



Retirement Advisors
of America
A PHH Investments Company

PHH Investments, Ltd. dba Retirement Advisors of America

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March 2013

This brochure provides information about the qualifications and business practices of PHH Investments, Ltd. dba Retirement Advisors of America. If you have any questions about the contents of this brochure, please contact us at 972-233-3367 and/or www.retirementadv.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about PHH Investments, Ltd. dba Retirement Advisors of America Adviser also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

There have been no material changes

The last update of our brochure was in March 2012.

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ADVISORY BUSINESS

Advisory Firm Description

PHH Investments, Ltd. DBA Retirement Advisors of America ("RAA" or the "Firm") has been in business as a registered investment advisor for more than 25 years. The Firm has several owners, none of which owns 25% or more of the Firm.

Types of Advisory Services

Retirement Advisors of America is a fee based registered investment advisor providing retirement/financial planning and investment management services primarily to current and former airline personnel. The Firm offers its clients a comprehensive and disciplined retirement planning service in addition to investment management of retirement portfolios. The Firm's investment strategies are designed to deliver a customized mix of mutual funds and other investment vehicles to match both risk tolerance and performance goals of the Firm's clients. Most client accounts are managed on a fully discretionary basis ("Managed Accounts"). All prospective clients are also requested to complete a financial and retirement profile.

Pre-retirement

The Firm offers to prospective clients a pre-retirement manual specifically designed to assist in preparation for retirement. This manual, called the Final Approach Program ("FAP") is offered at no charge and requires no obligations. The "FAP" includes educational and general information on qualified retirement plans, specific airline retirement programs, investments, estate and financial planning, social security as well as other services RAA provides. Typically during this pre-retirement period the Firm's clients meet with a representative of the Firm in an effort to define their goals, objectives, and risk tolerance.

Upon retirement

At an appropriate time, each client and his/her spouse are urged to complete the Firm Investment Policy Questionnaire. Upon completion of the questionnaire the client receives an Investment Policy Statement which RAA uses to determine the appropriate mix of investment strategies. Once the retirement funds are received, the portfolio is positioned as outlined in the Investment Policy Statement, with the client receiving statements directly from the account custodian.

After retirement

The Investment Policy Statement is then retained and is reviewed with the client on a periodic basis to ensure that the client's portfolio continues to be appropriately invested. Client service personnel continue to be available to clients to answer questions, ensure that nothing material has changed for the client, and to assist in matters which may arise following retirement, including estate planning and implementation of estate plans (which also may occur pre-retirement). Clients may be provided a written "Annual Account Review" which provides projections for the portfolio based on assumptions including the

retiree's withdrawal pattern and inflation projections. Regional seminars are held on an annual basis, and are open both to clients and prospective clients to meet with RAA personnel, to hear RAA's outlook on the economy and any new tax, retirement or regulatory issues that may be of interest to its clients.

Other Services

The Firm also provides advice and services regarding coordination of the client's estate plans and federal and state tax needs. This includes consulting with attorneys on behalf of a client or recommending attorneys to a client. There is no additional cost or additional fee charged to the client for estate planning.

Tailored Advisory Services

Clients wanting to direct trades or restrict particular investments in their portfolios are encouraged to open "self-directed accounts". The Firm provides investment advice and counsel on these accounts, but does not enact trades in these accounts for the client on a discretionary basis.

The Firm bundles investment advice, retirement products and services, and other services. The Firm's fees may be more or less than the cost of separately purchasing services similar to The Firm's services, such as an arrangement involving a separate fee for investment advice and separate commission charges and related expenses for brokerage transactions. Generally, the factors that bear upon the relative costs of an investment program include the costs of the specific services provided and the amount of trading activity in the client's account. There can be no guarantee that a client's account will be profitable or will not sustain a loss. The past performance of any adviser or investment is not necessarily indicative of the future results that may be achieved for your account.

Client Assets Under Management

RAA manages \$1,545,709,248 on a discretionary basis and \$61,947,991 on a non-discretionary basis as of December 31, 2012.

FEES AND COMPENSATION

Management Fees

The Firm is a fee-based advisor charging fees as a percentage of assets under management according to the fee schedule outlined below.

<u>Assets Under Management</u>	<u>Maximum Annual Advisory Fee</u>
First \$500,000	1.0%
Next \$500,000	.90%
Next \$500,000	.80%
Next \$500,000	.70%
Over \$2.0m of assets	.50%

The Individual Equities strategy and the Individual Bonds strategy (as outlined in the section titled "Analyses, Investment Strategy and Risk of Loss) include an additional annual fee over and above the standard fee schedule noted above. Those additional fees are 0.40% and 0.25% respectively.

**Note: If a Firm client had assets over \$1.5 million with the Firm on September 30, 2002 those assets will be charged as follows: Assets from \$1.5 million and \$2 million-0.55%; Assets from \$2 million to \$2.5 million-0.35%; Assets over \$2.5million-0.25%. Fees for clients who executed agreements with the Firm prior to 1/1/2001 may be based on a prior fee schedule which is disclosed in the client's Investment Management Agreement.*

Fees for Former RAA Wealth Management LLC clients

In April 2008, The Firm purchased the assets of RAA Wealth Management, LLC (which was formerly owned by E*Trade Financial Corporation). Some investment programs and fees will remain in place for Retirement Advisors of America clients, but will not be provided to new or current Firm clients. Former RAA Wealth Management, LLC clients pay the following annual advisory fees, which are computed monthly and are billed in advance at the beginning of each calendar month and are based on assets under management as valued by the custodian at the close of market on the last trading day of the month. The first \$500,000: 1%; the next \$500,000: 0.90%; the third \$500,000: 0.60%; and above that: 0.50%. Airline pilots and other crewmembers (who are former RAA Wealth Management, LLC clients) are generally granted an exemption from The Firm's fees on their airline (employer) stock positions.

General Information on fees:

Fees are computed monthly and are billed in advance at the beginning of each calendar month based on the market value of the previous month-end as valued by the custodian. Some fees are computed quarterly and are billed in advance at the beginning of each calendar quarter based on the market value (according to the custodian) at the end of the previous quarter. Initial fees in partial months or quarters are prorated from the beginning date and are charged in advance upon receipt of the initial deposit or transfer. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds. Fees are non-negotiable and may be deducted from the client's account. Frequency of fee calculations and charges depend upon the Investment Advisory Agreement executed by the client at the time the relationship was first established. There is no additional cost or additional fee charged to the client for financial/retirement planning.

Additional fees:

Client accounts pay additional fees which may be charged by the account custodian, including custodial fees, exchange fees, wire fees, or IRA fees. Additionally, transaction fees incurred as a result of trades are charged directly to all self-directed accounts. Transaction fees incurred in accounts RAA manages are handled according to the reason for the transaction. Transaction fees as a result of trades ordered by RAA, such

as rebalancing across multiple accounts, are not charged to the client accounts. Transaction fees as a result of a client's change in investment strategy will be charged to the client's account.

Rarely do trades placed by RAA generate transaction fees, as the Firm makes every effort to invest in securities with no transaction fees. Please see the section titled "Brokerage Practices" for additional information.

All fees paid to the Firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual or money market 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 redemption fee. A client could invest in mutual funds directly without the services of the Firm, and without incurring transaction fees to purchase or sell shares of the fund. In that case, the client would not receive the services provided by the Firm which are designed, among other things, to assist the client in determining which mutual fund and/or individual securities 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 the fees charged by the Firm to fully understand the total amount of fees that will be paid by the client and thus evaluate the benefit of the advisory services being provided.

Termination

A client may terminate his/her Management Agreement with the Firm at any time without penalty. The Firm may terminate its relationship with a client at any time upon delivery of a written notice. Regardless of the terminating party, a client may obtain a refund of fees upon termination of the Investment Management Agreement. Fees are paid in advance and will be refunded for the unused term upon termination before the end of the month or quarter, depending upon the terms of the individual investment management agreement. Refunds are calculated from the time the Firm receives or sends written notice of termination, or from the time the custodian receives notice of transfer, whichever occurs first. Clients pay any mutual fund early redemption fees if they initiate the trade.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

RAA does not receive performance-based fees.

TYPES OF CLIENTS

RAA provides investment advice to the following types of clients:

- Individuals
- Pension and profit sharing plans

The Firm imposes a \$250,000 minimum account size for starting or maintaining an account. This minimum may be waived at the sole discretion of the Firm.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

RAA's process starts with a quantitative approach to determining when to overweight equities or bonds. This is largely accomplished through investing in no-load mutual funds containing largely equities or bonds. Each month the investment committee reviews four back tested and proven valuation models. The committee equally weighs these models to determine what equity to bond ratio the portfolios should hold. The committee then overlays these results to where the economy is in the business cycle.

Once the qualitative factors are folded into the models and the Investment Committee has defined where we are in the investment cycle the Committee then makes a recommendation and applies further quantitative measures that are monitored monthly to make sure the portfolios have the best possible investments, given market dynamics and the committee's forecast for asset classes. This analysis goes far beyond making sure the portfolios receive above average returns. The committee verifies the positions not only meet the rigorous rules of performance but also the strong requirements of fundamental investing and philosophical requirements.

What we look for...

- Below-average fees
- Above average reward/risk characteristics such as Sharpe ratio and performance relative to peers
- Manager tenure is important
- Asset size is important – we don't want to be a large enough fraction of the fund's total assets under management that we are unable to liquidate if the need arises.
- Minimal style drift – when we invest in a large cap growth fund we don't want to discover several months later that its portfolio has changed so that now it is acting like a mid cap value fund.

PORTFOLIO MANAGEMENT STRATEGIES

Many of the Firm's clients choose a combination of the strategies outlined below in an effort to further diversify their holdings.

CORE: The Core strategy is made up of a number of mutual funds that in aggregate provide a well-diversified investment portfolio. Under normal market conditions the portfolio offers exposure to the following sectors: domestic large, mid and small cap, international equities, domestic fixed income and money market. The mix may be adjusted to provide more or less equity exposure depending on the client's risk profile. Clients are generally directed to one of the six standard core strategies as follows:

- Fixed Income: 0% equity, 100% fixed income
- Income Plus: 20% equity, 80% fixed income
- Conservative Growth: 40% equity, 60% fixed income
- Balanced: 50% equity, 50% fixed income
- Moderate Growth: 60% equity, 40% fixed income
- Growth: 80% equity, 20% fixed income

CORE-TAX EFFICIENT: The Core-Tax Efficient strategy mirrors the Core strategy with the exception that municipal bond funds are used in place of taxable bond funds and several equity funds that have a demonstrable level of tax-efficiency are substituted for funds that do not possess that characteristic.

STRATEGIC GROWTH OPPORTUNITIES: This strategy is a pure growth strategy made up of mutual funds designed to complement the Core strategy. In general, the portfolio will be invested in asset classes that offer higher long-term expected rates of return than the broad market. However, the portfolio managers may move some or all of the assets into more conservative asset categories at their discretion depending on market conditions. The aggressive nature of the strategy entails a higher degree of risk with the goal of producing a total return in excess of the broad market.

INDIVIDUAL EQUITIES: The Individual Equities strategy is an all-equity strategy designed for clients interested in a portfolio of individual stocks. In general it is offered as a complement to the core strategy to clients that have expressed a personal preference to have a portion of their equity money invested in a portfolio of individual stocks. This strategy is currently sub-advised by Westwood Management Corp. under contract with the Firm.

INDIVIDUAL BONDS: The individual bond strategy is an all bond strategy that is designed for clients interested in a portfolio of individual bonds. In general the portfolio will be invested in corporate issues, municipal issues or U.S. government agency issues with a S&P credit rating of "A" or higher. This portfolio may complement a Core strategy, Individual Equities strategy or Strategic Growth Opportunities strategy.

The Firm Investment Committee has the discretion to alter the weightings of asset classes and sectors within each strategy based on its assessment of expected returns and risks in the capital markets.

Investing in securities involves risk of loss that clients should be prepared to bear. The client understands that investment decisions made for the account by the Firm are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. The Firm will manage only the securities, cash and other investments held in the client's account. In making investment decisions for the account, the Firm will consider only the investments owned by the client which the client has disclosed to the Firm.

DISCIPLINARY INFORMATION

RAA has not incurred any legal or disciplinary events.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

RAA is not affiliated with a broker-dealer and does not have any other financial industry activities or affiliations beyond its role as investment advisor.

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

Code of Ethics

RAA has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as “employees”) and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

- misuse of confidential information;
- personal securities trading and
- outside investment business activities.

Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm’s Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm’s business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients’ interests come before employees’ personal interests and before the Firm’s interests.
- The Firm must fully disclose all material facts about conflicts of which it is aware between the Firm and its employees’ interests on the one hand and clients’ interests on the other.
- Employees must operate on the Firm’s behalf and on their own behalf consistently with the Firm’s disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

Misuse of Nonpublic Information

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or client securities trades.

Personal Securities Trading

Firm employees may buy or sell for themselves securities also bought, sold or recommended to clients. It is the Firm’s policy that client transactions have priority over all personal transactions.

The Code also requires principals and employees to:

- pre-clear personal securities transactions in IPO’s and Private Placements,
- report personal securities transactions on at least a quarterly basis, and

- provide the Chief Compliance Officer with a detailed summary of personal securities holdings (both initially upon commencement of employment and annually thereafter).

Personal trades are reviewed by Retirement Advisors of America's Compliance Department staff at least quarterly to ensure compliance with RAA's policies.

Outside Investment Business Activities

Employees are required to report any outside investment business activities with any other investment or financial services firm. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease such activity.

BROKERAGE PRACTICES

Selecting broker/dealers for trades and custody of client assets

The Firm has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides the Firm with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist the Firm in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Discounted brokerage commissions may be negotiated by the Firm with the custodian. Trading and service platforms which also contain investment research capabilities are provided to the Firm by Fidelity in conjunction with the custodial relationship.

Research and Other Soft-Dollar Benefits

The Firm has no formal "soft dollar" relationships, in which funds generated by client trades pay directly for products and services the Firm uses. However, Fidelity also offers other services intended to help the Firm manage and further develop its advisory practice. These services are provided to all clients with a minimum of \$10 million in client accounts held at Fidelity. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom the Firm may contract directly.

The Firm is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Brokerage for Client Referrals

Fidelity does not refer clients to RAA.

Directed Brokerage

Clients are not allowed to request that trades be enacted through a specific broker. The Firm requires clients to use one of the Firm's recommended broker-dealers as their account custodian. Not all advisors require their clients to use a particular custodian or broker.

Order Aggregation

In certain instances, the Firm may determine that it is in one or more of its clients' best interests to engage in a block trade comprised of shares to be purchased or sold by more than one client account. In such cases, the Firm will allocate the block trade proportionately to the capital of each of the client accounts participating in the trade in a manner that the Firm determines is fair and equitable to the participating clients. The Firm will engage in block trades when it determines such action will result in best execution for all client accounts and to ensure that all client accounts are treated equally and fairly. Fidelity does not provide commission breaks to participants in block trades.

REVIEW OF ACCOUNTS

Clients' accounts will be reviewed by authorized portfolio managers, Bill Hubble and Jeremy Merchant, on a monthly basis to review liquidity levels needed for upcoming or ongoing distributions, to review asset allocation within the portfolio, and to apply the investment policy to the individual portfolios. The overall investment policy is determined by the voting members of the investment committee which are Bill Hubble, Kent Herr, Jeremy Merchant, Bill Quinn and Bart Roberson. Individual funds, issuers and securities are monitored and reviewed on an ongoing basis.

Individual Equity portfolios managed by the sub-advisor Westwood Management Corp. are constructed and reviewed by Westwood.

Each client receives a monthly statement from his/her qualified custodian showing the account assets, value and transactions for that month. Once an account has been managed for at least a year, RAA may provide a written "Annual Account Review".

Each client receives monthly newsletters that summarize information on the economy, financial markets and other noteworthy events.

CLIENT REFERRALS AND OTHER COMPENSATION

The Firm's independent marketing representatives are paid a fee by the Firm (not the client) ranging from 5 to 25% of the Firm's management fee. A client brought to the Firm by such a representative pays the same management fee as a client coming to the Firm directly and receives disclosure documents as required by the Investment Advisers Act Rule Section 275.206-4(3).

The Firm has also entered into a custodial support services agreement with Fidelity. Under this agreement, the Firm provides Fidelity with certain back office, administrative, custodial support and clerical services with respect to Firm accounts ("Support Services"). In exchange, Fidelity provides certain recordkeeping and operational services to the Firm, which may include execution, clearance and settlement of securities transactions, custody of securities and cash balances, and income collections. Fidelity pays the Firm a fee to defray the Firm's costs and expenses for providing these Support Services. The amounts of these payments are calculated based on the average daily balance of eligible client assets, which consist primarily of client investments in "no transaction fee" mutual funds. The Firm's receipt of this fee may create a potential conflict of interest. It is the policy of the Firm to place the interest of its clients first, so the decision to invest or not in a particular mutual fund is not dependent upon either of these agreements.

CUSTODY

Custody is defined as an investment advisory firm, its related entities, and/or its personnel having direct access to client funds or securities.

The fact that RAA deducts its investment management fee from client accounts is deemed a form of custody by the SEC. However, the Firm has the authority only to move assets from a client's account to another similarly named account. Other than this deduction of investment management fees, the Firm has no access to client funds or securities.

RAA's clients' accounts are held by a qualified custodian, which sends account statements directly to clients on at least a quarterly basis.

INVESTMENT DISCRETION

Most of the Firm's clients grant full discretionary trading authority to the Firm. This grant of authority permits the Firm to buy and sell certain types of securities in amounts deemed desirable by the Firm without obtaining specific client consent for that purchase or sale. The practical limits of the Firm's authority in this regard arise from the Firm's duty to act in accordance with clients' needs, objectives, and family and financial circumstances, and to act wisely, ethically and prudently. Some of the Firm's clients retain investment control over their assets (self-directed accounts), but look to the Firm

for investment advice and counsel. In this case, the Firm will not buy or sell securities without specific instructions from such clients.

VOTING CLIENT SECURITIES

The Firm has adopted and implemented policies and procedures reasonably designed to ensure that it votes proxies in the best interests of its clients. To fulfill this responsibility effectively, at the time a proxy is received, the Firm evaluates the merits and potential downsides of shareholder votes solicited by company management. In the event a proposal would be unambiguously detrimental to shareholders, the Firm may vote no on the proposal. Otherwise the Firm will typically vote proxies in accordance with the recommendations of management. RAA will provide to clients, upon request, its proxy voting policy as well as its historical records regarding proxy voting. Proxy material for client accounts is sent to RAA rather than to clients, so the likelihood of a client directing the Firm how to vote is small. However, should a client direct RAA how to vote on its behalf in writing, and voting has not yet closed, RAA would do so. Proxy-voting procedures, policies and records are available to clients by contacting the Client Services Department.

FINANCIAL INFORMATION

RAA does not require prepayment of more than \$1200 in fees for any client six months or more in advance, so a balance sheet is not attached.

There is no financial condition that is reasonably likely to impair RAA's ability to continue to provide services to its clients.