

**ITEM 1. COVER PAGE FOR
PART 2A OF FORM ADV:
FIRM BROCHURE
DATED FEBRUARY, 2012**

**FMA ADVISORY, INC.
1631 NORTH FRONT STREET
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This brochure provides information about the qualifications and business practices of FMA Advisory, Inc. If you have any questions about the contents of this brochure, please contact by telephone at (717) 232-8850 or email at plabella@fma-advisory.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 FMA Advisory, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of FMA Advisory, Inc. and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firms' associates who advise you for more information on the qualifications of our firm and its employees.

ITEM 2. MATERIAL CHANGES TO OUR PART 2A OF FORM ADV:
FIRM BROCHURE

FMA Advisory, Inc. is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure. At this time, there is a material changes to report about our Brochure for 2011. Our firm signed an agreement with a bank to provide or deliver mutual fund portfolio development and maintenance, custom portfolio development and maintenance, client communications, assist with the investment related components of the bank’s regulation 9 review process and investment committee matters.

In January 2012, Charles Schwab & Co., Inc. agreed to provide us with a one-time courtesy discount of \$7,500 to help our firm transition to the portfolio and customer management application provided by a new portfolio and contact management software firm.

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Item 4. Advisory Business

We specialize in the following types of services: asset management, financial planning and consultations. Our assets under management are \$576,747,995.77 as of 12/31/2011.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s)¹.

We are dedicated to providing individuals and other types of entities with a wide array of investment advisory services. Our firm is a corporation formed in the State of Pennsylvania. Our firm has been in business as an investment adviser since 1990 and is owned as follows:

Peter J. Labella – Fifty-percent owner

Robert E. Caplan – Fifty-percent owner

B. Description of the types of advisory services we offer.

(i) Asset Management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client’s individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

(ii) Financial Planning and Consultations:

We provide a variety of financial planning and consultation services to individuals, families and other entities regarding the management of their financial resources based upon an analysis of client’s current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client’s financial goals and objectives. This planning

¹ Please note that: (1) For purposes of this item, our principal owners include the *persons* we list as owning 25% or more of our firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If we are a publicly held company without a 25% shareholder, we simply need to disclose that we are publicly held. (3) If an individual or company owns 25% or more of our firm through subsidiaries, we must identify the individual or parent company and intermediate subsidiaries. If we are a state-registered adviser, on Form ADV Part 2A Page 2, we must identify all intermediate subsidiaries. If we are an SEC-registered adviser, we must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries.

or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

(iii) Investment Services for Banks:

We may provide investment advisory services to banks to assist with the management of their client accounts. Towards this end, our firm would develop mutual fund model portfolios and help maintain them through regular reviews, create custom portfolios and help maintain them through regular reviews, develop client communications for use by the bank with their clients, assist with the investment related components of the bank's regulation 9 review process and investment committee process.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of clients, whether clients may impose restrictions on investing in certain securities or types of securities.

(i) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing the Asset Management service and Investment Services for Banks. On the other hand, we offer general investment advice to clients utilizing the Financial Planning and Consultation service.

(ii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to the

Asset Management service and Investment Services for Banks. We do not manage assets through our other services.

D. Participation in wrap fee programs.

We do not offer wrap fee programs.

E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis.

We manage² \$472,833,168.90 on a discretionary basis and \$103,914,826.87 on a non-discretionary basis as of 12/31/2011.

Item 5. Fees and Compensation

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally not negotiable.

A. Description of how we are compensated for our advisory services provided to you.

(i) Asset Management:

We charge on an annual basis up to 1.25% of assets under management, based primarily on asset size, portfolio complexity and individual needs.

*Our firms' fees are billed on a pro-rata annualized basis quarterly in arrears based on the calendar quarter market value as provided by the custodian (market value or fair market values in the absence of market value, plus any credit balance or minus any credit balance) of the client's account.

(ii) Financial Planning and Consultations:

We charge on an hourly or flat fee basis for financial planning and consultation services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$175 per hour. Flat fees generally range from \$1,500 to \$10,000.

(iii) Investment Services for Banks:

a. Mutual Fund Model Portfolio Development and Maintenance: \$5,000 per quarter

² Please note that our method for computing the amount of "*client* assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "*client* assets we manage," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our *Brochure* in response to Item 4.E of Form ADV Part 2A.

- b. Custom Portfolio Development and Maintenance: 75% of management fees charged to the client
- c. Client Communications: \$1,500 per quarter.
- d. Regulatory/Investment Committee: Hourly rate of \$250 per hour.

B. Description of whether we deduct fees from clients' assets or bill clients for fees incurred.

(i) Asset Management:

Our firms' fees are billed on a pro-rata annualized basis quarterly in arrears based on the calendar quarter market value as provided by the custodian (market value or fair market values in the absence of market value, plus any credit balance or minus any credit balance) of the client's account. Fees can be automatically deducted from your managed account*. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) We send a copy of our invoice to you, and our invoice includes a legend as required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940.**

*Our client will have the option to choose whether or not they would like us to directly bill them.

**The legend urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian.

(ii) Financial Planning and Consultations:

The financial planning or consultation fee is directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

(iii) Investment Services for Banks:

Our firm may generate an invoice for fees due to us by banks. With regards to asset based fees, banks will follow their own billing procedures and pay us a percentage of such fees.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm trades are executed through. Also, clients will pay the following separately incurred expenses, of which we do not receive any part: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

D. Client's advisory fees are due quarterly in arrears.

We charge our advisory fees quarterly in arrears. If you wish to terminate our services, you need to contact us in writing and state that you wish to cancel this Agreement. Upon receipt of your letter of termination, we will cease managing your portfolio and terminate our relationship with notification of the same to your account custodian. We will charge you a pro-rata advisory fee(s) for services rendered up to the point of termination.

E. Commissionable securities sales.

We do not sell securities for a commission.

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

We do not charge performance fees to our clients.

Item 7. Types of Clients and Account Requirements

We have the following types of clients:

- Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types
- Banks

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum account balance of \$500,000 for our asset management service. This minimum account balance requirement may be negotiable in certain circumstances and would be required throughout the course of the client's relationship with our firm.

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

A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

- Fundamental

Investment Strategies we use:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Margin transactions
- Option writing, including covered options, uncovered options or spreading strategies

Please note:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

Item 9. Disciplinary Information

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a management person has been involved in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the management person's favor, or was reversed, suspended or vacated, or (2) the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events, which need to be disclosed. If our advisory firm or a management person has been involved in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it

remains currently material to a client's or prospective client's evaluation of our firm or management.

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

Item 10. Other Financial Industry Activities and Affiliations

We have no other financial industry activities and affiliations to disclose.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures with respect to transactions effected by our members, officers and employees for their personal accounts³. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

³ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Item 12. Brokerage Practices

A. Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. **Research and Other Soft Dollar Benefits.** If we receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), we are required to disclose our practices and discuss the conflicts of interest they create. Please note that we must disclose all soft dollar benefits we receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Our firm has arrangements with Fidelity Brokerage, Inc. (“Fidelity”) and Charles Schwab & Co., Inc. (“Schwab”), (collectively “Custodians”). Under the arrangements with Fidelity and Schwab we receive services which include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm. We would like to mention that Schwab has provided us with a one-time courtesy discount of \$7,500 to help our firm transition to the portfolio and customer management application provided by a new portfolio and contact management software firm.

- a. **Explanation of when we use client brokerage commissions based on assets (or markups or markdowns) to obtain research or other products or services, and how we receive a benefit because our firm does not have to produce or pay for the research, products or services.**

As part of the arrangement described in Item 12A1, Fidelity and Schwab also make certain non-soft dollar research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by Fidelity and Schwab directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Fidelity and Schwab to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Fidelity and Schwab to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

- b. Incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving best execution.

As a result of receiving the services discussed in 12A(1)a of this Firm Brochure for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity and Schwab services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and Schwab and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Fidelity and Schwab charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity and Schwab enable us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity and Schwab commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Fidelity and Schwab may be higher or lower than those charged by other custodians and broker-dealers.

- c. Causing clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up).

Our non-wrap fee program clients may pay a commission to Fidelity and Schwab that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealers' services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

- d. Disclosure of whether we use soft dollar benefits to service all of our clients' accounts or only those that paid for the benefits, as well as whether we seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Our clients may pay a commission to Fidelity and Schwab that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a

broker-dealers' services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

- e. Description of the types of products and services our firm or any of our related persons acquired with client brokerage commissions (or markups or markdowns) within our last fiscal year.

None.

- f. Explanation of the procedures we used during our last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits we received.

We do not have any soft dollar relationships.

- 2) Brokerage for Client Referrals. If we consider, in selecting or recommending broker-dealers, whether our firm or a related person receives client referrals from a broker-dealer or third party, we are required to disclose this practice and discuss the conflicts of interest it create.

- a. Disclosure that we may have an incentive to select or recommend a broker-dealer based on our interest in receiving client referrals, rather than on our clients' interest in receiving best execution.

We may receive client referrals from Schwab through our participation in Schwab Advisor Network™ (“the Service”). We may also receive client referrals from Fidelity. The Service is designed to help investors find an independent investment advisor. Fidelity and Schwab are broker-dealers independent of and unaffiliated with us. Fidelity and Schwab do not supervise us and have no responsibility for our management of clients' portfolios, advice or services. We pay Schwab fees to receive client referrals through the Service.

- b. Explanation of the procedures we used during our last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

We pay Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab. The Participation Fee paid by us is a percentage of the value of the assets in the client's account. We pay Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to us quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by us and not by the client. We have agreed not to charge clients referred through the Service fees or costs greater than the fees or costs we charge clients with similar portfolios who were not referred through the Service.

Advisory clients are always advised that there is a “layering of fees” involved with mutual fund investing, that is, a fee shall be payable to us and the funds will have an internal expense charged by the mutual fund manager.

For accounts of our clients maintained in custody at the Custodian/Broker-Dealer, Custodian/Broker-Dealer will not charge the client separately for custody but will receive compensation from our clients in the form of commissions or other transaction-related compensation on securities trades executed through Custodian/Broker-Dealer. Custodian/Broker-Dealer also will receive a fee for clearance and settlement of trades executed through broker-dealers other than Custodian/Broker-Dealer. Custodian/Broker-Dealer’s fees for trades executed at other broker-dealers are in addition to the other broker-dealer’s fees. Thus, we may have an incentive to cause trades to be executed through Custodian/Broker-Dealer rather than another broker-dealer. We nevertheless, acknowledge our duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Custodian/Broker-Dealer may be executed through a different broker-dealer than trades for our other clients. Thus, trades for accounts custodied at Custodian/Broker-Dealer may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

3) Directed Brokerage.

- a. If we routinely recommend, request or require that a client directs us to execute transactions through a specified broker-dealer, we are required to describe our practice or policy. Further, we must explain that not all advisers require their clients to direct brokerage. If our firm and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, we are further required to describe the relationship and discuss the conflicts of interest it presents by explaining that through the direction of brokerage we may be unable to achieve best execution of client transactions, and that this practice may cost our clients more money.

Neither we nor any of our firm’s related person have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected.

From time-to-time we may make an error in submitting a trade order on a client’s behalf. When this occurs, Schwab or Fidelity may place a correcting trade. If an investment gain results from the correcting trade for an account, and Fidelity is the custodian, the trade will be reversed from the client’s account, with no gain or loss to the client. If an investment gain results from the correcting trade for an account, and Schwab is the custodian, the gain will remain in the client’s account unless the same error involved other client account(s) that should have received the gain, it is not permissible for the client to retain the gain, or we confer with the client and the client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the client’s account and Schwab is the custodian, Schwab will donate the amount of any

gain \$100 and over to charity. If a loss occurs greater than \$100, we will pay for the loss. Schwab or other custodian will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the client's account, they may be netted.

- b. If we permit a client to direct brokerage, we are required to describe our practice. If applicable, we must also explain that we may be unable to achieve best execution of your transactions. Directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices on transactions.

See Item 12A(3) of this Brochure.

- B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to clients of not bunching.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13. Review of Accounts or Financial Plans

- A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

We review accounts on at least a quarterly basis for our clients subscribing to the Asset Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

- B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

We provide written reports to clients on at least a quarterly basis. Verbal reports to clients take place on at least an annual basis when we meet with clients who utilize the Asset Management service. Reviews to bank clients will be as agreed.

As mentioned in Item 13A of this Brochure, financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

Item 14. Client Referrals and Other Compensation

- A. If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

See Item 12A(2) of this Brochure.

- B. If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

See Item 12A(2) of this Brochure.

In addition, we may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain *Solicitors Agreements* in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

Item 15. Custody

- A. If we have custody of client funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) does not send account statements with respect to those funds or securities directly to our clients, we must disclose that we have custody and explain the risks that you will face because of this.

We do not have custody of our client's funds or securities. All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. We also send quarterly reports to clients including a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

- B. If we have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to our clients, we are required to explain that you will receive account statements from the broker-dealer, bank, or other qualified custodian and that you should carefully view those statements.

The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account. We encourage our clients to raise any questions with us about the custody, safety or security of their assets.

Item 16. Investment Discretion

If we accept discretionary authority to manage securities accounts on behalf of clients, we are required to disclose this fact and describe any limitations our clients may place on our authority. The following procedures are followed before we assume this authority:

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement applies to our Asset Management clients. We do not take or exercise discretion with respect to our other clients.

Item 17. Voting Client Securities

- A. If we have, or will accept, proxy authority to vote client securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

SEC Rule 206(4)-6 requires investment advisers who have voting authority with respect to securities held in their clients' accounts to monitor corporate actions and vote proxies in their clients' interests. We are required by the SEC to adopt written policies and procedures, make those policies and procedures available to clients, and retain certain records with respect to proxy votes cast.

We consider proxy voting an important right of our clients as shareholders and believe that reasonable care and diligence must be taken to ensure that such rights are properly and timely

exercised. When we have discretion to vote the proxies of our clients, we will vote those proxies in your best interests and in accordance with these policies and procedures. Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting our Chief Compliance Officer, Robert E. Caplan by phone at 717-232-8850 or email at rcaplan@fma-advisory.com.

1. Policy for voting proxies.

We have designated the “responsible party” who will be responsible for voting the proxies related to client accounts. All proxies received by our firm will be given to the responsible party for processing. The responsible party will determine which accounts managed by our firm hold the security to which the proxy relates. These accounts and their share holdings will be matched to the proxies received for each security. Missing proxies or significant variances in shares held will be investigated.

A grid of shares held by the client for each security being voted will be updated with each proxy being voted. The responsible party will review each item for voting on each proxy.

Based on our proxy voting guidelines outlined below, a determination of how our firm votes will be made. Any undefined issues will be referred to our president.

A listing of each proxy voted will be updated at the time the proxy is voted.

Proxies will generally be voted online unless custodian requires mailed form.

We do not receive specific voting guidelines from the client. Instead, we will vote proxies in blocks of shares in the best interest of all of our clients.

Periodically, but no less than annually, the chief compliance officer will:

Verify that all annual proxies for the securities held in the clients’ accounts for which we have voting authority, have been received;

Via a statistically valid sampling, verify that each proxy received has been voted in a manner consistent with the proxy voting policies and procedures.

Review the files to verify that records of the voting of the proxies have been properly maintained.

2. Proxies voting guidelines.

Where voting authority exists, proxies are voted by our firm in the best interests of plan beneficiaries:

- FOR directors and FOR management on routine matters.

- FOR a limit on or reduction of the number of directors, and FOR an increase in the number of directors on a case by case basis.

AGAINST the creation of a tiered board.

- FOR the elimination of cumulative voting.
- FOR independence of auditors
- FOR deferred compensation.
- FOR profit sharing plans.
- FOR stock option plans unless the plan could result in material dilution to shares outstanding or is excessive.
- FOR stock repurchases.
- FOR an increase in authorized shares unless the authorization effectively results in a blind investment pool for shareholders.
- FOR reductions in the par value of stock.
- FOR company name changes.
- FOR routine appointments of auditors.

We generally follow management recommendations. However, we will abstain from voting proxies if we see a reason not to follow any management recommendations. We abstain on motions to limit directors' liability. Material issues not addressed above (e.g., mergers, poison pills, social investing and miscellaneous shareholder proposals) are dealt with on a case-by-case basis.

Description of whether (and, if so, how) our clients can direct our vote in a particular solicitation.

Eligible shares are monitored against ballots received from custodians, and detailed records of all issues and votes are maintained and reported to clients as requested.

(ii) How we address conflicts of interest between our firm and clients are addressed with respect to voting their securities.

We recognize that under certain circumstances we may have a conflict of interest between us and our clients. Such circumstances may include, but are not limited to, situations where our firm or one or more of our affiliates, including officers, directors and employees, has or is seeking a client relationship with the issuer of the security that is the

subject of the proxy vote. We shall periodically inform our employees that they are under an obligation to be aware of the potential for conflicts of interest on the part of our firm with respect to voting proxies on behalf of funds, both as a result of our employee's personal relationships and due to circumstances that may arise during the conduct of our business, and to bring conflicts of interest of which they become aware to the attention of the proxy manager. We shall not vote proxies relating to such issuers on behalf of client accounts until we have determined that the conflict of interest is not material or a method of resolving such conflict of interest has been agreed upon by our management team. A conflict of interest will be considered material to the extent that it is determined that such conflict has the potential to influence our decision-making in voting a proxy. Materiality determinations will be based upon an assessment of the particular facts and circumstances. If we determine that a conflict of interest is not material, we may vote proxies notwithstanding the existence of a conflict. If the conflict of interest is determined to be material, the conflict shall be disclosed to our management team and we shall follow the instructions of the management team. We shall keep a record of all materiality decisions and report them to the management team on an annual basis.

(iii)Description of how clients may obtain information from us about how we voted their securities.

Our Chief Compliance Officer will oversee the maintenance of files relating to our proxy voting procedures. Records will be maintained and preserved for five years from the end of the fiscal year during which the last entry was made on a record, with records for the last two years kept on our premises. Records of the following will be included in the files:

Copies of these proxy voting policies and procedures, and any amendments thereto;

A copy of each proxy statement that we receive provided however that our firm may rely on obtaining a copy of proxy statements from the sec's EDGAR system for those proxy statements that are available;

A record of each vote that we cast;

A copy of any document we created that was material to making a decision how to vote proxies, or that memorializes that decision and;

A copy of each written client request for information on how we voted such client's proxies, and a copy of any written response to any client request for information on how we voted their proxies.

(iv)How clients may obtain a copy of our proxy voting policies and procedures upon request.

Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting our

Chief Compliance Officer, Robert E. Caplan by phone at 717-232-8850 or email at rcaplan@fma-advisory.com.

- B. If we routinely rely on one or more third-party proxy voting services to advise you in connection with voting client securities, we are required to list the proxy voting services that we use⁴, describe how we select the proxy voting services, and explain whether we permit clients to direct the use of a particular proxy voting service with respect to the securities held in their accounts.

We do not routinely rely on one or more third-party proxy voting services to advise you in connection with voting client securities

- (i) Whether we pay for proxy voting services with soft dollars or pass the cost on to our clients through a supplement to our advisory fee.

We do not pay for proxy voting services with soft dollars. Also, we do not charge an additional fee to vote proxies.

- C. If we do not have authority to vote client securities, we must disclose this fact.

See Item 17A of this Brochure.

Item 18. Financial Information

- A. If we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We have nothing to disclose in this regard.

- B. If we are an SEC-registered adviser and have discretionary authority or custody of client funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have nothing to disclose in this regard.

- C. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.

⁴ We do not need to identify a proxy voting service that a *client* directs us to use unless we also use the service for the purpose of voting the securities of other *clients*.