

Hunter Michael Investment Advisors, Inc.
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DISCLOSURE BROCHURE
FORM ADV PART 2

This brochure provides information about the qualifications and business practices of Hunter Michael Investment Advisors, Inc. referred to as “Advisor” from time to time in this Brochure. If you have any questions about the contents of this brochure, please contact us at 804 378 7640. 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 Hunter Michael Investment Advisors, Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Hunter Michael Investment Advisors, Inc. is 107884.

Hunter Michael Investment Advisors, Inc., is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Founded in December 1997, Hunter Michael Investment Advisors, Inc. provides investment management consulting services that are intended to assist individuals, retirement plan trustees, and other fiduciaries with the efficient management of capital. An implementation and monitoring approach is developed as a result of a planning process that includes:

- An analysis of the client's priorities and objectives according to the client's sensitivity to financial risk, needs for liquidity, income and growth, and investment time horizon
- The proposed allocation of the client's account into various asset classes consistent with the client's risk parameters
- The proposed selection of high quality investment managers to manage assets within each asset class
- Monitoring and reporting portfolio results that summarizes results for the account, evaluates the performance of the investment manager(s), and analyzes the portfolio's asset allocation

The Advisor is owned by Mr. Dee H. Slaughter. Mr. Slaughter was born in 1950. He received his Masters degree in 1981 from Old Dominion University and his BA from Washington & Lee University in 1972. Mr. Slaughter began providing investment consulting services to clients in 1991. A co-founder of ACG Advisory Services, Inc. Mr. Slaughter has been involved in the continuous practice of managing pension plans - their structure and investment policy - since 1978 through his employment with the City of Portsmouth Virginia, the ICMA Retirement Corporation, Manufacturers Life Insurance Company and ACG Advisory Services, Inc.

Hunter Michael Investment Advisors, Inc., designs investment portfolios for each client's approval based on the results of the investment planning process. A client's investment portfolio, or 401k plan investment fund lineup, is constructed using publicly traded mutual funds, exchange traded funds, and/or separate account managers. Hunter Michael seeks to identify outstanding professional investment managers to manage the security selection process for client accounts. Hunter Michael does not provide security management or selection services, nor does Hunter Michael participant in wrap fee programs. However, Hunter Michael can execute the purchase or sale of individual securities owned by a client when requested by a client.

Services to clients - - whether institutional corporate plans or individuals - - are tailored to each client's requirements. The investment planning process will shape and define the scope and nature of the services to be performed. The client approves the scope of services which are defined in the advisory agreement. Clients retain the ability to modify the scope of services, impose restrictions on the nature of the services, as well as the types of securities to be used in their accounts at anytime.

As of December 31, 2011 assets in client accounts totaled approximately \$ 696,640,000.

Fees and Compensation

Investment consulting services are performed on a negotiated basis. The fee may be based on an hourly rate not to exceed \$ 185 per hour or a percentage of assets under management. The fee schedule will vary from client to client but may not exceed 1.45 percent of the first \$ 500,000, plus 1.35 percent of the next \$ 250,000, plus 1.25 percent of the next \$ 250,000, plus 1.15 percent of the next \$ 500,000, plus 1.00 percent of the next \$ 500,000 plus 0.85 percent of the excess over \$ 2,000,000.

Fees are billed in arrears quarterly on the first day of January, April, July and October and are based on the aggregate value of the portfolio at the end of the previous calendar quarter. Fees may be deducted directly from client accounts or billed to the client.

Investment Management Consulting Services may be terminated by the client upon 30 days written notice to the Advisor. Pre-paid fees - - if any - - will be refunded to the client.

The client may permit the Advisor to receive revenue sharing arrangements - - if any - - from mutual funds used by the client's accounts in order to pay the advisory fee. Revenue sharing arrangements are a source of revenue and should be considered as part of the fee structure in evaluating the total cost of services to be performed by the Advisor.

The Advisor's fees do not include brokerage commissions, transaction fees, and other related costs and expenses. Clients may incur charges imposed by custodians, third parties such as separate account managers, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are explained in a fund's prospectus.

All such charges, fees and commissions are in addition to fees of Hunter Michael Investment Advisors, Inc. The Advisor does not receive any portion of these commissions, fees, and costs for any advisory client unless the arrangement is fully disclosed and the revenue received used to offset advisory fees.

Performance-Based Fees and Side-By-Side Management

Performance based fees and side by side management arrangements are not used by Hunter Michael Investment Advisors, Inc., or its representatives.

Types of Clients

Hunter Michael Investment Advisors, Inc. provides investment management consulting services on behalf of individuals, retirement plan trustees, and other fiduciaries. The Advisor assists with the management of personal portfolios, as well as the fiduciary functions of managing corporate retirement plans. Hunter Michael does not have any requirements with respect to the size of a client's account.

Methods of Analysis, Investment Strategies and Risk of Loss

Hunter Michael Investment Advisors, Inc. will recommend for a client's account a range of generally accepted - widely used - asset classes. The recommendation will be determined based on the outcome of the investment planning process. The specific investment fund managers recommended to direct the security management function in each asset class are chosen based on a number of factors. The Advisor considers criteria such as experience of the manager and investment firm, size of the firm and its depth, fees, investment performance, as well as investment risk.

Investing involves the potential of incurring losses in an investment account. The investment risk of a client's account will approximate the level of risk of the markets and asset classes in which the account is invested.

Investment accounts are diversified across asset classes. In addition, client accounts are directed by experienced investment professionals in a diversified, comingled investment vehicle -- mutual fund, separate account, and/or exchange traded fund - in order to manage the security selection process. These procedures are used in an effort to manage the inherent risk of investing. However, these procedures do not eliminate investment risk nor do they minimize the possibility of incurring investment losses.

Disciplinary Information

There are no past, current, or pending legal or disciplinary events, against Hunter Michael Investment Advisors, Inc., its officers, representatives or employees by any court, government agency, or industry self regulatory agency.

Other Financial Industry Activities and Affiliations

The Advisor services as a sub advisor to Retirement Funding Advisors, LLC of Greenville, SC providing research and technical services.

The Advisor maintains a relationship with Actuarial Consulting Group, Inc., in order to utilize the actuarial and pension administration services of Actuarial Consulting Group, Inc. The Advisor recommends the use of the services of Actuarial Consulting Group, Inc., to advisory clients where appropriate.

The Advisor maintains an Investment Manager Service Agreement with Schwab Institutional in order to utilize the services of Charles Schwab & Company, Inc., of San Francisco, CA, member FINRA and SIPC. The Advisor recommends the use of Schwab Institutional products and services directly to clients where appropriate.

Advisor is independently owned and operated and not affiliated with Schwab. Schwab provides Advisor with access to its institutional trading and custody services, which are typically not available to Schwab retail

investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional, and is not otherwise contingent upon Advisor committing to Schwab any specific amount of business. Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Advisor's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through 12-b(1) fees, commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

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

The Advisor is in compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. The Advisor has adopted a policy that outlines insider trading compliance by the Advisor and its officers and employees. A copy of this statement has been distributed to all officers and employees of the Advisor. The Advisor has adopted supervisory procedures highlighting steps to be taken to implement the firm wide policy.

The policy provides procedures that 1) restricts access to files, 2) provides continuing education for key employees, 3) restricts and/or monitor trading of securities in which the Advisor's employees may have non-public information, 4) requires all employees to conduct their trading through a specified broker, and 5) requires employees to report all transactions.

A copy of this policy is available upon request.

The Advisor, its officers and/employees may purchase or sell the same publicly traded securities or mutual funds for its own account as it recommends for client accounts. Since the purchase or sale of such publicly traded investments does not affect its market value, clients are not advised of these transactions nor does a conflict of interest arise.

Brokerage Practices

For individual clients, Hunter Michael Investment Advisors, Inc. uses the brokerage services of Schwab Institutional - a division of Charles Schwab & Company. Schwab Institutional makes available to Advisor other products and services that benefit Advisor but may not directly benefit its clients' accounts. Some of these other products and services assist Advisor in managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution; provide research, pricing information and other market data; facilitate payment of Advisor's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Some of these services may be used to service Advisor's accounts, including accounts not maintained at Schwab Institutional.

Schwab Institutional also makes available to Advisor other services intended to help Advisor manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

As a fiduciary, Advisor endeavors to act in the best interest of clients. Advisor's recommendation that clients maintain their assets in accounts at Schwab is based on the benefit to the Advisor of the availability of some of the foregoing products and services, as well as the nature, cost or quality of custody and brokerage services provided by Schwab.

Hunter Michael Investment Advisors, Inc. does not receive commissions or markups or markdowns from Schwab Institutional. The Advisor reviews the transaction costs of Schwab Institutional to ensure they are competitive with other broker dealer custodians. No attempt is made by Hunter Michael to obtain the cheapest transaction costs - our objective is to determine that they are reasonable and competitive.

Review of Accounts

Client accounts are reviewed and reported periodically based on the schedule detailed in the client agreement. A client may request an update in the event of a change in the financial markets, their plans, structures or financial circumstances. The review will detail in writing the transactions in the account, review the background

of the financial market-place, review overall investment performance of the account, and the performance of the investment managers used by the account.

Client Referrals and Other Compensation

Hunter Michael Investment Advisors, Inc. has solicitor agreements for the purpose of generating client referrals. Referral fees are determined in accordance with a written agreement and disclosed to the client as part of the advisory agreement.

Custody

Hunter Michael Investment Advisors, Inc. does not have custody of client funds. Clients receive reports directly from their custodian.

Investment Discretion

The Advisor provides non-discretionary investment consulting services. The Advisor has limited discretionary authority with respect to the types of securities, separate account managers, and/or mutual funds used by client accounts. The Advisor recommends the use of portfolio structures and methods which provides guidance for the client and the Advisor in implementing the investment process. The client retains sole authority to approve the recommendation.

The Advisor implements the allocation of client funds, future cash deposits, and investment income among and between the securities or managers used by the account in accordance with the client approved allocation method. The Advisor has limited ability to impact transaction costs charged by broker dealer firms used by client accounts.

Voting Client Securities

Hunter Michael Investment Advisors, Inc. does not vote client securities. Clients retain that function and are notified directly by their broker dealer custodian of the solicitation. Clients may contact the Advisor and seek advice regarding a particular solicitation.

Financial Information

Hunter Michael Investment Advisors, Inc. does not maintain custody of client accounts nor does the Advisor require prepayment of client fees. Accordingly the Advisor does not submit a financial statement. Hunter Michael Investment Advisors, Inc. has no financial commitment or condition that impairs its ability to meet contractual and fiduciary commitments to clients. There are no past, current, or pending bankruptcy proceedings involving Hunter Michael Investment Advisors, Inc or its officers.