

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

OMB APPROVAL

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Name of Investment Adviser:

**ANALYTIC ASSET MANAGEMENT, INC.**

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code Telephone Number

**275 MADISON AVENUE, SUITE 1300****NEW YORK****NY****10016-  
1901****212 488.5340**

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not  
required to respond unless the form displays a currently valid OMB control number.

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |   |             |
|---|-------------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services  | <b>95</b> % |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services   | _____ %     |
| <input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above                                    | <b>5</b> %  |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription  | _____ %     |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above  | _____ %     |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ %     |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities  | _____ %     |
| <input type="checkbox"/> (8) Provides a timing service  | _____ %     |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above  | _____ %     |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☐ ☒

C. Applicant offers investment advisory services for: (check all that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges  | <input type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other             |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

**3. Types of Investments** Applicant offers advice on the following: (check those that apply)

- |   |   |
|---|---|
| <p>A. Equity securities</p> <p><input type="radio"/> (1) exchange-listed securities</p> <p><input type="radio"/> (2) securities traded over-the-counter</p> <p><input type="radio"/> (3) foreign issuers</p> <p><input type="radio"/> B. Warrants</p> <p><input type="radio"/> C. Corporate debt securities<br/>(other than commercial paper)</p> <p><input type="radio"/> D. Commercial paper</p> <p><input type="radio"/> E. Certificates of deposit</p> <p><input type="radio"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input type="radio"/> (1) variable life insurance</p> <p><input type="radio"/> (2) variable annuities</p> <p><input type="radio"/> (3) mutual fund shares</p> | <p><input type="radio"/> H. United States governmental securities</p> <p>I. Options contracts on:</p> <p><input type="radio"/> (1) securities</p> <p><input type="radio"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="radio"/> (1) tangibles</p> <p><input type="radio"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input type="radio"/> (1) real estate</p> <p><input type="radio"/> (2) oil and gas interests</p> <p><input type="radio"/> (3) other (explain on Schedule F)</p> <p><input type="radio"/> L. Other (explain on Schedule F)</p> |
|---|---|

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |                                       |   |
|---------------------------------------|---|
| (1) <input type="radio"/> Charting    | (4) <input type="radio"/> Cyclical                      |
| (2) <input type="radio"/> Fundamental | (5) <input type="radio"/> Other (explain on Schedule F) |
| (3) <input type="radio"/> Technical   |   |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input type="radio"/> Financial newspapers and magazines    | (5) <input type="radio"/> Timing services   |
| (2) <input type="radio"/> Inspections of corporate activities   | (6) <input type="radio"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input type="radio"/> Research materials prepared by others | (7) <input type="radio"/> Company press releases  |
| (4) <input type="radio"/> Corporate rating services             | (8) <input type="radio"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |   |
|---|---|
| (1) <input type="radio"/> Long term purchases (securities held at least a year) | (5) <input type="radio"/> Margin transactions   |
| (2) <input type="radio"/> Short term purchases (securities sold within a year)  | (6) <input type="radio"/> Option writing, including covered options, uncovered options, or spreading strategies |
| (3) <input type="radio"/> Trading (securities sold within 30 days)              | (7) <input type="radio"/> Other (explain on Schedule F)   |
| (4) <input type="radio"/> Short sales   |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**5. Education and Business Standards.**

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |   |   |
|---|---|
| <input type="radio"/> (1) broker-dealer   | <input type="radio"/> (7) accounting firm                                       |
| <input type="radio"/> (2) investment company  | <input type="radio"/> (8) law firm  |
| <input type="radio"/> (3) other investment adviser  | <input type="radio"/> (9) insurance company or agency                           |
| <input type="radio"/> (4) financial planning firm   | <input type="radio"/> (10) pension consultant                                   |
| <input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="radio"/> (11) real estate broker or dealer                         |
| <input type="radio"/> (6) banking or thrift institution   | <input type="radio"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

**9. Participation of Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

☒ ☐

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**PLEASE REFER TO SCHEDULE F, ITEM 11.A.**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**PLEASE REFER TO SCHEDULE F, ITEM 11.B.**

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                       |                       |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? .....               | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? ..... | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? .....                   | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? .....                         | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                       |                       |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... ☐ Yes ☐ No

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>ANALYTIC ASSET MANAGEMENT, INC.</b>	801- <b>60388</b>	09/12/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	IRS Empl. Ident. No.: 13-4176271
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Item of Form (identify)	Answer
1.D.	<p><b><u>SCHEDULE F INTRODUCTION</u></b></p> <p>This Schedule F is a continuation and embellishment of the Form ADV Part II. There are a number of items on the ADV Part II that require further explanation on this Schedule F, and these are cross-referenced in the left hand column.</p> <p>As the ADV Part II is required to be provided to new clients upon initiation of a management agreement with ANALYTIC ASSET MANAGEMENT, INC. (hereinafter "AAM"), and because AAM is also required to provide notification of the firm's Privacy Policy and Proxy Voting policy upon initiation of a management contract, these have been included in section 1.D. below.</p> <p><b><u>ADVISORY SERVICES AND FEES</u></b></p> <p><b>Services Provided</b></p> <p>AAM provides investment management services primarily to charitable foundations, church and school endowments, individuals, and family offices. AAM similarly manages client portfolios on a discretionary basis with a balanced investment approach. Client portfolios will consist of growth, value, large and mid cap equity securities, fixed income products (including corporate debt securities and bonds), and cash and cash equivalents. Although each client account will be managed in a similar fashion, clients may place reasonable restrictions on the types of investments that may be made on the client's behalf. For managed accounts, AAM will arrange for the execution of securities transactions at the designated broker as agreed to between the client and AAM.</p> <p>At the start of the advisory relationship, AAM will meet with the client for personal discussions during which goals and objectives are established based on the client's particular circumstances. AAM will review with clients the appropriateness of its investment management strategy for them. AAM remains available to discuss any changes in the client's individual circumstances, and will meet with the client upon request. Clients will retain individual ownership of all securities.</p> <p>AAM may also provide its investment recommendations to other institutional investment managers such as banking institutions on a nondiscretionary basis. AAM will have no investment management authority for such clients.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 1

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>ANALYTIC ASSET MANAGEMENT, INC.</b>	801- <b>60388</b>	09/12/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	IRS Empl. Ident. No.: 13-4176271
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Item of Form (identify)	Answer
	<p><b>Basic Fee Schedule</b></p> <p>Generally our investment management fee is computed at the annual rate of 1.00% of assets under management. The fee is computed and billed in advance at the beginning of each quarter by applying one-fourth of the annual rate to the aggregate market value of all assets in the portfolio at the end of the preceding quarter. The valuation of the client's portfolio is based on closing prices on the last day of the previous quarterly period.</p> <p>In some cases, due to special circumstances, the above fee schedule can be adjusted as agreed between us. Nondiscretionary assets for which AAM does not have the authority to change will typically be subject to reduced fees under the above schedule.</p> <p>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 or any portion of the funds of an advisory client (SEC Rule 205(a)(1)).</p> <p><b>Termination and Refund of Fee</b></p> <p>The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.</p> <p><b>Proxy Voting</b></p> <p>AAM as a matter of policy often has the fiduciary responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.</p> <p>For those clients who wish to vote their own proxies, the proxies are sent directly to them. For those clients who have AAM vote their proxies, they may request information regarding how AAM voted proxies related to securities held in their account and also may request a copy of our complete proxy voting policies and procedures.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 2

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	SEC File Number:  801- <b>60388</b>	Date:  09/12/2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	IRS Empl. Ident. No.: 13-4176271
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Item of Form (identify)	Answer
	<p><b><u>Privacy Policy</u></b></p> <p>As a means of providing clients with individualized investment service, we collect certain non-public information about clients from information that is provided on applications and other forms and information about client transactions with us. We may also collect such information through investment questionnaires provided directly by clients to us or through direct inquiries by mail or telephone.</p> <p>With respect to a client's personal and financial matters, Analytic Asset Management does not sell or disclose nonpublic personal information regarding our clients or former clients, except as required by law. Specifically, we do not sell client lists or any other client information to outside companies. In an effort to help clients meet their investing needs and to effect transactions which clients request or authorize, we may disclose the information about a client with the custodian of the client's account.</p> <p><b><u>Code of Ethics</u></b></p> <p>AAM's Code of Ethics and related policies and procedures represent a strong internal control with supervisory reviews to detect and prevent possible insider trading, conflicts of interest and potential regulatory violations. AAM will be pleased to deliver a full copy of the firm's Code of Ethics upon request.</p> <p>Specifically, our Code of Ethics covers the following areas;</p> <ul style="list-style-type: none"> <li>● Reporting of personal securities transactions and holdings</li> <li>● Standards of business conduct reflecting AAM's fiduciary obligations</li> <li>● Compliance with federal securities laws</li> <li>● Protecting confidentiality of client information</li> <li>● Prior approval for any IPO or private placement investments by access persons</li> <li>● Reporting of violations</li> <li>● Delivery and acknowledgement of the Code of Ethics by each member of AAM</li> </ul>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 3

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	SEC File Number:  801- <b>60388</b>	Date:  09/12/2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	IRS Empl. Ident. No.: 13-4176271
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Item of Form (identify)	Answer
5.	<p><b><u>EDUCATION AND BUSINESS STANDARDS</u></b></p> <p>Advisory persons associated with AAM must possess a college degree and appropriate business and significant investment experience.</p>
6.	<p><b><u>EDUCATION AND BUSINESS BACKGROUND</u></b></p> <p><b>EDWARD WYLLYS TAYLOR GRAY III</b> (Born 1934)</p> <p>EDUCATION: Graduated from Princeton University in 1956 with an A.B. in Political Science.</p> <p>BUSINESS BACKGROUND: Co-Chairman, President and CEO of Analytic Asset Management, Inc., from June 2001 to present. Director of Tengasco, from August 2000 to March 2002. Managing Director of White Oak Capital Management, Inc., from April 1999 to July 2001. President of Gray, Seifert &amp; Co., Inc., from January 1980 to April 1999.</p> <p><b>RICHARD THOMAS ARKWRIGHT</b> (Born 1934)</p> <p>EDUCATION: Graduated from St. Francis College in 1971 with a B.A. in Economics.</p> <p>BUSINESS BACKGROUND: Co-Chairman and CIO of Analytic Asset Management, Inc. from May 2002 to present. Member of the Advisory Board of Flushing Financial from 2006 to present. Chairman of Atlantic Liberty Savings Bank F.A from 1999 to 2006. Executive Vice President of Gray, Seifert &amp; Co., Inc., from 1983 to May 2002.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 4

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	SEC File Number:  801- <b>60388</b>	Date:  09/12/2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	IRS Empl. Ident. No.: 13-4176271
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Item of Form (identify)	Answer
	<p><b>TAYLOR THEODOR GRAY</b> (Born 1959)</p> <p>EDUCATION: Graduated from Colgate University in 1981 with a B.A. in Economics. Graduated from New York University Stern School in 1986 with an MBA in Finance.</p> <p>BUSINESS BACKGROUND: Executive Vice President, Chief Financial Officer, and Chief Compliance Officer of Analytic Asset Management, Inc., from June 2001 to present. Vice President of White Oak Capital Management, Inc., from May 1999 to July 2001. Finance Director at Fleet Boston from January 1989 to May 1999.</p> <p><b>WILLIAM LLOYD GOLDMAN</b> (Born 1931)</p> <p>EDUCATION: Attended Ohio State University from 1950 to 1952. Graduated from Columbia University in 1954 with a B.S. in Economics.</p> <p>BUSINESS BACKGROUND: Managing Director of Analytic Asset Management, Inc. from August 2001 to present. President of Goldman Asset Management, LLC, from April 2000 to October 2001. Managing Director of Asset Management for Ladenburg Thalmann Asset Management from July 1999 to April 2000. Chairman, Secretary and Director of Financial Partners Capital Management, Inc. from June 1988 to June 1999.</p> <p><b>JILL ARKWRIGHT HARVEY</b> (Born 1970)</p> <p>EDUCATION: Graduated <i>magna cum laude</i> from College of the Holy Cross in 1992 with a B.A. in History. Received the Chartered Financial Analyst designation in 1996.</p> <p>BUSINESS BACKGROUND: Managing Director of Analytic Asset Management, Inc. from May 2002 to present. Vice President of Gray, Seifert &amp; Co., Inc. from 1992 to May 2002.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 5

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>ANALYTIC ASSET MANAGEMENT, INC.</b>	801- <b>60388</b>	09/12/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	IRS Empl. Ident. No.: 13-4176271
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Item of Form (identify)	Answer
	<p><b>BERNADETTE ELIASSEN</b> (Born 1958)</p> <p>EDUCATION: Attended Nassau Community college and Securities Training Corp.</p> <p>BUSINESS BACKGROUND: Vice President of Analytic Asset Management, Inc from June 2002 to present. Assistant Vice President of Gray, Seifert &amp; Co., Inc. from 1987 to 2002.</p> <p><b>VICTOR OLIVA RABY</b> (Born 1939)</p> <p>EDUCATION: Graduated from St. George College, Santiago Chile, in 1957 with a degree in Business Administration.</p> <p>BUSINESS BACKGROUND: Managing Director of Analytic Asset Management from October 2004 to present. Managing Director of White Oak Capital Management from 1990 to 2004. Managing Director of MacKay Shields from 1962 to 1990.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 6

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	SEC File Number:  801- <b>60388</b>	Date:  09/12/2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	IRS Empl. Ident. No.: 13-4176271
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Item of Form (identify)	Answer
7.C.	<p><b><u>OTHER BUSINESS ACTIVITIES</u></b></p> <p>Edward Gray and Taylor Gray are also officers and directors of a charitable organization that is also a client of AAM.</p> <p>Richard Arkwright is also currently on the Advisory Board of Flushing Financial Corp. AAM will not provide any investment advice to clients regarding the trading of Flushing Financial. AAM, however, may process transactions for clients in Flushing Financial holdings at the client's request. The value of any client holdings in Flushing Financial will not be included in the calculation of the fee charged by AAM. In a few cases, clients of AAM may have regular banking relationships with Flushing Financial.</p> <p>Richard Arkwright is also a director in a number of charitable and not for profit organizations, some of which are also clients of AAM.</p>
9.E.	<p><b><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</u></b></p> <p>AAM or individuals associated with AAM may buy or sell securities identical to those recommended to customers for their personal accounts. In addition, any related person may have an interest or position in securities that may also be recommended to a client.</p> <p>As these situations could represent a conflict of interest, AAM has established the following restrictions in order to ensure its fiduciary responsibilities:</p> <ul style="list-style-type: none"> <li>• A director, officer or employee of AAM shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of AAM shall prefer his or her own interest to that of the advisory client.</li> <li>• AAM maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of AAM.</li> <li>• AAM emphasizes the unrestricted right of the client to select and choose any broker or dealer company(s) he or she wishes.</li> <li>• AAM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.</li> <li>• Any individual not in observance of the above may be subject to termination.</li> </ul>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 7

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	SEC File Number:  801- <b>60388</b>	Date:  09/12/2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>ANALYTIC ASSET MANAGEMENT, INC.</b>	IRS Empl. Ident. No.: 13-4176271
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Item of Form (identify)	Answer
	<p>AAM may aggregate trades for itself or for its associated person with client trades, providing that the following conditions are met:</p> <ul style="list-style-type: none"> <li>• AAM's policies for the aggregation of transactions shall be fully disclosed in this Form ADV and the broker-dealer(s) through which such transactions will be placed;</li> <li>• AAM will not aggregate transactions unless it believes that aggregation is consistent with its fiduciary duty and is consistent with the terms of AAM 's investment advisory agreement with each client for which trades are being aggregated;</li> <li>• No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all AAM's transactions in a given security on a given business day, with any given broker-dealer with transaction costs shared pro-rata based on each client's participation in the transaction, except for cases where a minimum transaction fee is charged by the broker-dealer;</li> <li>• AAM will prepare, before entering an aggregated order, a written trade sheet specifying the participating client accounts and how it intends to allocate the order among those clients;</li> <li>• If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the trade sheet; if the order is partially filled, it will be allocated pro-rata based on the trade sheet.</li> <li>• Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the trade sheet if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by AAM 's compliance officer;</li> <li>• AAM's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account;</li> <li>• Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement;</li> <li>• AAM will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and</li> <li>• Individual advice and treatment will be accorded to each advisory client.</li> </ul>

**Schedule F of  
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Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>ANALYTIC ASSET MANAGEMENT, INC.</b>	801- <b>60388</b>	09/12/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Item of Form (identify)	Answer
10.	<p><b><u>CONDITIONS FOR MANAGING AN ACCOUNT</u></b></p> <p>AAM generally requires a minimum account of \$1,000,000 for investment management services clients. This account size may be negotiable under certain circumstances. Please also refer to Item 1.D. of this Schedule F narrative for additional detail.</p>
11	<p><b><u>REVIEW OF ACCOUNTS</u></b></p>
11.A.	<p><b>Reviews and Reviewers of Accounts</b></p> <p>AAM continuously reviews and monitors all client securities. Senior officers formally review client accounts. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.</p>
11.B.	<p><b>Nature and Frequency of Regular Client Reports</b></p> <p>Clients receive information directly from both the selected custodian as well as AAM. The selected custodian bank or brokerage firm will send confirmations of all trades as well as monthly statements which include asset positions and values directly to the client. AAM provides quarterly appraisals, and performance results when requested, as well as periodic reports and/or commentaries of timely interest to our clients.</p>
12	<p><b><u>INVESTMENT OR BROKERAGE DISCRETION</u></b></p>
12.A.(1,2)	<p><b>Investment Discretion</b></p> <p>For managed accounts, AAM requests that it be provided with written authority, via the management contract, to determine both which securities and the amounts of securities that are bought or sold as part of its management contract with each client. Any limitations on this discretionary authority shall be included in the management contract. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 9

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12.A.(3,4)	<p><b>Broker-Dealer and Commission Discretion</b></p> <p>At the initiation of the management agreement between AAM and the client, clients must direct AAM as to the broker-dealer to be used and this is specified in the management contract between AAM and the client. AAM will generally recommend a particular broker-dealer to clients, but clients are free to direct the use of a particular broker or dealer that differs from AAM's recommendation.</p> <p>In those cases where the client has directed a particular broker-dealer that differs from AAM's recommendation, it should be understood that AAM will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients.</p> <p>In a few limited cases, AAM may have discretion to determine the broker-dealer to be used and to negotiate the commission rate paid. In these cases AAM will strive to achieve best execution on trades that are executed.</p> <p>AAM will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows AAM to execute equity and / or fixed income trades in a timelier and more equitable manner and to reduce overall commission charges to clients. Trades for affiliated accounts (of owners, portfolio managers and their families) may be included in AAM client block trades. Please refer to the disclosure under Item 9.E. of this Schedule F for a description of AAM's allocation procedures.</p> <p>Because AAM's clients will be custodied at several different broker-dealers, AAM is not able to execute securities transactions for all clients at the same time. AAM follows a rotation among the brokers at which its clients' assets are custodied for the order of arranging securities transactions. The rotation is an objective basis to ensure that, over time, no client or affiliated account is preferred over any other account in the arrangement of securities transactions.</p>
12.B.	<p><b>Suggested Brokers</b></p> <p>For clients in need of brokerage or custodial services, and depending on client circumstances and needs, AAM may recommend the use of one of several broker-dealers. AAM clients must evaluate these brokers before opening an account. AAM typically recommends the brokerage services of Pershing Advisor Solutions, an affiliate of The Bank of New York Mellon and a NASD registered broker-dealer. The factors</p>

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13.A.	<p>considered by AAM when making recommendations are the broker's ability to provide professional services, AAM's experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to effect trades through any recommended broker. All clients are free to select any broker-dealer of his or her choice as long as AAM agrees to such choice.</p> <p>Most of AAM's affiliated accounts are custodied with Pershing, and transactions in such accounts will be arranged together with client transactions in accounts custodied at Pershing. Therefore, transactions in affiliated accounts will be arranged for prior to those for client accounts based on the objective rotational order of transactions employed by AAM. For any affiliated account custodied separately from all other accounts, there will be no rotation and all trades for such an account will be accomplished last.</p> <p><b><u>ADDITIONAL COMPENSATION</u></b></p> <p>AAM may receive research reports from various broker-dealers. The receipt of such reports is not directly connected to the recommendation of brokerage or custody services to advisory clients, but does create a possible conflict of interest of which clients should be aware in assessing AAM's recommendation.</p> <p>AAM does not engage in a soft dollar arrangement with any broker from whom it receives research or other benefits from a broker in exchange for paying higher commission costs. All clients are responsible for their own commission rates, as discussed above.</p>

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