



PIEDMONT INVESTMENT ADVISORS, LLC

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Form ADV, Part 2A
March 30, 2016

This brochure provides information about the qualifications and business practices of Piedmont Investment Advisors, LLC (“Piedmont”). Throughout this brochure and related materials, Piedmont may refer to itself as a “registered investment adviser” or “being registered.” You should be aware that registration with the United States Securities and Exchange Commission (“SEC”) or a state securities authority does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us at (703) 729-8333.

The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

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

ITEM 2: MATERIAL CHANGES

This brochure serves as an update to Piedmont's Form ADV, Part 2A brochure dated March 31, 2015 and contains routine annual updates to the prior brochure, as well as the following changes, which may be considered material to advisory clients:

- Item 5 – Fees and Compensation

This Item was updated to reflect the fact that effective January 1, 2016, Piedmont will no longer bill investment advisory fees on assets of unaffiliated private offering assets that are not held in a custodial account at Fidelity, Schwab, Millennium Trust, or another custodian, or are not Militello Capital sponsored assets that Piedmont can directly observe. This Item was also revised to provide additional information with respect to fees and expenses that clients may pay in relation to private funds.

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

This Item was revised to provide additional information regarding performance-based fees that Piedmont receives and client investments in private funds.

- Item 10 – Other Financial Industry Activities and Affiliations

This Item was revised to provide additional information regarding Piedmont affiliations and recommendations regarding other investment advisers.

- Item 11 – Code of Ethics

This Item was revised to provide additional information regarding conflicts of interest.

- Item 15 – Custody

This Item was updated to address custody matters in relation to private funds.

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ITEM 4: ADVISORY BUSINESS

A. Firm Information

Piedmont Investment Advisors, LLC is an SEC-registered investment adviser offering discretionary investment advisory services and personalized solutions to individuals, trusts, estates, charitable organizations, corporations and business entities.

Piedmont is a Virginia limited liability company that was organized in June 2006. William J. Militello is the majority owner and managing member of Piedmont. Larry Trammell is a minority, passive interest member of Piedmont.

B. Advisory Services Offered

Investment Supervisory Services. Piedmont provides clients with ongoing investment advisory services on a fee-only basis. Piedmont has developed a unique philosophy that guides its investment strategies. Piedmont invests and advises clients to invest according to its investment philosophy. This philosophy is based on what Piedmont has termed the “3-D investment model”. This model combines investments in both public securities and private investments, as described below. Account management is guided by the stated objectives and guidelines of each client. Guidelines may indicate such variables as risk tolerance, capitalization ranges, tax sensitivity and portfolio category. Piedmont offers two distinct strategies, (1) Liquidity Strategy and (2) Private Investments Strategy. Client objectives and guidelines typically include both the Liquidity Strategy and the Private Investments Strategy.

Liquidity Strategy. The investment objective of the Liquidity Strategy (the “Liquidity Strategy”) is moderate growth. The Liquidity Strategy emphasizes investments in publicly traded securities. These may include equities, exchange traded funds (“ETFs”), mutual funds, options, bonds, or other debt-like securities, that can generally be purchased and/or sold through an exchange or over the counter transaction through Piedmont’s custodian. The Liquidity Strategy is generally most appropriate for a participant with a 5 – 7 year investment horizon. The equity component of the Liquidity Strategy may be invested across U.S. large-, medium- and small-cap stocks. The Liquidity Strategy may also contain a position in real estate stocks, international companies, emerging markets, or other markets deemed appropriate by Piedmont. Furthermore, the Liquidity Strategy may be invested in securities that provide exposure to commodities, currencies, or inverse or short exposure to various markets. Some of these investments may also contain an above average amount of leverage.

Private Investments Strategy. Piedmont’s Private Investments Strategy (“Private Investments Strategy”) seeks to achieve maximum long-term growth and/or produce current income. Generally speaking, the investments in the Private Investments Strategy will be in equity or debt securities of private companies, real estate, or private companies invested in real estate. Investments in the Private Investments Strategy are often times referred to as Private Real Estate, Venture Capital and/or Private Equity and may include, but are not limited to: investments in direct real estate, limited partnerships, limited liability companies, corporations, privately-traded REITs, and pooled investment funds that invest in real estate or privately held

companies. In addition, the Private Investments Strategy may be invested in privately negotiated debt securities that may include but are not limited to: promissory notes, deeds of trust, convertible notes, or other such instruments that are widely considered to be that of debt obligations to the borrower. The Private Investments Strategy will be comprised of private investments that are not liquid and are generally deemed to be appropriate for a client with an investment horizon of 10 or more years.

Clients participating in the Private Investments Strategy must qualify as “accredited investors”. Piedmont may recommend or advise that the Private Investments Strategy be invested in funds or other investments that were structured, created, and/or are managed by an affiliate of Piedmont or an entity that has common ownership with Piedmont. Please refer to Item 10 of this Brochure for more information.

C. Client Account Management

Prior to engaging Piedmont to provide investment advisory services, the client is required to enter into an Investment Advisory Agreement with Piedmont setting forth the terms and conditions of the engagement, as well as describing the scope of the services to be provided. These services may include:

- Establishing Investment Guidelines – During the initial structuring of each client account, Piedmont’s investment professionals and the client jointly determine an optimal investment strategy given the client's investment objectives.
- Piedmont may take investment action on behalf of one account that may be similar or different from the action taken on behalf of another account in terms of securities, timing, nature of transaction and other factors. Piedmont does not assure that it will purchase or sell for one account the same security which Piedmont purchases or sells for any other account. Risk levels are determined based on the current markets on the day a client invests and the models are used as guidelines.
- Selecting Investment Options – In some cases, clients impose investment restrictions on their accounts and these restrictions must be in writing.
- Ongoing Investment Monitoring – Piedmont provides ongoing oversight of the client’s investment program. The investment adviser representative responsible for the account will monitor account performance and periodically review accounts for consistency with client objectives and investment decisions. In addition, at least once a year every account will be reviewed by the Managing Principal/CCO.

D. Wrap Fee Programs

Piedmont does not place client assets with any wrap fee programs. All management services are performed by Piedmont on behalf of clients.

E. Assets under Management

As of December 31, 2015, Piedmont managed approximately \$67,764,387 in discretionary assets under management and approximately \$31,478,706 in non-discretionary assets under management.

ITEM 5: FEES AND COMPENSATION

A. Fees for Advisory Services

Piedmont's fees are generally negotiable and are paid pursuant to investment advisory agreements. Piedmont's investment advisory fees are generally based on a percentage of assets under management ("investment advisory fees").

The annual fee schedule for investment advisory services is expressed as a percentage of total assets. In addition to the fee schedule outlined below, different fee schedules may apply for long standing clients as well as clients with certain investment mandates or special service needs. Piedmont will quote exact percentages to be charged to each client, and will include the fee schedule within its Investment Advisory Agreement with the client.

<u>Assets under Management</u>	<u>Annual Fee %</u>
\$0 up to \$250,000	1.50%
\$250,000 – \$500,000	1.25%
\$500,000 – \$1,000,000	1.15%
\$1,000,000 – \$5,000,000	1.00%
Amounts over \$5,000,000	0.90%

Investment advisory fees may be directly debited from Piedmont's clients' accounts when the following conditions are met:

- A qualified custodian as defined by Rule 206(4)-2 of the Investment Advisers Act of 1940 maintains the clients' funds and securities.
- The qualified custodian agrees to send to each client a statement, at least quarterly, for which it maintains funds or securities, identifying the amount of the funds and each security in the account at the end of the period and setting forth all transactions in the account during that period.

A client may also choose to be billed directly.

B. Fee Billing

Investment advisory fees are payable to Piedmont one quarter in advance at the rates indicated in the schedule above based on the net value of the client's assets under management (including the client's cash position) as of the last business day of the preceding quarter, unless otherwise agreed to and stated in the investment advisory agreement. An exception to this exists with respect to unaffiliated private offering assets that are not held in a custodial account at Fidelity, Schwab, Millennium Trust, etc. or are not Militello Capital sponsored assets that Piedmont can directly observe. Effective January 1, 2016, Piedmont will no longer bill

investment advisory fees on these assets. Piedmont shall determine the net value of the client's assets under management, including cash or its equivalent and accrued income held for investment, at the end of each calendar quarter, applying the same valuation procedures and methods that it uniformly uses in its quarterly appraisals of client accounts.

Piedmont does not attempt to value a private fund, private limited liability company, or private investment after the initial investment has been made. Because there is no secondary market for the private investments, it is extremely difficult to place a valuation on them.

At the outset of the relationship, the client will direct the client's custodian via written authorization to pay from the client's account to Piedmont, investment advisory fees for investment advisory services rendered by Piedmont to the client. Piedmont, in turn, will request that the custodian debit Piedmont's fees directly from the client's account and remit these fees to Piedmont. Each billing will be for one-quarter of the annual fee. If there is a period where investment advisory services are provided for less than a full calendar quarter, the investment advisory fee for this period will be prorated on a daily basis and refundable to the client for the portion of the period that Piedmont has not served as investment adviser. All investment advisory fees paid directly to Piedmont will be clearly reflected on the client's brokerage statements that are prepared by and sent to the client by the custodian.

C. Other Fees and Expenses Clients May Pay

Investment Company Fees. All fees paid to Piedmont for investment advisory services are separate and distinct from fees charged by investment companies (mutual funds and exchange traded funds) to their shareholders. Fees and expenses paid by fund shareholders are described in each fund's prospectus and statement of additional information. These fees will generally include an investment advisory fee, administrative service fee, custodial fees, other fund expenses and a possible distribution fee. In addition, funds incur brokerage and other transaction costs.

A client could invest in an investment company directly, without the services of Piedmont. In that case, the client would not receive the services provided by Piedmont which are designed, among other things, to assist the client in determining which funds or other investments are most appropriate to each client's financial condition and objectives. Accordingly, a client investing in a mutual fund or other funds should review both the fees charged by the funds and the fees charged by Piedmont to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services provided.

Piedmont may also recommend that a portion of the assets in an account be managed in an individual account by an external investment manager. There are additional fees associated with these investments and the client will pay those fees directly to the external investment manager.

Third Party Service Provider and Brokerage Fees. Clients may incur certain fees or charges imposed by third-parties in connection with investments made by Piedmont on behalf of clients. Such third parties would include the custodian at which the client maintains an account.

These fees and charges are separate and distinct from the fees paid to Piedmont and may include, but not be limited to: transaction related fees (commissions and other brokerage fees), IRA and Qualified Retirement Plan fees, interest charged on margin borrowing, bank service fees, interest charged on debit balances and other servicing fees. Piedmont is not responsible for and does not receive any portion of these fees or charges. Please refer to Item 12 of this Brochure for more information on brokerage practices.

Private Fund Fees. In addition to the investment advisory fees charged by Piedmont, investments in private funds or private investments will be billed in accordance with the schedule set forth in the private fund's offering document (also known as a private placement memorandum, private offering memorandum or "PPM"). Billing is typically based on either a stated amount or initial investment amounts and any subsequent investments of capital into the private funds or investments less any return of capital. These fees may include a management and/or investment advisory fee or in some cases, an administrative fee. Piedmont does not attempt to value a private fund, private limited liability company, or private investment after the initial investment has been made. Because there is no secondary market for the private investments, it is extremely difficult to place a valuation on them.

In addition to management, investment advisory and/or administrative fees, certain private funds reimburse Piedmont affiliates for certain organizational expenses that are incurred in connection with the formation of the funds and the offering of interests in the funds to potential investors.

Private funds or private investments may also allocate a portion of their investment profits to their managers as "carried interest", as set forth in each private fund's or private investment's offering documents. The managers for the Private Funds listed at the bottom of this page are all affiliated with Piedmont and may receive "carried interest". Please refer to the private fund's or private investment's offering documents for additional information relating to "carried interest".

Each fund also generally bears all of the expenses relating to its activities, operations, meetings and eventual liquidation (other than expenses resulting from the fraud, gross negligence or willful misconduct.)

Further, certain funds reimburse Piedmont affiliates for certain expenses, including, among other things, expenses related to in-house services (as described below) and employees or consultants providing operational support, regulatory or legal support, specialized operations and consulting services and similar or related services (as described below) to the funds of Piedmont affiliates. Please refer to Item 11 of this Brochure. These expense reimbursements are disclosed to investors.

Some of the above mentioned investments are affiliated private investments whose investment adviser is MC Advisory Services, LLC (a Piedmont affiliate and an SEC Exempt Reporting Adviser). MC Advisory Services, LLC serves as investment adviser to the following private investments: 1) Militello Realty Partners I, LLC; 2) Militello Venture Partners I, LLC; 3) MC Savannah, LLC; 4) MC Athens, LLC; 5) MC Nashville, LLC; 6) MC Greensboro, LLC; 7) MC

Charleston, LLC; 8) MC Chapel Hill, LLC; 9) MC Knoxville, LLC; 10) MC SV I, LLC; 11) MC SV II, LLC; 12) MC SV III, LLC; 13) MC SV IV, LLC; 14) Militello Realty Partners II, LLC; 15) Militello Venture Partners II, LP; 16) Militello Realty Partners III, LLC and 17) MC Chattanooga LLC.

Details about fees related to private investments are found in the PPMs which are distributed to clients prior to investing. Please refer to Item 10 of this Brochure for additional information regarding these affiliated entities.

D. Advance Fees

As noted in Item 5.B., investment advisory fees are payable to Piedmont one quarter in advance based on the net value of the client's assets under management (including the client's cash position) as of the last business day of the preceding quarter, unless otherwise agreed to and stated in the investment advisory agreement. An exception to this exists with respect to unaffiliated private offering assets that are not held in a custodial account at Fidelity, Schwab, Millennium Trust, etc. or are not Militello Capital sponsored assets that Piedmont can directly observe. Effective January 1, 2016, Piedmont will no longer bill investment advisory fees on these assets. All fees and calculations that are affected by this change, including those for the quarter ending March 31, 2016 and any period thereafter, shall be calculated as if this policy was effective as of January 1, 2016.

Piedmont or the client may terminate an investment advisory agreement at any time upon thirty (30) days' prior written notice to the other party. Such termination shall be without the payment of any penalty and without liability of either party to the other, except for any compensation due or refundable for services provided. Refunds will be prorated based on the close date during that quarter divided by the total number of days in the applicable quarter.

E. Compensation for the Sale of Securities or other Investment Products by Supervised Persons

Piedmont does not receive any direct compensation for the sale of securities or other investment products.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A. Performance-Based Fees

Piedmont does not currently charge performance-based fees for any client. If Piedmont enters into such an arrangement, full disclosure will be made in this section.

Piedmont, however, has an ownership interest in Militello Venture Partners II GP, LLC, the General Partner of Militello Venture Partners II, LP. Due to its ownership interest, Piedmont is entitled to receive a portion of the investment profits of Militello Venture Partners II, LP that are allocated as “carried interest” to its General Partner, Militello Venture Partners II GP, LLC. Militello Venture Partners II GP, LLC’s entitlement as a General Partner to performance-based distributions creates an incentive for Militello Venture Partners II GP, LLC to take risks in managing Militello Venture Partners II, LP that it would not otherwise take in the absence of such arrangement. Please refer to Militello Venture Partners II, LP’s offering documents for additional information relating to “carried interest”.

B. Side-By-Side Management

MC Advisory Services, LLC (a Piedmont affiliate and an SEC Exempt Reporting Adviser) is the investment adviser to affiliated private pooled investment vehicles (“Private Funds”).

The Private Funds do not have investment objectives or investment strategies similar to those of Piedmont’s individual clients. Therefore, Piedmont does not expect the Private Funds to have simultaneous identical portfolio transactions to those of clients. Piedmont clients, however, may invest in certain Private Funds that are diversified private real estate investment funds. These Private Funds may invest in individual real estate investments that clients may also invest in. In this respect, certain investments of Piedmont clients may be identical to those of certain Private Funds.

ITEM 7: TYPES OF CLIENTS

Piedmont may provide services to a variety of client types. Clients may include:

- Individuals, Personal Trusts and Estates – Private investors, investing personal assets
- Charitable Organizations, Foundations and Endowments – Non-profit entities investing contributions to support a stated mission or mandate
- Corporations – Taxable entities organized for a specific business purpose, investing cash reserves

The relative percentage each client type currently represents is noted on Piedmont's Form ADV Part 1. The actual mix of the client types changes over time based upon market conditions, business plans and other factors. Piedmont does not specialize in, or actively seek, any given client type. Piedmont is committed to providing services to qualified investors, regardless of legal or corporate status.

Piedmont may only implement its investment management recommendations after the client has arranged for and furnished Piedmont with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, Fidelity, Charles Schwab, any other broker-dealer recommended by Piedmont, broker-dealer directed by the client, or trust companies, banks etc.

Piedmont generally requires that clients maintain a minimum of \$1,000,000 in assets under management, although under certain circumstances this may be negotiable.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS
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A. Methods of Analysis

Piedmont has developed a unique philosophy that guides its investment strategies. Piedmont invests and advises clients to invest according to its investment philosophy. This philosophy is based on what Piedmont has termed the “3-D investment model”. This model combines investments in both public securities and private investments.

Investment Companies. Piedmont may invest its clients’ assets with mutual funds that pursue investment approaches that are diversified across multiple strategies, asset classes, regions, industry sectors and securities. In selecting a fund and allocating assets to a fund, Piedmont may consider both quantitative and qualitative factors including:

- Relative performance during various time periods and market cycles
- Industry reputation
- Experience and training of investment professionals
- The clarity of, and adherence to, a viable investment philosophy
- Risk management process
- Portfolio management capabilities
- Fee structure
- Any other factor deemed appropriate by Piedmont

Private Investments. Piedmont provides advice to certain “accredited investors” relative to prospective investments in private investment limited partnerships, or other similar entities, such as private real estate funds, private equity funds and venture capital funds. These funds are offered in accordance with Regulation D of the Securities Act of 1933, as amended. Investment in these types of investments is limited to certain “accredited investor” clients.

In selecting private investment offerings and allocating assets to such offerings, Piedmont may consider the strength of entities involved in the offering, the depth and experience of management, prospects for growth, as well as certain other factors. Given the complex nature of private investments, clients are advised to read all offering documents prior to investing.

B. Risk of Loss

Effort is made to ensure positive outcomes for Piedmont clients. However, investing in securities involves risk of loss that clients should be prepared to bear. There can be no assurance that clients will achieve their investment goals. Clients may lose all or a substantial portion of their investment.

Investment Companies. Investment Companies can incur losses. Each fund is subject to certain risks associated with the investments made by the fund’s investment adviser in accordance with the fund’s policies and restrictions. The risks associated with an investment in

a fund are detailed in that fund's prospectus and statement of additional information. For specific risks related to a fund, the client should read that fund's prospectus and statement of additional information. Piedmont monitors a client's risk profile to that of the models employed (see Item 8.A. above). Below are a few potential risks to investors of mutual funds and exchange traded funds.

- Diversification risk (not all funds are diversified)
- Investment risk (equity market risk, interest rate risk)
- Management style risk

Private Investments. Private Investments may have certain risk characteristics not found in mutual funds and exchange traded securities. These types of investments may include a high degree of risk due to the following characteristics:

- May employ leverage
- Speculative investment practices
- Illiquidity
- Limited periodic valuation information
- Complex tax structures or delays in distributing important tax information
- Higher fees than mutual funds or exchange traded funds
- Underlying investments may be not transparent

The performance of a private investment can be volatile. An investor could lose all or a substantial amount of their investment. There is often no secondary market for an investor's interest in private investments, and none may develop. There are restrictions on transferring interests in any private investment. Clients are encouraged to read the offering memorandum issued by a private investment before investing and discuss all risks and conflicts of interest with Piedmont before investing.

ITEM 9: DISCIPLINARY INFORMATION

Neither Piedmont nor its management persons have been the subject of legal or regulatory findings, or are the subject of any pending criminal proceedings that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our firm.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Affiliation

Piedmont or an affiliate is not registered, nor has a registration pending, as a broker dealer, nor are any of its management persons registered as a registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor

Piedmont and any of its affiliates are not registered as a futures commission merchant, commodity pool operator or commodity trading advisor.

C. Other Financial Industry Activities or Affiliations

SEC Exempt Reporting Adviser. MC Advisory Services, LLC (“MCAS”) is an affiliated investment adviser to Piedmont. MCAS is exempt from registration under Section 203(m) of the Investment Advisers Act of 1940, as amended, since it acts solely as an investment adviser to one or more qualifying private funds and has less than \$150 million in assets under management. MCAS serves as the adviser to the following affiliated entities formed as limited liability companies or limited partnerships (the “Private Funds”):

Private Funds

- 1) Militello Realty Partners I, LLC
- 2) Militello Venture Partners I, LLC
- 3) MC Savannah, LLC
- 4) MC Athens, LLC
- 5) MC Nashville, LLC
- 6) MC Greensboro, LLC
- 7) MC Charleston, LLC
- 8) MC Chapel Hill, LLC
- 9) MC Knoxville, LLC
- 10) MC SV I, LLC
- 11) MC SV II, LLC
- 12) MC SV III, LLC
- 13) MC SV IV, LLC
- 14) Militello Realty Partners II, LLC
- 15) Militello Venture Partners II, LP
- 16) Militello Realty Partners III, LLC
- 17) MC Chattanooga LLC

Each of the above-noted Private Funds is organized to own an interest in another business entity (“Underlying Investment”) or entities (“Underlying Investments”). Custody of the assets of the Private Funds is typically maintained by Millennium Trust, an unaffiliated qualified

custodian. As the holding company of the Private Funds, Militello Capital may be entitled to receive a percentage of capital gains on the investment, if any.

Militello Capital, LLC. Militello Capital is affiliated with Piedmont due to common control and is the holding company for the following entities that provide investment advisory or manager services to the Private Funds noted directly above:

Entities that Provide Investment Advisory or Manager Services to the Private Funds

- 1) MC Advisory Services, LLC (Investment Adviser to the Private Funds noted directly above)
- 2) MC Savannah Manager, LLC (Manager of MC Savannah, LLC)
- 3) MC RE Holdings, LLC (Manager of MC Athens, LLC; MC Nashville, LLC; MC Greensboro, LLC; MC Charleston, LLC; MC Chapel Hill, LLC; and MC Knoxville, LLC)
- 4) MRP II Management Company, LLC (Manager of Militello Realty Partners II, LLC)
- 5) Militello Venture Partners II GP, LLC (GP of Militello Venture Partners II, LP)
- 6) MRP III Management Company LLC (Manager of Militello Realty Partners III, LLC)
- 7) MC Chattanooga Manager LLC (Manager of MC Chattanooga LLC)

Certain other Militello Capital Entities

- 1) MC Real Estate Finance Manager, LLC (Manager of MC Real Estate Finance, LLC)
- 2) MC Langford Station Manager, LLC (Manager of MC Langford Station, LLC)

Piedmont – General Partner of a Private Investment Company. Piedmont serves as the General Partner to Piedmont Numismatics, LLC, a fund that invests in rare gold and silver coins, and in which Piedmont clients were solicited to invest in. Piedmont Numismatics, LLC; however, is closed to new investments.

Piedmont – Ownership Interest in a General Partner of a Private Investment Company. Piedmont has an ownership interest in Militello Venture Partners II GP, LLC, the General Partner of Militello Venture Partners II, LP. Due to its ownership interest, Piedmont is entitled to receive a portion of the investment profits of Militello Venture Partners II, LP that are allocated as “carried interest” to its General Partner, Militello Venture Partners II GP, LLC. Militello Venture Partners II GP, LLC’s entitlement as a General Partner to performance-based distributions creates an incentive for Militello Venture Partners II GP, LLC to take risks in managing Militello Venture Partners II, LP that it would not otherwise take in the absence of such arrangement. Please refer to Militello Venture Partners II, LP’s offering documents for additional information relating to “carried interest”.

Service as a Board Member or Advisor to an Underlying Investment. In addition to the affiliation between Piedmont and Militello Capital, Mr. Militello, or his designee, may serve on the board of directors or as an advisor to the Underlying Investment in which a Company invests and may receive compensation for serving on the board or as an advisor to the Underlying Investment. As a board member or advisor, Mr. Militello, and/or his designee, would have certain inside knowledge and oversight of that company of the Underlying Investment. Piedmont may present these Companies to qualified clients as potential investment opportunities.

Other Affiliations. In addition, Piedmont may recommend to clients private real estate limited partnerships, in which an affiliate of Piedmont has some financial interest. William Militello owns 100% of Washington Affordable Properties (“WAP”). WAP may have ownership interest in private real estate limited liability companies and currently owns a minority, non-managing interest in Sanford Capital II, LLC; Sanford Capital III, LLC; Wheeler & 10th Place, LLC; 15th Place, LLC; Wayne Place, LLC; and Call/D, LLC.

Sanford Capital II, LLC and Sanford Capital III, LLC, affiliated entities of Sanford Capital LLC, are partnerships which own, manage and invest in real estate. Wheeler & 10th Place, LLC; 15th Place, LLC; Wayne Place, LLC; and Call/D, LLC are also affiliated entities of Sanford Capital LLC and are properties that Sanford Capital LLC owns and manages. Piedmont had previously recommended, but no longer recommends, the private real estate limited partnerships managed by Sanford entities to clients.

Militello Capital is a minority non-managing member of TerraCap GP II, LLC, which is the General Partner of TerraCap Partners II, LP, a diversified private real estate investment fund in which Piedmont clients, Militello Realty Partners I, LLC and Militello Realty Partners II, LLC have invested in.

MC RE Holdings, LLC, a wholly owned subsidiary of Militello Capital, LLC and an affiliate of Piedmont, is a member of a joint venture entity, QRM Capital, LLC, a Georgia Limited Liability Company. QRM Capital has served as the sponsor of various real estate entities that certain Private Funds noted above have invested in. MC RE Holdings, LLC, is entitled to an economic interest from these real estate entities. Furthermore, it is anticipated that MC RE Holdings, LLC and affiliates will enter into joint ventures similar to QRM Capital, LLC and will receive an economic benefit from such relationships. Certain Private Funds listed above will likely invest in these entities. Such arrangements will not inure to the benefit of the Private Funds or the Private Funds’ investors.

For information regarding conflicts of interest with respect to the above-noted Private Funds and/or relationships, please refer to Item 11.B. of this Brochure.

D. Selection of Other Investment Advisers

Piedmont may recommend various third parties to clients to provide certain services necessary to meet financial goals. In this regard, Piedmont receives referral compensation from a third party advisor in connection with referring clients to the third party for money management services. The compensation that Piedmont receives is a portion of the advisory fee paid to the third party. Piedmont takes its responsibilities to clients very seriously and will only recommend that clients establish a relationship with the third party advisor if it believes that the money management service being offered is appropriate and in the client’s best interest.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

Piedmont has adopted a Code of Ethics (the “Code”) to specify and control certain types of personal securities and other transactions deemed to create a potential or actual conflict of interest. Every officer, director and employee of Piedmont must receive, read and follow the Code’s procedures as well any amendments to its procedures.

The Code and Piedmont Insider Trading Policy contains policies and procedures that, among other things:

- Prohibit directors, officers and employees from taking personal advantage of opportunities belonging to clients;
- Prohibit trading on the basis of material nonpublic information;
- Place limitations on personal trading by directors, officers and employees and impose preclearance and reporting obligations with respect to personal trading;
- Require initial, quarterly and annual reports of securities holdings and transaction reports by directors, officers and employees;
- Prohibit directors, officers and employees from violating Federal Securities Laws; and
- Require officers, investment adviser reps and employees to promptly report any violations of the Code to the Chief Compliance Officer (“CCO”).

Officers, employees and investment adviser representatives of Piedmont may open and retain personal trading accounts pursuant to the Code.

Piedmont’s Code and Insider Trading Policy are available upon request by contacting Piedmont’s CCO at (703) 729-8333.

B. Interest in Client Transactions

Please see “Conflicts of Interest” below for information regarding circumstances in which Piedmont or a related person:

- recommends to clients, or buys or sells for client accounts, securities in which Piedmont or a related person has a material financial interest;
- invests in the same securities that Piedmont or a related person recommends to clients;
- recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that Piedmont or a related person buys or sells the same securities for Piedmont’s (or the related person’s) account; and
- related conflicts of interest.

CONFLICTS OF INTEREST

As discussed below, PIA and its affiliates engage in a broad range of investment activities for clients, including private funds. In the ordinary course of business, the interests of PIA and its affiliates may potentially or actually conflict with the interests of clients. Certain of these conflicts of interest, as well as a description of how PIA addresses them, are described below.

Affiliated Private Funds. Mr. Militello is the manager and owner of Militello Capital, LLC (“Militello Capital”), which is the holding company for certain private investment companies as described in Item 10.C., is an affiliate of Piedmont and is under common control with Piedmont. Piedmont may recommend or advise that clients invest in private investment companies or other investments that were structured, created, and/or are managed by an affiliate of Piedmont or an entity that has common ownership with Piedmont. As a result, an affiliate of Piedmont will likely be entitled to receive fees and certain other compensation from such investments. Such compensation may be in the form of management fees, investment advisory fees, carried interest, incentive fees, consulting fees, due diligence fees, reimbursement of expenses or other compensation. The existence of such compensation arrangements may create more of an incentive for Piedmont to recommend that clients invest in a private investment than would otherwise exist in the absence of such fees and such arrangements may influence such investments generally.

Some of Piedmont’s clients may purchase units in the Companies as Class A members. Militello Capital, LLC through an affiliate typically has rights and privileges as a Class B member that differ in some respects from the interests of clients who are Class A members. For example, Class A members in certain Companies have a preferred distribution, while the Class B member, Militello Capital, has the right to elect the Manager. Upon dissolution of the private investment, provided that there is a profit, Class A members will receive 100% of their initial investment plus a certain percentage of the net profits and the Class B member, Militello Capital, shall receive a portion of the remaining percentage of the net profits as stated in the private investment’s offering memorandum.

Piedmont – General Partner of a Private Investment Company. Some of Piedmont’s clients purchased an interest in Piedmont Numismatics, LLC, a fund that invests in rare gold and silver coins. Piedmont serves as the General Partner to Piedmont Numismatics, LLC and as General Partner, shall receive a portion of the net profits as stated in the private investment’s offering documents. Piedmont Numismatics, LLC is closed to new investments.

Piedmont – Ownership Interest in a General Partner of a Private Investment Company. Piedmont has an ownership interest in Militello Venture Partners II GP, LLC, the General Partner of Militello Venture Partners II, LP. Due to its ownership interest, Piedmont is entitled to receive a portion of the investment profits of Militello Venture Partners II, LP that are allocated as “carried interest” to its General Partner, Militello Venture Partners II GP, LLC. Militello Venture Partners II GP, LLC’s entitlement as a General Partner to performance-based distributions creates an incentive for Militello Venture Partners II GP, LLC to take risks in managing Militello Venture Partners II, LP that it would not otherwise take in the absence of

such arrangement. Please refer to Militello Venture Partners II, LP's offering documents for additional information relating to "carried interest".

Service as a Board Member or Advisor to an Underlying Investment. As discussed in Item 10.C., Mr. Militello, or his designee, may serve on the board of directors or as an advisor to the underlying investment in which a Company invests and may receive compensation for serving on the board or as an advisor to the underlying investment. As a board member or advisor, Mr. Militello, and/or his designee, would have certain inside knowledge and oversight of that company of the underlying investment. Piedmont may present these Companies to qualified clients as potential investment opportunities.

Other Affiliations. As referenced in Item 10.C., Mr. Militello owns Washington Affordable Properties ("WAP") which in turn has an ownership interest in private real estate limited liability companies. Some of Piedmont's clients have invested in the equity of these companies as Class B members. WAP has rights and privileges as a Class A member that differ in some respects from the interests of clients who are Class B members. WAP provided financial analysis services to Sanford Capital relating to its projects; and WAP invested its own capital in order to receive its Class A membership interests. Class B members have contributed cash capital to receive their equity investment interests. Class B members are scheduled to receive the greater of an 8% annual preferred return on their invested capital or 30% of net profit, to the extent there is a net profit. Class A members do not receive these same returns. Only if there is a profit after paying the Class B members the 8% annual preferred return does WAP receive a percentage return.

WAP's percentage return is equal to its ownership percentage of the net profit either directly through its ownership interests in the limited liability companies or through its ownership interests in Sanford Capital II, LLC; Sanford Capital III, LLC; Wheeler & 10th Place, LLC; 15th Place, LLC; Wayne Place, LLC; and Call/D, LLC.

Militello Capital is a minority non-managing member of TerraCap GP II, LLC, which is the General Partner of TerraCap Partners II, LP, a diversified private real estate investment fund in which Piedmont clients, Militello Realty Partners I, LLC and Militello Realty Partners II, LLC have invested in.

MC RE Holdings, LLC, a wholly owned subsidiary of Militello Capital, LLC and an affiliate of Piedmont, is a member of a joint venture entity, QRM Capital, LLC, a Georgia Limited Liability Company. QRM Capital has served as the sponsor of various real estate entities that certain Private Funds noted above have invested in. MC RE Holdings, LLC, is entitled to an economic interest from these real estate entities. Furthermore, it is anticipated that MC RE Holdings, LLC and affiliates will enter into joint ventures similar to QRM Capital, LLC and will receive an economic benefit from such relationships. Certain Private Funds listed above will likely invest in these entities. Such arrangements will not inure to the benefit of the Private Funds or the Private Funds' investors.

Allocation of Investment Opportunities. Piedmont clients may invest in certain Private Funds that are diversified private real estate investment funds that were structured, created, and/or are managed by an affiliate of Piedmont or an entity that has common ownership with Piedmont.

These Private Funds may invest in individual real estate investments that clients may also invest in. In this respect, certain investments of Piedmont clients may be identical to those of certain Private Funds. Related investment allocation decisions will need to be made. If this circumstance arises, Piedmont will allocate the investment opportunity in good faith to be fair and reasonable, placing Piedmont's clients' interests above its own and above those of its owners and affiliates.

Resolution of Conflicts. Piedmont deals with all conflicts of interest using its best judgment, but in its sole discretion. In resolving conflicts, Piedmont will consider various factors, including, but not limited to, the client's investment objectives, financial situation and needs. In the case of all conflicts involving a client, Piedmont's determination as to which factors are relevant, and the resolution of such conflicts, will be made in Piedmont's sole discretion.

C. Personal Trading and Participation in Transactions

Piedmont or its employees may purchase or sell for themselves similar or different securities than are recommended to Piedmont clients. Piedmont has implemented an investment policy relative to personal securities transactions of its employees. This investment policy is part of Piedmont's overall Code of Ethics, as described above, which serves to establish a standard of business conduct for all of Piedmont's supervised persons. Piedmont's personal trading policy is based upon fundamental principles of openness, integrity, honesty and trust. To prevent conflicts of interest, all personal trades made by Piedmont's employees are reviewed by supervisory personnel. Additionally, Piedmont's policies and procedures prohibit the misuse of material nonpublic information and are designed to prevent insider trading by any employee.

ITEM 12: BROKERAGE PRACTICES

A. Factors Considered in Recommending Broker-Dealers

Brokerage Partners and Best Execution. In selecting brokers-dealers, and determining the reasonableness of commissions and mark-ups charged, Piedmont will attempt to effect securities transactions for clients in such a manner that the clients receive the highest quality transaction, under the circumstances. This is known as “Best Execution”. In selecting broker-dealers, Piedmont need not solicit competitive bids and does not have an obligation to seek the lowest available transaction cost (e.g., commission cost).

Piedmont may consider a number of factors in utilizing brokers-dealers for client brokerage transactions. Among the factors considered by Piedmont are:

- Transaction net costs
- Security price
- Clearance and settlement practices
- Ease of execution
- Integration with existing Piedmont systems
- Interface applications for monitoring client investments
- Firm commitment to regulatory compliance
- Industry reputation
- General financial strength and stability
- Breadth of products and services
- Research capabilities

The foregoing factors are expected to enhance its portfolio management capabilities of Piedmont. Piedmont does not attempt to demonstrate that such factors are of a direct benefit to all clients on all trades. Research and brokerage service received may be used to service some, or in certain circumstances, all clients, subject to compliance with applicable law.

Piedmont has selected Fidelity and Charles Schwab as preferred brokerage services and custody providers for its clients. See Item 15 below for more information about the services of Fidelity and Charles Schwab.

1. Soft Dollars. Consistent with Piedmont’s Best Execution policies (see below) and Section 28(e) of the Securities Exchange Act of 1934, as amended, Piedmont may pay commissions to broker-dealers at a level which may be higher than those charged by other firms. The difference in the commission rates is known as “Soft Dollars”. These higher commission rates may be paid if Piedmont determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided by the executing broker viewed in terms of Piedmont's responsibilities to its clients. Soft Dollars may be used to offset the cost of certain services, including; research data on particular industries and companies, economic surveys and analysis, quote services, trade execution systems, and

computer-related costs. Such products and services provide lawful and appropriate assistance to Piedmont in the performance of its investment responsibilities for its clients.

Piedmont receives access to Fidelity and Charles Schwab's custody and dealer services. Both Fidelity and Charles Schwab are FINRA registered broker-dealers to Piedmont's investment advisory clients. While there is no direct affiliation, Piedmont receives this access and other benefits from Fidelity and Charles Schwab that it would not receive if they did not manage assets at these Custodians. Some of these benefits include: integration with Piedmont's portfolio management system, online access to clients' accounts, real time quotes, analytical support, ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements).

Client accounts may not benefit equally from services and products received via these Soft Dollars. These benefits cause a conflict of interest between Piedmont and clients since these benefits may influence Piedmont's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Platform services received by Piedmont via Soft Dollars are standard to all advisers utilizing Fidelity and Charles Schwab.

2. Brokerage for Client Referrals. Piedmont does not receive referrals from brokerage or third parties and would not consider such referrals if any in recommending a broker-dealer.

3. Client Directed Brokerage. Piedmont has discretionary authority to select brokerage firms used to execute trades. However, Piedmont requests that the clients maintain their assets at either Fidelity or Charles Schwab (each a "Custodian" and together the "Custodians"), and direct brokerage for all trades to the respective Custodian. Absent an existing brokerage relationship, Piedmont will assist the client with developing a relationship with Fidelity or Charles Schwab. Piedmont reserves the right to decline business if a client requires trades to be cleared through another broker. Due to the nature of the trading that Piedmont engages in and the additional costs, Piedmont does not believe that trading away from a client's custodial broker would be in the client's best interests. It may be the case that the Custodians charge a higher fee for a particular type of service, such as commission rates, than can be obtained from another broker. It may also be the case that the total costs of all services provided by either Custodian may be higher than can be obtained at another broker if Piedmont determines in good faith that such total costs are reasonable in relation the value of brokerage and research services provided by such broker, viewed in terms of Piedmont's overall responsibilities to the client.

B. Aggregation of Client Trades

Piedmont generally invests clients' assets in mutual funds and ETFs, where order aggregation will rarely come into play. However, should other types of investments be traded, the individual investment person managing the trade will allocate the securities across the accounts, considering account size, diversification, cash availability, and other factors, including, where appropriate, the value of having a round lot in the portfolio. Piedmont's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way taking into account clients' best interests. Piedmont will follow procedures as

described below to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

Orders for the same security entered on behalf of more than one client will generally be aggregated subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. One exception is that subsequent orders may be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

When a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if Piedmont believes that a larger size block trade would lead to best overall price for the security being transacted.

Due to the nature of the bond market being an over-the-counter market, in most instances performing block transactions will provide best execution, including best price. Therefore, in instances where we want to transact a certain security for multiple accounts, we will always give consideration to performing the transaction as a single block trade.

When executing transactions in Rule 144A and other restricted securities, Piedmont will allocate such securities only to eligible client accounts. When Piedmont transacts in limited investment opportunities for advisory accounts, it takes into account cash availability and need, eligibility (per FINRA Rule 5130), suitability, investment objectives and guidelines and other factors deemed appropriate in making investment allocation decisions. Since hot issue premiums provide the potential of an immediate profit and since Piedmont may typically receive only a small portion of the allotments sought, Piedmont will exercise particular care in the allocation of these securities.

Instances in which client orders will not be aggregated include, but are not limited to, the following: (i) clients directing Piedmont to use certain broker/dealers, in which case such orders shall be separately effected; (ii) Piedmont determines that the aggregation is not appropriate because of market conditions; and (iii) Piedmont must effect the transactions at different prices, making aggregation unfeasible.

ITEM 13: REVIEW OF ACCOUNTS

A. Frequency of Reviews

The investment adviser representative responsible for the account will monitor account performance and periodically review accounts for consistency with client objectives and investment decisions. In addition, at least once a year every account will be reviewed by the Managing Principal/CCO.

B. Causes for a Review

In addition to the monitoring described above, reviews may be triggered by changes in a client's tax or financial status. Macroeconomic and issuer specific events may also trigger reviews.

C. Client Reports

Clients will generally receive annual reports from Piedmont. The annual reports display the performance of the assets based upon time weighted rates of return for the designated period of statement of assets.

Piedmont maintains clients' funds and securities with qualified custodians. The qualified custodians agree to send at least as often as quarterly an independent statement to each client for whom it maintains funds or securities, identifying the amount of the funds and each security in the account at the end of the period and setting forth all transactions in the account during that period.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Piedmont may refer clients to various third parties to provide certain services necessary to meet financial goals. Likewise, Piedmont may receive a referral from a third party.

A. Compensation Received by Piedmont

Piedmont receives referral compensation from a third party advisor in connection with referring clients to the third party for money management services. The compensation that Piedmont receives is a portion of the advisory fee paid to the third party. Piedmont takes its responsibilities to clients very seriously and will only recommend that clients establish a relationship with the third party advisor if it believes that the money management service being offered is appropriate and in the client's best interest.

B. Client Referrals to Piedmont

Piedmont may pay fees to persons for client referrals, as permitted by Rule 206(4)-3 of the Investment Advisors Act of 1940. Piedmont will use a portion of Piedmont's investment management fee to pay the referring party. All solicitor fees will be paid by Piedmont rather than by the client. Referral fees are paid annually so long as the client remains with Piedmont and as long as the solicitor remains eligible and qualified to receive such fees. The fee paid to a qualified solicitor is 30% of the fees collected by Piedmont from the client.

ITEM 15: CUSTODY

Piedmont will not maintain physical possession of the funds or securities of any separately managed investment advisory client. Piedmont clients enter into an agreement with brokerage firms (typically Fidelity or Charles Schwab) that serve as custodian of the funds and/or securities. Both Fidelity and Charles Schwab are FINRA member firms.

All clients receive statements of account holdings from their account custodian no less frequently than quarterly. Clients should carefully review these statements. Additionally, Piedmont will provide clients with account balance and activity details upon request.

While Piedmont does not have custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to their account application. In certain jurisdictions this may be deemed constructive custody. Prior to permitting direct debit of fees, each client provides written authorization permitting fees be made direct from the custodian. The custodian sends every client an account statement no less frequently than quarterly showing all account activity, including the amounts disbursed from the account to Piedmont.

As disclosed above in Item 10.C., Piedmont has an affiliated SEC Exempt Reporting Adviser, MC Advisory Services, LLC (“MCAS”). MCAS is considered to have custody of client assets because it is an investment adviser to private funds. In light of the fact that Piedmont and MCAS are not operationally independent of one another and that Piedmont serves as the General Partner to Piedmont Numismatics, LLC, a fund that invests in rare gold and silver coins, Piedmont is considered to have custody.

Accordingly, Piedmont has engaged Dixon Hughes Goodman, LLP, a Public Company Accounting Oversight Board (“PCAOB”) registered firm, to perform annual surprise examinations of Piedmont. The examinations will cover all of the private funds which MCAS advises and all of the private investment entities that are managed by entities under the common control of Piedmont. In addition, certain private funds which MCAS advises and private investment entities that are managed by entities under the common control of Piedmont will also undergo an annual generally accepted accounting principles (“GAAP”) audit by Dixon Hughes Goodman, LLP.

ITEM 16: INVESTMENT DISCRETION

A. Discretionary Portfolio Management

All wealth management portfolios are managed on a discretionary basis. During the initial structuring of each client account, Piedmont's investment professionals and the client jointly determine an optimal investment strategy given the client's investment objectives. In some cases clients impose investment restrictions on their accounts and these restrictions must be in writing.

Piedmont may take investment action on behalf of one account that may be similar or different from the action taken on behalf of another account in terms of securities, timing, nature of transaction and other factors. Piedmont does not assure that it will purchase or sell for one account the same security which Piedmont purchases or sells for any other account.

In cases where Piedmont has full discretionary authority over client accounts and the client has not imposed any specific restrictions, Piedmont will generally have unlimited discretionary authority, without obtaining specific consent, to determine:

- what securities are to be bought or sold,
- the amount of securities to be bought or sold,
- the prices at which securities are to be bought or sold,
- the broker or dealer to be used, and
- the commissions to be paid.

In such cases, there are no limitations on Piedmont's authority in the areas indicated (other than as may be imposed by law or by a client's specified restriction). It should be noted that with regard to commission rates, Piedmont does not have the power to determine the rates paid, only the authority to negotiate with and accept or reject rates offered by various broker-dealers. For more information on brokerage practices, please see Item 12 of this Brochure.

ITEM 17: VOTING CLIENT SECURITIES
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Piedmont does not accept proxy voting authority with respect to securities held in clients' separately managed accounts. Consequently, all proxy solicitations will be sent directly to clients for voting from either the custodian or the investment's transfer agent. A client may contact Piedmont regarding questions they may have regarding a proxy.

ITEM 18: FINANCIAL INFORMATION

Piedmont does not require or solicit prepayment of fees six months or more in advance. Investors should refer Item 5 of this brochure for details as to Piedmont's billing practices and the treatment of fees upon termination of an account.

Piedmont is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS
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Piedmont is not registered with any state securities authority.