

Part 2A of Form ADV: *Firm Brochure*

Innovative Market Trends

437 Newman Springs Rd
Lincroft, NJ 07738

Telephone: 732-758-9300 ext 145

Email: thyland@tfsweb.com

Web Address: www.innovativemarkettrends.com

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This brochure provides information about the qualifications and business practices of Innovative Market Trends. If you have any questions about the contents of this brochure, please contact us at 732-758-9300 ext 145 or thyland@tfsweb.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Innovative Market Trends also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 20626.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 03/15/2011, is our new disclosure document and contains updates not included in the disclosure document dated 02/01/2009. This Firm Brochure has been prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Innovative Market Trends is a SEC-registered investment adviser with its principal place of business located in Lincroft, New Jersey. Innovative Market Trends began conducting business in 1997 as a division of TFS Securities, Inc. a wholly owned subsidiary of Tomorrow's Financial Services.

Tomorrow's Financial Services, Inc. is owned by Thomas P. Hyland and Joanne Przybylko as equal shareholders.

We provide a wide array of advisory services to our clients in which both proprietary and non-proprietary investment options are made available. We may manage these advisory accounts on a discretionary and/or non-discretionary basis.

We offer these services to individuals, pension and profit sharing plans, trusts, estates and/or charitable organizations and also corporations and/or other business entities.

Of the funds managed by and/or through the services provided by Innovative Market Trends, the majority are considered "Investment Supervisory Services" meaning we provide continuing advice as to the investment of funds on the basis of the individual needs of each client. These services will generally include the following types of asset management services:

Individual Portfolio Management - we provide asset management of client funds based on the individual needs of the client. The Investment Advisor Representative initially determines the client's financial objectives, time horizons, restrictions, etc; develops the client's personal investment plan; then creates and manages a customized portfolio based on that plan.

Model Portfolio Management - we provide portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal. The investment Advisor Representative initially determines the client's financial objectives, time horizons, restrictions, etc; and determines if the model portfolio is suitable for the client. Once a suitable model is determined, the portfolio is managed based on the portfolio's goals, rather than on each client's individual needs.

Third Party Money Managers - Innovative Market Trends does not directly manage these client assets. Each Investment Advisor Representative may in effect, outsource the management of client funds to an outside money manager who may utilize an investment strategy, which after discussions with the client, may be deemed the closest in line with the client's investment goals and objectives.

Financial Planning - financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. These services are considered restricted as the recommendations provided in conjunction with the plans are limited to those products and services offered through a broker/dealer or insurance company.

We also provide on a limited basis advisory services that differentiates the level of services being provided to the client, reflecting that our management of client portfolios is not continuous and therefore is not "Investment Supervisory Services." These services typically are consultative in nature and are defined by the terms of the underlying contracts as such.

Consultative advisory services typically have certain terms associated with the compensation for such services. These associated terms may generally include the following:

- Hourly Fees
- Flat - Fee for Service
- Retainer Fees

Outside of the specific mention in the contract, these types of compensation tend to indicate that the advisory services provided are temporary in nature or based upon time spent with the client and not indicative of continuous and regular supervisory or management services. Innovative Market Trends offers these types of services but they represent a very small part of our advisory business.

The following provides in more detail, the full depth & breadth of the advisory services Innovative Market Trends offers to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary and/or non-discretionary basis and offer both proprietary and non-proprietary alternatives to the client. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Proprietarily we offer TFS Perspectives, an asset -based fee account with no commissions or transaction fees to the client. The client, or the investment advisor representative, depending on the agreement signed, may conduct transactions in a wide variety of securities and periodically adjust portfolio holdings as circumstances dictate - for a single asset-based fee.

Clients from time to time may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. The firm may not be able to accommodate

all requests.

Our investment recommendations are limited to specific products or services offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Variable life insurance
- Variable annuities
- Mutual fund shares
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- US Government securities
- Interests in partnerships investing in real estate
- ETFs
- Other

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

INVESTMENT SUPERVISORY SERVICES ("ISS") PROPRIETARY MODEL PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to clients using model asset allocation portfolios. Our clients have access to these models through the use of two separate and distinct programs (Buy/Hold Plus, Dynamic Asset Allocation) each containing multiple portfolio models within them. Each model portfolio is comprised of mutual funds and/or ETFs and is designed to meet a particular investment goal.

Investments in our Buy/Hold Plus program are based on one of five models and combine traditional asset allocation with our proprietary manager selection process to determine the best performing fund within each asset class. Managers are screened quarterly and portfolios are conditionally re-balanced according to predetermined allocations. The five models and their respective allocations are as follows:

Conservative - 20% stock funds, 76% bond funds, 4% cash

Moderately Conservative - 45% stock funds, 51% bond funds, 4% cash

Moderate - 65% stock funds, 31% bond funds, 4% cash

Moderately Aggressive - 75% stock funds, 21% bond funds, 4% cash

Aggressive - 86% stock funds, 10% bond funds, 4% cash

Investments in our Dynamic Asset Allocation program may include up to three models, ranging from aggressive to conservative. These models may include the use of exchange traded funds that offer leverage or that are designed to perform Inversely to the index or benchmark they track-or both. Investments are allocated among various asset classes depending on the investment goal of the portfolio. Unlike the Buy/Hold Plus models, the ranking system for these models focuses on price momentum attempting to capitalize on recognizable trends in the markets and therefore are "dynamic" and allows for flexibility in the models rather than a static buy and hold strategy. The three models and their respective allocations are as follows:

Conservative - 86% diversified funds, 10% sector funds, 4% cash

Moderate - 76% diversified funds, 20% sector funds, 4% cash

Aggressive - 66% diversified funds, 30% sector funds, 4% cash

Innovative Market Trends is sure to ascertain a client's suitability prior to the use of leveraged and/or inverse ETFs, based on a full understanding of the terms and features of the product or strategy recommended.

ETFs are typically utilized in sophisticated trading strategies and are highly complex in nature and are disclosed to the clients of Innovative Market Trends as such. In addition, due to the effects of compounding, their performance over longer periods of time can differ significantly from their stated daily objective. Therefore, inverse and/or leveraged ETFs that are reset daily may not be suitable for retail investors who plan to hold them for longer than one trading session.

We also make available an enhanced version of the Dynamic Asset Allocation models, where

should certain tactical signals be triggered, all monies in the portfolio can be moved to a cash position and out of the various markets.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Through personal discussions with the client and the use of an investment policy statement questionnaire in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, do not have the opportunity to place reasonable restrictions on these types of investments held in their account. Clients retain individual ownership of all securities.

Our investment recommendations are limited to the specific products or services offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Mutual Funds
- ETFs

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. we periodically contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives;
2. be reasonably available to consult with the client
3. encourage clients to contact us immediately should there be a change of their financial situation; and
4. maintain client suitability information in each client's file.

In addition, each introducing investment advisor representative remains in close contact with their respective clients to update various financial information and determine continued suitability.

INVESTMENT SUPERVISORY SERVICES ("ISS") NON PROPRIETARY MODEL PORTFOLIO MANAGEMENT

Our individual advisory representatives may provide portfolio management services to clients using model asset allocation portfolios. These models may be managed to a specific portfolio goal.

The individual advisory representatives manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Through personal discussions with the client in which the client's goals and objectives are established, the individual advisor representative determines if the model portfolio is suitable to the client's circumstances. Once they determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, typically have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

These investment recommendations are limited to the specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Mutual fund shares
- ETFs

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

In some cases investment advisory representatives may incorporate alternative strategies designed to limit risk but also capture upside potential in both up and down markets. There is no assurance that these strategies will be successful or that any attempted performance goals will be achieved.

These strategies may include the use of exchange traded funds that offer leverage or that are designed to perform Inversely to the index or benchmark they track-or both. Our investment advisory representatives are sure to ascertain a client's suitability prior to the use of such instruments or trading strategies, based on a full understanding of the terms and features of the product or strategy recommended.

Typically such products are utilized in sophisticated trading strategies and are highly complex in nature and are disclosed to the clients of Innovative Market Trends as such. In addition, due to the effects of compounding, their performance over longer periods of time can differ significantly from their stated daily objective. Therefore, inverse and/or leveraged ETFs that are reset daily may not be suitable for retail investors who plan to hold them for longer than one trading session.

To ensure that initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. periodically send written reminders to each Model Portfolio Management Services client requesting any updated information regarding changes in the client's financial situation and investment objectives;
2. periodically contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client
4. encourage clients to contact us immediately should there be a change of their financial situation; and
5. maintain client suitability information in each client's file.

PENSION CONSULTING SERVICES

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of an array of services. Clients may choose to use any or all of these services.

We at times may act as an ERISA section 3(38) Fiduciary and plan sponsors may delegate the responsibilities & liabilities of the specific selection/monitoring/replacing functions as defined under ERISA section 3(38) to us -- a Registered Investment Adviser. As such, we maintain ERISA legally defined "discretion" that allows us to be the decision-maker and remove that responsibility from the plan sponsor.

In this capacity Innovative Market Trends typically decides what investment options may be chosen and how they are disseminated on a plan's menu, whether to remove them from the menu and what investment options will replace them. The plan sponsor however, always retains the power to rescind such delegation at which point the given responsibilities and

liabilities will be passed back to the sponsor.

Innovative Market Trends as part of its business model as an advisory firm, may act as an ERISA section 3(38) fiduciary to retirement plans it advises.

OTHER PENSION SERVICES

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles:

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

Monitoring of Investment Performance:

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide occasional educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c).

Employer Sponsored Retirement Plans (ESMAP)

We also offer clients of Innovative Market Trends a proprietary 401(k) plan solution that allows us to manage the assets within a participants employer sponsored 401(k), pension or profit sharing plan. In doing so we can apply the same asset allocation strategies used in other proprietary programs at Innovative Market Trends , but we apply these strategies to the client's existing asset holdings within their employer sponsored plan.

Participation in this program does not allow breakpoints or linking with other Innovative Market Trends accounts. There may also be a higher minimum account value threshold on

these types of accounts.

The program typically contains a "start up fee" which is not considered to be "fees in advance" and is non-refundable after (5) days

THIRD PARTY MANAGER PROGRAMS

We also offer advisory management services to our clients through Third Party Manager Programs (hereinafter, "Programs").

Our firm may provide the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established. This asset allocation strategy is drafted into the client's Personal Investment Policy Statement ("PIPS").

Based on the client's individual circumstances and needs (as exhibited in the client's PIPS) we will then perform management searches of various unaffiliated registered investment advisers/ third party managers to identify which registered investment adviser's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

Once we determine the most suitable investment adviser(s) for the client, we may re-affirm the client's investment profile by completing the selected managers PIPS (if applicable). The third party adviser(s) then creates and manages the client's portfolio based on the client's individual needs as exhibited in the PIPS.

We monitor the performance of the selected registered investment adviser(s). If we determine that a particular selected registered investment adviser(s) is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's PIPS, we may suggest that the client contract with a different registered investment adviser and/or program sponsor. Under this scenario, our firm assists the client in selecting a new registered investment adviser and/or program. However, any move to a new registered investment adviser and/or program is solely at the discretion of the client.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Financial plans will generally be prepared by the Investment Advisory Representatives (IAR), utilizing well-known industry standard financial planning software programs including but not limited to EISI / NaviPlan, Money Tree, SunGuard and eMoney Advisor etc.

Our investment recommendations in conjunction with financial plans are limited to the specific products or services offered by a broker-dealer or insurance company and will generally

include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- US Government securities
- Interests in partnerships investing in real estate
- Variable life insurance
- Variable annuities
- Mutual fund shares
- ETFs
- Other

The financial plan is presented to the client as expeditiously as possible in relation to the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

CONSULTING SERVICES

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, and any other specific topic. In addition we provide specific consultation and administrative services regarding investment and financial concerns of the client.

We also provide general non-securities advice on topics that may include tax and budgetary planning, divorce planning and business planning, including but not limited to mergers and acquisition business. We may advise on the facilitation of mergers and acquisitions, tender offers, financial restructurings, asset sales, divestitures and/or other corporate reorganizations or business combination transactions.

LIMITATIONS: As individuals of Innovative Market Trends are registered as representatives of a broker-dealer and/or as insurance agents/brokers of various insurance companies, consulting recommendations are limited to only those products offered through these companies.

AMOUNT OF MANAGED ASSETS

As of 12/31/2010, we were actively managing \$60,000,000 of clients' assets on a discretionary basis plus \$ 50,000,00 of clients' assets on a non-discretionary basis.

We also oversee \$ 150,000,000 of clients' assets being managed by third-party money managers.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from .3% to 3.00%.

The annualized fee for Investment Supervisory Services will be charged as a percentage of assets under management based on the corresponding program selected by the client, according to the following schedules:

TFS Perspectives Non - Discretionary/Discretionary Fee Schedule

Assets Under Management	Annual Fee	Consultant Fee	Program Fee
\$50,000 - \$99,999	2.00%	1.70%	.30%
\$100,000 - \$249,999	1.75%	1.50%	.25%
\$250,000 - 499,999	1.50%	1.30%	.20%
\$500,000 - 749,999	1.25%	1.10%	.15%
\$750,000 - \$999,999	1.10%	.98%	.12%
\$1,000,000 - above	1.00%	.90%	.10%

A minimum of **\$50,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. Innovative Market Trends may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Innovative Market Trends has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Alternate fee schedules may be utilized based on client facts, circumstances and needs, and will be considered in determining the fee

schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

INVESTMENT SUPERVISORY SERVICES PROPRIETARY MODEL PORTFOLIO MANAGEMENT FEES

Our annual fees for Model Portfolio Management Services are based upon a percentage of assets under management and generally range from **.3%** to **3.00%**.

The annualized fee for Model Portfolio Management Services will be charged as a percentage of assets under management, according to the following schedule:

Dynamic Asset Allocation and Buy/Hold Plus Fee Schedule

Assets Under Management	Annual Fee	Consultant Fee	Program Fee
\$50,000 - \$99,999	2.50%	1.25%	1.25%
\$100,000 - \$249,999	2.25%	1.25%	1.00%
\$250,000 - \$499,999	2.00%	1.20%	.80%
\$500,000 - \$999,999	1.75%	1.10%	.65%
\$1,000,000 - \$2,499,999	1.50%	1.00%	.50%
\$2,500,000 - \$4,999,999	1.25%	.85%	.40%
\$5,000,000 - above	1.00%	.70%	.30%

A minimum of **\$50,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. Innovative Market Trends may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Innovative Market Trends has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Alternate fee schedules may be utilized based on

client facts, circumstances and needs, and will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Managed Variable Annuity Fee Schedule

Assets Under Management	Annual Fee	Consultant Fee	Program Fee
\$50,000 - \$99,999	2.00%	1.00%	1.00%
\$100,000 - \$249,999	2.00%	1.20%	.80%
\$250,000 - \$499,999	1.75%	1.10%	.65%
\$500,000 - \$999,999	1.50%	1.00%	.50%

A minimum of **\$50,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. Innovative Market Trends may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Innovative Market Trends has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Alternate fee schedules may be utilized based on client facts, circumstances and needs, and will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

FINANCIAL PLANNING FEES

Innovative Market Trends' Financial Planning fee will be determined based on the nature of

the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

The types of Financial Planning fees we typically charge are:

1. A pre-determined one time fee
2. A pre-determined annual fee
3. A pre-determined hourly rate
4. A percentage of assets under management

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1200 for work that will not be completed within six months. The balance is due upon completion of the plan.

Fees Offset By Commissions: If a Financial Planning client executes recommended securities transactions through associated persons of our firm in their separate capacities as registered representatives of a broker dealer, these individuals will earn commissions which are separate and distinct from fees charged for advisory services. In some instances, depending on the size of the transaction, advisory fees will be discounted, at our discretion, for commissions earned. Commissions will not be credited towards future advisory fees.

CONSULTING SERVICES FEES

Innovative Market Trends' Consulting Services fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. In the case of hourly fees, an estimate of total hours will be given at the start of the advisory relationship.

The types of Consulting Services fees we typically charge are:

1. A pre-determined one time fee
2. A pre-determined annual fee
3. A pre-determined hourly rate
4. A percentage of assets under management

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The

implementation of any or all recommendations is solely at the discretion of the client.

GENERAL INFORMATION

Termination of the Advisory Relationship: Clients may cancel advisory agreements without penalty for a period of five (5) days after the date signed. Agreement shall remain in full force and effect until such time as either party to the agreement receives written notification from the other party of his or her desire to cancel the agreement. Upon receipt by Advisor of written notice of cancellation, the Advisor shall complete the outstanding commitments and obligations made by it on behalf of the investor; however the Advisor shall not make any new commitments or undertake additional obligations on behalf of the investor. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period as applicable.

Mutual Fund Fees: All fees paid to Innovative Market Trends for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grand fathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Innovative Market Trends' minimum account requirements and advisory fees in

effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Innovative Market Trends is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Innovative Market Trends may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Innovative Market Trends' advisory fees.

How are Advisory Fees Calculated and Earned:

- In Advance
- In Arrears

How Frequently Do We Collect Advisory Fees:

- Quarterly

How Do We Collect Advisory Fees:

- Direct Debit of Client Brokerage, Managed, Mutual Fund or Bank Account
- Bill Client Directly
- Credit Card

Advisory Fees in General: Unless otherwise specified, all financial planning and asset management fees are typically prorated and paid quarterly, in advance. Fees are billed approximately 15 days after the end of each calendar quarter and where appropriate, deducted directly from the Investor's account. Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

Furthermore, we have no clients who pay performance-based fees, although we have an incentive to favor accounts that do pay such fees because compensation we would receive from these clients would be more directly tied to the performance of their accounts.

Item 7 Types of Clients

Innovative Market Trends provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans(other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may under perform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate

measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We may look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or

- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- having a long-term investment in a security that was designed to be a short-term purchase, or
- the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Innovative Market Trends has no reportable events.

Our related broker-dealer has a reportable event as disclosed below:

Between the dates of 05/1995 - 08/1996 the related broker/dealer, TFS Securities, Inc. acting through a Principal of the firm, failed to comply with its' restriction agreement by effecting (15) municipal securities transactions on an "unsolicited" basis for existing clients of the firm, prior to obtaining a municipal principal.

The firm and the acting Principal at the time, were fined jointly and severally \$2500 for the restriction agreement violation and \$2500 for the registration violation. Both fines were paid on 07/30/1998 and the matter was closed in its' entirety.

Item 10 Other Financial Industry Activities and Affiliations

FIRM Registrations:

In addition to Innovative Market Trends being a registered investment adviser, our firm is affiliated with and a service of TFS Securities, Inc. a FINRA member broker-dealer. A more detailed description is specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1, which can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

MANAGEMENT and PERSONNEL:

Thomas P. Hyland, President, Born 1964

President of:

- Tomorrow's Financial Services, Inc.
- TFS Securities, Inc.
- TFS Insurance Agency, Inc.
- TFS Mortgage Corporation, Inc.
- TFS Income Tax Preparation Services, Inc.
- TFS Realty Management Corporation, Inc.

B.A., Rutgers University, General Securities Representative, General Securities Principal, Financial and Operations Principal, Municipal Securities Principal, Investment Advisory Representative, Licensed Mortgage Banker and Licensed Insurance Producer.

Joanne Przybylko, Secretary & Treasurer, Born 1958

CEO of Tomorrow's Financial Services, Inc.

Secretary & Treasurer of:

- TFS Securities, Inc.
- TFS Insurance Agency, Inc.
- TFS Mortgage Corporation, Inc.
- TFS Income Tax Preparation Services, Inc.
- TFS Realty Management Corporation, Inc.

General Securities Representative, General Securities Principal, Chief Compliance Officer and Due Diligence Officer.

Robert Giarraffa, Portfolio Manager, Born 1947

M.B.A. Finance, Fairleigh Dickinson University

B.A. St. John's University

General Securities Representative, General Securities Principal, Investment Advisory Representative, Registered Mortgage Solicitor and Licensed Insurance Producer.

Susan Jeffrey, Portfolio Strategist, Born 1951

M.B.A. Finance, New York University Stern School of Business

International Management Fellow, New York University Stern School of Business

B.A. University of Virginia

10 Years Exchange Traded Fund Management Experience, 21 Years Portfolio Management Experience and 6 Years Hedge Fund Management Experience.

Tammy Case, Senior Operations Coordinator, Born 1968

15 Years Operations and Compliance Experience

General Securities Representative and General Securities Principal

Nicole Przybylko, Operations Coordinator, Born 1985

B.A. Rutgers University

General Securities Representative, General Securities Principal, Municipal Securities Principal, Registered Options Principal and Financial and Operations Principal.

Jennette Read, Operations Coordinator, Born 1980

10 Years Operations and Compliance Experience

General Securities Representative, General Securities Principal, Municipal Securities Principal, Registered Options Principal and Financial and Operations Principal.

Steven Morgan, Operations Coordinator, Born 1962

23 Years Industry Experience

General Securities Representative, General Securities Principal, Investment Advisory Representative and Licensed Insurance Producer.

Daniel Johnson, Operations Coordinator, Born 1970

10 Years Industry Experience

General Securities Representative, General Securities Principal and Municipal Securities Principal.

MANAGEMENT and PERSONNEL Registrations:

With the exception of Portfolio Strategist, Susan Jeffrey, who is a paid outside consultant, management personnel of Innovative Market Trends and other related personnel are separately licensed as registered representatives of TFS Securities, Inc., an affiliated broker-dealer. These individuals, in their separate capacity, may effect securities transactions for which they will receive separate, yet customary compensation.

While Innovative Market Trends and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

We are a registered investment adviser and a wholly owned subsidiary of **Tomorrow's Financial Services, Inc. a NJ holding Co.** As a subsidiary of **Tomorrow's Financial Services, Inc.**, our firm is under common ownership and control with several financial institutions, including the following with which we have a material business relationship (referred to collectively as the "Related Companies"):

- **TFS Securities, Inc.**, a FINRA member broker-dealer;

- **TFS Insurance Agency, Inc.**, a stand-alone licensed insurance agency;
- **TFS Mortgage Corporation, Inc.**, a stand -alone mortgage company;
- **TFS Realty Management Corporation, Inc.**, a stand-alone real estate management company;
- **TFS Tax Preparation Services, Inc.**, a stand -alone tax consulting and preparation firm.

Where appropriate, Innovative Market Trends and our employees may recommend the various investment and investment-related services of the Related Companies to our advisory clients. The Related Companies and their employees may also recommend the advisory services of our firm to their clients. The services provided by the Related Companies are separate and distinct from our advisory services, and are provided for separate and additional compensation. There may also be arrangements between Innovative Market Trends and these Related Companies where Innovative Market Trends and/or the Related Companies and their employees receive payment in exchange for client referrals. No Innovative Market Trends client is obligated to use the services of any of the Related Companies.

In addition, the management persons and other employees of Innovative Market Trends are: (1) management persons and registered representatives of a FINRA member broker-dealer; and, (2) management persons and insurance agents of a licensed insurance agency. These individuals may also be insurance agents for one or more insurance companies. In their separate capacities as registered representatives and/or insurance agents, these individuals are able to effect securities transactions and/or purchase insurance and insurance-related investment products for Innovative Market Trends' advisory clients, for which these individuals will receive separate and additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

Management personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Management or other personnel of our firm may have an interest in or may be affiliated with TFS Tax preparation Services, providing accounting services for separate and typical compensation.

TFS Tax Preparation Services, Inc. may recommend Innovative Market Trends to accounting clients in need of advisory services. Conversely, Innovative Market Trends may recommend **TFS Tax Preparation Services, Inc.** to advisory clients in need of accounting services. Accounting services provided by **TFS Tax Preparation Services, Inc.** are separate and distinct from our advisory services, and are provided for separate and typical compensation. There are no referral fee arrangements between our firms for these

recommendations. No Innovative Market Trends client is obligated to use **TFS Tax Preparation Services, Inc.** for any accounting services and conversely, no accounting client is obligated to use the advisory services provided by us. The accounting services of **TFS Tax Preparation Services, Inc.** do not include the authority to sign checks or otherwise disburse funds on any of our advisory client's behalf.

Management personnel of Innovative Market Trends may have an interest in or be affiliated with **TFS Mortgage Corporation, Inc.**. In their separate capacities, these individuals are licensed under **TFS Mortgage Corporation, Inc.** as mortgage solicitors. As such, they can earn separate, yet typical compensation for the consummation of a mortgage.

TFS Mortgage Corporation, Inc. may recommend Innovative Market Trends to their clients in need of advisory services. Conversely, Innovative Market Trends may recommends **TFS Mortgage Corporation, Inc.** to advisory clients in need of such services. The services provided by **TFS Mortgage Corporation, Inc.** are separate and distinct from our advisory services, and are provided for separate and typical compensation. There are no referral fee arrangements between our firms for these recommendations. No Innovative Market Trends client is obligated to use **TFS Mortgage Corporation, Inc.** for any services and conversely, no **TFS Mortgage Corporation, Inc.** client is obligated to use the advisory services we provide.

Clients should be aware that the receipt of additional compensation by Innovative Market Trends and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Innovative Market Trends endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and

- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Innovative Market Trends and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and record keeping provisions.

Innovative Market Trends' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to thyland@tfsweb.com, or by calling us at 732-758-9300 ext 145.

Innovative Market Trends and individuals associated with our firm are prohibited from engaging in principal transactions.

Innovative Market Trends and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies)

which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
9. All of our principals and employees must act in accordance with all applicable Federal and

State regulations governing registered investment advisory practices.

10. We discuss and reinforce our Code of Ethics annually at our mandatory annual compliance meetings and provide training wherever possible to ensure that each supervised person has a clear understanding of our Code of Ethics.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer and/or licensed as an insurance agent and/or broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

Advisory clients of Innovative Market Trends are required to use Pershing, LLC, a non-affiliated clearing broker dealer for custodial and transaction services for client accounts and in some cases for TFS Securities, Inc. Pershing LLC provides the clearing, asset allocation, custodial and transactional services that are required to operate Innovative Market Trends, as its affiliated broker dealer TFS Securities, Inc. may not provide one or more of these services. In addition, the use of Pershing LLC enables Innovative Market trends to pay from the client's advisory fees, some of the transaction fees as described in the fee schedule.

Each client of Innovative Market Trends provides written authority for the use of Pershing as the "clearing entity" for their transactions and the commission costs that will be charged for said transactions.

Clients must include any limitations on this discretionary authority in the afore mentioned authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Advisory clients of Innovative Market Trends in need of brokerage or custodial services other than the asset allocation services offered, Innovative Market Trends may recommend the use of TFS Securities, Inc. for those services where the investment advisor representative of Innovative Market Trends is properly licensed to do so and provided Innovative Market Trends can meet its fiduciary obligation of best execution. However, no client is under obligation to effect transactions through any recommended broker.

Innovative Market Trends 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 may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Innovative Market Trends will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Innovative Market Trends' block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Innovative Market Trends, or our firm's order allocation policy.
- 2) Trading personnel in concert with the portfolio manager determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Innovative Market Trends to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, an electronic order ticket is generated which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients. Trading personnel have the ability to print order tickets or generate a print screen of the entire allocation for any particular aggregated trading activity.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) Innovative Market Trends' client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on Innovative Market Trends' records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed regularly as the investment advisor representatives deem necessary. 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.

These accounts are typically reviewed by the corresponding investment advisor representative.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their custodian, Individual registered investment advisors may provide other reports summarizing account performance, balances and holdings. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

INVESTMENT SUPERVISORY SERVICES PROPRIETARY MODEL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed regularly as the managers deem necessary. 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. In addition, the investment advisor representatives review their client accounts on a regular basis.

These accounts are typically reviewed by the portfolio manager.

REPORTS: In addition to the monthly/quarterly statements and confirmations of transactions that clients receive from the custodian, Individual registered investment advisors may provide other reports summarizing account performance, balances and holdings. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

MUTUAL FUND PORTFOLIO MANAGEMENT

REVIEWS: Innovative Market Trends continually reviews and monitors the Mutual Fund's holdings in accordance with the investment objectives as detailed in the Fund Prospectus.

REPORTS: Clients should refer to the Fund Prospectus for information regarding regular reports to the fund by Innovative Market Trends.

PENSION CONSULTING SERVICES

REVIEWS: Innovative Market Trends will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Innovative Market Trends will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

These accounts are reviewed by: The introducing investment advisory representative.

REPORTS: These client accounts will receive reports as contracted for at the inception of the advisory relationship and /or Innovative Market Trends will provide reports to Pension Consulting Services clients based on the terms set forth in the client's Investment Policy Statement if and/or when applicable.

SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS

REVIEWS: These client accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser.

Innovative Market Trends will provide reviews as contracted at the inception of the advisory relationship.

These accounts are typically reviewed by the corresponding investment advisor representative.

REPORTS: These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser.

Innovative Market Trends will provide these client accounts with reports if and when as contracted for at the inception of the advisory relationship.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

CONSULTING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

REPORTS: These client accounts will receive reports as contracted for at the inception of the advisory engagement but due to the nature of the service, reports are typically not given.

Item 14 Client Referrals and Other Compensation

It is Innovative Market Trends' policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Innovative Market Trends' policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients unless as allowable under SEC, FINRA or any other self regulatory organization's advisory rules.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the

calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Innovative Market Trends has no additional financial circumstances to report.

Innovative Market Trends has not been the subject of a bankruptcy petition at any time during the past ten years.