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This Brochure provides information about the qualifications and business practices of PDR Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (704) 845-2303. 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.

PDR Advisors, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about PDR Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes since our last brochure dated August 24, 2012.

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

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting Gary Austin, Chief Executive Officer, at the numbers above.

Additional information about PDR Advisors, LLC is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website provides information about any persons affiliated with PDR Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of PDR Advisors, LLC.

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Item 4 – Advisory Business

PDR Advisors, LLC (“PDR”) was established and approved as a Registered Investment Adviser in January of 2007. Hilda M. Austin is Managing Member of PDR Advisors. Gary Austin is its Chief Investment Officer.

PDR Advisors provides portfolio management and customization of a fixed income portfolio designed to address all clients’ needs, expectations, regulatory, and statutory requirements. The assets under management may be total return in nature, seeking to maximize after-tax return consistent with a prudent level of credit exposure and interest rate exposure. The assets under management may also be income-oriented in scope and design, seeking investment alternatives, which provide a high rate of current income on either a taxable or taxable equivalent / after-tax basis.

PDR Advisors, LLC utilizes a separately managed account (SMA) structure on assets under its management. PDR Advisors, LLC offers its institutional and high net worth individuals a professionally managed portfolio constructed of individual fixed income securities. Each client will hold clear title to all securities held in their account. PDR Advisors, LLC does not act as custodian on any separately managed account under its supervision. All fixed income portfolios are customized to meet specific expectations and investment parameters of each client.

This portfolio management process begins with an in-depth needs discussion between the portfolio manager and the client to identify appropriate time horizons, identify tax ramifications on the interest earnings of the portfolio, identify regulatory issues germane to the assets to be managed, establish investment guidelines which identify the ultimate goal of the portfolio and other unique circumstances that may affect the client’s portfolio. The culmination of these discussions is the crafting of an investment policy statement (IPS) outlining risk tolerances, maturity parameters, liquidity requirements, return expectations and any other factors unique to the client. If a client already possesses an IPS, then a thorough review is performed to ensure policy documents adhere to the characteristics of the assets under management. A customized portfolio consisting of individual securities is then constructed to compliment the findings of the needs analysis. No fundamental investment parameters or restrictions set forth in the IPS may be changed without specific approval of the authorized signers of the account.

It is appropriate to try and define certain fixed income categories which PDR Advisors has to offer with a core competency and high level of expertise. The following are examples of categories:

- Enhanced Cash Strategy --- typically is defined as a portfolio whose average maturity or average duration is under one year. This Enhanced Cash Strategy is available for accounts with a preference for either tax advantaged income or fully taxable income and total return. The tax advantaged focus is directed at both the Federal and State tax level for interest and income. PDR Advisors offers expertise in managing overnight investment mandates as well as investment mandates requiring average maturities as short as 30-90 days for both taxable and tax advantaged portfolios.
- Limited Duration Strategy --- typically is defined as a portfolio whose average maturity or average duration is between one and three years. This Limited Duration Strategy is also available for accounts with a preference for either tax advantaged income or fully taxable income and total return. As is the case with an Enhanced Cash Strategy portfolio, the tax advantaged focus is directed at both the Federal and State tax level for interest and income. PDR

Advisors offers expertise in managing portfolios that may use a 1-3 year or a 1-5 year index as a relative benchmark.

- Intermediate – Long Strategy --- typically is defined as a portfolio whose average maturity or average duration is greater than three years. This Strategy is available for accounts with a preference for either tax advantaged income or fully taxable income and total return. As is the case with both the Enhanced Cash Strategy and Limited Duration Strategy, the tax advantaged focus is directed at both the Federal and State tax level for interest and income. PDR Advisors offers expertise in managing portfolios that may use a 1-10 year or a Lehman/Barclay Aggregate as a relative benchmark. Insurance companies may typically have their portfolios managed in this Strategy, utilizing tax exempt municipals, trust preferreds and DRD-eligible preferreds if allowable under an investment policy.

In addition to providing the aforementioned services, PDR may act as an independent contractor to firms that desire fixed income consulting services. PDR is currently engaged as a fixed income research analyst to assist in developing fixed income strategies, including sector recommendations, credit quality recommendations, issuer recommendations, and maturity strategies.

As of December 31, 2011, PDR held discretionary assets under management of approximately \$354,000,000.

Item 5 – Fees and Compensation

Fees for these services will be based on a percentage of assets under management as follows:

Assets Under Management	Annual Fee
First \$200 Million	0.25%
Next \$300 Million	0.20%
Over \$500 Million	0.15%

These fees are negotiable and the final fee schedule will be attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly in arrears and based on the average daily balance of the account. Clients will receive an invoice monthly which will show the amount of the fee and the value of the client's assets on which the fee was based. Clients should verify the accuracy of the computation. Clients may terminate their account with thirty days written notice. Because fees are charged in arrears, no refund policy is necessary.

If the ADV disclosure document was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or in the case of an oral contract otherwise signified their acceptance, any other provisions of this contract notwithstanding.

Upon written receipt of notice to terminate its Client Agreement with any of PDR investment advisory Program, and unless specific transfer instructions are received, PDR and its agent will, in an orderly and efficient manner, proceed with liquidation of the Client's account. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade

will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate Client's investment advisory service and communicate the instructions to Client's investment advisor, **termination orders received from clients are not market orders; it may take several business days under normal market conditions to process Client's request. During this time, Client's account is subject to market risk.** PDR and its agent are not responsible for market fluctuations of the Client's Account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

PDR's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to PDR's fee, and PDR shall not receive any portion of these commissions, fees, and costs.

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

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

Item 7 – Types of Clients

PDR provides portfolio management services to individuals, corporations and business entities including other Registered Investment Advisors. The account minimum is \$10,000,000 for institutional and \$3,000,000 for high net worth clients, which may be waived by the firm, based on the needs of the client and the complexity of the situation.

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

Investment strategies include 1) Short-term cash balances and cash reserves investments: Focus is on capturing yields in excess of bank sweep products and 2(a)-7 money market funds. Value added is typically available for corporations and high net worth individuals in the top Federal tax brackets and top State tax brackets. Value added is also available for institutions and high net worth client who want to maximize interest income on a before-tax basis. Month-end client reporting package including accounting reconciliation included with investment management. 2) Insurance company investment management: Expertise in managing fixed income portfolios for both domestic and offshore insurance companies. Focus may be solely on book yield of fixed income assets or a combination of total return and yield enhancement. Tax position of insurance company and AMT status will typically determine mix between taxable and tax advantaged securities, including the preference for DRD-qualifying preferred stocks. 3) Fixed income investment management: This may benefit accounts with investment grade quality requirements, directed liabilities, specific tax structures for interest and income earned, customized maturity restraints, regulatory or policy restrictions on sectors, diversification restrictions.

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods may include fundamental analysis, technical analysis, charting and cyclical analysis. Information for this analysis may be drawn from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves a risk that clients should be prepared to bear. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

Registered Investment Advisers are required to disclose all material facts regarding registration with a broker-dealer, futures commission merchant or relationships with a broker-dealer, investment company, other investment adviser, futures commission merchant, banking or thrift institution,

accountant, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships. PDR has no information applicable to this Item.

Item 11 – Code of Ethics

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

Employees of PDR may buy or sell securities that are recommended to clients. PDR's employees and persons associated with PDR are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of PDR and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for PDR's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of PDR will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of PDR's clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between PDR and its clients.

PDR's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Gary Austin at our main number.

Item 12 – Brokerage Practices

Obtaining the best trade execution is an important aspect of every trade that we place in a client account. PDR selects the brokers to use to execute trades and all trades are done as agent for the individual client/account under management.

PDR does not engage in any soft dollar arrangements that would influence any decisions when executing trades. In addition to the services of the best execution committee outlined above, the committee does review for any other conflicts.

The Independent Clearing Agent or its agent shall maintain, in a PDR account, custody of all account assets. The Custodian or Clearing Agent perform all custodial functions, which, among other things, will include crediting of interest and dividends on account assets and crediting of principal on called or matured securities in the account, together with other custodial functions customarily performed with respect to securities brokerage accounts. Clearing Agent shall also forward to customer confirmations and statements, as described in Item 15. PDR and its Advisers may buy for themselves securities that are recommended to clients.

Item 13 – Review of Accounts

PDR provides its investment advisory clients with periodic reports of relevant activity. Gary Austin who serves as Chief Compliance Officer, periodically supervises all accounts. Factors that are considered include, but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, and diversification.

Client agrees to inform the firm in writing of any material changes in the information included in the investment policy statement or otherwise the client's financial circumstances that might affect the manner in which client's assets should be invested. Client may contact the firm during normal business hours to consult with the firm concerning the management of the client's account(s).

Item 14 – Client Referrals and Other Compensation

PDR is not compensated or provided with any economic benefit for providing investment advice by anyone other than the client. PDR does not compensate for client referrals.

Item 15 – Custody

Through the qualified custodian that holds and maintains your investment assets, you will receive the following reports:

- trade confirmations reflecting all transactions in securities; provided, however, that periodic statements of account activity may be furnished in lieu of transaction by transaction confirmations to the extent and in the manner permitted by Rule 10b-10 under the Exchange Act; and
- a statement of account activity at least quarterly.

PDR urges you to carefully review such statements and compare the official custodial records to the account statements that we may provide you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Adviser has the authority to determine, without obtaining specific client consent, both the securities to be bought and sold, the amount of the securities to be bought or sold, and broker/dealer to be used. This discretion must be provided at the beginning of the Adviser/Client relationship and documented in the Advisory Agreement. There is no particular set limit to this discretion established. Adviser follows procedures established to direct all client transactions that may be facilitated through the custodian/clearing firm directly to that entity.

Each client has the ability to impose reasonable restrictions on the management of the client's account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. If a client's instructions are unreasonable, or PDR, or, if applicable, an advisor believe that the instructions are inappropriate for the client, PDR will notify the client that, unless the instructions are modified, it may cancel the client's account.

Item 17 – Voting Client Securities

PDR does not vote proxies. Clients should contact their Advisor at PDR if they have any questions and/or to obtain this information. Clients will receive their proxies directly from their custodian or transfer agent.

Item 18 – Financial Information

Registered Investment Advisers are required to provide you with certain financial information or disclosures about PDR's financial condition. PDR has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

Privacy Policy

We collect nonpublic personal information about you from the following sources: Information we receive on applications, questionnaires, web site, or other forms and information about your transactions with our affiliates, others, or us. We do not disclose any non-public information about our current or former customers to anyone, except as permitted by law or in order to provide the current services. Our employees have limited access to your personal information based on their responsibilities to provide products or services to you. Be assured that we maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information.