transactions are executed via the client's prime broker or custodian.

REVIEW OF CLIENT ACCOUNTS

All client positions are monitored on a daily basis. While there may be limited transactions in a client account for a period of time, positions continue to be regularly monitored. Although review of accounts is done daily, further detailed review is completed on a monthly and quarterly basis. Reviewers include both the General Partner (William C. Brookshire Jr.) as well as the Assistant Portfolio Manager (John-David C. Huff). The majority of management decisions fall to Mr. Brookshire.

CLIENT REFERRALS AND OTHER COMPENSATION

The Advisory is not a party to any referral compensation arrangements.

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CUSTODY

The Advisory does not retain custody of client accounts. The custodian for the Advisory is RBC Capital Markets, LLC, a subsidiary of the Royal Bank of Canada. Information on the custodian can be found at www.RBC.com. Clients receive monthly account statements as well as tax documents directly from the custodian. Clients also receive quarterly reports from the Advisory showing performance of the account over the quarter. Clients are urged to compare reports from the Custodian and the Advisory and keep records of all statements. Statements can be requested from either the custodian or the Advisory at any time.

INVESTMENT DISCRETION

The majority of client accounts are managed on a discretionary basis. Management of the account is agreed upon on a client-by-client basis. The Advisory retains non-discretionary accounts as well. There is no active management of these accounts, only passive management from the direction of either the client or the power of attorney holder.

VOTING CLIENT SECURITIES

Discretionary accounts allow the Advisory to vote client's shares as determined to be in the client's best interest. Clients may obtain a copy of the Advisory's proxy voting policies and procedures upon request. Non-discretionary accounts must be voted as directed by the client with respect to voting proxy materials.

FINANCIAL INFORMATION

The Advisory does not require prepayment of fees or have other financial conditions requiring further disclosure. The Advisory has not been the subject of a bankruptcy petition.

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Piedmont Investment Advisory appreciates the opportunity to aid in the wealth building of our clients. We take appropriate steps to cater to client requests and questions. Please feel free to contact us at the address or phone numbers listed if you have further questions.

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Thank you once again for the opportunity to partner with you to achieve your financial goals.