

Item 1 – Cover Page

Scotia Partners, LLC

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March 28, 2012

This Brochure provides information about the qualifications and business practices of Scotia Partners, LLC [“ADVISER”]. If you have any questions about the contents of this Brochure, please contact us at (484)932-8560 or at info@scotiapartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Scotia Partners, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Scotia Partners, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since March 17, 2011, the date of the previous version of this disclosure Form ADV – Part 2 document, we have modified this SEC Disclosure Document, also called the Form ADV – Part 2 narrative. Only the material changes since the last update of this brochure are set forth on this page, as follows:

(1) Scotia Partners has added a new investment portfolio to its list of products available to clients. The firm has managed a portion of its own investable assets in the new portfolio, titled the Keystone Portfolio, for the last 12 months, beginning March 2011, and is now making it available to clients, based on the suitability of the approach for each client.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Clifford J. Montgomery, CFA (Chief Compliance Officer) at (484)932-8560 or cliff@scotiapartners.com. Our Brochure is also available on our web site www.scotiapartners.com, also free of charge.

Additional information about Scotia Partners, LLC is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Scotia Partners, LLC who are registered, or are required to be registered, as investment adviser representatives of Scotia Partners, LLC.

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Item 4 – Advisory Business

Firm History - Scotia Partners, LLC (“the Firm”), started in 2006 by its founder and owner Clifford J. Montgomery, CFA, is a registered investment adviser that provides discretionary investment management services to individuals, trusts, estates, pension plans, and investment companies such as mutual funds. The Firm does not provide financial planning, estate planning, insurance planning, or investment or non-investment related consulting services.

Our Investment Philosophy - The Firm’s investment approaches would be defined generally as actively managed, tactical strategies based on quantitative and technical analysis. The Firm’s strategies are driven by market data such as price, volume, advance/decline ratio, etc., and are rules based, meaning that investment process and decisions are directed by objective calculations based on readily available market related data.

The Firm generally allocates the investment management assets of its clients, on an active discretionary basis, among various mutual funds, exchange traded funds, common stocks, options contracts, and/or investment subdivisions of variable investment products, in accordance with the Firm’s proprietary asset management programs. The Firm exchanges and/or transfers funds owned by the client among different asset categories within the same (or different) fund family(ies), in accordance with the investment objectives of the client.

The Firm’s investment programs generally do not follow a buy-and-hold strategy. The Firm’s goal in the use of these funds is to mitigate market exposure, thereby attempting to decrease overall program downside risk.

The Firm manages investment advisory accounts not involving Investment Supervisory Services. Each investment program managed by the Registrant has been devised to meet a particular investment strategy applicable to an individual client's investment objective(s). Each investment program is continuously managed based on the program's strategy, rather than based upon each client's individual needs. However, each client will have the opportunity to place reasonable restrictions on the types of investments to be held in his/her/its account.

The Firm generally allocates the investment assets of its client accounts, on a discretionary basis, among one or more of its proprietary asset management programs (i.e. Conservative S&P Timing, Moderate S&P Timing, Growth S&P Timing, Moderate S&P Plus, Growth S&P Plus, and Dynamic Momentum). The Firm's proprietary programs have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs with a non-exclusive safe harbor from the definition of

an investment company. In accordance with Rule 3a-4, the following disclosure is specifically applicable to the Firm's management of client assets:

1. Initial Interview - at the opening of the Account, the ADVISER shall obtain from the CLIENT information sufficient to determine the CLIENT's financial situation and investment objectives;
2. Individual Treatment - the Account is managed on the basis of the CLIENT's financial situation and investment objectives;
3. Quarterly Notice - at least quarterly the ADVISER shall notify the CLIENT to advise the ADVISER whether the CLIENT's financial situation or investment objectives have changed, or if the CLIENT wants to impose and/or modify any reasonable restrictions on the management of his/her/its Account;
4. Annual Contact - at least annually, the ADVISER shall contact the CLIENT to determine whether the CLIENT's financial situation or investment objectives have changed, or if the CLIENT wants to impose and/or modify any reasonable restrictions on the management of the Account. In the event that the CLIENT is referred to the ADVISER by the CLIENT's primary financial services professional, the ADVISER shall request such professional to make the contact;
5. Consultation Available - the ADVISER (and/or the CLIENT's primary financial services professional) shall be reasonably available to consult with the CLIENT relative to the status of the Account;
6. Quarterly Statement - the CLIENT shall be provided with a quarterly report for the Account for the preceding period;
7. Ability to Impose Restrictions - the CLIENT shall have the ability to impose reasonable restrictions on the management of the Account, including the ability to instruct the ADVISER not to purchase certain funds;
8. No Pooling - the CLIENT's beneficial interest in a security does not represent an undivided interest in all the securities held by the Custodian, but rather represents a direct and beneficial interest in the securities which comprise the Account;
9. Separate Account - a separate account is maintained for the CLIENT with the Custodian;
10. Ownership - each CLIENT retains indicia of ownership of the Account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations)

Our Investment Strategies –

Conservative S&P Timing - This strategy seeks short term opportunities to invest in S&P 500 leveraged index funds, both long and inverse, with more limited position sizes, on average, than the "Moderate" and "Growth" approaches to the same strategy. The RYTNX and RYTPX funds are used exclusively in addition to the Rydex US Gov't Money Market Fund (RYMXX). The indicators used in the strategy are designed to measure trend in the S&P 500 index, and trades are entered, in the direction of the trend, when the S&P 500 index has an historically high probability of moving in that direction. This strategy will typically spend a significant portion of time invested in a money market fund, as it awaits the trading opportunities favored by this strategy. The objective of the model is to provide positive returns regardless of market conditions over a period of several months, with significantly reduced risk due to market exposure. There is no guarantee that the strategy will achieve its objective.

Moderate S&P Timing - This strategy seeks short term opportunities to invest in S&P 500 leveraged index funds, both long and inverse, with more limited position sizes, on average, than the "Growth" approach to the same strategy, but with larger position sizes, on average, than the "Conservative" approach to the same strategy. The RYTNX and RYTPX funds are used exclusively in addition to the Rydex US Gov't Money Market Fund (RYMXX). The indicators used in the strategy are designed to measure trend in the S&P 500 index, and trades are entered, in the direction of the trend, when the S&P 500 index has an historically high probability of moving in that direction. This strategy will typically spend a significant portion of time invested in a money market fund, as it awaits the trading opportunities favored by this strategy. The objective of the model is to provide positive returns regardless of market conditions over a period of several months, with significantly reduced risk due to market exposure. There is no guarantee that the strategy will achieve its objective.

Growth S&P Timing - This strategy seeks short term opportunities to invest in S&P 500 leveraged index funds, both long and inverse, with larger position sizes, on average, than the "Conservative" and "Moderate" approaches to the same strategy. The RYTNX and RYTPX funds are used exclusively in addition to the Rydex US Gov't Money Market Fund (RYMXX). The indicators used in the strategy are designed to measure trend in the S&P 500 index, and trades are entered, in the direction of the trend, when the S&P 500 index has an historically high probability of moving in that direction. This strategy will typically spend a significant portion of time invested in a money market fund, as it awaits the trading opportunities favored by this strategy. The objective of the model is to provide positive returns regardless of market conditions over a period of several months, with significantly reduced risk due to market exposure. There is no guarantee that the strategy will achieve its objective.

Moderate S&P Plus - This strategy seeks short term opportunities to invest in S&P 500 leveraged index funds, both long and inverse, with smaller position sizes, on average, than the "Growth" approach to the same strategy. The RYTNX and RYTPX funds are used exclusively in addition to the Rydex US Gov't Money Market Fund (RYMXX). The indicators used in the strategy are designed to measure trend in the S&P 500 index, and trades are entered, in the direction of the trend, when the S&P 500 index has an historically high probability of moving in that direction. This strategy will typically spend a significant portion of time invested in a money market fund, as it awaits the trading opportunities favored by this strategy. The objective of the model is to provide positive returns regardless of market conditions over a period of several months, with significantly reduced risk due to market exposure. There is no guarantee that the strategy will achieve its objective.

In addition the strategy also seeks trading opportunities on the long and inverse sides, based on overbought and oversold conditions.

These additional opportunities increase the potential for high returns, at the expense of increased exposure to volatility and market risk.

Growth S&P Plus - This strategy seeks short term opportunities to invest in S&P 500 leveraged index funds, both long and inverse, with larger position sizes, on average, than the "Moderate" approach to the same strategy. The RYTNX and RYTPX funds are used exclusively in addition to the Rydex US Gov't Money Market Fund (RYMXX). The indicators used in the strategy are designed to measure trend in the S&P 500 index, and trades are entered, in the direction of the trend, when the S&P 500 index has an historically high probability of moving in that direction. This strategy will typically spend a significant portion of time invested in a money market fund, as it awaits the trading opportunities favored by this strategy. The objective of the model is to provide positive returns regardless of market conditions over a period of several months, with significantly reduced risk due to market exposure. There is no guarantee that the strategy will achieve its objective.

In addition the strategy also seeks trading opportunities on the long and inverse sides, based on overbought and oversold conditions.

These additional opportunities increase the potential for high returns, at the expense of increased exposure to volatility and market risk.

Dynamic Momentum - This strategy is a long only strategy for tactical asset allocation. The inputs used to generate trading signals are the prices of the funds being traded and of the S&P 500 index. Price is used to measure short-term momentum in asset classes such as long large-

cap index (S&P 500 fund), long small-cap index (Russell 2000 fund), electronics, biotech, healthcare, energy services, basic materials, transportation, and precious metals.

The strategy attempts to be exposed to those sectors and markets where short-term price momentum is most likely to lead to price appreciation in the funds representing those sectors and markets.

The strategy attempts to control risk through active, daily rebalancing to diverse asset classes, through money management, and through limiting position sizes during periods when the market is determined to be in a longer term corrective phase. If all available asset classes are identified as unfavorable for investment, the strategy will be to allocate to a 100% position in a money market fund. Additionally, if a sector/asset class is demonstrating a short term overbought condition, that allocation will be moved to a 100% money market position.

The strategy's objective is to outperform the S&P 500 over a business cycle, and to provide significant downside protection during cyclical and secular bear markets. There is no guarantee that the strategy will achieve this objective.

Keystone Portfolio – The Keystone Portfolio is made up of 5 separate investment strategies, focusing on different asset classes. The strategies included in this portfolio are: Sector Rotation, Style Rotation, Fixed Income, Commodities, and International.

Each strategy seeks investment opportunities in ETF's or open ended mutual funds based on SPL's proprietary analysis of the respective asset classes.

If market conditions warrant, the portfolio can be positioned in cash or a cash equivalent as a means of attempting to avoid market volatility.

Item 5 – Fees and Compensation

The Firm shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by the Firm. The investment management fee charged shall vary (generally between negotiable and 2.50%) depending upon the market value of assets under management, and the investment program selected, as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$500,000 to \$1,000,000	2.50%
\$1,000,001 to \$2,500,000	2.00%
\$2,500,001 to \$5,000,000	1.50%
Above \$5,000,000	Negotiable

The specific manner in which fees are charged by the Firm is established in a client's written agreement with the Firm. The Firm's annual investment management fee shall be prorated and paid quarterly in arrears, based upon the average daily balance in the account for the previous quarter. Clients may also elect to be billed directly for fees or to authorize the Firm to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

The Firm generally requires a \$500,000.00 account minimum for investment management services. However, the Firm, in its sole discretion, may waive the account minimum or charge a lesser management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipate future additional assets, dollar amount of assets to be managed, related accounts, account composition, historical relationship, accounts referred to advisor by another professional, negotiations with client, etc).

The Firm's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Firm's fee, and the Firm shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that the Firm considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

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

The Firm does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

The Firm provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, and registered mutual funds.

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

The Firm's investment approaches would be defined generally as actively managed, tactical strategies based on quantitative and technical analysis. The Firm's strategies are driven by market data such as price, volume, advance/decline ratio, etc., and are rules based, meaning that investment process and decisions are directed by objective calculations based on readily available market related data. Investing in securities involves risk of loss that clients should be prepared to bear.

The Firm generally allocates the investment management assets of its clients, on an active discretionary basis, among various mutual funds, exchange traded funds, common stocks, options contracts, and/or investment subdivisions of variable investment products, in accordance with the Firm's proprietary asset management programs. The Firm exchanges and/or transfers funds owned by the client among different asset categories within the same (or different) fund family(ies), in accordance with the investment objectives of the client.

The Firm's investment programs generally do not follow a buy-and-hold strategy. The Firm's goal in the use of these funds is to mitigate market exposure, thereby attempting to decrease overall program downside risk.

Principal Risks – As with all mutual funds, a shareholder is subject to the risk that his or her investment could lose money. In addition to this risk, the funds utilized in the proprietary

investment strategies of the Firm are subject to a number of additional risks that may affect the value of their shares, including:

Active trading risk – Active trading, also called “high portfolio turnover”, may result in higher brokerage costs or mark-up charges, which may negatively affect fund performance and result in short-term capital gains, which have a negative tax effect. Large movements of assets into and out of the funds due to active trading also may affect the funds’ abilities to achieve their investment objectives.

Sector or style concentration risk – To the extent the funds’ investments are concentrated in issuers conducting business in the market sectors and styles represented by the respective funds, the funds are subject to the risk that the securities of such issuers will underperform the market as a whole due to legislative, regulatory, adverse market conditions and/or increased competition affecting that economic sector. The prices of the securities held by the respective funds also may fluctuate widely in response to such events.

Depository Receipt Risk – The funds may hold the securities of non-U.S. companies in the form of ADRs. The underlying securities of the ADRs in the funds’ portfolios are subject to fluctuation in foreign currency exchange rates that may affect the value of the funds’ portfolios. In addition, the value of the securities underlying the ADRs may change materially when the U.S. markets are not open for trading. Investments in the underlying foreign securities also involve political and economic risks distinct from those associated with investing in the securities of U.S. issuers.

Derivatives Risk – The funds’ investments in derivatives may pose risks in addition to those associated with investing directly in securities or other investments, including illiquidity of the derivative, imperfect correlations with underlying investments or the funds’ other portfolio holdings, lack of availability, and counterparty risk.

Early Closing Risk – The funds are subject to the risk that unanticipated early closings of securities exchanges and other financial markets may result in the funds’ inability to buy or sell securities or other financial instruments on that day and may cause the funds to incur substantial trading losses.

Investment Technique Risk – The Advisor to the funds does not engage in temporary defensive investing, keeping the funds fully invested in all market environments. This means that, based on markets and economic conditions, the funds’ performance could be lower than other types of mutual funds that may actively shift their portfolio assets to lessen the impact of a market decline.

Non-Diversification Risk – Many of the funds traded are considered non-diversified and can invest a greater portion of their assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single security could cause greater fluctuations in the value of fund shares than would occur in a diversified fund.

Counterparty Credit Risk – Investments in financial instruments involving counterparties attempt to gain exposure to a particular group of securities, index, or asset class without actually purchasing those securities or investments, or to hedge a position. Certain funds' use of such financial instruments, including swap agreements, involves risks that are different from those associated with ordinary portfolio securities transactions. For example, if a swap agreement counterparty defaults on its payment obligations to the funds, this default will cause the value of your investment in the funds to decrease. Swap agreements may also be considered to be illiquid.

Leveraging Risk – Certain funds achieve leveraged exposure to the underlying index through the use of derivative instruments. The more the funds invest in leveraged instruments, the more this leverage will magnify any losses on those investments. Since these funds' investment strategies involve consistently applied leverage, the value of the funds' shares will tend to increase or decrease more than the value of any increase or decrease in the underlying index. Leverage also will have the effect of magnifying tracking error.

Tracking Error Risk – The Adviser to certain funds may not be able to cause the funds' performance to match that of the funds' respective benchmarks, either on a daily or an aggregate basis. Factors such as fund expenses, imperfect correlation between the funds' investments and those of their underlying indices, rounding of share prices, changes to the composition of the underlying index, regulatory policies, high portfolio turnover rate, and the use of leverage all contribute to tracking error. Tracking error may cause the funds' performance to be less than you expect.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of the Firm's management. The Firm has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

The Firm has no information applicable to this Item.

Item 11 – Code of Ethics

Scotia Partners, LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at the Firm must acknowledge the terms of the Code of Ethics annually, or as amended.

The Firm anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which the Firm has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which the Firm, its affiliates and/or clients, directly or indirectly, have a position of interest. The Firm's employees and persons associated with the Firm are required to follow the Firm's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of the Firm and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the Firm's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Firm 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. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of the Firm's clients.

Exceptions are made for transactions in securities trading in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of the securities, as well as for open-end mutual funds and/or the investment subdivisions which may comprise a variable insurance product, as these instruments are purchased and redeemed at a fixed net asset value price per share specific to the date of purchase or redemption.

In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some

circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between the Firm and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with the Firm's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. The Firm will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

The Firm's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Clifford J Montgomery, CFA at (484)932-8560 or at cliff@scotiapartners.com.

It is the Firm's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. The Firm will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

As an investment advisory firm, Scotia Partners, LLC has a fiduciary and fundamental duty to seek best execution for client transactions. The Firm, as a matter of policy and practice, seeks to obtain best execution for client transactions, i.e. seeking to obtain not necessarily the lowest commission, but the best overall qualitative execution in the particular circumstances. The Firm considers the full range and quality of a broker-dealer's services, including execution capability, commission rates, the value of any research, financial responsibility, and responsiveness, among other things.

The Firm, as a matter of policy and practice, does not have any formal or informal arrangements or commitments to utilize research, research related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

The Firm does not have authority to determine, without obtaining specific client consent, either the broker-dealer to be used or the commission rates paid.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, the Firm may receive from certain broker-dealers/custodians, without cost (and/or at a discount), support service and/or products, which assist the Firm to better monitor and service client accounts maintained at a particular broker-dealer/custodian.

While there is no direct linkage between the investment advice given and the use of the investment products utilized inside the Firm's proprietary investment strategies, economic benefits are received which would not be received if the Firm did not give investment advice to clients. These benefits, which are also received by other Registered Investment Advisor Firms using the same products include (a) attendance at seminars at which sponsors of the investment products offer economic analysis and instruction on asset allocation strategies and practice management. The Firm pays all the travel and hotel costs for members attending these seminars. The product sponsors provide at times, at no charge to the Firm or the other attendees at such seminars, the speakers and facilities for the seminar, luncheons and dinners, and the materials distributed at the seminars; (b) access to certain areas of the investment product sponsors' websites which permit trading features developed for investment professionals; and (c) other services and benefits.

Clifford J. Montgomery, CFA, representing the Firm, is a member of the Rydex SGI Dynamic Advisory Board. In this capacity, the Firm receives access to Rydex SGI's AdvisorElite service, which seeks to offer a high level of responsiveness and service to Rydex SGI's best clients.

Item 13 – Review of Accounts

Clifford J. Montgomery, CFA, Managing Member/Portfolio Manager continuously reviews the underlying securities in each portfolio. Specific client portfolios are reviewed on an annual basis. All clients are advised that it remains their responsibility to advise the Firm of any changes in their investment objectives and/or financial situation, or if they would like to impose, add to, or modify any reasonable restrictions to our investment advisory services. All clients are

encouraged to review their investment objectives and account performance with the Firm on an annual basis.

Each client receives a written quarterly statement from the Firm, indicating account value and performance, and from the qualified custodian, indicating account value, holdings, and transactions.

Item 14 – Client Referrals and Other Compensation

Under the SEC Cash Solicitation Rule, Rule 206(4)-3, and comparable rules adopted by most states, investment advisors may compensate persons who solicit advisory clients for a firm if appropriate agreements exist, specific disclosures are made, and other conditions met under the rules. Under the SEC rule, a solicitor is defined as “any person who, directly or indirectly, solicits any client for, or refers any client to, an investment advisor”.

Scotia Partners, LLC, as a matter of policy and practice, does not compensate any persons, i.e. individuals or entities, for the referral of advisory clients to the Firm.

Item 15 – Custody

Clients will receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client’s investment assets. The Firm urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Scotia Partners, LLC receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. This is typically

achieved by the client executing a limited power of attorney. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, the Firm observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, the Firm's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

This discretionary authority may include granting the Firm the authority to debit management fees directly from the client's investment accounts. The client may also elect not to grant the Firm this authority.

Investment guidelines and restrictions must be provided to the Firm in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, the Firm does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. The Firm may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Firm's financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.