

Part 2A of Form ADV: *Firm Brochure*

Financial Trust Asset Management, Chartered

5100 Town Center Circle Suite 150
Boca Raton, Florida 33486

Telephone: 561-391-8188
Email: amayer@financialtrust.net

06/23/2012

This brochure provides information about the qualifications and business practices of Financial Trust Asset Management, Chartered. If you have any questions about the contents of this brochure, please contact us at 561-391-8188 or amayer@financialtrust.net. 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 Financial Trust Asset Management, Chartered 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 108998.

Registration as an investment adviser does not imply any level of skill or training.

Item 2 Material Changes

The SEC adopted new rules and rule amendments under the Investment Advisers Act of 1940 to implement provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As a result, we are no longer eligible for SEC registration. We are in the process of switching from federal to state oversight, and the transition must be complete by June 28, 2012. Once the transition is complete, our investment advisory business will be regulated by the Florida Office of Financial Regulation.

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	11
Item 6	Performance-Based Fees and Side-By-Side Management	15
Item 7	Types of Clients	16
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	16
Item 9	Disciplinary Information	19
Item 10	Other Financial Industry Activities and Affiliations	19
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	19
Item 12	Brokerage Practices	22
Item 13	Review of Accounts	25
Item 14	Client Referrals and Other Compensation	26
Item 15	Custody	27
Item 16	Investment Discretion	27
Item 17	Voting Client Securities	28
Item 18	Financial Information	28
Item 19	Requirements for State-Registered Advisers	28

Item 4 Advisory Business

Financial Trust Asset Management, Chartered is a state-registered investment adviser with its principal place of business located in Florida. Financial Trust Asset Management, Chartered began conducting business in 1989.

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

- Arno Otto Mayer, President, CEO, Director, Chief Compliance Officer

Financial Trust Asset Management, Chartered 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 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
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

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 proprietary and non proprietary model portfolios. Each model portfolio is designed to meet a particular investment goal.

PROPRIETARY EQUITY STRATEGIES/PORTFOLIOS

American Leaders™

The American Leaders Strategy invests in the top 25 stocks in the Standard & Poor's 500 as ranked by market capitalization. The portfolio is equally weighted among the top 25 stocks. On a quarterly basis the portfolio is reweighted and rebalanced to reflect any changes in the top 25 stocks.

American Disciplined Equity™

The American Disciplined Equity Strategy invests in the highest rated stocks within each of the 12 industry sectors of the Standard & Poor's 500. Stocks within each sector are ranked according to FTAM's proprietary rating system which compares the companies in 3 broad areas. Our EarningsMomentum index ranking compares each company's revenue and net income growth in each of the last 3 years. The Profitability + Quality index ranking compares profitability and quality factors such as return on equity, return on assets, profit margin, and financial leverage. Our ValueMomentum index ranking compares valuation and momentum, rating each stock by low price to sales ratio and high 1 year, 3 month, and 1 month momentum factors. The scores are then combined to come up with an overall rating. The ADE portfolio is invested on an equally weighted basis in the top 20% of the stocks in each industry sector with industry weights that are kept equal to the S & P 500. On a quarterly basis the portfolio is rebalanced.

American Disciplined Mid-Cap Equity™

The American Disciplined Mid-Cap Equity Strategy invests in the highest rated stocks within each of the 12 industry sectors of the Standard & Poor's 400. Stocks within each sector are ranked according to FTAM's proprietary rating system which compares the companies in 3 broad areas. Our EarningsMomentum index ranking compares each company's revenue and net income growth in each of the last 3 years. The Profitability + Quality index ranking compares profitability and quality factors such as return on equity, return on assets, profit margin, and financial leverage. Our ValueMomentum index ranking compares valuation and momentum, rating each stock by low price to sales ratio and high 1 year, 3 month, and 1 month momentum factors. The scores are then combined to come up with an overall rating. The ADM portfolio is invested on an equally weighted basis in the top 20% of the stocks in each industry sector with industry weights that are kept equal to the S & P 400. On a quarterly basis the portfolio is rebalanced.

American Disciplined Small Cap Equity™

The American Disciplined Small Cap Equity Strategy invests in the highest rated stocks within each of the 12 industry sectors of the Standard & Poor's 600. Stocks within each sector are ranked according to FTAM's proprietary rating system which compares the companies in 3 broad areas. Our EarningsMomentum index ranking compares each company's revenue and

net income growth in each of the last 3 years. The Profitability + Quality index ranking compares profitability and quality factors such as return on equity, return on assets, profit margin, and financial leverage. Our ValueMomentum index ranking compares valuation and momentum, rating each stock by low price to sales ratio and high 1 year, 3 month, and 1 month momentum factors. The scores are then combined to come up with an overall rating. The ADS portfolio is invested on an equally weighted basis in the top 20% of the stocks in each industry sector with industry weights that are kept equal to the S & P 600. On a quarterly basis the portfolio is rebalanced.

International LeadersTM

The International Leaders Strategy invests in the 50 largest international stocks based on market capitalization. All the stocks in the International Leaders Strategy trade on U.S. based exchanges. The portfolio is equally weighted among the 50 stocks. On a quarterly basis the portfolio is reweighted and rebalanced to reflect any changes in the top 50 international stocks by market cap.

International ValueMomentumTM

The International ValueMomentum Strategy invests in 35 international stocks each with market capitalization greater than 2 billion. Our ValueMomentum index ranks companies based on low price to sales ratio and high 1-year relative strength. Stocks also must have positive returns in the preceding month and quarterly earnings which are higher than the same quarter in the previous year. All of the stocks in the strategy trade on U.S. based exchanges. The portfolio is equally weighted among the 35 stocks. The portfolio is reweighted and rebalanced on a monthly basis. Portfolio positions are confirmed using the Elliott Wave Theory.

ValueMomentum LeadersTM

The ValueMomentum Leaders Strategy invests in the top 50 large capitalization stocks that comprise the ValueMomentum index. The ValueMomentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. In addition, the stocks must have a price to sales ratio that is at least 10% less than the average price to sales of the S&P 500. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighted among the top 50 stocks. The portfolio is reweighted and rebalanced on a monthly basis.

Disciplined Dividend IncomeTM

The Disciplined Dividend Income Strategy invests mainly in equities with high dividend yields. Stocks are first screened for safety factors according to Valueline's safety rating. Next stocks are ranked according to our proprietary YieldMomentum Index (YMI). The YMI looks for stocks that have the best combination of yield and relative strength. Lastly the stocks are ranked according to our Profitability and Quality Index which compares a company's return on equity, return on assets, profit margins, and debt to equity ratios. The portfolio will then hold the 50 highest ranked stocks on an equally weighted basis. The portfolio will be rebalanced and reweighted on a quarterly basis.

Flexible IncomeTM

The Flexible Income Strategy invests mainly in exchange-traded ishares representing various fixed income segments including Real Estate Investment Trusts, treasury bills, treasury notes, treasury bonds, corporate bonds, high-yield bonds, senior bank loans, inverse bond

ETF's and foreign bonds. FTAM adjusts both the duration and allocation between sectors based on its views regarding relative value and prudent management.

Health Value™

The Health Value strategy invests in health care oriented stocks that exhibit three characteristics: low Price/Sales, high 1-month relative strength and high 1-week relative strength. The portfolio will hold 50 stocks on an equally weighted basis. The portfolio will be reweighted and rebalanced on a monthly basis.

Asia ValueMomentum™

The Asia ValueMomentum Strategy invests in the top 20 stocks that comprise the Asia ValueMomentum index. The Asia ValueMomentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Asia ValueMomentum strategy invests only in ADR's (American Depositary Receipts) of Asian companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighted among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Portfolio positions are confirmed using the Elliott Wave Theory.

Latin ValueMomentum™

The Latin ValueMomentum Strategy invests in the top 20 stocks that comprise the Latin ValueMomentum index. The Latin ValueMomentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Latin ValueMomentum strategy invests only in ADR's (American Depositary Receipts) of Latin companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighted among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Portfolio positions are confirmed using the Elliott Wave Theory.

Europe ValueMomentum™

The Europe ValueMomentum Strategy invests in the top 20 stocks that comprise the Europe ValueMomentum index. The Europe ValueMomentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Europe ValueMomentum strategy invests only in ADR's (American Depositary Receipts) of European companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighted among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Portfolio positions are confirmed using the Elliott Wave Theory.

Global Resources™

The Global Resources Strategy invests in the top 20 stocks that comprise the Global Resources ValueMomentum index. The Global Resources ValueMomentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. Companies in the Global Resources ValueMomentum index are natural resource based companies. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighted among the top 20 positions. At the portfolio managers discretion we may also invest in exchange traded funds representing natural resources. The portfolio is rebalanced on a monthly basis.

Portfolio positions are confirmed using the Elliott Wave Theory.

Global REIT™

The Global REIT Strategy invests in the top 20 stocks that comprise the Global REIT ValueMomentum index. The Global REIT ValueMomentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. Companies in the Global REIT ValueMomentum index are Real Estate Investment Trust based companies. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighted among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Portfolio positions are confirmed using the Elliott Wave Theory.

NON-PROPRIETARY STRATEGIES/PORTFOLIOS

Standard & Poor's Fair Value Strategy

Fair Value is Standard & Poor's proprietary stock ranking system that seeks to buy undervalued stocks that have the potential to deliver superior returns over the next six months. The model is composed of two stock selection systems: the fair value model and the neutral model. The fair value model calculates a stock's fair value (the price at which a stock should trade) based on fundamental data such as earnings growth potential, price to book, return on equity and current yield relative to the S&P 500. The neutral model emphasizes factors that produced better performance during the most recent 6 months. The stocks are sold when they fall out of either model. The strategy will hold 20 stocks on an equally weighted basis.

We manage these advisory accounts on a 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
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares

- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in oil and gas interests

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.

1. be reasonably available to consult with the client; and
2. maintain client suitability information in each client's file.

MORNINGSTAR MANAGED PORTFOLIO PROGRAM

FTAM participates in the Morningstar Managed Portfolios (MMP) platform which offers model portfolios of mutual funds and an online account management system. MMP allows clients to access their account online and also provides quarterly statements for each account.

Morningstar Investment Services, Inc. ("MIS") sponsors a mutual fund investment advisory program ("Program") in which MIS acts as discretionary investment adviser of client accounts that invest in various mutual fund shares. MIS' services are available to individuals indirectly through arrangements MIS may have with various intermediaries such as registered investment advisers, broker-dealers, banks, accounting firms, financial planning firms and insurance companies ("Intermediary"). In providing MIS' services to clients, MIS will delegate some of the services to FTAM. The services provided by FTAM may include assisting each client in completing a questionnaire and other applicable account opening forms, determining suitability, meeting with the client at least annually to obtain any changes in their financial situation and acting as liaison between MIS and each client. For these services, FTAM will receive a portion of the fee paid by each client participating in this Program. Client account assets will be invested in shares of no-load mutual funds or mutual funds that have waived applicable sales loads. Each mutual fund will be selected based on, among other factors, performance history, fund manager's tenure and track record, and the fund's investment objective and management style. Each client account will be constructed to meet a particular investment goal and each client may impose reasonable restrictions on the investments made for his or her account. MIS will actively manage the asset-class weightings and mutual fund selections for each account. Clients participating in the MMP program pay two advisory fees, i.e., a MMP program fee and also any underlying mutual fund fees.

FTAM PRIVATE INVESTMENT FUNDS

FTAM acts as the General Partner for the following private investment funds ("FTAM Funds") and as such is responsible for managing the business and investments for each of the FTAM Funds.

- **Disciplined Dividend IncomeTM Fund, LP**, a Delaware limited partnership with a primary investment objective of achieving growth of capital through investment in equities with high dividend yields.
- **International ValueMomentumTM Fund, LP**, a Delaware limited partnership with a primary investment objective of achieving growth of capital through the management of international equities with low price / sales ratios and positive momentum factors.
- **ValueMomentum LeadersTM Fund, LP**, a Delaware limited partnership with a primary investment objective of achieving growth of capital through quantitative equity management of large and middle capitalization stocks with low price / sales ratios and positive momentum factors.

The FTAM Funds are Delaware limited partnerships and are privately offered only to investors who are qualified clients and accredited investors with a minimum initial investment of \$2 million. Additional information about the FTAM Funds, investment strategies, fees, risks and other information is provided in the Confidential Private Offering Memorandum for each FTAM Fund.

RETIREMENT PLAN SERVICES

FTAM provides retirement plans in conjunction with Nextstep and Foliofn's retirement platform. Types of plans offered include 401Ks, SEPs, Keoghs, and Defined Benefit plans. FTAM provides managed portfolios for participants to choose from or allows participants to choose their own funds from a prescreened list of funds chosen by FTAM. FTAM has chosen Fidelity Investments and Foliofn to act as custodian on these plans.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion. We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning

and business planning.

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in oil and gas interests

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Financial Planning 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.

WRAP FEE PROGRAMS

FTAM participates in the PlaceMark Investments, Equis Capital Advisor and Carlton Wrap-Fee Program as a sub-advisor providing strategies through model portfolios appropriate for the wrap fee program. FTAM provides sub-advisory services to the PlaceMark, Equis and Calton Wrap Fee Program sponsored by PlaceMark Investments, Equis Capital Management, and Calton Associates. All are independent and registered SEC investment advisers. PlaceMark, Equis and Calton, as sponsors, may recommend retention of FTAM as sub-adviser, pay FTAM's investment advisory fee, monitor and evaluate FTAM's performance, effect the wrap client's portfolio transactions without commission charges, and provide custodial services for the wrap client's assets, or provide any combination of these or other services, all for a single fee, wrap fee, paid by the client to PlaceMark, Equis and or Calton.

Clients will receive a wrap fee brochure (Form ADV Part 2A-Appendix 1) from the wrap fee sponsor.

For the Equis Wrap Fee Program, FTAM typically receives between .04% to .15% as subadvisory fees which are included in the all inclusive wrap fee charged by Equis as sponsor for the wrap fee program. All sub-advisory fees are paid by Equis to FTAM. It is also separate from any asset-based fees charged by Foliofn.

For the Calton Wrap Fee Program, FTAM typically receives 0.50% as sub-advisory fees which are separate from the wrap fee charged by Calton as sponsor for the wrap fee program. It is also separate from any asset-based fees charged by Foliofn.

For the PlaceMark UMA Program, FTAM typically receives 0.60% as sub-advisory fees which are separate from the wrap fee charged by PlaceMark as sponsor for the UMA program. It is also separate from any asset-based fees charged by Charles Schwab, Fidelity Investments,

Pershing or TD Ameritrade, who PlaceMark uses as custodians.

Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

AMOUNT OF MANAGED ASSETS

As of 12/31/2011, we were actively managing \$50,588,014 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

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

The annualized fee for Investment Supervisory Services are charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$ 250,000	1%
Next \$ 250,000	.90%
Next \$ 500,000	.85%
Over \$ 1,000,000	.80%
Over \$ 2,500,000	Negotiable

A minimum of \$250,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Financial Trust Asset Management, Chartered 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 Financial Trust Asset Management, Chartered has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client. We may group certain related client accounts for the purposes of achieving the minimum account size

requirements and determining the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm. Clients who invest in mutual funds effectively pay two advisory fees, one being that of Financial Trust and the other being that of the mutual fund itself. Financial Trust will disclose any additional fees clients may incur on their mutual fund investments, such as administrative fees and 12b-1 fees.

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

The annualized fee for Model Portfolio Management Services will be charged as a percentage of assets under management. The annual fee for Proprietary and Nonproprietary Equity Strategies is based on a percentage of assets under management as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$1,000,000	1.25%
\$1,000,000 to \$2,000,000	1.00%
\$2,000,000 to \$3,000,000	0.90%
Over \$3,000,000	Negotiable

A minimum of \$250,000 under management is required for this service; in certain circumstances, however, this minimum may be negotiable. FTAM will quote an exact percentage to each client based on both the nature of the client relationship and total dollar value of an account. Fees are not negotiable, except for accounts with assets over \$3 million. The FTAM fees are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (SEC Rule 205(a)(1)) except for the FTAM Funds. For clients at Charles Schwab & Co. fees will be billed quarterly, in arrears. For clients at Foliofn fees will be billed monthly in arrears based on the average daily balance. Foliofn calculates the monthly management fee and remits the payment to Financial Trust Asset Management.

Folio charges clients a separate annual fee of 0.30% or less of client assets or a minimum annual fee of \$295. Folio's fees include all costs for the execution of transactions. Investment supervisory services and money manager search and monitoring services clients will pay for transaction costs separately. All fees paid to FTAM for investment advisory services are separate from any brokerage commissions, custodian fees or other custodian account charges, and from the fees and expenses charged to shareholders of mutual fund shares by the mutual funds. A complete explanation of the expenses charged by the mutual funds is contained in each mutual fund's prospectus. Clients who invest in mutual funds effectively pay two advisory fees, one being that of Financial Trust and the other being that of the mutual fund itself. Financial Trust will disclose any additional fees clients may incur on their mutual fund investments, such as administrative fees and 12b-1 fees.

Limited Negotiability of Advisory Fees: Although Financial Trust Asset Management, Chartered has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs

are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client. We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

FTAM PRIVATE INVESTMENT FUNDS

FTAM, as General Partner for each of the FTAM Funds, earns 1) an annual management fee of 1.25% of the average daily net assets of each FTAM Fund paid monthly in arrears and 2) a performance allocation of 20% of any net profit in any fiscal year subject to a loss carry forward provision. A minimum initial investment of \$2 million is required for each of the FTAM Funds which may be waived or reduced in the sole discretion of the General Partner. Additional information about FTAM Funds, fees and expenses is available in the Confidential Private Offering Memorandum for each FTAM Fund.

MORNINGSTAR MANAGED PORTFOLIOS

The annual fee for Morningstar Managed Portfolios is based on a percentage of assets under management as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$500,000	1.50%
\$500,000 to \$1,000,000	1.40%
\$1,000,000 to \$2,000,000	1.30%
Over \$2,000,000	1.10%

Limited Negotiability of Advisory Fees: Although Financial Trust Asset Management, Chartered has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client. We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

FINANCIAL PLANNING FEES

Financial Trust Asset Management, Chartered's Financial Planning 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 Financial Planning fees are calculated and charged on an hourly basis, the fee is \$150 per hour. Although the length of time it will take to provide a Financial Plan will depend on

each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship. The client is billed quarterly in arrears based on actual hours accrued.

GENERAL INFORMATION

Termination of the Advisory Relationship: Unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees.

Thereafter, a client agreement may be canceled at any time, by either party, for any reason upon notice. Fees will continue to accrue up until the termination notification. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's fees, we will prorate the fee according to the number of days in the billing period.

Mutual Fund Fees: All fees paid to Financial Trust Asset Management, Chartered 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.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

FTAM participates in the PlaceMark Investments, Equis Capital Advisor and Carlton Wrap-Fee Program as a sub-advisor providing strategies through model portfolios appropriate for the wrap fee program. FTAM provides sub-advisory services to the PlaceMark, Equis and Carlton Wrap Fee Program sponsored by PlaceMark Investments, Equis Capital Management, and Carlton Associates. All are independent and registered SEC investment advisers. PlaceMark, Equis and Carlton, as sponsors, may recommend retention of FTAM as sub-adviser, pay FTAM's investment advisory fee, monitor and evaluate FTAM's performance, effect the wrap client's portfolio transactions without commission charges, and provide custodial services for

the wrap client's assets, or provide any combination of these or other services, all for a single fee, wrap fee, paid by the client to PlaceMark, Equis and or Calton.

Clients will receive a wrap fee brochure (Form ADV Part 2A-Appendix 1) from the wrap fee sponsor.

For the Equis Wrap Fee Program, FTAM typically receives between .04% to .15% as subadvisory fees which are included in the all inclusive wrap fee charged by Equis as sponsor for the wrap fee program. All sub-advisory fees are paid by Equis to FTAM. It is also separate from any asset-based fees charged by Foliofn.

For the Calton Wrap Fee Program, FTAM typically receives 0.50% as sub-advisory fees which are separate from the wrap fee charged by Calton as sponsor for the wrap fee program. It is also separate from any asset-based fees charged by Foliofn.

For the PlaceMark UMA Program, FTAM typically receives 0.60% as sub-advisory fees which are separate from the wrap fee charged by PlaceMark as sponsor for the UMA program. It is also separate from any asset-based fees charged by Charles Schwab, Fidelity Investments, Pershing or TD Ameritrade, who PlaceMark uses as custodians.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Financial Trust Asset Management, Chartered's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Financial Trust Asset Management, Chartered is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. . As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Financial Trust Asset Management, Chartered may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Financial Trust Asset Management, Chartered's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

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

PERFORMANCE-BASED FEES

As we disclosed in Item 5 of this Brochure, our firm accepts a performance-based fee from clients in our Limited partnerships. Such a performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the client. To qualify for a performance-based fee arrangement, Fund investor, must either demonstrate a net worth of at least \$2 million or must have at least \$1 million under management immediately after entering into a management agreement with us.

Clients should be aware that performance-based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Furthermore, as we also have clients who do not pay performance-based fees, we have an incentive to favor accounts that do pay such fees because compensation we receive from these clients is more directly tied to the performance of their accounts.

We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser; accordingly, we take the following steps to address these conflicts:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and employees to earn more compensation from advisory clients who pay performance-based fees;
2. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
3. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to that client's needs and circumstances;
4. We have implemented policies and procedures for fair and consistent allocation of investment opportunities among all client accounts;
5. We periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment;
6. We periodically review trading frequency and portfolio turnover rates to identify possible patterns of "window dressing," "portfolio churning," or any intent to manipulate trading to boost performance near the reporting period; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients and equitable treatment of all clients, regardless of the fee arrangement.

The client must understand the performance-based fee method of compensation and its risks prior to entering into a management contract with us.

For the FTAM Funds and in measuring the assets for the calculation of the performance allocation, FTAM will include all net profits and net losses for each of the FTAM Funds including any realized and unrealized gains and losses over the fiscal year period. FTAM may receive increased compensation with regard to unrealized appreciation as well as unrealized gains in the client's account.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF SEC RULE 205-3 UNDER THE INVESTMENT ADVISERS ACT OF 1940 AND/OR APPLICABLE STATE REGULATIONS. THE FEES WILL NOT BE OFFERED TO ANY CLIENT RESIDING IN A STATE IN WHICH SUCH FEES ARE PROHIBITED.

“Qualified Client” pursuant to SEC Section 205-3 means:

(i) A natural person who or a company that immediately after entering into the contract has at least \$1,000,000 under the management of the investment adviser;

(ii) A natural person who or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:

A) Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,000,000, at the time the contract is entered into; or

B) Is a qualified purchases as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or

(iii) A natural person who immediately prior to entering into the contract is:

A) An executive officer, director, trustee, general partner or person serving in similar capacity, of the investment adviser; or

B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

Item 7 Types of Clients

Financial Trust Asset Management, Chartered provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Other pooled investment vehicles (e.g., hedge funds)
- Charitable organizations
- Other Investment Advisers
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a

particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Risk of Loss. Investing in securities involves risk of loss that clients should be prepared to bear. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any 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.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Financial Trust Asset Management, Chartered and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Financial Trust Asset Management, Chartered's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to amayer@financialtrust.net, or by calling us at 561-391-8188.

The principals of Financial Trust Asset Management, Chartered are also the principals of the following private investment funds:

Disciplined Dividend Income Fund, LP
International ValueMomentum Fund, LP
ValueMomentum Leaders Fund, LP

The General Partner has designated Financial Trust Asset Management, Chartered as having primary responsibility for investment management and administrative matters, such as accounting tax and periodic reporting, pertaining to the Funds. Financial Trust Asset Management, Chartered and our members, officers and employees will devote to the Fund as much time as we deem necessary and appropriate to manage the Fund's business. Financial Trust Asset Management, Chartered and our affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the Fund and/or may involve substantial time and resources of our firm and our affiliates. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of our management personnel and employees will not be devoted exclusively to the business of the Fund, but could be allocated between the business of the Fund and other of our business activities and those of our affiliates.

Investments in the Fund may be recommended to advisory clients for whom a partnership investment may be more suitable than would a separate advisory account managed by our firm. Clients who invest in the Funds are not charged any additional advisory fees other than

the advisory fee allocated to the limited partners of the Fund.

The Fund is not required to register as an investment company under the Investment Company Act of 1940 in reliance upon an exemption available to funds whose securities are not publicly offered. Financial Trust Asset Management, Chartered manages the Fund on a discretionary basis in accordance with the terms and conditions of the Fund's offering and organizational documents.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related

persons of the firm.

5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

Item 12 Brokerage Practices

Financial Trust Asset Management, Chartered will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Financial Trust Asset Management, Chartered will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Financial Trust Asset Management, Chartered's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Financial Trust Asset Management, Chartered, or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Financial Trust Asset Management, Chartered to seek best execution for each

client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) Financial Trust Asset Management, Chartered's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on Financial Trust Asset Management, Chartered's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

We will recommend a broker dealer to clients in need of brokerage and custodial services. The factors we consider when recommending a broker dealer include:

- the range of professional services offered to clients and to investment advisers;
- commission rates or trading costs;
- quality of execution services;
- financial stability and reputation; and
- the custodial platform provided to clients.

Financial Trust Asset Management, Chartered may recommend that clients establish

brokerage accounts with one of the following: Schwab Institutional, division of Charles Schwab & Co., Inc. ("Schwab"), FolioFn Institutional or Fidelity Investments. All the firms are FINRA registered broker-dealers, member's of SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, FolioFn or Fidelity it is the client's decision to custody assets with one of the firms. Financial Trust Asset Management, Chartered is independently owned and operated and not affiliated with any brokerage firm.

Schwab, FolioFn and Fidelity provide Financial Trust Asset Management, Chartered with access to its institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them. In the case of Schwab Institutional as long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to the brokers any specific amount of business (assets in custody or trading commissions). The Brokers brokerage services include the execution of securities transactions, 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 our client accounts maintained in the brokers custody, the brokers generally does not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through them or that settle into their accounts.

The brokerages also makes available to our firm other products and services that benefit Financial Trust Asset Management, Chartered but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at the brokers.

The brokers products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Brokerages also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

The brokers may make available, arrange and/or pay third-party vendors for the types of services rendered to Financial Trust Asset Management, Chartered. The brokerages may discount or waive fees it would otherwise charge for some of these services or pay all or a

part of the fees of a third-party providing these services to our firm. The brokers may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at the brokers, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by the various brokers, which may create a potential conflict of interest.

The brokerages charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions) or asset based fee's. The brokerages enable Financial Trust Asset Management, Chartered to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The brokerages commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by the brokerages may be higher or lower than those charged by other custodians and broker-dealers.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use the brokerages services. We examined this potential conflict of interest when we chose to enter into the relationship with the brokers and have determined that the relationship is in the best interests of Financial Trust Asset Management, Chartered's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission 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-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Financial Trust Asset Management, Chartered 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. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Financial Trust Asset Management, Chartered and the brokers are not affiliated.

Direction of Brokerage

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, Adviser may recommend the use of one of several brokers including Schwab, Fidelity or Folio, provided that such recommendation is consistent with our firm's fiduciary duty to the client. Our clients must evaluate these brokers before opening an account. The factors considered by Adviser when making recommendations are the broker's ability to provide professional services, our firm's experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to effect trades through any recommended broker.

Certain clients, when undertaking an advisory relationship, already have a pre-established relationship with a broker and/or may instruct Adviser to execute all transactions through that broker. In the event that a client directs Adviser to use a particular broker or dealer, it should be understood that under those circumstances Adviser will not have authority to negotiate commissions among various brokers, aggregate directed trades with other client transactions, or obtain volume discounts and best execution may not be achieved. In addition, a disparity in commission rates will exist between commissions charged to Adviser's clients.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Arno O. Mayer CFA CFP President of FTAM

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

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

REVIEWS: While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Arno O. Mayer CFA CFP President of FTAM

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

balances and holdings.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is Financial Trust Asset Management, Chartered's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because some of our custodian do not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. As an advisory firm that maintains discretionary authority for client accounts we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Financial Trust Asset Management, Chartered has no additional financial circumstances to report. Financial Trust Asset Management, Chartered has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

The following individuals are the principal executive officers and management persons of Financial Trust Asset Management:

Arno O. Mayer, President/CEO/Director/Chief Compliance Officer

Information regarding the formal education and business background for Mr. Mayer is provided in his respective Brochure Supplement.

We are not engaged in any business activity other than giving investment advice.

Neither our firm nor our supervised persons are compensated for advisory services with performance-based fees.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted. Our firm and our management personnel have no reportable disciplinary events to disclose.

Neither our firm nor our management personnel have a relationship or arrangement with any issuer of securities.