



FORM ADV PART 2A- APPENDIX 1 401(k) SELECT WRAP BROCHURE



**First Allied Advisory Services, Inc.
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This brochure provides information about the qualifications and business practices of First Allied Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact us at 800-223-0989. 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.

First Allied Advisory Services, Inc. is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

This brochure details important disclosure information about certain programs that we offer. We do offer other programs that are not discussed in this brochure.

Additional information about and First Allied Advisory Services, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Summary of Material Changes

The following items explain material changes that you should be aware of as a current or prospective client of First Allied Advisory Services, Inc. advisory programs or services. Each year you will receive either a summary of material changes that were made to the brochure over the previous year or an updated brochure. You can always request a full copy of any of our current disclosure brochures by calling 800-223-0989.

The changes that have been made to this document since our annual amendment in March 2011 are summarized below:

- ***Legend Group Acquisition***

In January 2013, First Allied Holdings Inc. closed its acquisition of Legend Group Holdings, LLC, a holding company that owns Legend Advisory Corporation, a registered investment adviser, Legend Equities Corporation, a registered broker-dealer, LEC Insurance Agency, Inc., an insurance general agency, and Advisory Services Corporation, an administrative agent for a trust company. This acquisition does not currently affect any of the services First Allied Advisory Services provides to its clients.

- ***Management Change***

In December 2012, Robin Rodermund became President and Chief Executive Officer of First Allied Advisory Services. Ms. Rodermund previously served as the Chief Operating Officer of First Allied Advisory Services and has been with the company since its inception.

- ***Consolidation Completed***

First Allied Securities, Inc., a registered investment adviser and broker-dealer, has transferred its investment advisory business to its affiliate, First Allied Advisory Services, Inc., as of June 30, 2012. Both firms are wholly owned subsidiaries under the ultimate ownership of First Allied Holdings. Clients that were affected by this consolidation received notice of this transfer on or around April 30, 2012, sixty (60) days prior to the consolidation date. This notice provided information regarding how clients were impacted and what their options were. First Allied Securities continues its business as a registered broker-dealer and remains a wholly-owned subsidiary of First Allied Holdings and affiliated with First Allied Advisory Services. While First Allied Securities will remain registered as an investment adviser, we anticipate conducting limited retail business through this entity.

- ***Miscellaneous Changes***

As a result of the aforementioned consolidation, First Allied Advisory Services now offers several new advisory programs that it did not offer before. However, these programs are generally not available to IARs that did not previously have access to them. In addition, certain FAAS IARs may pay account fees charged by the custodian of their client's account. Other operational processes have changed due to this consolidation, but the servicing of client accounts should not be affected.

- ***Management Change***

In March 2012, Craig Junkins, a senior member of the management team at First Allied Advisory Services, Inc. and affiliate First Allied Securities, Inc., announced his resignation from the management team. Mr. Junkins will continue to be associated with us as a consultant providing advice on our recruiting efforts, investment banking, and project-based initiatives.

- ***Ownership Change***

On November 1, 2011, First Allied Securities, Inc. and First Allied Advisory Services, Inc. were acquired by First Allied Holdings, Inc. ("Holdings"). Holdings is controlled by Lovell Minnick Partners, LLC, an independent private equity firm providing equity capital for leveraged buyouts and private company recapitalizations and growth capital for developing companies. In the same transaction, Holdings also acquired affiliates First Allied Asset Management, Inc. and First Allied Wealth Management, which itself owns First Allied Retirement Services, Inc. and FASI Insurance Services, Inc. While the ultimate ownership has changed for each of these firms, the management structure for each of these firms remains the same.

- ***New Advisory Programs***

We have created new advisory programs since our last annual update. Detailed information about each of our advisory programs is included in the appropriate disclosure brochure. We have several wrap fee brochures. This brochure details only some of our wrap programs. If you would like to receive additional wrap brochures, or any of our non-wrap program brochures, please speak to your financial advisor.

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Introduction

The 401(k) Select advisory program is sponsored by First Allied Advisory Services, Inc., a registered investment adviser. Clients of the 401k Select program are 401(k) retirement plans. This wrap brochure details only the 401(k) Select program. FAAS offers other wrap and non-wrap programs that are described in separate brochures. Your financial advisor will provide you with the appropriate brochures describing these programs upon your request. Throughout the remainder of this text, “we,” “us,” and “our” refers to FAAS.

FAAS’ Background

FAAS, a Delaware corporation, is an investment adviser registered with the SEC. Being registered does not mean that FAAS is endorsed by any regulatory authority; it simply means that FAAS is required to follow the rules for investment advisers established by the SEC. Representatives of FAAS’ investment adviser are registered to conduct advisory business in each state where clients reside, according to each state’s requirements. Representatives of FAAS may also be registered as independent contractor registered representatives with First Allied Securities, Inc., an affiliated broker-dealer, to allow them to offer brokerage products to clients. Compensation for brokerage products is a commission based on each transaction executed. Representatives of First Allied are registered to conduct brokerage business in each state where clients reside.

FAAS is not a custodian of any accounts. Accounts for the 401(k) Select program are custodied at MG Trust. Accounts for other wrap and non-wrap programs that FAAS offers are custodied at Pershing, LLC (“Pershing”), J.P. Morgan Clearing Corp (“JP Morgan”), Fidelity Investments (“Fidelity”), or other approved custodians. The use of other custodians is limited, and may be allowed on a case by case basis with the approval of our management team and may only be approved for certain subsets of our representatives. The majority of FAAS’ advisory accounts are introduced to custodians through First Allied.

Our Corporate Structure

FAAS has approximately 750 investment adviser representatives (“IARs”). Our IARs are independent contractors and business owners. Each IAR is responsible for maintaining his own client relationships. The IARs contract with us to utilize our advisory programs in an effort to help their clients meet financial goals and needs. We provide services to you and your IAR through these advisory programs.

You pay us fees for our programs and services. We pay a portion of these fees to your IAR. The IAR’s share of the fee may vary from one advisory program to another. This presents a conflict of interest for our IARs because they may have an incentive to recommend advisory programs that may be more profitable to them. Additional information about this conflict of interest is included in Item 9-Additional Information, starting on page 9.

Our back office operations are split between San Diego, CA and Chesterfield, MO. Our IARs have branch offices across the United States. Each of our IARs is supervised by another individual registered with our firm. The supervisor is called a designated registered principal (“DRP”) or designated supervisory principal (“DSP”). DRPs are registered individuals that have contracted to work with us, and are often IARs and representatives themselves. DSPs are our employees and are generally located in our San Diego office.

Our Principal Officers

Adam Antoniadis is the Chief Executive Officer of First Allied. He was formerly employed with First Allied as President, CEO and Corporate Secretary from 1994 until 2004. Mr. Antoniadis also served as President of Advanced Equities Financial Corp. from 2004 to 2009. Prior to his employment at First Allied, Mr. Antoniadis was employed by Bishop Saxony Corporation as Corporate Secretary and with Berkeley Safe Deposit as Head Currency Trader.

Joel Marks is Chairman of First Allied and has served in an executive leadership position with First Allied since 2005. Mr. Marks is primarily responsible for First Allied’s industry relationships, strategic partnerships, business development, and strategic planning efforts. Mr. Marks previously served as Vice Chairman and Chief Operating Officer of AEFC and was a co-founder of JWGenesis Financial Corp. where he served as its Vice Chairman and Chief Operating Officer until it was acquired by First Union (and is now known as Wells Fargo Securities Financial Network) in January 2001. Following the acquisition, Mr. Marks served as Senior Managing Director of Wachovia Securities (which subsequently changed its name to Wachovia Securities) through May 2002.

Gregg Glaser currently serves as the Chief Financial Officer of Holdings. Mr. Glaser previously served as the Chief Financial Officer of Advanced Equities Financial Corp. from 2004 until 2011. Mr. Glaser also formerly served as the Chief Financial Officer of Wachovia Securities Financial Network.

Robert J. Moses is Senior Managing Director and General Counsel for First Allied. Mr. Moses has been with First Allied since 1994. Mr. Moses previously served as Associate General Counsel of Josephthal & Co. Incorporated, which he joined in 1991.

Robin H. Rodermund currently serves as the President and Chief Executive Officer of FAAS. Previously, Ms. Rodermund served as Chief Operating Officer of FAAS. Ms. Rodermund began working for FFP Securities, Inc. and FFP Advisory Services, Inc. in 1990.

Luanne Borowski, Managing Director of Investment Advisory Compliance, has been the Chief Compliance Officer of First Allied’s investment adviser since February 2007 and Chief Compliance Officer of FAAS since July 2010. Since February 2007, Ms. Borowski has also served as Chief Compliance Officer of First Allied Asset Management, Inc. Ms. Borowski joined First Allied as an

investment advisory compliance analyst in February 2002. Ms. Borowski served as Chief Compliance Officer of Asset Planning Solutions, a broker-dealer, and Ken Stern & Associates, a registered investment adviser, from August 2000 until January 2002.

Janice Doza is the Chief Financial Officer of FAAS and has served in that position since June 2008. Ms. Doza also became the Chief Financial Officer of First Allied in March 2011. Ms. Doza previously served as Chief Financial Officer and Controller for FFP Securities, Inc. until 2008. From April 2003 through March 2006, Ms. Doza served as Controller for First Financial Planners, Inc.

Devotion of Resources

Most FAAS IARs are independent contractor registered representatives with First Allied. If your IAR is a registered representative, he may divide his time between broker-dealer activities and advisory activities and have responsibilities to both FAAS and First Allied. Depending on your IAR's individual business mix and client base, he may spend more or less time devoted to broker-dealer activities than other IARs. In addition to broker-dealer activities and responsibilities, your IAR may also be engaged in one or more outside business activities. These outside activities may or may not be related to the financial industry. Your IAR will provide you with a copy of his Form ADV Part 2B brochure supplement, which describes his business background and outside business activities.

Our Advisory Activities

Through our IARs, we offer a variety of investment advisory products and services for a fee. The following list includes some of our more common offerings:

- Assistance in selecting a portfolio manager
- Ongoing evaluation and review of portfolio managers
- Evaluation and review of portfolio composition
- Management of accounts
- Financial planning
- Consultation on client assets
- Active portfolio management

Portfolio management includes designing a portfolio through buying and selling stocks, bonds, mutual funds, options, managed futures, insurance products, private placements, and other securities. Our representatives, including your IAR may personally buy and sell the same securities that you buy and sell. This conflict of interest is discussed fully in the Code of Ethics section of Item 9-Additional Information, starting on page 9.

Our IARs are permitted to offer you advisory programs that are managed by themselves or by a third-party manager. The third-party manager may be a related party or an unrelated party. The fund selection and account management in the 401(k) Select program is done by an affiliated third-party manager, First Allied Asset Management ("FAAM").

We consider your investment goals and needs when recommending any advisory program or service. Your IAR will collect information from you regarding your risk tolerance, investment objective(s), and investment time horizon and other factors that will assist us in determining your investment objective for each account. You may have multiple accounts with us, with differing investment objectives, particularly if you intend to use certain accounts for specific purposes (such as transferring assets to a young child, many years in the future). If you would like multiple accounts to be managed under one investment objective, please ask your IAR to discuss the advisory programs we offer on the Guided Portfolio Solutions platform, which are described in other brochures.

Our intention is to provide you with programs and services that will help you to meet your goals and needs. We will gather personal information when helping you choose a program or service. This information may include:

- Your investing experience
- How soon you need the money
- Your retirement goals
- Your current financial situation and future needs
- Your annual income
- Your ability to lose money
- Your ability to withstand market fluctuation
- Your personal instructions on how to invest

Please contact your IAR any time this information changes so that your IAR can review your existing accounts to see if any changes need to be made. You may impose reasonable investment restrictions in any of our advisory programs by written notification to and acceptance of both us and the third-party manager (if applicable).

We offer both wrap and non-wrap programs. A wrap program is one in which you pay a single "wrapped" fee for both investment advisory and brokerage execution services. This wrap fee is not based on the number of transactions made in your account. It is based on the size of the account(s) we manage for you. If you invest in a non-wrap program, you may be subject to charges for each transaction in addition to the advisory fee. Because wrap programs do not have fees or charges associated with each transaction, wrap fees may be higher for similar services than non-wrap fees.

The 401k Select program is a wrap program. We offer additional wrap programs that are not detailed in this brochure and we also offer several non-wrap programs that are detailed in our Form ADV Part 2A disclosure brochures. Your IAR can provide you with these other brochures upon request. Some non-wrap programs that we offer are similar to the wrap programs that we offer. Your IAR will work with you to decide which program will best serve your needs.

Information on All Advisory Programs

Regardless of which advisory program or service you choose, your IAR will work with you to collect suitability information that will aid in the creation of recommendations. This suitability information is maintained on internal systems and documents. Your IAR is required to submit the completed suitability information to his supervisor for review and approval. It is your responsibility to notify your IAR if your financial circumstances change so that your IAR may work with you to determine if a change in your investment(s) may benefit you. Your IAR is also responsible for the ongoing review of your account(s) and regular communication with you.

Managed Assets

Every year we calculate the amount of assets that we manage. As of December 31, 2011, we managed:

- \$2,573,483,848 in discretionary assets
- \$636,991,210 in non-discretionary assets

Discretionary assets are the assets with which we have the authority to determine whether to buy or sell securities. This authority is called a trading authorization and is described in more detail in the Investment Discretion section of Item 9- Additional Information, starting on page 9. Non-discretionary assets are assets in accounts that we provide recommendations on, as to the purchase or sale of specific securities. We do not place orders to buy or sell non-discretionary assets without first receiving your authorization.

Item 4- Services, Fees and Compensation

Fee Overview

The fees that we charge for advisory programs or services will depend on several different factors. The fees for advisory programs are generally based on the "Assets Under Management." This means that the account is charged a fee based on the account balance as of a certain date. These fees are negotiable between you and the IAR offering the service.

401(k) Select program accounts are charged a quarterly advisory fee based on the account's average balance for each calendar quarter (ending March 31, June 30, September 30, and December 31). The average balance is calculated by taking the account's average balance as of the first and last business day of each calendar month for the quarter and multiplying this number by one quarter of the annual fee. If the last day of the calendar quarter falls on a day that the New York Stock Exchange is closed, the account balance on the last business day of the calendar quarter is used in the calculation of the advisory fee. This fee is charged in arrears for the services provided over calendar quarter. Plan participants will only be charged an advisory fee for the portion of a quarter that the account receives advisory services. For new accounts, the account will be billed for the remaining days in the quarter. For accounts that are closing, participants will only pay fees for the portion of the quarter that the account was receiving advisory services. Fees for deposits and contributions to the 401(k) Select program account are prorated.

Advisory fees are deducted directly from the account. The account statements plan participants receive from MG Trust will reflect the deduction of these fees. Fees are deducted from the accounts in the month following quarter end.

Program Fees

For the 401(k) Select program, the program fee is split between us and FAAM. A portion of the program fee is also paid to service providers that we hire to help us administer the 401(k) Select program. This program fee is not negotiable. However, the program fee may be different based upon your IAR's relationship with FAAS and/or its affiliates. For example, we may allow your IAR to have a lower program fee because his clients' combined accounts exceed a certain amount of assets under management. If your IAR has a reduced program fee, this will not change the total advisory fee you pay, but it may present a conflict of interest (we address this conflict of interest in Item 9- Additional Information, starting on page 9). Program fees are subject to change without notice, but these changes do not affect the fee that you pay to us.

Management Fee

The management fee is paid to the IAR servicing the account. You and your IAR will negotiate this fee for each program account and it may not be the same for each account. It may also be different than the fees your IAR has negotiated with other clients. We retain a portion of the management fee as compensation for various services that we provide to your IAR and to you.

Total Advisory Fee

You and your IAR will agree on your total advisory fee for each account prior to establishing the account. The total advisory fee is the sum of the program fee and the management fee. At any time, you and your IAR may agree to amend the original fee and submit a new statement of investment selection with a different total advisory fee listed. There are maximum allowable advisory fees for each program and we will not allow you to be charged more than this amount. The maximum allowable advisory fee may differ among programs, but is consistent for each IAR. This maximum advisory fee is noted on the investment advisory agreement and in the fee schedules listed in this section.

Fee Schedules

Each advisory program that requires an investment account has its own fee schedule. The fee schedule will outline the program fee and the management fee. Generally, the management fee is negotiable with your IAR. The program fee is paid to us and is non-negotiable. In the 401(k) Select program, the amount of your advisory fee, as a percentage, will remain the same regardless of the size

of your account. Your advisory fee will not increase, as a percentage, as your account balance increases. Fee schedules and other information about account charges for the 401(k) Select program are listed below.

401(k) Select Program

By choosing the 401k Select program, your plan receives two distinct types of services: Single Asset Class Fund (“SACF”) selection and portfolio management of a company-sponsored 401(k) plan account (Professionally Managed Portfolio (“PMP”)). As trustee, you work with us and FAAM to establish the SACF selection for your company’s retirement plan. By working with us to establish a list of mutual funds available to your plan’s participants, you are allowing plan participants to create their own portfolios.

Your plan’s participants also have the option of choosing PMP. By choosing PMP, participants are opting to have their company-sponsored retirement plan account managed by FAAM. PMP allows plan participants to choose from five different asset allocation models (portfolios): Conservative, Conservative Growth, Moderate Growth, Growth, and Aggressive Growth. Each of these models is actively managed by FAAM. FAAM’s management style for each asset allocation model provides broad diversification across most major asset classes through the purchase of a basket of selected mutual funds. The portfolios include a consistent allocation to stocks, bonds, and alternative assets. A description of each of the asset allocation models follows.

Conservative Portfolio

The Conservative portfolio represents the most conservative asset allocation model offered in the 401(k) Select program. The Conservative portfolio is allocated to approximately 20% equity/80% fixed income, prioritizing capital preservation over appreciation. The Conservative portfolio is most appropriate for clients with below average risk tolerance and/or approaching retirement.

Conservative Growth Portfolio

The Conservative Growth portfolio is allocated to approximately 40% equity/60% fixed income, seeking both capital preservation and appreciation. The Conservative Growth portfolio is most appropriate for clients with slightly below average risk tolerance and/or that are starting to near retirement.

Moderate Growth Portfolio

The Moderate Growth portfolio is allocated to approximately 60% equity/40% fixed income, seeking both capital appreciation and preservation. The Moderate Growth portfolio is most appropriate for clients with slightly above average risk tolerance and/or many years until retirement.

Growth Portfolio

The Growth portfolio is allocated to approximately 80% equity/20% fixed income, prioritizing capital appreciation over preservation. The Growth portfolio is most appropriate for clients with above average risk tolerance and/ or that are far from retirement.

Aggressive Growth Portfolio

The Aggressive Growth portfolio represents the most aggressive asset allocation model offered in the 401(k) Select program. The Aggressive Growth portfolio is allocated to approximately 97.5% equity/2.5% fixed income, prioritizing capital appreciation over preservation. The Aggressive Growth portfolio is most appropriate for clients with above average risk tolerance and/or that are far from retirement.

Information on All Portfolios

Although each of the portfolio descriptions listed above detailed an optimal allocation of equity and fixed income holdings, each portfolio’s allocation will vary over time. This variance is generally due to either market movement or FAAM’s outlook on the market or economy. There is no account minimum for 401(k) Select program accounts.

When plan participants enroll in your company’s plan, they will choose to either invest in the mutual funds selected as part of the SACF selection or participate in our PMP option. The SACF and PMP options have different fee schedules. Both the SACF and PMP advisory fees are “flat” fees, meaning that the account is billed the same percentage regardless of the account balance.

Single Asset Class Fund fee schedule:

Program Fee (annually)	Management Fee (annually)	Total Advisory Fee (annually)
0.05%	1.10%	1.15%

Professionally Managed Portfolio fee schedule:

Program Fee (annually)	Management Fee (annually)	Total Advisory Fee (annually)
0.25%	1.15%	1.40 %

Other Fees

Mutual funds often charge investors additional advisory or management fees for the services provided by the fund manager. FAAS, First Allied, and our IARs do not accept mutual fund trailers in 401(k) Select program accounts. In some of our other wrap and non-wrap programs, First Allied does accept mutual fund trailers in non-ERISA accounts.

Your account may be subject to other fees charged by the custodian of your account. Electronic funds and wire transfer fees, transfer taxes, account maintenance fees, margin fees, transaction charges, exchange fees, and odd lot differentials are examples of fees that may be charged by the custodian. These fees are charged by the custodian and are not included in the advisory fee that you pay to us for management of your account. In some cases, certain of these custodian fees may be paid by your IAR, on an account by account basis. Your IAR is not required to pay these fees on your behalf and your IAR may elect to not pay for any or all fees for each of his clients' accounts.

Verification of Fees

You are always responsible for verifying that the fee you are charged is accurate. The custodian will not determine whether the fee is properly calculated. Should you find an error, please contact your IAR immediately. If you are not satisfied with the action your IAR takes, you may contact us at the number on the cover page of this document.

Item 5- Account Requirements and Types of Clients

Most programs we offer have account minimums (if the program requires an account). 401(k) Select program accounts do not have a minimum account size requirement. If you have questions about wrap programs not described in this brochure, please ask your IAR to provide you with our other wrap fee brochures.

Our IARs open accounts for individuals, high net worth individuals, banking institutions, pension plans, profit sharing plans, charitable organizations, and other corporations and businesses. The majority of these accounts are opened for individuals not considered high net worth individuals. Our clients may have both advisory accounts and brokerage accounts. Our representatives may offer you advisory services, brokerage services, or both, depending on your needs.

401(k) Select program accounts are only available to participants of company-sponsored retirement plans whose plan sponsor or trustee have contracted with us to provide advisory services through the 401(k) Select program.

Item 6- Portfolio Manager Selection and Evaluation

A review is conducted of each third-party manager or platform that provides management services to our clients. We call this process "due diligence." Our due diligence process starts with the third-party manager completing a comprehensive questionnaire designed to provide us with information about the third-party manager and its investment process. We review each third-party manager based on guidelines we have developed to allow us to offer you reputable management, based largely on its answers to the questionnaire.

Along with reviewing the questionnaire, a more detailed review of the critical data is conducted, including:

- The ownership structure
- Employees, including investment professionals, marketing and client service staff
- Regulatory, legal, and compliance issues of the third-party manager
- The third-party manager's performance, both current and historical
- In some cases, the third-party manager's financial statements

We have an internal review committee that reviews this information and decides if the third-party manager will be approved to manage our program accounts. We also conduct interim reviews of the third-party managers we have previously approved. Our review process follows the same general guidelines as the initial process, including the third-party manager completing a questionnaire. Unless material information is discovered during this review, additional approval is not required to continue the relationship with the third-party manager.

FAAM is the only choice for portfolio manager for the 401(k) Select program. By choosing our 401(k) Select program, you are allowing your plan's participants to select FAAM as their portfolio manager. In addition, you are electing to have FAAM create a suite of funds from which your plan's participants can create their own portfolio. Other programs that we offer give you the ability to choose from a selection of managers. These other programs are detailed in separate disclosure brochures that your IAR can provide to you upon request.

Item 7- Client Information Provided to Portfolio Managers

For most of our programs, the information that we provide to the managers varies depending on the amount of information the manager requests. Non-public information is information about you that is not available to the public. Your social security number, your net worth, and your annual income are examples of non-public information. Public information is information about you that is readily accessible to the public. Public information may include your name, phone number, and address.

If you select the 401(k) Select program, we may provide FAAM with identifying information about your account, including non-public information. For all accounts, including those in the 401(k) Select program, your IAR will have access to all of the non-public information you provided when opening the client account. This information is protected in accordance with our Privacy Policy. A copy of our Privacy Policy is available on our website (<http://www.firstallied.com/privacyPolicy.php>). A copy is provided to you after you open an account with us and annually thereafter.

Item 8- Client Contact with Portfolio Managers

Your IAR serves as the contact point for any questions or changes you have related to your accounts. FAAM is not generally available for you to speak with. However, your IAR may be able to facilitate contact with the manager on your behalf.

Item 9- Additional Information

Conflicts of Interest

Your IAR will receive compensation as a result of your participation in the programs described in this brochure. The amount of this compensation may be more or less than the amount of compensation your IAR would receive if you were to pay separately for investment advice, brokerage, and other services. However, we attempt to design all of our advisory programs with pricing competitive with what a client might pay for investment advice, brokerage, and other services separately.

Your IAR may receive a higher percentage of management fees for certain programs. This presents a conflict of interest in that your IAR may benefit from recommending certain programs based on the difference in compensation he receives. To mitigate this conflict of interest, we require that any program you invest in must be suitable for your investment goals and financial needs. If your IAR qualifies for reductions in the program fee paid to us, which results in additional compensation to your IAR, your total advisory fee will not exceed the stated minimum for the programs.

Your IAR may also be registered as an independent contractor registered representative with First Allied. This may create a conflict in that your IAR may be able to choose between offering you advisory programs or services and brokerage products. The amount and manner of compensation that your IAR receives in either of these capacities presents a conflict of interest. To mitigate this conflict of interest, we require that any advisory program or advisory service that you are offered is suitable for your investment goals and financial needs. First Allied conducts suitability reviews for product solicitations.

Your IAR may have a material financial interest in certain securities. We do not permit our IARs to solicit for or use discretionary trading authority in any purchases or sales in a security in which that IAR has a material financial interest. Your IAR may purchase or sell the same security he solicits for or uses discretionary trading authority for his client accounts as long as he does not have a material financial interest in the security. This presents a conflict of interest. Our Code of Ethics mitigates this conflict by detailing policies designed to ensure that clients are not disadvantaged by an IAR's trading activity.

Neither First Allied nor our IARs accept mutual fund trailers in the BSA program. However, in certain other advisory programs that we offer, our IARs and First Allied do accept mutual fund trailers in accounts not subject to the Employee Retirement Income Security Act (ERISA) or similar rules. ERISA accounts include IRA, 401k, or other employer-sponsored retirement accounts. In all our programs, trailers from ERISA accounts are credited back to the client when received or credited to the balance due for the next advisory fee. However, we and our IARs will accept trailers from mutual fund companies in non-ERISA accounts. Receipt of these trailers in other advisory programs presents a conflict of interest in that the receipt of these mutual fund trailers may give your IAR an incentive to recommend mutual funds based on compensation to be received. We help mitigate this conflict of interest by ensuring that the mutual fund sponsor companies that we have agreements with each have versions of advisory-share class mutual funds that are available for use, when appropriate, to avoid these fees. Your IAR is not required to use advisory share class mutual funds in your account.

You have the option to purchase investment products that our IARs recommend through other brokers that are not affiliated with us.

Certain of our IARs and employees have an ownership interest in Holdings, which presents a conflict of interest with respect to their selection of advisory programs and services in that certain programs and services are more profitable to Holdings and its subsidiaries than other programs and services. As owners of Holdings, these individuals have an interest in its highest profitability. We help mitigate this conflict by requiring that all IARs and employees abide by our Code of Ethics, which is described more fully in the Code of Ethics section of this Item, starting on page 12.

Performance-Based Fees

Performance-based fees are fees that are based on a share of capital gains on or capital appreciation of the assets in an account. Your IAR is not permitted to charge performance-based fees.

Methods of Analysis, Investment Strategies and Risk of Loss

Types of Risk

Various types of risk are involved when investing in securities. Economic risk, market risk, currency risk, inflation risk, liquidity risk, and credit risk are examples of the types of risks to which your account may be subject.

Assessing Risk

While some types of risk can be mitigated by investment strategies, many of these risks cannot be eliminated completely. Your IAR will work with you to make sure that you are comfortable with the risks associated with the type of investments that are in your account.

Risk of Loss

You should know that all types of securities investing involve risk. Your account value can both increase and decrease over time. You should not invest in any product if you are not prepared to bear a potential loss.

Past performance does not guarantee future results.

Management Philosophy

401(k) Select program accounts are managed by FAAM. You can find information on FAAM's methods of analysis and investment strategy by reviewing FAAM's Form ADV Part 2A disclosure brochure, which your IAR will provide to you when this brochure is given to you.

Disciplinary Information

FAAS and its IARs have been the subject of various regulatory and disciplinary findings by various states and regulatory bodies. The information in this section may impact your decision to do business with us.

In late 2009, the Securities Division of the state of Indiana found FFP Advisory Services, Inc., and certain principal officers who are now principal officers of FAAS, to be in violation of code 23-2-1 of the Indiana Securities Act. The specific violations involved inadequate and incorrect disclosures for investments in various insurance products. These violations occurred when the principal officers were employed by FFP Advisory Services, Inc., a registered investment adviser. FFP Advisory Services, Inc. was never affiliated with First Allied or FAAS. After considering the circumstances, FFP Advisory Services, Inc. decided that it was in its best interests to settle the matter with the state of Indiana. As part of the settlement, FFP Advisory Services, Inc. agreed to pay a penalty of \$187,500 to the state of Indiana.

In 2011, FAAS entered into a Consent Agreement with the Securities Division of the State of Indiana, whereby FAAS resolved allegations regarding violations the Indiana Uniform Securities Act, Ind. Code 23-19-1, concerning the registration of certain investment adviser representatives in the State of Indiana. Without admission or finding of a violation, FAAS paid a fine in the amount \$9,000, and a reimbursement payment of the cost of the investigation in the amount of \$1,000.

In addition to the incidents above, certain FAAS IARs have been censured or censured and suspended by non-SEC regulators for violations related to suitability deficiencies, supervision deficiencies, marketing approval deficiencies, improper disclosure of outside business activities, continuing education deficiencies, delinquency of payment of state taxes, insurance deficiencies, sales of unregistered securities. In one case, a FAAS IAR's insurance application was denied by a state. At least one of our IARs has been charged with, but not convicted of, a non-investment related felony in the last ten years; at least one of our IARs has been charged with and convicted of a non-investment-related misdemeanor charge.

Affiliated Broker-Dealer

In January 2013, First Allied Securities, without admitting or denying the allegations, entered into an Acceptance, Waiver and Consent that was accepted by FINRA, whereby First Allied Securities accepted FINRA's findings that First Allied Securities had inadequate supervisory systems and procedures designed to ensure that it delivered the appropriate disclosure documents to clients purchasing unit investment trusts and/or exchange-traded funds. First Allied Securities had engaged a vendor to deliver the written prospectuses to clients, however, First Allied Securities retained ultimate responsibility to ensure the clients received the appropriate documents. First Allied Securities agreed to accept a censure and fine of \$40,000.

In late 2009, the SEC filed an enforcement action against a former First Allied Securities representative. The SEC alleged that the representative engaged in unauthorized and fraudulent trading in two customer accounts. The SEC also alleged that First Allied Securities violated certain SEC rules and that it failed to reasonably supervise this registered representative.

After considering the surrounding circumstances, First Allied Securities determined that it was in its best interests to settle the matter. The alleged rule violations were in connection with First Allied Securities' supervision of the representative and deficiencies in its e-mail system. As part of the settlement, First Allied Securities agreed to accept a censure and pay disgorgement and interest (approximately \$1.46 million) and a fine (\$500,000). In addition, the SEC's order requires First Allied Securities to cease and desist from committing or causing any future violations of certain books and records provisions. First Allied Securities also agreed to hire an independent consultant to review its policies and procedures and its system for implementing policies and procedures.

First Allied Securities consented to the issuance of the order without admitting or denying the SEC's findings. A copy of the SEC order is available online at <http://www.sec.gov/litigation/admin/2010/34-61655.pdf>.

Additional Information

More information on all of these items, and other items not summarized above, can be found on FINRA's BrokerCheck[®] (<http://brokercheck.finra.org>). The Form ADV Part 2B brochure supplement that your IAR will provide to you along with this document contains information regarding any disciplinary items that we deem material to your decision to select your IAR to provide you with advisory services. Additional information about your IAR's disciplinary history can also be viewed on BrokerCheck[®].

Other Financial Industry Activities and Affiliations

Broker-Dealer Affiliation

First Allied is an affiliated broker-dealer that we use to introduce accounts to custodians. Because First Allied is owned by Holdings, many of its officers and principals are engaged in business both with First Allied and us. Some of our officers spend up to 90% of their time on First Allied activities, and the remaining 10% on FAAS activities. Other officers devote 100% of their time to FAAS activities.

As a broker-dealer, First Allied places trades for clients for the purchase and sale of stocks, bonds, options, mutual funds, variable insurance products, and private placements. Since the majority of our IARs are registered with First Allied, these services may be available to you if your IAR is a registered representative. Because most of our IARs are registered to offer you both advisory programs and services and brokerage products, a conflict of interest exists. The conflict involves the determination of whether advisory business (fee-based) or brokerage business (commission) is more suitable for the client. Because most of our IARs can offer both, your IAR could be conflicted about which business to recommend to you. We attempt to mitigate this risk by reviewing the suitability of the advisory program selected by each client. Ultimately, our IARs will discuss with you which type of business will best help you meet your goals.

You may have brokerage accounts with First Allied. The main differences between an advisory account and a brokerage account are the form of payment, the use of discretionary authority, and our level of responsibility to ensure the transaction is appropriate for you. In an advisory account, you will pay an advisory fee based on the amount of assets in the account; in a brokerage account, you will pay a commission for each transaction. In an advisory account, you may grant us, your IAR, or a third-party discretionary trading authorization that allows us to place securities transactions on your behalf without notifying you prior to placing the transaction; in a brokerage account, we will discuss each transaction with you prior to placing the transaction. Having discretionary trading authorization allows us, your IAR, or the third-party to act quickly on your behalf should there be an opportunity that would benefit you. The non-discretionary benefits of a brokerage account are that you have to approve each trade before it is placed on your behalf.

As a broker-dealer, First Allied buys and sells securities in its own accounts in order to facilitate the trading activities of its clients. First Allied also buys and sells securities on behalf of other clients. First Allied's main activities include retail and institutional client services. First Allied uses its own execution services for advisory clients and brokerage clients, for accounts custodied at Pershing or JP Morgan, though, for certain advisory programs not described in this brochure, First Allied uses vendors' execution services. For more information about conflicts of interest arising from our affiliation with First Allied's broker-dealer, please see Item 9- Additional Information, starting on page 9.

First Allied is dually registered as an investment adviser. From time to time, advisory business is conducted through this investment adviser on a limited basis. Some of the advisory programs offered through this investment adviser may be similar to program offered through FAAS. For additional information, request a Form ADV Disclosure Document for First Allied.

Other Related Financial Industry Entities

In addition to us and First Allied, our parent company, Holdings, owns two other investment advisers: First Allied Asset Management, Inc. ("FAAM") and Legend Advisory Corporation. We use FAAM as a third-party manager in many of our programs. A conflict of interest exists due to these affiliations. We attempt to mitigate this risk by ensuring that policies and procedures are in place requiring our IARs to exercise their fiduciary responsibilities when recommending investments to clients. Our IARs' recommendations must only take into account what programs or services are best for each client.

In addition to FAAM and Legend Advisory Corporation, Holdings also owns First Allied Retirement Services, Inc. ("FARS"), FASI Insurance Services, Inc. ("FAIS"), Legend Equities Corporation, LEC Insurance Agency, Inc., and Advisory Services Corporation. FARS is a pension administration firm that provides pension services to pension plan sponsors. Our IARs do not receive any compensation for referring clients to FARS. Greenbook Pension Services is another name under which FARS operates. FARS owns Associates in Excellence, which is another pension administration firm that provides pension services to pension plan sponsors.

FAIS is an insurance general agency that offers insurance products through licensed agents. Many agents offering insurance through FAIS are also First Allied registered representatives. Legend Equities Corporation is a broker-dealer registered with FINRA. LEC Insurance Agency, Inc. is an insurance general agency. Advisory Services Corporation is an administrative agent for a trust company. Neither we, nor FAAM, nor First Allied offer any Legend Advisory Corporation, Legend Equities Corporation, and/or Advisory Services Corporation products or services.

Our principals, employees and representatives may have responsibilities to any of these listed affiliates. Certain administrative and payroll expenses for employees of any affiliate may be allocated among all of the affiliates. Allocation of these expenses is not determined by assets referred to any affiliate.

Other Financial Industry Activities

In addition to the related entities noted above, we also conduct business with other investment advisers that are owned or operated by registered representatives of First Allied. These investment advisers may enter into an agreement with us to offer our programs. We are not responsible for supervising or managing these investment advisers beyond their representatives' activities with First Allied.

Some of our IARs may work in bank or credit union locations. We do not supervise any IAR's bank or credit union responsibilities. If the bank or credit union will receive any fees that you pay, our IARs are required to disclose this to you. Some of our IARs may be real estate agents. Activities related to real estate are not undertaken as part of the IAR's representation of us.

In addition to being investment adviser representatives, some of our IARs are also accountants. We do not supervise their accounting activities. Any tax advice you receive from your IAR is part of an outside business activity and is totally separate from the IAR's affiliation with us.

Some of our IARs may be involved in other outside businesses. Activities related to these outside businesses are not undertaken as part of the IAR's representation of us. The amount of time that IARs devote to outside business activities varies. Your IAR's material outside business activities are reported on the Form ADV Part 2B brochure supplement that your IAR will deliver to you when he starts discussing advisory programs and services with you.

We are involved in several industry advocacy groups. These groups generally provide a forum for industry professionals to gather and discuss current and proposed regulations. Our membership in these groups helps us to better educate and supervise our IARs.

Code of Ethics

Overview

Pursuant to SEC rule 204A-1, we have adopted a Code of Ethics ("COE") to establish rules of conduct for all supervised persons. Supervised persons are individuals that are associated with our firm who are involved with offering or providing advisory services. Supervised persons may also include our home office employees. Your IAR is a supervised person. The COE recognizes our IARs' fiduciary responsibility to clients. The COE instructs our IARs to conduct their affairs in such a manner as to avoid:

- Serving their own interests ahead of clients' interests
- Taking inappropriate advantage of their position
- Engaging in unacceptable actual or potential conflicts of interest

A copy of our COE is available upon request by calling our Compliance department at 800-223-0989.

Our supervised persons may, however, invest in the same securities that the IAR or another supervised person recommends to clients. This presents a conflict of interest. This conflict is mitigated by our COE and Compliance Manual. Our IARs are not permitted to disadvantage clients while trading their own accounts. We also have surveillances in place that allow us to ensure that this conflict is avoided.

Our supervised persons are not permitted to recommend or use discretionary trading authority on behalf of clients at or about the same time that the IAR or another supervised person in the IAR's branch office or responsible for supervising the IAR buys or sells the same securities for their own account(s). We have established surveillance systems that check trading patterns between supervised persons and clients. These surveillances allow us to ensure that even if a supervised person unintentionally trades in the same security as a client, the client will not be disadvantaged.

Brokerage Practices

Soft Dollar Benefits

Some firms in the industry receive benefits in exchange for delivering business to a broker-dealer or other third-party. These benefits are known as "soft dollars." Soft dollar benefits are generally defined as benefits (besides normal fees) received from a firm in exchange for doing business with the firm. These benefits may include access to software, hardware, research, and/or office space. We do not receive any soft dollar benefits from choosing the broker-dealer through which we effect trades.

Directed Brokerage

We do not permit clients to direct us to execute transactions through a specified broker-dealer other than First Allied. We believe that First Allied allows us to achieve best execution because of their business relationships with Pershing and JP Morgan, our access to First Allied's trading department, our ability to rely on First Allied's financial stability, and First Allied's overall service to us and our IARs. Best execution factors include timeliness of execution, trader expertise, better pricing, and responsiveness. In addition, certain advisory programs are only available through us and our affiliates and these programs allow your IAR to offer you a program or service that you cannot obtain elsewhere.

Aggregation of Client Trades

We are under no obligation to aggregate trade orders or to average price transactions. ExpertPlan, Inc., an unaffiliated vendor, conducts all the trading for 401(k) Select program accounts and trades will be aggregated according to its policies and procedures.

Review of Accounts

As mentioned previously, each of our IARs is supervised by another of our representatives or an employee. Advisory accounts are reviewed by an IAR's supervisor. We have created several different electronic surveillances to aid in this supervision. The surveillances include checks for:

- registration status
- loss in equity of accounts
- inappropriate use of discretionary authority
- purchase of low-priced securities
- trading activity in personal accounts
- having an excessive margin balance
- holding a disproportionate amount of a security in an account

Many of these surveillances are run daily and others are run monthly or quarterly. The frequency of the surveillance is determined by the nature of the underlying event. All of the surveillances listed above may not be used on all advisory accounts. We take into account who is managing your advisory account. If one of our IARs is the manager, all of these surveillances will be used. If a third-party manager is managing your account, some of these surveillances will not be used.

Your IAR may provide you with reports created by Albridge Wealth Reporting Solutions ("Albridge"). Albridge is a reporting vendor that we have contracted with to enable your IAR to create reports for your accounts. These reports may include information about brokerage accounts, variable annuities and alternative investments. There may be discrepancies in the pricing of securities between Albridge reports, the performance reports we prepare for you, and the statements you receive from your custodian. These discrepancies may be the result of different calculation and reporting methods between Albridge, our reporting vendors, and your custodian. If you have a question about a discrepancy or any other aspect about any of these reports, you should direct it to your IAR. If you are not satisfied with your IAR's explanation, please contact us at 800-223-0989.

The custodian of your account will also send you account statements on a monthly or quarterly basis. Although the information we provide in the Albridge reports we deliver to you has been retrieved from sources believed to be reliable, we urge you to compare the holdings listed on the custodian's statement to those listed on the Albridge reports your IAR may deliver to you. Should you note any discrepancies, please contact us at 800-223-0989. In addition, the reports that your IAR delivers to you should not be relied upon for tax calculations or any other legal representation.

Client Referrals and Other Compensation

Solicitors are individuals who introduce clients to an investment adviser with which the solicitor is not affiliated. Solicitor's arrangements allow individuals to receive compensation for referring a client to us. The compensation paid to a solicitor is a portion of the advisory fee that you pay. All solicitation arrangements that our IARs are involved in must be approved by our Compliance department. Your advisory fee will not increase if a solicitor refers you to us.

Solicitors to FAAS

We have solicitor's arrangements with persons who are not our IARs. If a solicitor is going to receive any portion of the advisory fee that you pay, the solicitor will provide you with disclosure when he refers you to an IAR. You will sign this disclosure, acknowledging that you know a payment is being made for the introduction. We conduct a background check on solicitors to ensure they have not been disqualified from the securities industry. We mitigate any conflicts of interest in relation to these arrangements by ensuring that you will not pay higher fees because of the solicitor's agreement.

FAAS Acting as a Solicitor

Our IARs have the ability to refer, or "solicit," clients to other investment advisers. Our IARs can solicit advisory business for both affiliated investment advisers and unaffiliated investment advisers. Unaffiliated investment advisers must be approved by us before any of our IARs are permitted to refer clients to them. If our IARs are soliciting advisory business for any investment adviser, this will be disclosed to you by issuance of a disclosure statement and a written acknowledgement. The investment advisers that we solicit for provide a variety of management services, as outlined in each investment adviser's disclosure brochure. In general, they provide management strategies and investment models to advisory clients. The investment adviser will pay a portion of the advisory fee, as disclosed to you in the written acknowledgement, to us for soliciting clients. We will share a portion of this fee with your IAR. In exchange for this fee, the IAR is providing services including investor profiling, selection of managers, and ongoing account monitoring.

Other Compensation Payable to Us

We and our affiliates offer a wide variety of approved products to our IARs to serve your needs. We have designated a subset of approved products as "Product Sponsors." Product Sponsors offer an assortment of approved products. They also train and educate our representatives on products and industry-related topics.

Product Sponsors pay extra compensation to us and our affiliates; however clients do not pay more to purchase these products through us than clients would pay to purchase them elsewhere. This extra compensation is based in part on the total amount of assets

that our IARs refer to their products and services. There may be a financial incentive to promote certain products because of this extra compensation. Because IARs do not receive direct financial benefit from recommending Product Sponsors to you, we believe that these relationships do not compromise the advice provided by our representatives.

Sometimes we and our affiliates receive payments from firms that are not Product Sponsors to recognize our sales efforts. All companies may pay us and our affiliates in connection with the sale of certain products. This compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. They may also pay for training, educational meetings or training events, conferences, and entertainment for our representatives and/or clients, as permitted by industry rules. Additional disclosure and a listing of companies who pay additional compensation to us may be obtained at www.firstallied.com or by contacting us at 800-223-0989.

Some investments pay higher commissions than others. Commissions on equities are usually greater than those on bonds. Investments in limited partnerships generally pay higher commissions than investments in equities.

Custody

As mentioned in the "Review of Accounts" section, we do not custody your account assets. Your account assets are custodied by MG Trust. MG Trust will send you account statements either quarterly or more frequently.

Occasionally, IARs may accept stock certificates from clients and forward them to First Allied for delivery to the client's account with the custodian. In the course of business development, we may obtain custody in other forms that are not disclosed here but will be disclosed to our independent auditor. Because of these activities, we meet the regulatory definition of having custody of client securities and are required to hire an independent accounting firm to review our procedures. This audit is conducted each year. More information about the results of the audit can be found through the SEC's Investment Adviser Public Disclosure website, www.adviserinfo.sec.gov, by selecting "Investment Adviser Firm" and typing our name into the "Firm Name."

Investment Discretion

Overview

We do not have discretionary authority over your assets. However, when your plan's participants invest in our 401(k) Select program's PMP option, they are granting FAAM full trading authorization over their company-sponsored retirement plan account. Full trading authorization allows FAAM to make investment decisions regarding the asset allocation of participant accounts without prior consent. We (First Allied and FAAS) do not have any trading authority over your plan's participants 401(k) Select program accounts.

Voting Client Securities

We do not accept authority to vote client proxies. For 401(k) Select program accounts, the 401(k) retirement plan's trustee will retain the authority to vote proxies. FAAM does vote client proxies in certain other programs in which it provides portfolio management services. Information about FAAM's proxy voting policy is available in FAAM's Form ADV Part 2A disclosure brochure that your IAR has provided to you.

Financial Information

Prepayment of Fees

We do not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Generally, advisory fees for account management are paid quarterly in advance. For consulting or financial planning, fees are occasionally prepaid more than six months from delivery of services. In these instances, the amount of prepayment will not exceed \$1,200 per client.

Our Financial Condition

We are required to inform you of any financial conditions that are reasonably likely to impair our ability to meet contractual commitments to you. Currently, there are no financial conditions that would impair our ability to meet our contractual commitments to you. Should any arise, we will notify you according to SEC guidelines.



FORM ADV PART 2A FIRM BROCHURE

**First Allied Asset Management, Inc.
655 West Broadway, 11th Floor
San Diego, CA 92101
800-499-5489
<http://www.firstalliedam.com>**

This brochure provides information about the qualifications and business practices of First Allied Asset Management, Inc. If you have any questions about the contents of this brochure, please contact First Allied Asset Management's Compliance department at (800)223-0989. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

First Allied Asset Management, Inc. is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about First Allied Asset Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.



Item 2- Material Changes

The following items explain material changes that you should be aware of as a current or prospective client of our advisory programs or services. Each year you will receive either a summary of material changes that were made to this brochure over the previous year or an updated brochure. You can always request a full copy of any of our current disclosure brochures by calling 800-223-0989.

The changes that have been made to this document since our annual amendment in March 2011 are summarized below:

- ***Legend Group Acquisition***

In January 2013, First Allied Holdings Inc. closed its acquisition of Legend Group Holdings, LLC, a holding company that owns Legend Advisory Corporation, a registered investment adviser, Legend Equities Corporation, a registered broker-dealer, LEC Insurance Agency, Inc., an insurance general agency, and Advisory Services Corporation, an administrative agent for a trust company. This acquisition does not currently affect any of the services First Allied Asset Management provides to its clients.

- ***Consolidation Completed***

First Allied Securities, Inc., an affiliated registered investment adviser and broker-dealer, has transferred its investment advisory business to another affiliate of ours, First Allied Advisory Services, Inc., on June 30, 2012. Both firms are wholly owned subsidiaries under the ultimate ownership of First Allied Holdings. Clients that were affected by this consolidation received notice of this transfer on or around April 30, 2012, sixty (60) days prior to the consolidation date. This notice provided information regarding how clients were impacted and what their options were. First Allied Securities continues its business as a registered broker-dealer and remain a wholly-owned subsidiary of First Allied Holdings Inc. and affiliated with both First Allied Asset Management and First Allied Advisory Services. While First Allied Securities will remain registered as an investment adviser and a small number of individuals will continue to be registered with First Allied Securities as representatives of its investment adviser, First Allied Securities anticipates conducting limited retail business through this entity.

- ***Management Change***

On May 31, 2012, Robert Holcomb announced his resignation as President of First Allied Asset Management. Mr. Holcomb will continue in his role as Chief Marketing Officer for First Allied Holdings, Inc. and continue to be involved in all First Allied companies. Mr. Holcomb is responsible for overseeing the revenue generating and business development functions at First Allied including marketing/communications, recruiting, and fee-based technology platforms. Craig Columbus, previously First Allied Asset Management's Chief Market Strategist, has assumed the role of President; Jeff Mindlin, previously the Chief Operating Officer, has assumed the role of Senior Managing Director/Chief Portfolio Strategist; Lon Gerber has assumed the role of Chief Operating Officer.

- ***Additional Subadviser Relationship***

Beginning in March 2012, First Allied Asset Management began providing advisory services to The Multi-Strategy Growth & Income Fund ("MGIF"). MGIF is a non-diversified, closed end mutual fund whose investment objective is to seek returns from capital appreciation and income with an emphasis on income generation. First Allied Asset Management is a subadviser to MGIF and is only responsible for managing the common stock portion of the fund, which is expected to be approximately 20% of the fund's assets. The sponsor of the fund is RJL Capital Management, LLC. MGIF became publicly available on March 15, 2012.

- ***Management Change***

In January 2012, Frank Campanale, a senior member of the management team at First Allied Securities, Inc. and affiliate First Allied Asset Management, Inc., announced his resignation from the management team. Mr. Campanale continued advising First Allied on the development of fee-based programs until he resigned from First Allied in April 2012.

- ***Ownership Change***

On November 1, 2011, First Allied Asset Management, Inc. was acquired by First Allied Holdings, Inc. ("Holdings"). Holdings is controlled by Lovell Minnick Partners, LLC, an independent private equity firm providing equity capital for leveraged buyouts and private company recapitalizations and growth capital for developing companies. In the same transaction, Holdings also acquired affiliates First Allied Advisory Services, Inc., First Allied Securities, Inc. and First Allied Wealth Management, which itself owns First Allied Retirement Services, Inc. and FASI Insurance Services, Inc. While the ultimate ownership has changed for each of these firms, the management structure for each of these firms remains the same.



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Item 4- Advisory Business

Background

First Allied Asset Management, Inc. ("FAAM") is an investment adviser registered with the Securities and Exchange Commission ("SEC"). Being registered does not mean that FAAM is endorsed by any regulatory authority; it simply means that FAAM is required to follow the rules established by the SEC. Representatives of FAAM are registered in every state where the representatives may discuss portfolio management with clients of investment advisers who hire FAAM. Throughout the remainder of this text, "we," "us," and "our" refers to FAAM.

FAAM was founded in 2006. On November 1, 2011, First Allied Holdings Inc. ("Holdings") purchased FAAM from Advanced Equities Financial Corp. ("AEFC"), who had owned FAAM since 2007. In the same transaction, Holdings acquired several affiliated companies that offer financial products and services (see Item 10- Other Financial Industry Activities and Affiliations on page 11 for more information). Holdings is controlled by Lovell Minnick Partners, LLC ("Lovell Minnick"), an independent private equity firm providing equity capital for leveraged buyouts and private company recapitalizations and growth capital for developing companies.

Our portfolio management and trading activities are based in Scottsdale, AZ, although some of these responsibilities and other firm operations may be conducted by employees located in San Diego, CA, Chesterfield, MO, or Castle Rock, CO.

Our Principal Officers

Craig Columbus serves as President and Chief Market Strategist of FAAM, setting the firm's strategic direction and management priorities. Mr. Columbus formerly served as the Chief Market Strategist for Thomson Financial. During this time, he became one of Wall Street's most recognizable figures, appearing each Monday on CNBC's *Power Lunch* program for seven years. Mr. Columbus also serves as the Chair and Executive Director at the Center of Entrepreneurship and Innovation at Grove City College in Pennsylvania.

Jeff Mindlin is FAAM's Sr. Managing Director and Chief Portfolio Strategist. In this capacity, Mr. Mindlin is responsible for the portfolio management team and its efforts, including portfolio selection, proprietary money management and product development. Prior to joining FAAM, Mr. Mindlin was the Director of Research and Co-Portfolio Manager of Greenbook Investment Management, Inc.

Lon Gerber is FAAM's Chief Operating Officer, managing day-to-day operations. In this capacity, Mr. Gerber is mainly responsible for the trading operations for all FAAM-managed strategies. Prior to joining FAAM, Mr. Gerber spent over 10 years at Thomson Financial, a leading provider of information and technology solutions to the worldwide financial community.

Luanne Borowski has been the Chief Compliance Officer of First Allied Asset Management and First Allied Securities, Inc. since February 2007. Since July 2010, Ms. Borowski has also been the Chief Compliance Officer of First Allied Advisory Services. Ms. Borowski previously served as Chief Compliance Officer of Asset Planning Solutions, a broker-dealer, and Ken Stern & Associates, a registered investment adviser. Ms. Borowski holds the Investment Adviser Certified Compliance Professional® (IACCP®) designation, and holds the FINRA Series 7, 24, 65 and 53 securities registrations.

Janice Doza became the Chief Financial Officer of First Allied Asset Management in March 2011. Ms. Doza also currently serves as the Chief Financial Officer of First Allied Advisory Services and First Allied Securities. Ms. Doza previously served as Chief Financial Officer and Controller for FFP Securities, Inc. until 2008. From April 2003 through March 2006 Ms. Doza served as Controller for First Financial Planners, Inc.

Our Portfolio Management Team

Craig Columbus serves as President of FAAM. Mr. Columbus formerly served as the Chief Market Strategist for FAAM and for Thomson Financial. He is currently a regular guest on a variety of CNBC shows, including *Kudlow & Company* and *Power Lunch*, among others.

Jeffrey Mindlin serves as FAAM's Sr. Managing Director and Chief Portfolio Strategist, managing day-to-day operations. In this capacity, Mr. Mindlin is responsible for the portfolio management team and its efforts, including portfolio selection, trading, execution, proprietary money management and product development. Prior to joining FAAM, Mr. Mindlin was the Director of Research and Co-Portfolio Manager of Greenbook Investment Management, Inc., where he was instrumental in the design of sophisticated, proprietary investment strategies. Before that, he worked as the Assistant Portfolio Manager and Senior Financial Engineer for Pinnacle Investment Advisors, LLC, which operated a hedge fund and a series of managed accounts for institutional and high-net-worth clients, and sub-advised a publicly traded mutual fund. Previously, Mr. Mindlin was the Manager of Financial Engineering at Camelback Research, leading the development of several successful institutional grade quantitative products, including the popular MSN Money StockScouter system.

Thomas Samuelson, CFA, CMT serves as the Chief Investment Officer for FAAM. Previously, Mr. Samuelson served as the Portfolio Manager at Geronimo Partners where he oversaw a family of three hedge funds. He was also the Portfolio Manager at Invesco Funds Group for a diversified long/short fund and a sector energy fund, where he improved the energy fund's Lipper peer group ranking

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from bottom-quartile to upper-quartile while its assets grew to over \$330 million. Previously, he also served as the President and Portfolio Manager for Denver Energy Advisors, where he managed separate accounts for large institutional clients such as the Notre Dame endowment. Mr. Samuelson received his derivatives experience from Swiss Bank Corp (previously O'Connor & Associates), where he managed proprietary funds for the Bank. He began his career as a high yield bond analyst for Duff & Phelps in Chicago and later became a partner of the firm.

Lon Gerber serves as Chief Operating Officer for First Allied Asset Management. Prior to joining FAAM, Mr. Gerber spent over 10 years at Thomson Financial, a leading provider of information and technology solutions to the worldwide financial community. In this capacity, he was responsible for directing analytic product development for the Wealth Management division. During his time at Thomson, Mr. Gerber was highly regarded for his expertise in the area of insider trading analysis and regularly appeared in the financial media, including *The Wall Street Journal*, *Barrons* and *Forbes*, amongst many others. Mr. Gerber began his career in the banking industry as a financial analyst for Citibank, responsible for revenue forecasting for its U.S. consumer and commercial lending products.

Brian Wright serves as the Senior Portfolio Manager for First Allied Asset Management. Mr. Wright has over a decade of industry experience. Previously, he served as Trader with Pinnacle Investment Advisors, where he helped oversee a family of hedge funds, institutional separate accounts, and a publicly traded mutual fund. Mr. Wright was also an Analyst with a boutique research firm, where he focused on forensic accounting and earnings quality-related research.

Eitan Boral serves as Assistant Portfolio Manager for First Allied Asset Management. Previously, Mr. Boral was an Account Manager with Logical Information Machines ("LIM"), where he worked with traders and analysts at large financial institutions and hedge funds to implement trading strategies using LIM's market research tools.

Collin Martin serves as Investment Consultant for First Allied Asset Management. Prior to joining First Allied Asset Management, Mr. Martin worked at First Allied Securities where he was a Quality Assurance Specialist providing operational analysis and developing profitability models. Mr. Martin graduated cum laude from the Max M. Fisher College of Business at The Ohio State University.

For more information about our portfolio management team, please refer to the Form ADV Part 2B Brochure Supplements at the end of this brochure.

Our Advisory Activities

We are primarily engaged in the business of providing portfolio management services. We are generally hired to manage accounts in programs created by other investment advisers, including affiliated investment advisers. We also provide management services to a sponsor of a closed-end mutual fund, The Multi-Strategy Growth & Income Fund ("MGIF").

We do not maintain custody of your accounts. The firms that hire us to provide portfolio management services on their behalf enter into relationships with qualified custodians. The majority of the accounts that select our strategies result from our relationships with our affiliate, First Allied Advisory Services, Inc. ("FAAS"). FAAS is a registered investment adviser. The majority of FAAS' advisory accounts are introduced to custodians through First Allied Securities, Inc., a registered investment adviser and broker-dealer ("First Allied"). Pershing, LLC ("Pershing"), J.P. Morgan Clearing Corp ("JP Morgan"), and Fidelity Investments ("Fidelity") are generally chosen as custodians by the firms that hire us.

We communicate with you primarily through your investment adviser representative ("IAR") that is registered with the investment adviser sponsoring the program. We rely on that IAR to analyze your goals and needs when recommending a strategy that we manage. The IAR will collect suitability information and ensure that the investment strategy chosen is appropriate for the client.

We use stocks, bonds, mutual funds, options, exchange-traded funds ("ETFs"), closed-end funds ("CEFs"), and American Depositary Receipts ("ADRs") in the accounts we are hired to manage. Sometimes we are hired to manage variable insurance products.

If you wish to maintain a previously owned security, or not invest in a certain security, we may be able to work with your IAR to place this restriction on your account. The majority of our management is through pre-defined strategies, but certain programs can be customized to meet unique requests. More information about our pre-defined strategies can be found in Item 8- Methods of Investment Analysis, Investment Strategies and Risk of Loss, starting on page 7.

In addition to portfolio management services, we also provide advice on model creation, recommend asset allocations, and provide educational support for our clients. These services generally part of the overall client relationship and we do not generally charge separately for them. Occasionally we may be hired to consult for another firm. Consultations are limited to providing advice on portfolio analysis and recommendations.

We calculate the amount of assets that we manage every year. As of October 31, 2012, we managed:

- \$667,749,270 in discretionary assets
- \$68,151,050 in non-discretionary assets



Discretionary assets are the assets with which we have the authority to determine whether to buy or sell securities. This authority is called a trading authorization and is described in more detail in Item 16- Investment Discretion on page 13. Non-discretionary assets are assets in accounts that we provide recommendations on, as to the purchase or sale of specific securities, but another investment adviser makes the final investment decisions.

Item 5- Fees and Compensation

Overview

For the majority of our services, we are compensated for our management services with a portion of the advisory fee you pay to the firm that you entered into a management agreement with, otherwise known as the “sponsor.” The amount of the fee paid to us will depend on several different factors. For our services in relation to MGIF, we are compensated directly from the sponsor of the fund, RJL Capital Management, LLC, and not from the clients of the fund. MGIF’s fee and expense information can be found in the fund’s prospectus.

The advisory fee you are charged is outlined in your advisory agreement. This fee is calculated and deducted from your account by the sponsor of the program. A portion of the fee, the ‘management fee,’ is paid to your IAR. Another portion of the fee, the ‘program fee’ is paid to the sponsor of the program. We are paid from the program fee, based on the amount of assets invested in the strategies we offer. Our portion of the program fee is designated in the agreement between us and the program sponsor.

Just as you enter into an agreement with your IAR and/or the program sponsor, we enter into an agreement to manage accounts for a firm. This agreement is called a “subadvisory agreement.” The subadvisory agreement outlines the responsibilities of the various parties to the contract and details the breakdown of the fees paid to each party. The fees we charge for our management services vary. It is possible that your IAR’s firm will pay more or less than the other firms to which we provide management services. This may result in you paying a higher fee to us than other clients for the same services.

Other Fees

Unless otherwise stated, transactions are effected net of, meaning without, commissions. However, either you or your IAR may designate certain holdings as not eligible to be included in the calculation of the advisory fee. For example, assets that you recently paid a commission on may be exempt from the advisory fee.

Depending on the account custodian, you may be charged for the purchase or sale of a security. In addition, each custodian may charge additional transaction fees depending on the type of security purchased or sold. Electronic funds and wire transfer fees, transfer taxes, account maintenance fees, margin fees, transaction charges, exchange fees, and odd lot differentials are examples of fees that may be charged by the custodian. These fees are charged by the custodian and are not included in the advisory fee that you pay. We do not determine these charges nor receive any portion of them, although our affiliated broker-dealer, First Allied, may receive a portion of these charges for accounts that use First Allied as the broker-dealer of record. Mutual funds often charge investors additional advisory or management fees. A portion of these may be passed on to the broker-dealer of your account as mutual fund trailers or for marketing purposes. We do not directly receive any portion of these fees. An account service schedule detailing all these fees will be provided to you upon account opening.

Based on the activity in your account, you may pay more or less for a managed account than if you had a brokerage account or an account with a mutual fund company. Your IAR should be able to discuss with you the characteristics of opening a managed account.

Verification of Fees

You are always responsible for verifying that the fee you are charged is accurate. The custodian will not determine whether the fee is properly calculated. Should you find an error, please contact your IAR immediately.

Conflicts of Interest

We offer our services to several firms; some are affiliated with us, others are owned by registered representatives of First Allied, and others are owned by unaffiliated parties. Some of the firms that hire us may offer similar services under different program names. Our relationships with the various firms that we provide management services to may allow us to enter into agreements with fund companies or product sponsors, such as mutual fund companies, to receive discounted fees. These savings will not affect your total advisory fee, but may provide us with an incentive to work with fund companies or product sponsors that provide such discounts to us.

We may contribute financial support for client events to representatives of affiliates who offer the programs to which we provide investment management services. Providing this support presents a conflict of interest for these representatives, as they may have a financial incentive to induce clients to utilize our services.

It’s important to remember that we are receiving a portion of your advisory fee for our services. This may impact the total advisory fee you pay. Some sponsor firms may offer the strategies we manage for different fees than other firms. It is up to the sponsor firm to determine the charge to clients. You may be able to receive services similar to those that we offer for different rates.

Certain of our IARs and employees have an ownership interest in Holdings, which presents a conflict of interest with respect to the services they provide to certain strategies in that certain actions may be more profitable to Holdings and its subsidiaries than other



actions. As owners of Holdings, these individuals have an interest in its highest profitability. We help mitigate this conflict by requiring that all IARs and employees abide by our Code of Ethics, which is described in Item 11- Code of Ethics, starting on page 12.

Item 6- Performance-Based Fees

Performance-based fees are fees where the firm shares in a percentage of an account's capital gains and appreciation. We do not charge or receive any portion of performance-based fees.

Item 7- Types of Clients

FAAM provides services to other investment advisers. We do not contract directly with individual investors. Instead, we are hired by other firms to provide management services to their clients. Our strategies are mostly used as a foundation for another investment adviser's advisory programs. However, we also provide investment management services to a sponsor of a closed-end mutual fund, MGIF. We mainly provide services to FAAS, an affiliated registered investment adviser. More information about FAAS is provided in Item 10- Other Financial Industry Activities and Affiliations on page 11.

We also provide services to investment advisers owned by individuals affiliated with First Allied's broker-dealer and investment advisers owned by unaffiliated entities. Minimum investment amounts are established by the firm that has contracted with us to provide services.

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

Types of Risk

Various types of risk are involved when investing in securities. Economic risk, market risk, currency risk, inflation risk, interest-rate risk, liquidity risk, and credit risk are examples of the types of risks your account may be subject to. If you are invested in one of our strategies, there is also the risk that your account value will decrease because of the investment decisions that we make. It is possible that our investment decisions will cause our strategies to underperform other investment strategies or the markets as a whole.

Assessing Risk

While some types of risk can be mitigated by investment strategies, many of these risks cannot be eliminated completely. Your IAR will work with you to make sure that you are comfortable with the risks associated with the type of investments that are in your account. It is important to make sure that you understand these risks.

For accounts investing in structured products or options, you will be provided additional disclosures by your IAR that explain the unique risks of these complex products.

Risk of Loss

You should know that all types of securities investing involve risk. Your account value can both increase and decrease over time. You should not invest in any product if you are not prepared to bear a potential loss. Past performance does not guarantee future results.

Management Style

Our management style is based on our attitude toward risk management. We aim for low risk. We seek to protect our client's investment and help it grow more effectively. Our goal is to lose less in a 'down' market but this typically means we will not gain as much in an 'up' market. We believe that markets change over time. We actively research market movement and adjust our strategies accordingly. Active management is not about being invested or not. It is about playing offense and defense by selectively overweighting or underweighting certain asset classes. Our diverse strategies give you access to invest in a variety of asset classes. This approach allows us to change our weightings across industries as we see fit.

Our research process starts broadly. We use a combination of mathematical analysis and in-depth research to identify investment ideas. We have sophisticated tools that help us measure how our models compare with our outlook for the market.

Frequency of Trading

Several of our strategies utilize mutual funds to gain exposure to different asset classes. Because of the unique structure of a mutual fund, frequent trading and short-term holding pose the risk of increasing administrative costs, interfering with the management of the fund, and even potentially diluting the returns earned by other shareholders. As a result, we have adopted the following guidelines to help mitigate these adverse consequences of mutual fund trading.

Mutual funds selected for a model are generally intended to be held for at least 60 days. In addition, mutual funds should not be sold and re-purchased within a 90 day window. These guidelines relate at the model level. Individual accounts may have non-model initiated trading based on contributions, withdrawals, or other requests from the client. We track initiation and sale dates of model portfolio mutual fund holdings. If a proposed transaction would occur within the 60 or 90 day windows discussed above, we will discuss any extenuating circumstances (e.g., the market backdrop, changes in fund management, etc.) and determine whether the benefit to clients offsets the risks of frequent trading discussed above.

Certain mutual funds permit short-term trading of their shares. These mutual funds are exempted from this policy. In addition, exchange traded funds are not included in this policy.

Methods of Analysis

Our method of analysis stems from our philosophies of risk management and an active approach that is guided by the multi-disciplinarian portfolio management team. Our portfolio managers have diverse backgrounds with highly specialized expertise in quantitative modeling, global macro analysis, politics, technical analysis, derivatives, and forensic accounting. Our method of analysis thus draws from these tools, but may vary based on the specific strategy and objective. For broader asset allocation strategies, we primarily take a top-down view of the world to determine areas to invest and areas to avoid. This analysis includes:

- Technical assessment of price, seasonality, and relative relationships
 - One risk inherent in technical analysis is that it relies on historical data to make predictions of future price movements which may not always follow historical patterns
- Fundamental and valuation analysis of historic and relative value and growth
 - Risks inherent in using this type of analysis include overlooking what is happening to the larger domestic or global economic environment when analyzing a particular security or industry
- Economic factors that might contribute to movement of the asset class
 - Risks inherent in using this type of analysis include unforeseen price fluctuations of individual securities or industries that are not related to the overall domestic or global economic environment

For stock selection strategies, we typically start with a forensic accounting filter used to identify potential accounting red flags. We then analyze the financial statements and other publicly available information to evaluate the firm relative to its peers. Technical analysis may be used to determine entry triggers, or good times to purchase the security. Our macro analysis can lead to sector or style over-investment (in relation to our strategy's optimal allocation) as well as relative risk targets.

For all of our strategies, we rely on our internal analysis as well as investment research that is provided by unrelated parties.

Investment Strategies

We have developed the following strategies for the firms that hire us as a manager:

Mutual Fund Select (formerly known as "Fund Allocator")

Mutual Fund Select ("MF Select") is a managed mutual fund strategy that utilizes custom market models from us to produce asset allocations to facilitate construction and management of your portfolio. MF Select relies on dynamic management to combat market volatility, and utilizes mutual funds within each asset class screened and ranked by us. MF Select is designed to provide you with long-term, risk-adjusted returns. The mutual funds in MF Select represent 13 different asset classes and you have the option of choosing between 10 different asset allocation models (including 5 tax-sensitive models). Occasionally, we will utilize other securities, such as exchange-traded funds ("ETFs"), in the MF Select program in order to provide exposure to an investment theme more efficiently, among other reasons. This strategy has exposure to interest-rate risk, as changes in interest rates will affect the price of bond positions held by the strategy. Bonds will decrease in value as interest rates rise and are subject to both interest rate and credit/default risk.

One Account Select ("OAS")

OAS is a unified managed account strategy that utilizes custom market models from us to produce an asset allocation that facilitates the construction and management of your portfolio. A unified managed account strategy is a highly sophisticated strategy that combines multiple investment vehicles into a single portfolio and account, maximizing efforts to enhance diversification. A unified managed account generally allows multiple portfolio managers to manage a portion of your total account. Envestnet Asset Management, Inc. ("Envestnet"), an unrelated investment adviser, acts as the overlay manager for the OAS strategy. An overlay manager is responsible for coordinating trading activities in your account among all of the portfolio managers.

The OAS strategy is comprised of exchange-traded funds, mutual funds, and separate accounts managed by third-party managers. These securities represent 14 different asset classes and you have the option of choosing between 8 different asset allocation models (including 4 tax-sensitive models). The program and management fees for OAS differ depending on the specific model selected. This strategy has exposure to interest-rate risk, as changes in interest rates will affect the price of bond positions held by the strategy.

ETF Select

ETF Select is designed as a comprehensive asset allocation strategy giving clients exposure to an actively managed blend of stocks, bonds, and alternative assets. ETFs are used to obtain asset class exposures. ETFs offer many advantages over mutual funds including precision, tax efficiency, liquidity, and lower expenses. In the ETF Select strategy, assets are strategically allocated across a wide range of asset classes, utilizing primarily ETFs, through a comprehensive investment process. There are five models available for ETF Select, ranging from the Conservative portfolio, which has an allocation of 20% equities and 80% fixed income, to the Aggressive Growth portfolio that is allocated to almost 100% equities. This strategy has exposure to interest-rate risk, as changes in interest rates will affect the price of bond positions held by the strategy.

Yield Select

The Yield Select strategy invests in highly liquid U.S.-listed securities, including equities, American Depositary Receipts (“ADRs”), and closed-end funds (“CEFs”). Its primary objective is to offer a balance between current income and future growth, with a bias toward risk management. The portfolio will be comprised of two parts: the first invests in CEFs representing both equity and fixed income asset classes and the second invests in individual stocks that have a high current dividend yield plus the potential for dividend growth. Between the two pieces, the goal is to establish a portfolio of approximately 40 positions that is diversified by asset class, sector and size that will generate current income through dividends, interest income and royalty payments plus offer the potential for long-term appreciation. This strategy has exposure to interest-rate risk, as changes in interest rates will affect the price of bond positions held by the strategy. Closed End Funds may have investment objectives other than matching a particular market index, may have a tendency to trade below net asset value (NAV), and are subject to liquidity risk. CEFs are subject to risks similar to those of stocks.

U.S. Large Cap Select (“USLCS”)

USLCS is a separately managed account strategy investing in highly liquid U.S.-listed equities. We manage this strategy for investors seeking a risk-managed approach that strives to build and maintain wealth. USLCS seeks to outperform the S&P 500 index with a bias toward downside risk management. The strategy is designed to accommodate growing concern about market risk while still providing the participation in growth that is available through equity investing. In USLCS accounts, we employ a disciplined methodology to identify opportunities to purchase stocks in large U.S. companies that the portfolio management team believes are poised for enhanced performance with a favorable risk/reward tradeoff.

Liquid Alts Select

The objective of Liquid Alts Select is to provide investors with exposure to various alternative asset classes through liquid vehicles such as exchange-traded funds and mutual funds. The strategy is constructed as a source of alternative exposure to complement a broader diversified portfolio. Liquid Alts Select is built on the premise that alternatives are an important asset class that can reduce the volatility through low correlation to traditional stock and bond investments. The portfolio has exposure to many alternative approaches such as managed futures, long/short, master limited partnerships, and merger arbitrage. We conduct due diligence on the specific funds to utilize within Liquid Alts Select to represent the various alternative asset classes. In addition, certain funds in the portfolio are may be used to hedge equity risk when markets are too complacent and when risks are rising.

This strategy has exposure to interest-rate risk, as changes in interest rates could affect the price of bond positions held by certain underlying funds held in the strategy. In addition, many funds in this strategy employ a shorting strategy which may cause the fund to lose money even as asset prices increase.

401(k) Select

The 401k Select strategy is divided into two distinct types of services: Single Asset Class Fund (“SACF”) selection and portfolio management of a company-sponsored 401(k) plan account (Professionally Managed Portfolio (“PMP”)). The retirement plan’s trustee works with us to establish the SACF selection for his company’s retirement plan. By working with us to establish a list of mutual funds available to his plan’s participants, the trustee is allowing plan participants to create their own portfolios.

Plan participants also have the option of choosing the PMP option. By choosing the PMP option, participants are opting to have their company-sponsored retirement plan account managed by us. The PMP option allows plan participants to choose from five different asset allocation models (portfolios): Conservative, Conservative Growth, Moderate Growth, Growth, and Aggressive Growth. Each of these models is actively managed by us. Our management style for each asset allocation model provides broad diversification across most major asset classes through the purchase of a basket of selected mutual funds. The portfolios include a consistent allocation to stocks, bonds, and alternative assets. A description of each of the asset allocation models can be found in the 401(k) Select disclosure brochure.

Private Client Services (“PCS”)

We created the PCS strategy to provide high-net-worth clients the opportunity to have some, or all, of their assets managed in one place. PCS is open to clients that will have at least \$500,000 invested in the strategy. Your IAR will work with you and us to determine the most efficient allocations of your current accounts. The PCS strategy includes a combination of the ETF Select, U.S. Large Cap Select, and Yield Select strategies described above used in combination with some customized options that we can develop for you. These customized options may include:

- A ladder municipal bond portfolio designed to meet your specific investment time horizon. We will purchase multiple municipal bonds with staggered maturity dates in an attempt to diversify interest rate risk while providing regular cash flow.
- A structured products portfolio to provide limited downside protection and extra participation on the upside. Structured products come in many forms, but are typically short term investments (typically 18 to 36 months) that resemble bonds, but are issued by a bank and track an index. They do not pay interest like bonds, but instead pay a return at maturity if the index it is tracking increases, or returns a discounted amount of principal if the index is down over the time period.
- A covered call, or options, portfolio consisting of a bucket of individual covered call positions. A covered call involves the simultaneous purchase of a stock and sell of a call option, which means that someone can buy your stock at a specific price

("strike price") when they choose to. It provides some protection against loss in exchange for participation in gains, as limited by the call's strike price. Positions are diversified by sector, strike price, and expiration date. We try to select stocks that have attractive covered call opportunities.

- An options portfolio based on your current holdings that may have a low cost-basis or consist of a large percent of your holdings, such as company stock. We use options strategies to help provide cash flow from these low-basis positions. We can also help create option strategies that provide a systematic exit plan from highly concentrated positions. We may employ more complicated option techniques for these strategies. These techniques may involve the simultaneous purchase and sale of options at different expiration months and strike prices.

This strategy has exposure to interest-rate risk, as changes in interest rates will affect the price of bond positions held by the strategy. Closed End Funds may have investment objectives other than matching a particular market index, may have a tendency to trade below net asset value (NAV), and are subject to liquidity risk. CEFs are subject to risks similar to those of stocks. Options involve risk and are not suitable for all investors. Prior to buying or selling an option (or investing in this strategy), a person must receive a copy of the Characteristics and Risks of Standardized Options (ODD). This information is provided solely for general education and information purposes and therefore should not be considered complete.

Risk Managed Growth

The Risk Managed Growth strategy is designed to achieve a long term target allocation of approximately 100% stocks and hard assets (commodities, real estate investment trusts), and is intended for investors with an investment horizon of greater than 15 years. The objective is to offer clients equity-like returns with lower volatility. The strategy typically invests in a basket of individual stocks and ETFs, providing global exposure to a variety of equity, fixed income, and alternative asset classes. Because domestic large cap is the most significant portion of the portfolio, we utilize an active stock selection strategy to fulfill this asset class instead of simply using index funds. A basket of large-cap, individual equities is selected based on a rigorous, systematic screening process. To round out the portfolio, a combination of ETFs and mutual funds are used to gain exposure to small-cap, international, and alternative asset classes. We systematically adjust some portion of the total holdings to reflect changes in its investment outlook.

Covered Call

The Covered Call strategy includes 12 to 17 individual covered call positions, each of which includes the simultaneous purchase of an underlying stock and the sale of a call option. The strategy provides limited downside protection in exchange for capped upside participation. The strategy uses call options to attempt to provide some downside buffer and reduce equity correlation. Positions are diversified by sector, strike price, and expiration. Stocks are systematically selected through rigorous fundamental and technical screens and must provide attractive covered call return opportunities. The strategy was developed to offer additional sources of income as well as provide an added cushion in the event of a market downturn. As such, the strategy may achieve these objectives while not necessarily outperforming a particular benchmark. MFGI utilizes the Covered Call strategy.

Options involve risk and are not suitable for all investors. Prior to buying or selling an option (or investing in this strategy), a person must receive a copy of the Characteristics and Risks of Standardized Options (ODD). This strategy has exposure to interest-rate risk, as the valuation of options held by the strategy may be affected by changes in interest rates.

Dynamic Allocation Series

The Dynamic Allocation Series strategy is a managed mutual fund strategy featuring an actively managed, diversified portfolio of approximately 15 or more mutual funds, representing U.S. and foreign stocks, bonds, and alternative asset classes. The portfolio consists of both a core and an active-tactical component. The precise allocations are intended to adjust with our strategic outlook. The static core ensures the portfolio maintains a diverse framework consisting of a multitude of asset classes including an allocation to stocks (e.g., large cap, small cap, value, and international), bonds (e.g., government, corporate, and international), and alternative assets (e.g., managed futures, absolute return, real estate, and commodities). The active-tactical allocation is used to rebalance accounts as our market outlook changes.

There are 8 different asset allocation models available (including 4 tax-sensitive models). The relative sizes of the active and static components are determined by the client's tax sensitivity. Qualified accounts are managed to maximize the tax-deferred nature of the account; taxable accounts are managed to be as tax efficient as possible.

This strategy has exposure to interest-rate risk, as changes in interest rates will affect the price of bond positions held by the strategy.

Dynamic Income Series – Conservative, Moderate, Moderate Plus, High

The Dynamic Income Series strategy is a set of actively managed portfolios designed to provide a targeted yield by sourcing income from a diversified set of asset classes. Yield is generated from a basket of mutual funds representing fixed income (including government, agency, corporate, and high yield foreign and domestic bonds), equity (e.g. dividend-paying domestic and foreign equities), and alternative (e.g. currencies, REITs, and emerging market debt) asset classes. On an ongoing basis, we assess the portfolio's funds based on their market, interest rate, and credit risks and adjust the allocations based on our outlook. The portfolios are appropriate for investors who require current income and are willing to accept low capital appreciation.

Four models of the Dynamic Income Series are available, ranging from the Conservative portfolio, which targets approximately a 4%



12-month yield and generally will be tilted to include more high-quality bonds, to the High portfolio, which targets approximately a 6% 12-month yield and tends to be tilted to include more lower quality (higher yielding) bonds.

This strategy has exposure to interest-rate risk, as changes in interest rates will affect the price of bond positions held by the strategy.

Customized Investment Strategies

From time to time, we will also customize investment strategies for certain clients. In many cases, these customized strategies will be constructed from a collection of our other strategies listed above. In other cases, the customized strategies may include a combination of our other investment strategies and an allocation of other securities designed to complement those strategies. Clients who are invested in these customized investment strategies will receive information about the strategies and will acknowledge their acceptance of the strategies employed in their accounts.

All Strategies

In each of the strategies listed above, we may utilize leveraged and/or inverse securities, which potentially carry increased risk. These securities gain the target exposure through the use of derivatives and/or by shorting a segment of the market. In addition, leveraged securities potentially carry increased risk because the security will increase or decrease in value based on a factor, or multiplier. For example, if the investment model invests \$100 in a 2x leveraged security, the security will increase or decrease as if the investment model had invested \$200. Since these securities offer a multiple of the daily return, they are not meant to be held as long-term investments as the performance will deviate from the target in periods over one day. This daily compounding issue is magnified during periods of high volatility and is further exacerbated by leverage. Inverse securities are designed to increase in value as the underlying security decreases in value, and vice versa. Leveraged/inverse securities have the risks associated with both leveraged and inverse securities.

Certain of the strategies that we manage are offered under different names through different firms, but the underlying strategies are the same. Not all firms that hire us as portfolio manager offer all of the strategies listed above. Some firms may require that IARs engage in additional training prior to offering access to certain strategies.

Item 9- Disciplinary Information

FAAM has not been the subject of any disciplinary actions by any regulator or other authority. However, some of our affiliated investment advisers have been the subject of various regulatory and disciplinary findings by various states and regulatory bodies. Please see our affiliates' disclosure document(s) for information relating to these events.

Item 10- Other Financial Industry Activities and Affiliations

Related Financial Industry Entities

We are also affiliated with other registered investment advisers. Our parent company, Holdings, owns three other investment advisers:

- First Allied Advisory Services ("FAAS")
- First Allied Securities, Inc. ("First Allied")
- Legend Advisory Corporation

First Allied is a dual registrant. This means that First Allied is both an investment adviser and a broker-dealer. We are the subadviser for several programs sponsored by FAAS.

In addition to the firms listed above, Holdings also owns First Allied Retirement Services, Inc. ("FARS"), FASI Insurance Services, Inc. ("FAIS"), Legend Equities Corporation, LEC Insurance Agency, Inc., and Advisory Services Corporation. FARS is a pension administration firm that provides pension services to pension plan sponsors. Neither FAAM nor our IARs receive any compensation for referring clients to FARS. Greenbook Pension Services is another name under which FARS operates. FARS owns Associates in Excellence, which is another pension administration firm that provides pension services to pension plan sponsors.

FAIS is an insurance general agency that offers insurance products through licensed agents. Many agents offering insurance through FAIS are also First Allied registered representatives. Legend Equities Corporation is a broker-dealer registered with FINRA. LEC Insurance Agency, Inc. is an insurance general agency. Advisory Services Corporation is an administrative agent for a trust company. Neither we, nor FAAS, nor First Allied offer any Legend Advisory Corporation, Legend Equities Corporation, and/or Advisory Services Corporation products or services.

Our principals, employees and representatives may have responsibilities to any of these listed affiliates. Certain administrative and payroll expenses for employees of any affiliate may be allocated among all of the affiliates. Allocation of these expenses is not determined by assets referred to any affiliate. Certain affiliates and their personnel may buy and sell securities for their own accounts. In some cases, these affiliates and their personnel may buy and sell the same securities which may be purchased or sold as part of one or more of our investment strategies. Our Code of Ethics governs our personnel's trading activity and is explained more fully in the next Item. We do not buy or sell any securities for our own firm account.



Other Financial Industry Activities

In addition to the related entities noted above, we also conduct business with other RIAs that are owned or operated by registered representatives of our affiliated broker-dealer, First Allied and other, non-related parties. Certain of these RIAs have a financial incentive to recommend our strategies to their representatives and/or clients due to discounts or forgivable loans. Disclosure regarding how these RIAs mitigate this conflict can be found in the RIAs' Form ADV disclosure brochures.

Item 11- Code of Ethics

Overview

Pursuant to SEC rule 204A-1, we have adopted a Code of Ethics ("COE") to establish rules of conduct for all supervised persons. Supervised persons are individuals that are associated with our firm who are involved with offering or providing advisory services, including managing portfolios. The COE recognizes our portfolio managers' fiduciary responsibility to clients. The COE instructs our portfolio managers to conduct their affairs in such a manner as to avoid:

- Serving their own interests ahead of clients' interests
- Taking inappropriate advantage of their position
- Engaging in unacceptable actual or potential conflicts of interest

A copy of our COE is available upon request by calling our Compliance department at 800-223-0989.

Our portfolio managers are required to get preclearance for their personal trading activities. This means that a portfolio manager must receive approval from a member of our management team prior to buying or selling certain types of securities for his personal account. The fact that our portfolio managers can trade in their own accounts presents a conflict of interest. In certain cases, we do allow portfolio managers to buy and sell the same securities that are included in one or more of our investment strategies. This conflict is mitigated by the procedures detailed in our COE and Compliance Manual. We also conduct a post-trade review of all portfolio managers' and employees' account statements to ensure that our procedures are being followed.

Item 12- Brokerage Practices

Soft Dollar Benefits

Some firms in the industry receive benefits in exchange for delivering business to a broker-dealer or other third-party. These benefits are known as "soft dollars." Soft dollar benefits are generally defined as benefits (besides normal fees) received from a firm in exchange for doing business with the firm. These benefits may include access to software, hardware, research, and/or office space. We do not currently receive any soft dollar benefits for choosing the broker-dealer through which we effect trades.

Directed Brokerage

We do not permit clients to direct us to execute transactions through a specified broker-dealer other than First Allied or National Financial Services ("Fidelity"). We rely on the relationship established by our affiliated entities to determine where we execute our transaction. We believe that First Allied allows us to achieve best execution because of their business relationships with Pershing, JP Morgan, and Fidelity, our access to First Allied's trading department, our ability to rely on First Allied's financial stability, and First Allied's overall service. Best execution factors include timeliness of execution, trader expertise, better pricing, and responsiveness.

Aggregation of Client Trades

When we trade for the accounts for which we are hired as a subadviser, we aggregate trades when appropriate. Aggregating trades is generally defined as "bunching" or combining trade orders for the same securities. Aggregating trades will not affect the transaction charges you are charged (or not charged) on such transactions in our investment strategies. When an aggregated trade order cannot be filled completely, we will generally attempt to provide each account involved in the aggregation a proportional number of shares, based upon the original order size.

In certain circumstances proportionately allocating an order that has not been filled entirely may not be in the best interest of each client. In these instances we will allocate the shares among the clients in a manner we believe to be fair to each client. We are under no obligation to aggregate trade orders or to average-price transactions.

For certain of the strategies, we delegate the execution of trading to Envestnet or other third-parties. In these situations, trading and rebalancing are executed according to the policies and procedures of Envestnet or the third-party leveraging our investment direction.

Item 13- Review of Accounts

Our investment philosophy rests in the idea of an active management style. This means that we want to adjust our strategies to be in alignment with changing market conditions. We review our investment strategies throughout each business day, to make sure they are in line with our outlook.

The investment adviser sponsoring the programs that utilize our strategies may deliver performance reports to you. These performance



reports will generally compare the performance of your account versus the performance of one or more benchmarks, including one or more blended benchmarks. A blended benchmark is a combination of market indexes in varying percentages. For each of our models, we recommend the selection of a benchmark that we feel is appropriate to be used as a standard against which relative performance can be measured. Most of our blended benchmarks consist of the S&P 500 Index, MSCI World Index, Barclay's U.S. Aggregate Index, and the 3-Month U.S. Treasury Bill rates in varying percentages. We also utilize the Russell 3000 Value Index and the Merrill Lynch High Yield Master Index in our blended benchmarks for certain strategies. The performance reports that your investment adviser delivers to you will identify which indexes are used in the blended benchmark that is listed on the report (if applicable).

Item 14- Client Referrals and Other Compensation

All of our clients are firms, not individuals. These firms contract with the IARs that service your account. We, and our affiliates, may receive payments from product sponsors, including mutual fund companies. For more information about which product sponsors share revenue with either us or our affiliates, please reference <http://www.firstallied.com/conflicts> or the disclosure documents of firms who hire us.

If an affiliate receives payments from product sponsors for securities we manage, we may receive software, training, and conference support, based on the volume of securities we invest with the product sponsor.

Item 15- Custody

As mentioned previously, we do not custody account assets. Account assets are custodied by an approved custodian selected by the program sponsor, usually Pershing, JP Morgan, or Fidelity. The custodian of your account will send your account statements. These statements will be sent to you either quarterly or more frequently. You should review the account statements carefully and compare these account statements with the reports that may be sent to you by the program sponsor. Should you note any discrepancies, please contact your IAR.

To facilitate client transactions, First Allied accepts custody of client securities and deposits and forwards them to the approved custodian. This service gives First Allied custody. Because of an affiliate having custody, we hire an accounting firm to conduct an annual audit of our procedures.

Item 16- Investment Discretion

We do not have discretion over your assets. However, when you invest in an account for which we serve as the portfolio manager, you are granting a full trading authorization either to us or to another investment adviser. Full trading authorization gives us (or the other investment adviser) the authority to place trades in your account based on our (or its) judgment. We will not remove funds or securities from your account.

Item 17- Voting Client Securities

Generally, we vote proxies for the accounts that we are hired to manage. This authority is detailed in the account agreement you sign. We also vote proxies for the assets we manage in MFGI. We vote proxies in a manner that we believe is in your best interest.

In the event that a proxy proposal creates a conflict of interest between our interests and yours, we will obtain your consent to vote the proxy in a specific manner. When seeking your consent, we will provide you with sufficient information about the matter and the conflict to help you make an informed decision. Should you not respond to such a request, we will not vote the shares held by your account for the proposal in question. If you deny our request to vote the proxy a certain way, we will vote according to any instructions you provide to us.

We may refrain from voting proxies, if this is in your best interest. Please contact us for a list of any proxies we have voted on your behalf, which details how we voted, or for a copy of our proxy voting policy.

Item 18- Financial Information

Prepayment of Fees

We do not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Generally, advisory fees for account management are paid to the program sponsor quarterly in advance.

FAAM's Financial Condition

We are required to inform you of any financial conditions that are reasonably likely to impair our ability to meet contractual commitments to you. Currently, there are no financial conditions that would impair our ability to meet our contractual commitments to you. Should any arise, we will notify you according to SEC guidelines.



FORM ADV PART 2B BROCHURE SUPPLEMENT

**Craig Columbus
Jeffrey Mindlin
Thomas Samuelson
Brian Wright
Lon Gerber
Eitan Boral
Collin Martin**

**First Allied Asset Management, Inc.
655 West Broadway, 11th Floor
San Diego, CA 92101
800-499-5489
<http://www.firstalliedam.com>**

This brochure supplement provides information about the investment adviser representatives listed above that supplements the First Allied Asset Management, Inc. Form ADV brochure. You should have received a copy of that brochure. Please contact First Allied Asset Management's Compliance department at (800)223-0989 if you did not receive that brochure or if you have any questions about the contents of this supplement. The information in this supplement has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about the investment adviser representatives listed above is available on the SEC's website at www.adviserinfo.sec.gov.



Craig Columbus

Item 2- Educational Background and Business Experience

Educational Background

Craig Columbus was born in 1967. Mr. Columbus attended Indiana University-Bloomington and graduated with a Doctor of Jurisprudence degree in Law in 1992. Mr. Columbus also attended Pennsylvania State University and graduated with a Master of Business Administration degree and he attended Loyola University-Chicago and graduated with a Bachelor of Arts degree in Economics.

Business Experience

Mr. Columbus' business experience for the last five years includes:

- 2006-present First Allied Asset Management, President
- 2004-2008 Greenbook Investment Management, Chief Market Strategist

Item 3- Disciplinary Information

First Allied Asset Management discloses facts regarding any legal or disciplinary events that it deems to be material to a client's consideration of Mr. Columbus to act as their investment adviser representative. First Allied Asset Management is not aware of any events applicable to this item.

Item 4- Other Business Activities

Mr. Columbus serves as the Chair of the Entrepreneurship program at Grove City College and as the Executive Director at the Center for Entrepreneurship and Innovation at Grove City College. Mr. Columbus spends less than 10 percent of his time acting in these capacities.

Mr. Columbus is also an author, having co-written *God and Man on Wall Street: The Conscience of Capitalism* which was published in 2012. Mr. Columbus spends less than 10 percent of his time acting in this capacity.

Mr. Columbus currently serves on the board of AudioEye, a public company that is focused on creating voice-driven technologies that improve the mobility, usability, and accessibility of all internet-based content. Mr. Columbus spends less than 10 percent of his time acting in this capacity. Mr. Columbus recuses himself from any discussion surrounding AudioEye stock from being included in or excluded from any FAAM investment strategy.

Item 5- Additional Compensation

Mr. Columbus does not receive an economic benefit from any non-client for the provision of advisory services.

Item 6- Supervision

Mr. Columbus gives investment advice to clients by selecting investments or creating methodology for the various programs for which First Allied Asset Management is the portfolio manager. Mr. Columbus is supervised by Robert Holcomb, Chief Marketing Officer of First Allied, who can be reached at (619)819-9026.



Jeffrey Mindlin, CFA

Item 2- Educational Background and Business Experience

Educational Background

Jeffrey Mindlin was born in 1979. Mr. Mindlin attended Arizona State University and graduated with a Bachelor of Science degree in Economics and Finance in 2001.

Professional Designations

Mr. Mindlin currently holds the Chartered Financial Analyst® (CFA) designation. The CFA designation is offered by the CFA Institute (formerly the Association for Investment Management and Research [AIMR]). To obtain the CFA charter, candidates must successfully complete three difficult examinations and gain at least three (3) years of qualifying work experience, among other requirements. In passing these examinations, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

Business Experience

Mr. Mindlin's business experience for the past five years includes:

- 2006-present First Allied Asset Management, Sr. Managing Director/Chief Portfolio Strategist
- 2005-2008 Greenbook Investment Management, Director of Research/Co-Portfolio Manager

Item 3- Disciplinary Information

First Allied Asset Management discloses facts regarding any legal or disciplinary events that it deems to be material to a client's consideration of Mr. Mindlin to act as their investment adviser representative. First Allied Asset Management is not aware of any events applicable to this item.

Item 4- Other Business Activities

Mr. Mindlin is not engaged in any outside business activities applicable to this item.

Item 5- Additional Compensation

Mr. Mindlin does not receive an economic benefit from any non-client for the provision of advisory services.

Item 6- Supervision

Mr. Mindlin gives investment advice to clients by selecting investments or creating methodology for the various programs for which First Allied Asset Management is the portfolio manager. Mr. Mindlin is supervised by Craig Columbus, President of First Allied Asset Management, who can be reached at (866)299-4864.



Thomas Samuelson CFA, CMT

Item 2- Educational Background and Business Experience

Educational Background

Thomas Samuelson was born in 1960. Mr. Samuelson attended The University of Tulsa and graduated with a Master of Business Administration degree in 1984 and a Bachelor of Science degree in Engineering.

Professional Designations

Mr. Samuelson currently holds the Chartered Financial Analyst® (CFA) designation. The CFA designation is offered by the CFA Institute (formerly the Association for Investment Management and Research [AIMR]). To obtain the CFA charter, candidates must successfully complete three difficult examinations and gain at least three (3) years of qualifying work experience, among other requirements. In passing these examinations, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

Mr. Samuelson also holds the Chartered Market Technician (CMT) designation. The CMT Program is a certification process in which candidates are required to demonstrate proficiency in a broad range of technical analysis subjects. Administered by the Accreditation Committee of the Market Technicians Association (MTA), Inc., the Program consists of three levels. CMT Level 1 and CMT Level 2 are multiple choice exams while CMT Level 3 is in essay form. Candidates for the CMT designation must complete all three levels of the CMT Exam and must be employed in a professional analytical or investment management capacity for a minimum period of 3 years.

Business Experience

Mr. Samuelson's business experience for the past five years includes:

- 2006-present First Allied Asset Management, Chief Investment Officer/Portfolio Manager
- 2005-2008 Greenbook Investment Management, Chief Investment Officer/Portfolio Manager

Item 3- Disciplinary Information

First Allied Asset Management discloses facts regarding any legal or disciplinary events that it deems to be material to a client's consideration of Mr. Samuelson to act as their investment adviser representative. First Allied Asset Management is not aware of any events applicable to this item.

Item 4- Other Business Activities

Mr. Samuelson is not engaged in any outside business activities applicable to this item.

Item 5- Additional Compensation

Mr. Samuelson does not receive an economic benefit from any non-client for the provision of advisory services.

Item 6- Supervision

Mr. Samuelson gives investment advice to clients by selecting investments or creating methodology for the various programs for which First Allied Asset Management is the portfolio manager. Mr. Samuelson is supervised by Jeffrey Mindlin, Sr. Managing Director/Chief Portfolio Strategist of First Allied Asset Management, who can be reached at (866)299-4864.



Lon Gerber

Item 2- Educational Background and Business Experience

Educational Background

Lon Gerber was born in 1967. Mr. Gerber attended Pennsylvania State University and graduated with a Master of Business Administration degree in 1994. Previously, Mr. Gerber attended Binghamton University and graduated with a Bachelor of Science degree in Management.

Business Experience

Mr. Gerber's business experience for the past five years includes:

- 2007-present First Allied Asset Management, Chief Operating Officer
- 2007-2008 Greenbook Investment Management, Co-Portfolio Manager
- 1996-2007 Thomson Financial, Vice President/Director of Research

Item 3- Disciplinary Information

First Allied Asset Management discloses facts regarding any legal or disciplinary events that it deems to be material to a client's consideration of Mr. Gerber to act as their investment adviser representative. First Allied Asset Management is not aware of any events applicable to this item.

Item 4- Other Business Activities

Mr. Gerber is not engaged in any outside business activities applicable to this item.

Item 5- Additional Compensation

Mr. Gerber does not receive an economic benefit from any non-client for the provision of advisory services.

Item 6- Supervision

Mr. Gerber gives investment advice to clients by selecting investments or creating methodology for the various programs for which First Allied Asset Management is the portfolio manager. Mr. Gerber is supervised by Jeffrey Mindlin, Sr. Managing Director/Chief Portfolio Strategist of First Allied Asset Management, who can be reached at (866)299-4864.



Brian Wright, CFA

Item 2- Educational Background and Business Experience

Educational Background

Brian Wright was born in 1975. Mr. Wright attended Boston University and graduated with a Bachelor of Arts degree in Economics in 1997.

Professional Designations

Mr. Wright currently holds the Chartered Financial Analyst® (CFA) designation. The CFA designation is offered by the CFA Institute (formerly the Association for Investment Management and Research [AIMR]). To obtain the CFA charter, candidates must successfully complete three difficult examinations and gain at least three (3) years of qualifying work experience, among other requirements. In passing these examinations, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

Business Experience

Mr. Wright's business experience for the past five years includes:

- 2006-present First Allied Asset Management, Senior Portfolio Manager
- 2005-2008 Greenbook Investment Management, Head Trader/Co-Portfolio Manager

Item 3- Disciplinary Information

First Allied Asset Management discloses facts regarding any legal or disciplinary events that it deems to be material to a client's consideration of Mr. Wright to act as their investment adviser representative. First Allied Asset Management is not aware of any events applicable to this item.

Item 4- Other Business Activities

Mr. Wright is not engaged in any outside business activities applicable to this item.

Item 5- Additional Compensation

Mr. Wright does not receive an economic benefit from any non-client for the provision of advisory services.

Item 6- Supervision

Mr. Wright gives investment advice to clients by selecting investments or creating methodology for the various programs for which First Allied Asset Management is the portfolio manager. Mr. Wright is supervised by Jeffrey Mindlin, Sr. Managing Director/Chief Portfolio Strategist of First Allied Asset Management, who can be reached at (866)299-4864.



Eitan Boral, CFA

Item 2- Educational Background and Business Experience

Educational Background

Eitan Boral was born in 1981. Mr. Boral attended the University of Wisconsin and graduated with a Bachelor of Arts degree in Economics and Philosophy in 2004.

Professional Designations

Mr. Boral currently holds the Chartered Financial Analyst® (CFA) designation. The CFA designation is offered by the CFA Institute (formerly the Association for Investment Management and Research [AIMR]). To obtain the CFA charter, candidates must successfully complete three difficult examinations and gain at least three (3) years of qualifying work experience, among other requirements. In passing these examinations, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

Business Experience

Mr. Boral's business experience for the past five years includes:

- 2008-present First Allied Asset Management, Assistant Portfolio Manager
- 2005-2007 Logical Information Machines, Account Manager

Item 3- Disciplinary Information

First Allied Asset Management discloses facts regarding any legal or disciplinary events that it deems to be material to a client's consideration of Mr. Boral to act as their investment adviser representative. First Allied Asset Management is not aware of any events applicable to this item.

Item 4- Other Business Activities

Mr. Boral is not engaged in any outside business activities applicable to this item.

Item 5- Additional Compensation

Mr. Boral does not receive an economic benefit from any non-client for the provision of advisory services.

Item 6- Supervision

Mr. Boral gives investment advice to clients by selecting investments or creating methodology for the various programs for which First Allied Asset Management is the portfolio manager. Mr. Boral is supervised by Jeffrey Mindlin, Sr. Managing Director/Chief Portfolio Strategist of First Allied Asset Management, who can be reached at (866)299-4864.



Collin Martin

Item 2- Educational Background and Business Experience

Educational Background

Collin Martin was born in 1981. Mr. Martin attended The Ohio State University and graduated with a Bachelor of Science degree in Real Estate and Urban Analysis in 2004.

Business Experience

Mr. Martin's business experience for the past five years includes:

- 2011-present First Allied Asset Management, Investment Consultant
- 2007-2011 First Allied Securities, Quality Assurance Specialist

Item 3- Disciplinary Information

First Allied Asset Management discloses facts regarding any legal or disciplinary events that it deems to be material to a client's consideration of Mr. Martin to act as their investment adviser representative. First Allied Asset Management is not aware of any events applicable to this item.

Item 4- Other Business Activities

Mr. Martin is not engaged in any outside business activities applicable to this item.

Item 5- Additional Compensation

Mr. Martin does not receive an economic benefit from any non-client for the provision of advisory services.

Item 6- Supervision

Mr. Martin gives investment advice to clients by selecting investments or creating methodology for the various programs for which First Allied Asset Management is the portfolio manager. Mr. Martin is supervised by Jeffrey Mindlin, Sr. Managing Director/Chief Portfolio Strategist of First Allied Asset Management, who can be reached at (866)299-4864.