

Part 2A Form ADV: Firm Brochure

Fund Direct Advisors, Inc.

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This Brochure provides information about the qualifications and business practices of Fund Direct Advisors, Inc (hereinafter “FDA”). If you have any questions about the contents of this Brochure, please contact us at 888-339-5080. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (hereinafter “SEC”) or by any state securities authority.

FDA is an SEC Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provides you with information about the Advisor which you may use to determine to hire or retain an Adviser.

Additional information about FDA also is available on the SEC’s website at www.adviserinfo.sec.gov. You may search this site by using a unique identifying number, know as the CRD number. FDA’s CRD number is 155363.

Item 2 – Material Changes

On July 28, 2010, the SEC published “Amendments to Form ADV” which amends the format of the disclosure document that we provide to Clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules.

In the future, this Brochure will provide only specific material changes that are made to the Brochure and it will provide Clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you upon request, a new Brochure, at any time, without charge.

Currently, our Brochure may be requested by contacting Wes Stanley at 888-339-5080. Our Brochure is also available on our web site, also free of charge.

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

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Item 4 – Advisory Business

FDA is an SEC Registered Investment Advisor with its principal place of business located in Greensboro, North Carolina.

In this brochure the words, “Client”, “Client’s”, “Clients”, “Clients’ “may be used to refer to Clients that are: Individuals, High Net Worth Individuals, Profit Sharing Plans, Government Pension Plans, For-Profit Pension Plans, Non-Profit Pension Plans, 401 (k) Plans, 403 (b) Plans, 457 Plans,.

However, information applicable to only the aforementioned plans, as described in the Brochure, does not apply to Clients who are Individuals or High Net Worth Individuals.

For Clients that are retirement plans, FDA provides advisory and consulting services for Client retirement plans on mutual funds investment selection and provides on going mutual fund manager monitoring for each Client’s plan. Each Client’s plan investments are made in mutual funds and the individual funds are managed by mutual funds personnel. The mutual funds selected for each Client’s plan are determined by consultations between the Client’s plan sponsor and FDA. FDA also provides advisory and consulting services for Clients who are individuals or high net worth individuals. These types of Clients’ investments are made in mutual funds, ETF’s and, upon request, individual stocks and bonds. FDA uses FI360 Software to help screen, select and monitor these investments utilizing the FI360 scoring methodology. Investments are monitored on a quarterly basis as updates are made available on the FI360 Software. Four different models have been created utilizing Mutual Funds and ETF’s with and emphasis on diversification and varying market and interest rate risk to match the client’s time horizon and risk tolerance.

FDA works on a retained, ongoing basis and may also be engaged to perform project work such as mutual fund searches, fiduciary studies, allocation studies, and expense studies for its Clients.

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

Charles Christopher Stanley, Secretary/Treasurer

William Elbert Stanley III, Chief Executive Officer

AMOUNT OF MANAGED ASSETS

As of 12/31/14, Fund Direct Advisors was managing on a non-discretionary basis \$515,000,000 of Clients’ assets. The firm was also managing on a discretionary basis \$10,000,000 of client’s assets.

Item 5 – Fees and Compensation

****Please see Appendix C of your Advisory Agreement for your specific fee schedule.***

Fees for services may be calculated as follows:

Mutual Fund Investments

RIA Asset Based Fee Structure

Account Value \$	Fee Schedule
Up to 1 million	1.0% max
1+ - 5 million	.75% max
5+ - 10 million	.50% max
10+ - 25 million	.30% max
25+ million	.25% max

Fees may also be determined as follows:

Mutual Fund Investments:

Fixed Fee

Account Value \$	Fee Schedule
Up to 1 million	\$10,000 max
1+ -5 million	\$37,500 max
5+ -10 million	\$50,000 max
10+ - 25 million	\$75,000 max
25+ million	\$100,000 max

All fees are subject to negotiation.

Fees are payable quarterly in arrears based upon the value of the investment assets determined at month end for the prior period or by the fixed fee arrangement option. The first payment is assessed and due at the end of the first calendar quarter and will be assessed pro rata in the event the Investment Advisory Agreement is executed at any time other than the first day of the current calendar quarter. Subsequent payments are due and will be assessed on the first day of each new quarter. Our firm directly debits management fees from the Client's account or the Client may choose to pay the fees directly to FDA.

Significant deposits and withdrawals during a calendar quarter may cause fees to be prorated, at FDA's discretion. Client fees will be refunded via a credit to the account for any errors or miscalculations.

The method of charging the Client is specified in the Client's Investment Advisory Agreement -Appendix C, which is executed by the Client and FDA. FDA neither receives nor will take any other forms of compensation for services rendered Clients for these services. FDA will cause the Client's custodian to direct any and all 12 b-1 fees, which may be a part of a Mutual Fund's Expense Ratio, back to the Client's account. Clients may then use these fees as they deem appropriate, i.e. to offset Plan expenses such as TPA (Third Party Administration) fees, trustee/custodian fees, or to be left in a Client's Plan Trust to be allocated to the Client's Plan Participants.

A Client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 (thirty) days written notice. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

FDA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Advisory Agreements may be amended at any time by letter or other written instrument in a manner that is mutually agreed upon by the Client and FDA.

All fees paid to FDA for investment management services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge. A Client could invest in a

mutual fund directly, without our services. In that case, the Client would not receive the services provided by our firm which are designed, among other things, to assist the Client in determining which mutual fund or funds are most appropriate to each Client's financial condition and objectives. Accordingly, the Client should review both the fees charged by the mutual funds and FDA's fees to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided.

FDA is deemed to be a fiduciary to advisory Clients that are employee benefit plans pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

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

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

Item 7 – Types of Clients

FDA provides advisory services to the following types of Clients:

Profit Sharing Plans

Government Pension Plans

For-Profit Pension Plans

Non-Profit Pension Plans

401(k) Plans

403(b) Plans

457 Plans

Individuals

High Net Worth Individuals

FDA does not have minimum account balance requirements for initiating or maintaining an investment advisory relationship.

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

Investing in securities involves risk of loss that Clients should be prepared to bear.

FDA uses mutual fund prospectuses, financial newspapers, magazines, and research materials prepared by others. FDA uses Morningstar's Principia Pro Software, as well as FI360 software from the Center for Fiduciary Excellence (CEFEX).

Investment characteristics such as past performance, manager tenure, Alpha, Sharpe Ratio, standard deviation, style drift, and composition are among the many features used to determine investment appropriateness for the Client. With any investment there is potential for market, interest rate, inflation, and geopolitical risk. The investments suggested by FDA change as information regarding those investments changes, and as the needs of each Client changes.

These sources of information provide a framework for determining the potential return and risks of the investments which are matched against the best interest of each Client. The investments suggested by FDA change as information regarding those investments changes, and as the need of each Client.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

Clients should be aware that the receipt of additional compensation by FDA and its management persons or employees may create a conflict of interest that could impair the objectivity of our firm and these individuals when making advisory recommendations. FDA endeavors at all times to put the interest of its Clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- We disclose to Clients in this brochure the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory Clients in addition to our firm's advisory fees. Charles Stanley, William E. Stanley, Kenneth Garber, and Craven Lowe are registered representatives of Intercarolina Financial Services, Inc., a FINRA registered broker-dealer. This arrangement does not create a material conflict of interest with FDA's Clients;
- We collect, maintain and document accurate, complete and relevant Client background information, including the Client's financial goals, objectives and risk tolerance;
- Our firm's management conducts regular reviews of each Client's account to verify that all recommendations made to a Client are suitable to the Client's needs and circumstances;
- Our internal Compliance Officer reviews all Client accounts and FDA operations to assure its activities are in compliance with all SEC Regulations;
- We require that our employees seek prior approval of any outside business activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- We periodically monitor these outside business activities to verify that any conflicts of interest continue to be properly addressed by our firm.
- We educate our employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to Clients.

Item 11 – Code of Ethics

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

FDA anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which FDA has management authority to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which FDA, its affiliates and/or Clients, directly or indirectly, have a position of interest. FDA's employees and persons associated with FDA are required to follow FDA's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of FDA and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for FDA's Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of FDA will not interfere with (1) making decisions in the best interest of advisory Clients and (2) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. FDA or any affiliated individuals may have an interest or position in a mutual fund which may also be recommended to a Client. Due to the nature of open-end mutual funds, it is extremely unlikely that a Client's investment could be affected by this ownership.

A copy of our Code of Ethics is available to our advisory Clients and prospective Clients. You may request a copy by sending an email to: wstanley@funddirectadvisors.com, or by calling us at 888-339-5080.

Item 12 – Brokerage Practices

FDA does not exercise any discretion in selecting a broker/dealer. They are selected after consultation with the prospective Client.

The factors to be considered by FDA in selecting brokers-dealers and determining the reasonableness of their commission are:

- (1) Experience of firm and individual brokers
- (2) Efficiency of trade execution
- (3) Recordkeeping
- (4) Availability of institutional brokerage discount arrangements
- (5) Availability of research services
- (6) Reasonableness of commissions

FDA Management does not have any soft-dollar “indirect compensation” arrangements and does not receive any soft-dollar benefits from the broker-dealers used.

If a Client chooses the broker-dealer, FDA may not be unable to achieve the most favorable execution of a Client’s transactions and may cost the Client more money.

Item 13 – Review of Accounts

FDA has four Representatives, William Elbert Stanley III, Charles Christopher Stanley, Kenneth Richard Garber and Craven Lowe who periodically review Client accounts.

The standard review encompasses the positions in the account, realized gains and losses, unrealized gains and losses, account performance, the accounts current investment objectives, any change in those objectives and any other matter which may need to be discussed regarding the particular account. Each account under management is generally reviewed four times each year utilizing F1360 Software’s monitor reporting capabilities. .

More frequent reviews may be triggered by material changes in variables such as individual circumstances, the market, political or economic environment.

After a face-to-face meeting, FDA makes recommendations based on risk tolerance, financial goals and investment horizon. We consider each Client’s feedback and preferences and then revisit these objectives at each subsequent review in order to make any necessary changes or adjustments.

Our regularly scheduled reviews help to ensure that each account is maintaining a proper asset allocation, and to ensure progress toward investment goals and objectives.

We periodically meet with Clients to discuss results, identify opportunities and make necessary adjustments that align with the Client’s needs. During these reviews, Clients will receive clear and transparent statements of holdings and transactions to measure the progress of the account versus investment goals. FDA will make adjustments to a plan portfolio when the plan sponsor would like to make changes to the risk exposure of the investment mix.

The Client’s trustee/custodian will provide Clients with monthly account statements.

Item 14 –Client Referrals

FDA does not participate in offering compensation for Client referrals

Item 15 – Custody

We previously disclosed in the “Fees and Compensation” Section Item 5 of this Brochure that our firm can directly debit advisory fees from Client accounts. As part of this billing process, the Client’s custodian is advised of the amount of the fee to be deducted from the Client’s account. On at least a quarterly basis, the custodian is required to send to the Client a statement showing all transactions within the account during the reporting period. Clients should contact us directly if they believe that there may be an error in their statement.

Item 16 – Investment Discretion

FDA does have discretionary authority for any Client accounts. This authority must be specifically authorized by a Client and is noted in the Client’s Investment Advisory Agreement document.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, FDA does not have any authority to and does not vote proxies on behalf of Clients.

Item 18 – Financial Information

Registered investment advisers are required by Item 18 to provide you with certain financial information or disclosures about FDA’s financial condition. FDA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.