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Portfolio Management Services

Schedule H Disclosure Brochure

Biltmore Capital Advisors, LLC

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This brochure provides information about Biltmore Capital Advisors and the Portfolio Management Services Program custodied at Charles Schwab & Co., Inc. that should be considered before becoming a client of the Portfolio Management Services Program. This information has not been approved or verified by any governmental authority. Biltmore Capital Advisors participates in other wrap fee programs in addition to the Portfolio Management Services Program. Wrap fee disclosure brochures for those programs may be obtained by contacting your Investment Adviser Representative.

TABLE OF CONTENTS

INTRODUCTION	1
PORTFOLIO MANAGEMENT SERVICES	1
<i>PROGRAM FEES</i>	2
<i>GENERAL FEE INFORMATION</i>	2
INTERNAL MUTUAL FUND & VARIABLE ANNUITY EXPENSES	3
<i>PROXY VOTING AND CLASS ACTION LAWSUITS</i>	4
<i>EXECUTION, CLEARING AND CUSTODIAL ARRANGEMENTS</i>	4
TYPES OF CLIENTS	4
TYPES OF INVESTMENTS	4
METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES	4
EDUCATION AND BUSINESS STANDARDS	5
EDUCATION AND BUSINESS BACKGROUND	5
CONDITIONS FOR MANAGING ACCOUNTS	5
REVIEW OF ACCOUNTS	6
CLIENT TRANSACTIONS	6
<i>CODE OF ETHICS</i>	7
ADDITIONAL COMPENSATION	8
<i>12B-1 PAYMENTS</i>	8
PRIVACY STATEMENT	9

INTRODUCTION

Biltmore Capital Advisors, LLC ("Biltmore") is a limited liability company registered with the Securities and Exchange Commission as an Investment Adviser. Biltmore provides professional asset management through proprietary asset allocation models and third party services to individuals, trusts, estates and business entities. Biltmore prefers that all clients seeking asset management services begin with an Investment Policy Statement which addresses the standards of investments to be used, the scope of ongoing monitoring and the services to be rendered.

PORTFOLIO MANAGEMENT SERVICES

Biltmore utilizes the services of Schwab Institutional Division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, such as asset allocation planning software, execution, clearing and custodial services, to provide investment management of client assets ("Portfolio Management Services"). The planning software enables Biltmore to utilize client risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, as well as portfolio optimization and re-balancing tools to create asset allocation strategies suitable for client accounts.

Biltmore offers Portfolio Management Services to its advisory clients on both a nondiscretionary and discretionary basis. Biltmore investment adviser representatives ("IARs") act as portfolio managers for these accounts. In a non-discretionary account, the IAR will recommend the purchase or sale of securities for review and approval by their clients. The IARs will only purchase or sell securities which have been approved by clients in advance. Alternatively, clients may maintain an account on a discretionary basis if (1) the IAR of the account has been authorized by Biltmore to manage accounts on a discretionary basis and (2) the client has granted discretionary authority to the IAR in the client advisory agreement. The purchase and sale of securities in such accounts do not require advance client approval. Portfolio Management Services may be obtained in conjunction with Financial Planning Services or may be purchased separately.

Biltmore works with clients to identify their investment goals and objectives, as well as risk tolerance, in order to create an initial portfolio allocation designed to complement the client's financial situation and personal circumstances. Portfolios primarily include, but are not limited to, mutual funds, Exchange Traded Funds ("ETFs"), individual equities, variable annuities, real estate investment trusts, and/or alternative investments in accordance with target allocations and are managed within the guidelines of pre-established allocation ranges. Primary diversification occurs across asset classes in the form of equities versus fixed income with secondary diversification achieved within asset classes. Equity funds are diversified across size, style, sector and geography. Fixed income funds are diversified across term, quality, sector, and geography. Portfolios are generally rebalanced every 12 – 18 months.

The investment strategies utilized and portfolios constructed and managed depend on the individual client's investment objectives and goals as provided to Biltmore. Model portfolios, sub-advisers, options, and/or margin may be used as a part of this strategy. However, each client has the opportunity to place

reasonable restrictions on the type of and percentage of individual investments to be held in the portfolio. The IAR may periodically rebalance the client's account to maintain the initially agreed upon strategic and tactical asset allocation. However, no changes are made to the agreed-upon asset allocation in nondiscretionary accounts without prior client review and consent.

Clients have ready access to their IAR. Biltmore's IARs are not required to be available for unscheduled or unannounced visits by clients. However, IARs are expected to periodically meet with clients and should generally be available to take client telephone calls on advisory-related matters.

The Portfolio Management Services Program is offered only as a wrapped pricing option. Wrap pricing structures allow the client to pay an all-inclusive fee for management, brokerage, clearance, custody and administrative services. Biltmore does not offer unwrapped pricing structures where the transaction charges can be unbundled from the advisory and administrative fees.

PROGRAM FEES

Clients who select the Wrap Fee Option pay a single, all-inclusive fee according to the following schedule:

Wrap Fee Schedule

Total Account Value	Maximum Total Account Fee* Paid by Client
\$500,000 - \$1,000,000	1.50%
\$1,000,001 - \$7,000,000	1.25%
\$7,000,001 - \$10,000,000	1.00%
Over \$10,000,000	Negotiable

*Minimum fee is \$3,500. Account minimums and fees may be waived or reduced at the sole discretion of Biltmore.

GENERAL FEE INFORMATION

Portfolio management fees are due and payable in advance. These fees are based upon the market value of the client's account assets as determined by the custodian as of the close of business on the last day of the previous calendar quarter. In computing the market value of assets, mutual fund shares are calculated at their respective net asset values as of the valuation date in accordance with each mutual fund prospectus. Any such valuation shall not be deemed a guarantee of any kind with respect to the value of those assets. Fees for the initial quarter are adjusted pro rata, based upon the number of calendar days in the calendar quarter that the advisory agreement becomes effective. Fees are negotiable at the sole discretion of Biltmore and vary depending upon the complexity of the client situation, scope of the services provided, and experience and expertise of the IAR managing the account.

The advisory relationship may be terminated by the client or Biltmore in accordance with the provisions of the advisory agreement. The client typically receives a pro rata refund of any prepaid advisory fees. Any unpaid fees become immediately due and payable. Additionally, clients may terminate an advisory agreement without being assessed any fees or expenses within (5) business days of its signing.

Generally, fees are automatically debited from client accounts pursuant to written authorization. Clients will receive an account statement from their custodian at least quarterly. The statement includes the amount of any fees paid directly to Biltmore.

Clients should note that the same or similar services to those described above may be available elsewhere at a lower cost to the client. Clients should consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in their accounts, the value of services that are provided, and other factors, a wrap fee may exceed the aggregate cost of services if they were to be provided separately. A non-wrapped pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity.

IARs may recommend the Portfolio Management Services Program to current and/or prospective clients and as a result of such person's participation in this program may receive all or a portion of the fee charged by Biltmore. Such payments may be made for the duration of client's participation in the Program and may be greater than other forms of compensation had such person paid separately for investment advice, brokerage and other services provided to client as part of a wrap fee program. As a result, IARs may have a financial incentive to recommend this Program over other programs or services offered by Biltmore.

Fees are not charged on the basis of a share of capital gains, or capital appreciation of the funds, or any portion of the funds, of an advisory client. The account fee paid by the client for a Wrap Fee Account includes payment of all brokerage commissions and other trading costs of transactions affected through Schwab. However, the fee would not include mark-ups, markdowns, or payment of brokerage commissions from transactions made by a broker-dealer other than Schwab. Such brokerage commissions, mark-ups or markdowns, and other costs would be charged to the client in addition to the advisory fee. In addition, client accounts may be charged other fees by broker-dealers or custodians. Biltmore or its representatives do not receive any compensation from these charges.

INTERNAL MUTUAL FUND & VARIABLE ANNUITY EXPENSES

Generally, mutual fund and variable annuity companies impose internal fees and expenses on clients. Such fees are in addition to any program costs associated with the investment advisory services described above. Complete details of such internal expenses are specified and disclosed in each mutual fund and variable annuity company's prospectus. Clients are strongly advised to review the prospectus(es) prior to investing in such securities. In addition, variable annuity companies generally impose mortality charges on such accounts, of approximately 1.25% annually.

Clients may purchase shares of mutual funds directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of Biltmore or paying the advisory fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable advisory fee. However, clients would not receive the IAR's

assistance in developing an investment strategy, selecting securities, monitoring performance of the account, and making changes as necessary.

PROXY VOTING AND CLASS ACTION LAWSUITS

In general, Biltmore does not take any action or render any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which client assets may be invested. In addition, Biltmore will not take any action or render any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. Biltmore will, however, forward to clients any information received by Biltmore regarding class action legal matters involving any security held in client accounts.

EXECUTION, CLEARING AND CUSTODIAL ARRANGEMENTS

Charles Schwab & Co., Inc. ("Schwab") executes trades and settles securities transactions on behalf of Biltmore clients whose accounts are custodied at Schwab and using the Portfolio Management Services Program. A similar program utilizing the services of FSC is also available to Biltmore clients.

TYPES OF CLIENTS

Biltmore IARs provide personal advisory services to individuals, trusts, estates, charitable organizations, and corporations, as well as other business entities.

TYPES OF INVESTMENTS

In addition to providing advice and recommending equity securities, warrants, options, certificates of deposit, limited partnerships, futures contracts, variable life insurance, variable annuities, mutual funds, commodity mutual funds, exchange traded funds, municipal securities, U.S. government securities, debt instruments, and alternative investments, Biltmore's IARs may assist clients in the selection and retention of Third Party Advisory Service(s) which may manage assets for clients using a variety of investments. In connection with such referrals, IARs may assist clients in selecting mutual funds, variable annuities or model portfolios consisting of mutual funds and/or variable annuities in certain advisory programs.

METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES

IARs participating in the Portfolio Management Services Program have access to online portfolio software tools that assist in analyzing client portfolios. Such software is based upon Modern Portfolio Theory (MPT). MPT attempts to balance a portfolio's risk and return level based on a particular client's risk tolerance and investment objectives. Ibbotson Associates research is used in conjunction with the asset allocation software to provide clients with access to risk tolerance assessments, efficient frontier plotting, fund profiling and performance data, as well as portfolio optimization and re-balancing tools. IARs have the option to use alternative methods of analysis if they so choose.

In addition, Biltmore's IARs may use, without limitation, any of the following methods of analysis and sources of information: fundamental analysis; financial

newspapers and magazines; research materials prepared by others; corporate rating services such as Morning Star, and annual reports, prospectuses and press releases. The use of margin transactions, long and short term purchases, option writing, alternative investments and trading (securities sold within 30 days) may be employed as a part of investment strategies.

EDUCATION AND BUSINESS STANDARDS

Biltmore generally does not maintain specific educational or business background requirements for its IARs. However, all IARs providing investment advice are required to pass appropriate securities examination(s).

EDUCATION AND BUSINESS BACKGROUND

The following biographical information is provided for Biltmore's Principal Executive Officers and members of the investment committee:

Erin Theresa Botsford, CFP, CRPC

Year of Birth: 1958.

Formal education after high school: B.S. - Business, University of Maryland, 1987.

Business background for the preceding five years: Managing Member, Biltmore Capital Advisors, May 2007 to present; Registered Representative, FSC Securities Corp. dba The Botsford Group, February 2006 to present; Registered Representative, Lincoln Financial dba The Botsford Group, 1995 to December 2005.

Daniel Tyler Vernon

Year of Birth: 1977.

Formal education after high school: BA - Economics & Business, Lafayette College, 1999.

Business background for the preceding five years: Managing Member, Biltmore Capital Advisors, September 2007 to present; Vice President, Merrill Lynch, 2007-Present; Assistant Vice President, Merrill Lynch, 2005-2006; Senior Financial Advisor, Merrill Lynch, 2003-2004; Financial Consultant, 2001-2003, Merrill Lynch.

Wesley Pingelton

Year of Birth: 1978.

Formal education after high school: B.S. – Business Administration, Oklahoma State University, 2002.

Business background for the preceding five years: Chief Compliance Officer, Biltmore Capital Advisors, April 2008 to present; Registered Representative, FSC Securities Corp. dba The Botsford Group, 2006 to present; Registered Representative, Lincoln Financial dba The Botsford Group, 2003 to 2006.

CONDITIONS FOR MANAGING ACCOUNTS

Biltmore has a minimum account value of \$500,000 for advisory services. However, this requirement may be waived at the sole discretion of Biltmore under certain circumstances such as the existence of related accounts or an anticipated change in circumstances.

REVIEW OF ACCOUNTS

Client accounts are reviewed semiannually by Biltmore's Investment Adviser Representatives. Portfolios are reviewed for performance levels relative to achievement of client goals in the context of their risk tolerance. There is no minimum number of accounts assigned to the reviewer. More frequent reviews may be triggered by factors including, but not limited to, client's comfort level with the strategy, life changing events, changing markets which may dictate different strategies, and the availability of new products that may enhance portfolios.

Each client account receives a trade confirmation on each purchase and sale as transactions occur. Each client receives monthly statements from their custodian reflecting the account activity and holdings for each month where there is account activity. For accounts with no monthly activity, clients are sent a quarterly statement detailing the activity and holdings held in the account.

CLIENT TRANSACTIONS

As part of Biltmore's individual IARs' other business activities, they may effect securities transactions for or sell insurance products to clients. Biltmore may be receiving a fee for investment advice in advisory accounts and representatives may be receiving a commission for any transactions effected in FSC brokerage accounts. Biltmore will use industry standard fees and will keep evidence of such.

Under some circumstances Biltmore does not have the authority to determine, without obtaining specific client consent, securities to be bought or sold, or the amount of securities to be bought or sold under the Portfolio Management Services Program. However, clients may maintain an account on a limited discretionary basis if, (1) the IAR of the account has been authorized by Biltmore to manage accounts on a discretionary basis, and (2) the client has granted discretionary authority to the IAR in the client advisory agreement.

Usually, the Portfolio Management Services Program utilizes the services of a particular broker/dealer. Thus, by assisting the client in selecting such a program, IARs may also be deemed to be assisting the client in selecting a broker/dealer. In certain programs, the client is asked to select a particular broker/dealer to execute trades for the client's account and/or to act as custodian for the account. In those programs, IARs will assist the client in making such selection. Because Biltmore's and/or the IAR's compensation in connection with a program may vary depending on the broker/dealer or custodian selected, Biltmore and/or the IAR may have a conflict of interest in assisting the client in such selection.

Factors considered in selecting a broker/dealer, include the existing broker/dealer clearing relationships with Biltmore, financial strength, reputation, reporting, execution pricing and research. The broker/dealers charge commission rates which are generally considered discounted from customary retail commission rates. However, the commissions and/or transaction fees charged by the broker-dealers may be higher or lower than those charged by other broker-dealer/custodians. Further, the fees charged by any designated broker-dealer/custodian, are exclusive of, and in addition to, the Adviser's investment management fees. In addition, the clients shall also incur charges

imposed at the mutual fund level (e.g. management fees and other fund expenses).

Because the costs associated with trades executed through broker-dealers other than Schwab would be passed on to the client in addition to the management fee, best execution is most likely obtained through Schwab. For this reason, transactions are generally executed through Schwab, subject to Biltmore's duty to obtain "best execution", i.e., a price that is as favorable to clients as possible under the prevailing market conditions.

It is Biltmore's policy that clients must not be disadvantaged if a trade entered into a client's account contains an error (either wrong number of shares, wrong product or wrong account). Trades are corrected to reflect the original intent of the trade order.

Biltmore does not aggregate brokerage orders for clients. Biltmore manages each portfolio on an individual basis using strategies specific to the individual client. Biltmore believes that this individual attention to client portfolios offsets the benefits from saving on execution costs that might be lost through not aggregating orders.

Biltmore or its IARs may buy or sell securities identical to those recommended to customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be recommended to the client. It is the expressed policy of Biltmore that its IARs may not purchase or sell any individual stock or bond prior to a transaction(s) being implemented for an Advisory Account, and therefore, preventing such IARs from benefiting from transactions placed on behalf of Advisory Accounts.

CODE OF ETHICS

Biltmore has adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Biltmore's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

Biltmore will provide a copy of the code to any client or prospective client upon request.

ADDITIONAL COMPENSATION

Biltmore's primary business is as an Investment Adviser. Biltmore representatives spend the majority of their time in this capacity. Officers and associated persons of Biltmore are also registered representatives of FSC and licensed insurance agents. In this capacity, they may facilitate the purchase and/or sale of insurance products, mutual funds, securities, and other investment products for their clients, who may or may not have an advisory fee agreement with Biltmore. Biltmore's representatives may receive compensation for these non-advisory services that they may provide. Such compensation would be in addition to the advisory and other fees that Biltmore may receive. Biltmore representatives may also receive marketing fees for mortgages. These types of activities could represent a conflict of interest to clients.

Mutual funds purchased or sold in broker-dealer accounts may generate transaction fees that would not exist if the purchase or sale were made directly through the mutual fund Company. Mutual funds held in broker-dealer accounts also charge management fees. These mutual fund management fees may be more or less than the mutual fund management fees charged if the client held the mutual fund directly with the mutual fund company. These management fees are in addition to the management fee charged by Biltmore.

Biltmore recommends Schwab for the execution and settlement of client transactions and custody of their assets. Biltmore receives products and services from Schwab, including software to enable direct electronic downloading of client account information, electronic trading, and access to investment research and information. Clients do not pay higher commissions as a result of these products and services furnished by Schwab to Biltmore. Biltmore earns no commissions from these transactions in Schwab accounts. Clients are not required to use a specific broker-dealer to retain the services of Biltmore.

On occasion, FSC provides funding in the form of loans as incentive to Independent Registered Representatives to establish broker-dealer relationships with FSC. Such loans are to assist in the transition and expansion of their practice. All or a portion of the loans require cash repayments of principal and interest if specific production levels are not achieved over a specified time frame. Any year in which the practice achieves its production levels initiates pro rata loan forgiveness by FSC. This, in turn, represents taxable income to the practice. Certain Biltmore IARs may be recipients of such loans.

12B-1 PAYMENTS

In addition, IARs, as registered representatives of FSC, may receive compensation (such as 12B-1 fees) from the sale of mutual fund products to clients of Biltmore. This compensation is consideration for various services that Biltmore provides such as presenting information to Biltmore clients regarding the funds and recommending shares of the funds for investment. Payment of these fees is included in the expense ratios of the mutual funds. IARs may have a greater incentive to recommend certain funds or fund families with 12b-1 fees or funds with higher 12b-1 fees over other funds or fund families with no or lower 12b-1 fees.

Biltmore Capital Advisors, LLC

PRIVACY STATEMENT

In establishing an advisory account with Biltmore Capital Advisors, LLC ("Biltmore"), it is necessary that you provide Biltmore with certain personal financial information necessary to ensure that your account is managed in a manner consistent with your investment objectives and personal financial goals.

TYPES OF NONPUBLIC PERSONAL INFORMATION WE COLLECT

Biltmore collects nonpublic personal information about you that is provided by you or obtained by Biltmore with your authorization. Biltmore may collect nonpublic personal information about you from the following sources:

- Information Biltmore receives from you on applications or other forms, and
- Information about your securities transactions with Biltmore or other advisers and broker/dealers which may be providing financial services to you.

PARTIES TO WHOM WE DISCLOSE INFORMATION

It is the policy of Biltmore that we do not disclose any nonpublic personal information about our clients or former clients to unaffiliated third parties, except as permitted by law. When necessary to provide all of the services you request for your account, Biltmore may provide nonpublic personal information about you to certain third parties, such as clearing firms that serve or may serve as the custodian of your account, or that may effect securities transactions on your behalf, or insurance companies. Such disclosure is only made to fulfill our duties to you in fully servicing your account. Under no circumstances do we sell your name or other information to anyone.

PROTECTING THE CONFIDENTIALITY AND SECURITY OF CLIENTS' INFORMATION

Biltmore retains records relating to professional services that we provide so that we are better able to assist you with your needs. Biltmore restricts access to your personal and account information to those employees who need to know that information to provide products or services to you. Biltmore maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information. If you decide to close your account(s) with Biltmore or become an inactive customer, Biltmore will adhere to the privacy policies and practices as described in this notice.

If you should have any questions regarding our Privacy Policy please call our Chief Compliance Officer at 866.980.3336.