

Form ADV Part 2 Brochure Document

EDGE Advisory, LLC

10130 Mallard Creek Road, Suite 300, Charlotte, NC 28262, 704.944.5517

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This brochure provides information about the qualifications and business practices of EDGE Advisory, LLC (“EDGE” or “the Company”). If you have any questions about the contents of this brochure, please contact us at: (704) 944-5517. 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. Furthermore, being a “Registered” Investment Advisor does not imply a certain level of skill or training.

Additional information about EDGE is available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

In June 2012, EDGE filed its initial application to register as an investment adviser with the SEC. Accordingly, pursuant to disclosure rules under the Advisers Act, this is the first brochure compiled by EDGE to provide new and prospective clients and investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest, and background of its advisory personnel. We encourage all recipients of this brochure to read it carefully in its entirety.

In the future, this section of the document will identify and discuss the material changes since the last annual update to assist investors and make them aware of certain information that has changed since the prior year's brochure and that may be important to them.

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ITEM 1: ADVISORY BUSINESS

EDGE Advisory LLC, (“EDGE”) is a privately-held Registered Investment Advisor (“RIA”) company, formed in January of 2012. EDGE is principally owned by Eric M. Gamble.

EDGE provides investment advisory and portfolio management services for private clients and companies through a Full Trading Authorization. EDGE’s minimum asset requirement for new clients is \$100,000. There are no ongoing contribution requirements although this practice is highly recommended for ongoing savings, asset allocation, and tax efficiency purposes. EDGE may make an exception to the above requirements at its sole discretion.

Clients undergo an introductory interview to outline their financial situation and to help EDGE set risk tolerance and investment objectives. Qualified clients are then categorized into one of two categories, depending upon the client’s investment goals (Conservative or Growth). Clients that fit the Growth category may also place funds into the Conservative model.

Once categorized, clients are then provided with an active portfolio management service that is further detailed in the section marked “Item 4 – Methods of Analysis, Investment Strategies and Risk of Loss,” and can be found later in this document.

EDGE meets with clients periodically to review their financial situation, answer questions, and determine if any adjustments need to be made relative to their financial objectives, risk tolerance, and time horizon.

EDGE provides 100% of the above services on a discretionary basis. EDGE currently does not have assets under management because it is a new firm as of January 2012. EDGE performs daily management activities within the guidelines of an Investment Policy Statement (“IPS”), without day-to-day client consultation (known as “discretionary” management of assets).

All funds are held in a client’s own account at an independent brokerage firm(s), and each client authorizes invoices to be paid from their account(s).

Specifically, EDGE provides:

1. Account setup and transfers to a selected Broker / Custodian.
2. Discretionary selection of specific investments within the program.
3. Production and distribution of individual quarterly performance reports.
4. Ongoing reviews and updates of client goals.
5. Personalized advice and analysis to help make good decisions.

ITEM 2: FEES AND COMPENSATION

EDGE generates its income based upon realized performance, as a percentage of gain on the client’s original principal. The performance fee is scaled depending on the realized gain for a given month.

Table-1. EDGE Performance Fees

Monthly Asset Growth	Performance Fee of Net Gain
>0.35%	15.00%
1.25%	19.00%
2.00%	23.00%
2.50%	30.00%

There is no performance fee charged to clients within a month when EDGE does not make a positive return.

Performance-Based Fees

EDGE uses an incentive allocation model, as discussed above. The incentive allocation model charges a client a fee based on performance, as illustrated in the above fee table.

- All performance fees are calculated on realized income after subtracting broker-dealer trading fees.

Billing

Clients are billed once a month, based on realized gain.

Other Fees

EDGE's fee is separate from and does not include:

- *brokerage commissions, dealer spreads, and other transaction costs from buying and selling securities (please see Brokerage Practices),*
- *custodial fees,*
- *interest,*
- *taxes, and*
- *other account expenses.*

These expenses are the responsibility of each client. When holding cash-equivalent funds, some custodians may charge a management fee for access to money market funds. If applicable, this charge would be in addition to EDGE's fee.

Prepayments

EDGE does not accept prepayments.

ITEM 3: TYPE OF CLIENTS

EDGE provides investment advisory services to high net worth individuals, family offices, universities, and endowments.

The minimum fund investment is \$100,000 USD; however, EDGE retains sole discretion to waive the minimum investment requirement.

ITEM 4: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Methods of Analysis

Part of our method comes from Technical Analysis, seeing markets as rolling waves of ups and downs that follow mathematical trends. This means that after a trend has been established, the future price movement is more likely to be in the same direction as the trend than to be against it.

On a daily basis, EDGE takes large volumes of market data and uses predictive mathematical models to look at probabilities of a stock moving in a given direction.

This is done by working with the Greek variables for modeling risk and reward such as Delta, Gamma, Vega, Rho, and Theta. An understandable explanation of how these measures are used in financial trading can be found here: http://en.wikipedia.org/wiki/Greeks_%28finance%29

Where EDGE differs from a pure technical analysis approach is we accept that the unexpected 'Perfect Storm' that can hit any moment and cause stock market turbulence.

We take these two divergent views of investing to form our trading methodology:

- Mathematical models can show probability of where a stock is going
- The Perfect Storm can hit at any time and will most likely will occur

This same idea is applied in different ways through the strategies we use.

Investment Strategies

EDGE has two investment strategies, a conservative strategy and a growth growth, that primarily trades publically traded equity options. In trading these securities, there is one of two states a position can be:

- **Long:** a position where money has been **spent** for opening a position.
- **Short:** a position where money has been **received** for opening a position.

EDGE uses a series of positions, using both long and short positions, to create a family of positions that are placed to potentially generate positive returns. This method of using long and short positions is the primary method in which EDGE operates within the equity options environment.

Trading equity options allows EDGE to utilize both long and short positions on either side of equity's option tree, using spreads and longs. An equity option tree lists the prices for equity options, at a given price, for a specific option contract window. Using various option strategies, EDGE can create and open potentially profitable positions using long and short positions. When combining these positions into a strategy, the strategy generally falls into one of the two categories:

- **Debit Spread:** opening one or more long positions and open one position, fewer positions, or equal number of positions to the long positions but at a lower price.
- **Credit Spread:** opening one or more short positions and open one position, fewer positions, or equal number of positions to the short positions but at a lower price.

EDGE does not open uncovered short positions "naked calls" or "naked puts".

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to realize. Generally, the greater the return potential of an investment, the greater the risk of loss is in that investment. All of the strategies listed above have an inherent risk of loss due to investing in marketable securities like equity options on stocks.

Specific sources of risk that can adversely affect an investment include: security price risk, security liquidity risk, business risk, financial leverage risk, exchange rate risk, interest rate risk, country risk, political risk, default risk and bankruptcy risk. To mitigate risk, clients should determine whether their entire investment portfolio is properly diversified and that the overall asset allocation is appropriate.

EDGE will only considers the client's account under management with EDGE and how this account is diversified.

No guarantee or representation is made that an investment program will be successful and performance could be negatively impacted by a number of risks, including, but not limited to:

1. Lack of Operating History – EDGE has no operating history which prospective investors or Clients can evaluate the anticipated performance of any investment strategy. The past performance of the Company or its affiliates may not be indicative of future performance.

2. Dependence on Key Individuals – The success of the strategies depends upon the ability of key members of the Company's investment team to develop and implement strategies that achieve the investment objectives. If the Company were to lose the services of these members

the consequence to the Clients and investors could be material and adverse and could lead to premature termination of a Fund or investment.

Because we are a quantitative investment firm, we have less key man risk due to much of the process of identifying stocks is automated.

3. Competition: Availability of Investment Strategies – The success of the investment activities will depend on the Company's ability to identify investment opportunities as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of investment strategies pursued by EDGE involve a high degree of uncertainty. No assurance can be given that the Company will be able to locate suitable investment opportunities in which to deploy assets or to exploit discrepancies in the securities and derivatives markets.

4. General Economic and Market Conditions – The success of the Company's activities will be affected by general economic and market conditions, such as interest rates, , inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of investments), trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of investments' prices and their liquidity and could impair profitability or result in losses.

5. Legal, Tax and Regulatory Environment – The legal, tax and regulatory environment worldwide for private investment funds and their managers is evolving, and changes in such regulations may have material adverse effects on the ability of the Company to pursue its investment strategy and the value of investments held.

6. Volatility – The investment programs managed by EDGE may involve the purchase and sale of relatively volatile instruments such as derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of underlying securities. Fluctuations or prolonged changes in the volatility of such securities, therefore, can adversely affect the value of investments held by Clients.

7. Derivatives – Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk on non-performance by the counterparty (including risks relating to the financial soundness and creditworthiness of the counterparty), legal risk and operations risk. In addition, the Company may, in the future, take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. Special risks may apply in the future that cannot be determined at this time.

The risks described above are not a complete list of all risks associated with the described investment strategies. Investors should make themselves as aware of investment risks as possible.

ITEM 5: DISCIPLINARY INFORMATION

EDGE and its management personnel have not been involved in any legal or disciplinary events that would be material to a Client or Investor's evaluation of the Company or its management personnel.

ITEM 6: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither EDGE nor any of its management persons is engaged in other financial industry activities or has other industry affiliations that would create a material conflict of interest.

ITEM 7: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

To avoid any potential conflicts of interest involving personal trades, EDGE has adopted a Code of Ethics in compliance with Section 204A of the Investment Advisers Act of 1940 ("Advisers Act"), Rule 204A-1 under the Advisers Act, as amended. The Code of Ethics addresses, among other things, insider trading, information barriers, and personal securities transactions and requires employees to adhere to the following principles:

- *The interests of Clients must take precedence over those of employees;*
- *All personal securities transactions must be conducted in a manner consistent with applicable laws and must avoid any actual or potential conflicts of interest or any abuse of a position of trust and responsibility;*
- *Employees may not take inappropriate advantage of their position at EDGE; and*
- *Information about Clients, portfolio holdings, and investment recommendations must be kept confidential.*

In all cases, Clients' interests are paramount and take priority over employees' interests.

The Compliance Department monitors employees' and members personal trading activity to ensure that transactions have been executed in accordance with the Code of Ethics and relevant rules and regulations. A copy of the Company's Code of Ethics is available to Clients, Investors, and prospective Clients and Investors upon request.

Participation or Interest in Client Transactions

EDGE does not intend to engage in principal trades. However, EDGE, its employees, members and other related entities may have an ownership interest in certain Funds in which other Funds may invest (e.g., feeder funds will invest in a master fund for which an affiliate of EDGE serves as managing member).

ITEM 8: BROKERAGE PRACTICES

In placing orders to purchase and sell securities, it is EDGE's policy to seek best execution, which includes both commissions and execution prices. In selecting brokers-dealers to execute portfolio transactions, EDGE considers:

- *the price of the security,*
- *the rate of commission,*
- *the size and difficulty of the order,*
- *the reliability, integrity, financial condition and general execution and operational capabilities of competing broker-dealers and*
- *the brokerage and research services provided.*

Where possible and consistent with this policy, EDGE negotiates with broker-dealers to obtain reduced commission charges at institutional rates.

Research

When placing orders with broker-dealers, EDGE may receive research and/or other products and services (soft dollars), which are considered either proprietary (research created by a broker-dealer) or third-party (research created by another party). This research is provided in addition to execution services. This is a valuable component of EDGE's securities analysis because we do not have to create the research in-house or pay for it separately (hard dollars). EDGE may have an incentive to select broker-dealers based on our interest in receiving research or other products and services, rather than on our clients' interest in receiving most favorable execution.

EDGE only utilizes soft dollars after both the firm's rigorous requirements and those of Section 28(e) of the Securities Exchange Act of 1934 are satisfied. Soft dollar usage is budgeted and internally audited on an annual basis.

A sampling of the services received consists of the following:

- *Bloomberg Professional*
- *IBIS,*
- *FactSet,*
- *Reuters Trader,*
- *IBES,*
- *Intrinsic Research Systems,*
- *Thomson One, and*
- *Haver Analytics.*

Each of the services received are used as part of the initial screening process, fundamental analysis stages, quantitative economic evaluation, and/or trade execution.

When placing orders to execute portfolio transactions, EDGE may cause clients' accounts to pay a broker-dealer an amount of commission in excess of the amount of commission another broker-dealer would have charged (paying up). EDGE will only do this after determining in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services received. Our determination may be based on a particular transaction or our overall responsibilities with respect to our clients' accounts.

Research services furnished by broker-dealers may be used in servicing all of EDGE's clients' accounts. Not all of such services may be used in connection with the clients' accounts which paid commissions to the broker-dealers providing such services.

Directed Brokerage & Commission Recapture

A client may give EDGE unlimited discretion in the selection of a broker-dealer (nondirected). In this case, EDGE will be best able to achieve best execution for the client.

In some instances, a client directs EDGE to use a specified broker-dealer, even though such broker-dealer may charge commission rates in excess of the institutional rates generally available to EDGE. In other instances, clients have directed EDGE to place transactions with a particular broker-dealer to defray consulting fees or to participate in a commission recapture program. In each of these instances, EDGE follows the client's direction with the understanding that:

- *utilizing the services of the designated broker is in the best interests of the account,*
- *the benefits provided shall be for the exclusive benefit of the participants and beneficiaries of the plan (if applicable) and*
- *the direction shall not constitute, or cause the account to be engaged in, a prohibited transaction as defined in the Employee Retirement Security Act of 1974 (ERISA), as amended.*

Under such arrangements:

- *EDGE's ability to negotiate commissions on the client's behalf may be limited, which may result in higher commission rates;*
- *EDGE's ability to aggregate the client's orders with the orders of other clients may be limited, which may result in higher commissions and less favorable prices; and*
- *EDGE may execute equity and fixed income trades for non-directed accounts first with other accounts following in random order, thus diminishing the likelihood that a directing client may achieve best execution.*

Aggregation and Order Allocation

EDGE frequently aggregates purchase or sell orders for an account with purchase or sell orders for other accounts to increase the likelihood of a more favorable result for its clients. However, EDGE is not obligated to aggregate orders.

Circumstances may also arise when there is a limited supply or demand for a security. Under such circumstances, while EDGE intends to allocate each opportunity to purchase or sell a security among those accounts on an equitable basis, EDGE is not required to assure equality of treatment among all accounts in connection with every trade. Where, because of prevailing market conditions, it is not possible to obtain the same price or time of execution for all securities purchased or sold for clients' accounts, EDGE will allocate the securities pro-rata or randomly.

Review

From time to time, we review the past performance of the broker-dealers with whom we place orders for execution in light of the factors discussed above. EDGE may cease to do business with certain broker-dealers whose performance is not considered competitive.

American Depositary Receipts (ADRs)

From time to time, EDGE purchases ADRs and/or foreign stocks listed on US exchanges and traded over the counter for its clients. On occasion, the broker may purchase shares of a foreign entity on the issuer's native exchange and convert the securities to ADRs or vice versa. A portion of the dividend paid on these types of securities may be withheld by a foreign government for tax reasons. The portion withheld may be recoverable by the client in certain circumstances. When possible, it is the client that bears responsibility for repatriating the portion withheld. To the extent that dividends are withheld, and not repatriated, the performance of that client's account will be impacted negatively.

ITEM 9: REVIEW OF ACCOUNTS

Funds accounts are reviewed on a continuous basis by investment personnel. These reviews are designed to monitor and analyze Fund transactions and positions and ensure compliance with investment objectives and restrictions. Particular attention is given to changes in company fundamentals, industry outlook, market outlook, and price levels.

Investors will receive a variety of reports on a regular basis, depending on the Fund and share series in which they are invested. Such reports include monthly net asset value reports, a quarterly letter and annual financial statements.

ITEM 10: CLIENT REFERRALS AND OTHER COMPENSATION

No one other than the clients managed by EDGE provide an economic benefit to EDGE for providing investment advice or other advisory services to the client

EDGE may compensate persons or firms for client referrals. When this occurs, the client is made aware of this non-employee transaction in writing prior to establishing a relationship with EDGE. Compensation for client referrals does not affect the amount of principal place under EDGE's management.

Occasionally, prime brokers providing services to the Company and its affiliates may provide introductory services for potential investors.

ITEM 11: CUSTODY

EDGE does not provide custodial services. Clients are advised that EDGE currently uses Interactive Brokers, LLC as its broker-dealer of choice. Clients are advised to research Interactive Brokers, including their custodial services.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains clients' investment assets on behalf of Interactive Brokers. EDGE urges our clients to carefully review such statements and compare official custodial records to the account statements that we provide to you.

Our statements may vary from custodial statements based on:

- *accounting procedures,*
- *reporting dates and/or*
- *valuation methodologies of certain securities.*

ITEM 12: INVESTMENT DISCRETION

EDGE 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 and transact trading in the client's custodial account. This discretionary authority is granted in the investment management agreement with each client. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives, policies and/or restrictions for the particular client account. Clients should provide all applicable investment objectives, policies and/or restrictions to EDGE in writing.

Money Market Fund Selection

Unless agreed to otherwise, selection of money market funds is the responsibility of the client in conjunction with the custodian. If EDGE is requested to select a money market fund, the authority to do so should be outlined in writing from the client. Once the client's written authorization is accepted by the custodian, EDGE will generally instruct the custodian to invest excess cash in a United States Treasury only money market fund.

Class Actions

The responsibility and authority for handling class actions and related claims rests with each of EDGE's clients. EDGE is not responsible for advising or acting for clients on legal proceedings,

including class actions and bankruptcies, involving securities purchased or held in client accounts.

ITEM 13: VOTING CLIENT SECURITIES

EDGE does not vote proxies for its clients. EDGE will consult with clients on the matter of how a particular vote may or may not affect the investment strategy being utilized for the security in question.

To avoid potential conflicts of interest, EDGE will disclose if any associate or his or her spouse sits on a board of a publically traded company and all associates have to affirm quarterly that they are in compliance with this requirement.

ITEM 14: FINANCIAL INFORMATION

EDGE has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage the Fund accounts. EDGE is considered to have discretionary authority over the Funds it manages and as of the date of the completion of this form, there are no known financial conditions that are reasonably likely to impair its ability to meet contractual commitments to the Funds.