



# **BIONDO**

## **INVESTMENT ADVISORS, LLC**

An affiliate of The Biondo Group, LLC  
540 Routes 6 & 209  
PO Box 909  
Milford, PA 18337

## **Biondo Investment Advisors, LLC**

### **FIRM BROCHURE**

#### **Form ADV: Part 2A**

This brochure provides information about the qualifications and business practices of Biondo Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 570.296.5525 or [team@thebiondogroup.com](mailto:team@thebiondogroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Biondo Investment Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Contact us:  
TF 877.246.6367 or  
570.296.5525

[www.TheBiondoGroup.com](http://www.TheBiondoGroup.com)

Biondo Investment Advisors, LLC is a registered investment adviser. That designation does not imply a certain level of skill or training. Under the Investment Advisor Act of 1940, an Investment Adviser is defined as any person who, for compensation, engages in the business of advising others on investments. Investment Advisers must register with, and be regulated by, either the Securities and Exchange Commission or a State regulatory body.

March 10, 2017

**Material Changes in the brochure of Biondo Investment Advisors, LLC (Biondo) since the last annual update on February 24, 2016 follow. The list contains only material changes since the last annual update of the brochure.**

Advisory Business:

- Biondo now accepts non-discretionary accounts.

Fees and Compensation:

- The fee schedule for Separately Managed and Institutional Accounts has been revised.
- A fee schedule for ETF Portfolios has been established.
- Fees for non-discretionary advisory accounts have been established.

Types of Clients:

- Biondo no longer has minimum account size. Account size does affect investment options available.

Investment Strategies:

- Sector Opportunities Strategy is no longer available for new investment.
- ETF Portfolios have been established for accounts over \$25,000.

Other Financial Industry Activities and Affiliations and Brokerage Practices:

- During 2017, Biondo will transition brokerage business from Biondo Asset Management, LLC, to Fidelity Brokerage Services, LLC and National Financial Services, LLC.
- Biondo may also receive other incidental revenue from administrative areas. If profits are derived from trading errors, they will be donated to the Ingeborg A. Biondo Memorial Trust.

**Table of Contents**

<u>Topic</u>	<u>Page</u>
Cover Page	0
Material Changes	1
Table of Contents	2
Advisory Business	3
Fees and Compensation	4
Performance Based Fees and Side by Side Management	7
Types of Clients	7
Methods of Analysis, Investment Strategies and Risk of Loss	8
Investment Strategies	10
Disciplinary Information	12
Other Financial Industry Activities and Affiliations	12
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Brokerage Practices	14
Review of Accounts	17
Client Referrals and Other Compensation	18
Custody	18
Investment Discretion	18
Voting Client Securities	19
Financial Information	19

### **Advisory Business**

Biondo Investment Advisors, LLC (Biondo) was founded by Joseph R. Biondo (Joe) in March 2004. His son, Joseph P. Biondo (Joseph), joined Biondo in November 2004. Joseph serves as Chief Executive Officer and Chief Investment Officer. Both also function as Biondo's Portfolio Managers along with Scott A. Goginsky, CFA. The Biondo Group, LLC began managing the Firm's flagship Growth Strategy under Smith Barney in 1991. Biondo is wholly owned by The Biondo Group, LLC. Joseph P. Biondo is the member manager of The Biondo Group, LLC. Joseph R. Biondo and Karl A. Wagner III are members.

Biondo provides investment supervisory services for approximately 90% of its Firm assets. "Investment supervisory services" means the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client. Biondo manages separate accounts on a discretionary, fee-for-service basis as a percentage of assets under management. Portfolio Managers have authority to determine, without specific client consent, both the specific securities and the dollar amount to be bought or sold. Managed accounts are generally Wrap Fee Accounts unless other arrangements are made. Please refer to Appendix 1, Biondo's Wrap Fee Brochure, for more information on that program. As an accommodation to clients, Biondo accepts non-discretionary accounts that represent ten percent of Biondo's assets.

The type of investments on which Biondo offers advice includes:

- equity securities (exchange-listed, over-the-counter, and foreign issued),
- warrants,
- corporate debt securities (other than commercial paper),
- commercial paper,
- certificates of deposit,
- municipal securities,
- mutual fund shares,
- United States governmental securities,
- options contracts on securities, and
- insurance and annuities.

Biondo does not call its supervisory services or investment management "financial planning" but rather considers its services as development of a diversified portfolio and investment plan.

Biondo tailors its advisory services to the individual needs of clients by reviewing a client's personal information, goals and risk tolerance before the client enrolls in any sponsored program. Biondo's Investment Management Agreement includes a disclosure statement, and a financial and suitability questionnaire that all potential clients are asked to complete. An analysis of this information is used to determine whether a client's portfolio should be aggressive, moderate or conservative. Clients may impose certain restrictions on investing in particular securities. Clients are requested to inform Biondo of any changes in the information provided at account inception and to review this information at least annually in writing.

Biondo participates in Wrap Fee Programs by providing portfolio management services. Biondo manages wrap fee accounts in the same way as other client accounts. The fee schedule for management of wrap fee accounts is different. Biondo receives a portion of the wrap fee for its services. A full description of fee calculation and compensation is explained below.

As of December 31, 2016, Biondo managed 486 accounts totaling \$390,312,760 on a discretionary basis.

Biondo will advise accounts on a non-discretionary basis in the future.

### **Fees and Compensation**

Discretionary advisory services fees are payable quarterly, in advance, based on an account's gross market value on the last business day of the previous calendar quarter. Gross market value is the total value of all cash and securities in the account without deduction of any margin balance. Accounts incepted during a quarter will be charged a pro-rated fee for that quarter.

Fees may vary from the below schedule due to specific circumstances of the client or as otherwise negotiated with particular clients. Fees are detailed in each client Investment Management Agreement. Specific circumstances can include, but are not limited to: the existence of other accounts with Biondo or its affiliates, percentage of asset allocation dedicated to fixed income, and fee schedules negotiated prior to the existence of the fee schedule shown below.

Clients with multiple accounts, or clients with multiple accounts for various individuals in their immediate household, living at the same address, will be considered in total for the purpose of reaching breakpoints in the fee schedule. Corporate and Trust Accounts reporting under tax identification numbers, not Social Security numbers, will not be added to a household's total for breakpoint purposes. Certain accounts of Biondo or its affiliates, former employees or their relatives, and current employees or their relatives may be managed by Biondo for a reduced fee. Biondo advisory fees are, in general, based on assets under management. The fee schedule is reviewed on a periodic basis.

**Wrap Fee Account Asset Value Fee Schedules**

Discretionary Equity Separately Managed Accounts:

	Option 1	Option 2	Option 3
< \$1,000,000	1.50%	1.50%	1.25%
\$1,000,001 - \$5,000,000	1.00%	1.00%	0.75%
\$5,000,001 - \$10,000,000	0.75%	0.75%	0.50%
\$10,000,001 and over	Negotiated Fee Rate – All Portfolio Levels		

**Institutional Fees are negotiable.**

Descriptions of Discretionary Equity Portfolio Levels and Strategies begin on page 10. Minimum portfolio size for a Discretionary Equity Separately Managed account is \$250,000 with the exception of 100% single strategy accounts that have a minimum portfolio size of \$100,000.

Discretionary Exchange Traded Funds (ETF) Accounts:

< \$1,000,000	1.00%
\$1,000,001 - \$5,000,000	0.75%
\$5,000,001 - \$10,000,000	0.50%
\$10,000,001 and over	Negotiated Fee Rate

Descriptions of Discretionary ETF Strategies begin on page 12. Minimum portfolio size for ETF Portfolios is \$25,000.

Biondo's fees for discretionary accounts are automatically deducted quarterly from the client's account during the first month of a quarter unless the client has specifically requested, in writing, to be billed. Billed clients are mailed, or electronically delivered, an invoice in the first month of a quarter. Institutional clients receive invoices and may request alternate payment schedules. Fees are due 30 days after receipt of Biondo's invoice.

Account assets invested in shares of mutual funds or other investment companies, except The Biondo Family of Funds (The Biondo Growth Fund and The Biondo Focus Fund), will be included in calculating the gross value of an account for purposes of computing Biondo's fees. These assets, including The Biondo Family of Funds, will also be subject to additional advisory fees and other fees and expenses, as set forth in the prospectuses and SAI's of those funds, paid by the funds but ultimately paid by the investor. If Biondo Asset Management, LLC, is the broker dealer for an account, it will receive distribution and service fees (12b-1 fees) for the funds employed. Institutional clients will also incur brokerage, other transaction and custodial costs and fees. Biondo's brokerage practices are further described on page 14.

The Biondo Family of Funds may be held in managed accounts. Management fees on those assets are not charged to a client's account, but are paid through the mutual funds as described in the prospectuses and Statement of Additional Information (SAI) for the funds.

All of Biondo's revenue from discretionary advisory clients comes from fees, not from commissions or compensation for the sale of investment products, which are recommended to discretionary advisory clients.

Biondo does not charge advisory fees in addition to commissions or markups for discretionary wrap fee clients. Block trades executed through outside broker-dealers are charged a markup by the outside broker-dealer.

Institutional clients and clients directing brokerage to non-affiliated firms may be charged commissions or markups.

Non-discretionary advisory account fees are negotiable, but generally range from \$100 to \$10,000 on a fixed fee basis depending on the level and scope of the services required. Non-discretionary accounts will be charged trade ticket costs as they occur. Fees may be waived for non-discretionary accounts holding The Biondo Family of Funds and those that are in a household with discretionary accounts. Fees for non-discretionary accounts are automatically deducted annually from the client's account during the last month of the year.

Advisory fees are not reduced or offset by any 12b-1 fees or other sales-related compensation our affiliated broker-dealer receives from any clearing firm, custodian, other brokers, fund companies or product sponsors based on or as a result of a purchase or sale of securities, insurance, or other investment products, or based on the value of a client's account, free credit balance, margin account balance, margin interest, or retirement account balances.

Biondo's services may be terminated by either party with written notice as explained in the client's Investment Management Agreement. Since Biondo's fees are due and payable in advance, there are times a client may be entitled to a refund. Fee refunds are pro-rated for actual calendar days under management. Refunds are calculated during the account termination process and are credited to the account, or paid within thirty days of the account termination.

Biondo and its representatives do not receive direct compensation for the sale of securities or other investment products including asset-based sales charges. Revenue generated by all affiliates is paid to associates through The Biondo Group, LLC. Associates are compensated by salary and bonus. Biondo Asset Management, LLC, a broker-dealer affiliate of The Biondo Group, LLC, currently receives 20% of client fees for processing client transactions. During 2017, Biondo will transition brokerage business from Biondo Asset Management, LLC to Fidelity Brokerage Services, LLC and National Financial Services, LLC prorating the payment to Biondo Asset Management, LLC as assets transition.

Biondo advises The Biondo Growth Fund and The Biondo Focus Fund which are distributed by Northern Lights Distributors, LLC. A copy of the prospectus for either Fund, containing information on investment objectives, risks, charges and expenses, can be obtained by calling 1-800-672-9152 or by download at [www.TheBiondoGroup.com](http://www.TheBiondoGroup.com). The Biondo Growth Fund, an all cap, non-diversified, open-end investment company that seeks capital appreciation, pays Biondo a management fee equal to 1.00% of the average daily net assets of the Fund. The Biondo Focus Fund, an all cap concentrated, non-diversified, open-end investment company that seeks long term capital appreciation, pays Biondo a management fee equal to 1.50% of the average daily net assets of the Fund.

Since the brokerage fees received by Biondo Asset Management, LLC are based on a percentage of client fees and not on trading activity, any potential conflict of interest of these payments is minimized. The relationship between Biondo and Biondo Asset Management, LLC is disclosed to clients in the Investment Management Agreement. Discretionary advisory clients are given the option of directing brokerage to non-affiliated firms.

Biondo does not primarily recommend mutual funds to its clients.

Client fees may be negotiated or waived.

### **Performance Based Fees and Side by Side Management**

Biondo and its supervised persons do not accept performance-based fees based on a share of capital gains on, or capital appreciation of, the assets of an advisory account.

### **Types of Clients**

Biondo provides investment advice to individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations or other business entities, educational institutions, endowments and foundations. Biondo also provides investment advice to clients through its participation in programs at Morgan Stanley, Merrill Lynch, J.P. Morgan and ENVESTNET. As a condition for starting and maintaining a relationship, Biondo does not require a minimum client portfolio size.



## **Methods of Analysis, Investment Strategies and Risk of Loss**

Biondo pursues a stock selection discipline that seeks to identify companies over the capitalization spectrum with exceptional growth potential. Biondo analyzes the strengths of each identified company using fundamental analysis, which emphasizes management's integrity and capabilities, product strength, competition, research and development practices and future growth prospects. Charting and technical analysis are also used.

Main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared and provided by others (including purchased services), corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission (SEC), and company press releases. Biondo also attends corporate presentations at conferences and will occasionally visit the corporate headquarters of companies in which it has investment interest.

**Investing in securities involves risk of loss that clients should be prepared to bear. Clients with investment horizons of less than three years are generally considered unsuitable for participation in Biondo's investment strategies.**

Biondo's investment strategies include transactions in which securities are held at least a year, securities sold within a year, and securities sold within 30 days. (Biondo generally holds portfolio securities longer than a year, but securities held less than a year incur greater tax consequences). Transactions can also include short sales, options and trading on margin.

- A short sale consists of selling borrowed shares in the hope that they can be bought back later at a lower price. Short sales have unlimited risk.
- Options are contracts that provide the holder the right to purchase or sell the underlying security. Trading options involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- Trading on margin can magnify gains and losses.

Fixed income components are intended to provide maximum current income with minimum credit risk, but clients should note there is still some risk to fixed income components.

Biondo does not guarantee:

- the future performance of the client's account or any specific level of performance,
- the success of any investment decision or strategy, or
- the success of Biondo's overall management of the client's account.

Investment decisions are subject to various market, currency, credit, economic, political and business risks. Biondo's investment decisions will not always be profitable.

Derivative securities are subject to changes in the underlying securities or indices on which such transactions are based. There is no guarantee that the use of derivatives for investment or hedging purposes will be effective or that suitable transactions will be available. Even a small investment in derivatives (which include options on stocks, ADRs and ETFs) may give rise to leverage risk, and can have a significant impact on the portfolio's exposure to securities markets values and interest rates. Derivatives are also subject to credit risk (the counterparty may default) and liquidity risk (the Fund may not be able to sell the security or otherwise exit the contract in a timely manner).

When covered call options are sold, a portfolio receives cash but limits its opportunity to profit from an increase in the market value of the security beyond the exercise price (plus the premium received). The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. In a rapidly rising market, a portfolio could significantly underperform the market. The gain on the underlying stock will be equal to the difference between the exercise price and the original purchase price of the underlying security, plus the premium received. The gain may be less than if a portfolio had not sold an option on the underlying security. If a call expires unexercised, a portfolio realizes a gain in the amount of the premium received, although there may have been a decline (unrealized loss) in the market value of the underlying securities during the option period which may exceed such gain. If the underlying securities should decline by more than the option premium a portfolio received, there will be a loss on the overall position.

Once an appropriate portfolio structure is developed for a client, Biondo will manage only the securities, cash and other investments held in the client's account. In making investment decisions for the account, Biondo cannot consider any other securities, cash or other investments owned by the client that have not been disclosed to Biondo.

Biondo performs a comprehensive risk assessment to determine areas in which controls are needed to be established, enhanced or amended. In the area of Cybersecurity, Biondo focuses on the protection and safeguarding of its network and systems, breach detection, electronic and physical access controls, third-party providers and vendor due diligence, employee training and response and recovery.

## **Investment Strategies**

### Discretionary Equity Strategies

As part of a multi-disciplinary platform and based on an analysis of suitability, clients may choose to assign varying percentages of portfolio assets to the following strategies in Aggressive, Moderate or Conservative portfolios. Portfolio Managers may rebalance portfolios to reflect market conditions. Indicated percentages of each strategy included in a portfolio may fluctuate 5% to 10% based on market conditions. Securities may include mutual funds and Exchange Traded Funds (ETF's) to represent a market component when appropriate. Up to 20% margin may occur based on client circumstances and short term situations.

**Growth Strategy:** a portfolio of generally 35 or less securities that pursues stocks with growth characteristics in all market capitalizations with a large cap emphasis. Typically 20% or less leverage may be employed. Put and call options may be purchased or sold.

**Focus Strategy:** a portfolio of generally 25 or less securities that pursues stocks with growth characteristics in all market capitalizations. Typically 20% or less leverage may be employed. Put and call options may be purchased or sold.

**Dividend Strategy:** a portfolio of generally 35 or less primarily income generating securities in all market capitalizations with a large cap emphasis that may include Master Limited Partnerships (MLP's). Call options may be sold against stock positions in the portfolio.

**International Strategy:** a portfolio of generally 20 or less international securities in all market capitalizations. Portfolio selections are made based on relative strength versus other international securities available for inclusion.

**Sector Opportunities Strategy:** a portfolio of generally 10 ETF's representing the strongest sectors of the U.S. equity markets identified through relative strength analysis. Sector Opportunities Strategy is no longer available for new investment.

**Alternatives Strategy:** a portfolio of mutual funds and ETF's designed to reduce overall portfolio volatility and to track hedge fund benchmarks.

**Fixed Strategy:** a portfolio of generally 20 or less exclusively fixed income securities. Portfolio selections are made based on relative strength versus other fixed income securities available for inclusion.

Discretionary Equity Portfolio Offerings

**Option 1**

**100% Equity or Equity/Alternatives**

(100% in: Growth/Focus/Dividend/International/Alternatives)

OR

<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>
85% Focus	85% Growth	50% Growth	50% Focus	85% Dividend
15% International	15% International	40% Dividend	25% Dividend	15% International
		10% International	15% Alternatives	
			10% International	

**Option 2**

**20 – 30% Fixed Income Inclusion**

<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>
50% Focus	50% Growth	70% Dividend	40% Focus	50% Dividend
20% Dividend	20% Dividend	30% Fixed	20% Dividend	20% Growth
10% International	10% International		10% Alternatives	10% International
20% Fixed	20% Fixed		10% International	20% Fixed
			20% Fixed	

**Option 3**

**Broader Diversification**

<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>
30% Dividend	30% Dividend	50% Dividend	20% Growth	50% Growth
20% Focus	20% Growth	50% Fixed	20% Dividend	50% Fixed
10% International	10% International		10% Alternatives	
40% Fixed	40% Fixed		10% International	
			40% Fixed	

Discretionary Exchange Traded Funds (ETF) Strategies

As part of a multi-disciplinary platform and based on an analysis of suitability, clients may choose to assign varying percentages of portfolio assets to the following strategies in Domestic Equity, International Equity or Fixed Income ETF's. Portfolio Managers may rebalance portfolios to reflect market conditions. Indicated percentages of each strategy included in a portfolio may fluctuate 5% to 10% based on market conditions. Up to 20% margin may occur based on client circumstances and short term situations.

Discretionary Exchange Traded Funds (ETF) Portfolio Offerings

<b>Option</b>	<b>Domestic Equity</b>	<b>Int'l Equity</b>	<b>Fixed Income</b>
<b>1</b>	85%	15%	0%
<b>2</b>	70%	10%	20%
<b>3</b>	50%	10%	40%
<b>4</b>	40%	0%	60%

**Disciplinary Information**

Biondo and its management persons have no material disciplinary events to disclose.

**Other Financial Industry Activities and Affiliations**

Biondo is a wholly owned subsidiary of The Biondo Group, LLC. The Biondo Group, LLC is also the owner of Biondo Asset Management, LLC a registered broker-dealer and member of FINRA and SIPC and Biondo Wealth Services, LLC, providing life insurance and annuities.

Biondo has generally directed brokerage through Biondo Asset Management, LLC, unless otherwise requested by an individual client. Biondo also pays 20% of client fees to Biondo Asset Management, LLC for processing client transactions. During 2017, Biondo will transition brokerage business from Biondo Asset Management, LLC to Fidelity Brokerage Services, LLC and National Financial Services, LLC prorating the payment to Biondo Asset Management, LLC as assets transition. Biondo Asset Management, LLC, LLC receives distribution and service fees (12b-1 fees) on mutual funds employed in portfolios, including The Biondo Family of Funds. Biondo Asset Management, LLC shares with its clearing agent National Financial Services, LLC in margin interest charged. Biondo Asset Management, LLC will also transact securities transactions for compensation for clients in accounts that are not a part of the Managed Account Program. Biondo may also receive other revenue from administrative areas. If profits are derived from trading errors, they will be donated to the Ingeborg A. Biondo Memorial Trust. Insurance products may be held in client investment advisory

accounts, but will not be charged advisory fees. Insurance revenue is paid to Biondo Wealth Services LLC and Biondo Asset Management, LLC. Some employees are registered and compensated by both Biondo and Biondo Asset Management, LLC through The Biondo Group, LLC. Any possible conflict of interest in this relationship is avoided by giving clients the option of directing brokerage and insurance business to non-affiliated firms.

Joseph R. Biondo has a referral arrangement with First Wilshire that pre-exists the formation of The Biondo Group, LLC. Biondo and its management persons have no other relationships that are material to its advisory business or to its clients.

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Biondo has adopted a Code of Ethics, pursuant to Section 204A-1 of the Investment Advisor Act of 1940, as amended, that ensures that the personal securities transactions of Biondo's principals, employees and affiliates do not conflict with transactions made on behalf of clients. The Code of Ethics is based on the principles that Biondo will:

- place the interest of the clients first;
- avoid taking inappropriate advantage of their positions within Biondo;
- conduct any personal securities transactions in full compliance with the Code of Ethics.

Clients or prospective clients will be sent a copy of Biondo's Code of Ethics at any time upon request.

Biondo does not recommend securities to managed clients in which Biondo or its officers or employees have a material financial interest.

Biondo does not buy or sell securities from or to any investment advisory client. However, officers or employees of Biondo may buy or sell or hold positions in securities recommended to clients, including buying securities that are being sold for certain clients and selling securities that are being purchased for certain clients. Biondo seeks to ensure that it, or its affiliates or employees, does not wrongfully benefit from the short-term effects of their recommendations. If an officer or employee is placing a trade for a security, they must file a pre-clearance trade request with the Chief Compliance Officer, or in her absence, the Director Operations. If the employee's trade is approved, clients' trades are placed first if possible.

In some circumstances, client and employee trades may be part of a block trade with the final trade price calculated as an average price of all executions. If an employee receives a better price on a transaction, that transaction price is given to a client if the executions were transacted by the same broker. If it is not possible to reallocate a transaction in which an employee received a better price than a client, the employee's trade will be cancelled. The employee would then be required to re-file a pre-clearance trade request.

Accounts of Biondo, its affiliates or employees are managed along with other accounts in such a way that the internal account does not receive favorable treatment over other client accounts.

The Compliance Department of Biondo, in order to monitor compliance with Biondo's personal trading policies and restrictions, requires all personnel to have duplicate statements and confirmations for any outside brokerage accounts they may have sent to the Compliance Department.

Additionally, also in accordance with Section 204A of the Investment Advisor Act of 1940, as amended, Biondo also maintains and enforces policies reasonably designed to prevent the unlawful use of material, non-public information by Biondo or any of its principals or employees.

## **Brokerage Practices**

### **Research and Other Soft Dollar Benefits**

Soft dollar benefits are arrangements in which investment advisers are given certain benefits (such as research and other services) from a broker-dealer in exchange for the adviser directing trades to that broker-dealer for the broker-dealer to execute for a fee. Biondo does not have to use its own funds to purchase benefits obtained in this manner. Biondo's Soft Dollar Policy is to make a good faith determination of the value of the research product or services in relation to the commissions paid. Biondo maintains informal soft dollar arrangements for those research products and services which assist Biondo in its investment decision making process.

Biondo may direct some transactions to outside broker-dealers who occasionally provide research to Biondo, if their execution quality and transactions costs are comparable to those obtained elsewhere. Although Biondo may have an incentive to select or recommend a broker-dealer based on its interest in receiving research or other products or services, outside broker-dealers will not be selected by Biondo, regardless of the quality and scope of their research, if reasonable costs and executions are not provided.

Biondo's arrangements for soft dollar benefits do not cause clients to pay higher transaction costs. Since Biondo's soft dollar benefits are research related, these benefits service all clients. Transactions are directed to outside broker dealers only for The Biondo Family of Funds transactions, so mutual fund shareholders pay indirectly for these benefits.

Soft dollar benefits arrangements allow Biondo access to research reports on the overall market, individual securities and sectors, and entry to research conferences and dinner meetings with company management. These research tools qualify for the safe harbor in Section 28(e) of the Securities Exchange Act of 1934.

By monitoring reports from Fidelity Capital Markets Group, Biondo evaluates a broker-dealer's execution quality. Commission charges and research quality, as well as the trading volume to be executed, are also reviewed when directing client transactions in return for soft dollar benefits.

In the event that Biondo obtains any mixed use products or services on a soft dollar basis, Biondo will make a reasonable allocation of the cost between that portion which is eligible as research or brokerage services and that portion which is not so qualified. The portion eligible as research or other brokerage services will be paid for with Biondo Family of Funds commissions and the non-eligible portion (for example computer hardware, accounting systems, etc. which are not eligible under Section 28(e) safe harbor) will be paid for with Biondo's own funds.

### **Brokerage for Client Referrals**

Biondo does not receive client referrals from other broker-dealers for directing brokerage.

### **Directed Brokerage**

Biondo has generally used Biondo Asset Management, LLC, an affiliate of Biondo, as the broker-dealer for its investment accounts. During 2017, Biondo will transition brokerage business from Biondo Asset Management, LLC to Fidelity Brokerage Services, LLC and National Financial Services, LLC.

Biondo Asset Management, LLC is compensated by Biondo for transaction processing. Clients choosing this broker-dealer will typically instruct the firm to direct all portfolio transactions through Biondo Asset Management, LLC as set forth in a wrap-fee arrangement or at a rate agreed to between both parties. All trades for The Biondo Family of Funds are processed through non-affiliated broker-dealers. Biondo, Biondo Asset Management, LLC, Biondo Wealth Services, LLC, The Biondo Growth Fund (BIONX) and The Biondo Focus Fund (BFONX) share certain services. Transactions processed through Biondo Asset Management, LLC may not always receive the most favorable execution and may cost clients more money.

Biondo has an arrangement with Fidelity Brokerage Services LLC and National Financial Services LLC, (together with all affiliates, "Fidelity") through which Fidelity provides Biondo with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Biondo in conducting business and in serving the best interests of their clients but that may benefit Biondo.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Biondo to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions



and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. Fidelity transaction fees are not charged to Biondo discretionary managed accounts.

As part of the arrangement, Fidelity also makes available to Biondo, at no additional charge to Biondo, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Biondo (within specified parameters). These research and brokerage services presently include services such as Wealthscape, a brokerage and custody platform featuring online service tools, comprehensive account information, trading and modeling; and Insight & Outlook, a robust library resource for industry insights and market commentary that are used by Biondo to advise accounts.

Biondo may also receive additional services which may include Fidelity's Retirement Income Evaluator; and Practice Management & Insights, an in-depth resource for technology & operations, risk & regulatory, strategy and client focus issues that are current in our industry. Fidelity will also pay certain expenses that Biondo will incur in transitioning to a new Fidelity platform. Without this arrangement, Biondo might be compelled to purchase the same or similar services at its own expense.

As a result of receiving such services for no additional cost, Biondo may have an incentive to continue to use or expand the use of Fidelity's services. Biondo examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of Biondo's clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Biondo determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Biondo will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by Biondo will generally be used to service all of Biondo's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Biondo and Fidelity are not affiliates.

Clients are free to choose or change broker-dealers, provided that the chosen brokerage can provide adequate service as determined by Biondo. In the event such brokerage cannot provide such service (as determined by Biondo), Biondo may not accept management of the portfolio. A client choosing another broker-dealer to direct brokerage transactions is responsible for negotiating fees or commissions with that broker-dealer unless Biondo has a wrap-fee arrangement with such broker-dealer. The client is responsible to independently determine whether the commissions charged or execution affected is done at rates or prices that are better than could be obtained had Biondo directed the trade. Directing brokerage may cost clients more money because the client may pay higher brokerage commissions or

Biondo will not be able to combine orders to reduce transaction costs. In such circumstances, the client will receive trade confirmations directly from the designated broker (or its clearing firm) and pay brokerage commissions in accordance with the designated broker's schedule of rates, or as per whatever arrangement the client has negotiated.

Biondo seeks to obtain the best execution for all investment advisory transactions provided in both the separate client accounts and the mutual funds it advises. Transactions for each client account may be done independently unless Biondo decides to purchase or sell the same securities for several clients at approximately the same time. Biondo may (but is not obligated to) combine or "batch" such orders into block orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Biondo's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will be averaged as to price and transaction costs, and will be allocated among Biondo's clients in proportion to the purchase and sale orders placed for each client account on any given day. If Biondo is unable to fill an entire order on the same day and receives a partial fill, Biondo will normally allocate such transactions on an equitable rotational system that considers a random assignment method.

It is possible that some clients with highly customized investment policies or restrictions may not participate in aggregated transactions and their transactions may only be executed after guideline compliance between Biondo and the client has been established. Such clients may receive a less favorable price on these transactions.

### **Review of Discretionary Accounts**

Biondo's portfolio managers and associates are generally responsible for reviewing discretionary client portfolios. The portfolios are structured in accordance with the investment objectives of the clients and any restrictions imposed on the managers, described in the new account documents and annual updates. Generally, discretionary portfolios are reviewed quarterly at a minimum and with greater frequency as changes occur in the holdings. The process is facilitated utilizing the portfolio management system of Interactive Advisory Software. Portfolio managers and associates may meet or consult with clients of the firm in person or by phone. All clients are encouraged to communicate regularly with the portfolio managers and associates. These meetings or consultations may involve investment philosophy discussions, investment policy decisions, individual securities and client questions and personal changes. On a daily basis The Biondo Growth Fund (BIONX) and The Biondo Focus Fund (BFONX) are reviewed by the portfolio managers and associates for both security weightings and exposure. Fund values are available online at Yahoo! Finance or other similar sites.

Portfolio changes, security values, deposits greater than 5%, withdrawals and client objectives are among the other factors that will serve as cause for a portfolio review.

Biondo makes arrangements for its clearance agent to furnish clients with written confirmations of transactions and debit/credit advice for any transaction for which Biondo has placed an order. Each client has particular needs which determine the frequency and nature of reporting. Generally, clients or their custodians will receive printed monthly statements, quarterly confirmations and printed periodic performance reports no less than annually. Monthly statements include portfolio balances, positions and transaction detail for the period. Performance reports list beginning values, net additions and withdrawals, appreciation and ending values for each period. Additionally, through regular phone conversations and in person meetings, clients and Biondo are able to exchange information that allows goals, objectives and investment strategy to remain current. Biondo Family of Funds' clients receive annual and semi-annual printed fund reports, outlining positions, sector exposure and the performance for the funds.

### **Client Referrals and Other Compensation**

Biondo does not receive economic benefit from anyone who is not a client for providing investment advice or other advisory services to its clients.

Biondo does not employ the services of third-party or unaffiliated solicitors for referrals of advisory clients to the firm.

### **Custody**

Biondo does not have custody of client funds or securities. Biondo utilizes the custodial services of National Financial Services, LLC for those clients that do not have a designated custodian. As noted in Review of Accounts, above, clients or their custodians generally receive printed monthly statements from custodians and printed periodic performance reports from Biondo. Clients should carefully review all statements, especially comparing those received from the custodian with those received from Biondo.

### **Investment Discretion**

Biondo accepts accounts when it is given specific trading authorization. The firm accepts certain limitations on such discretion, for example, investment restrictions or prohibitions as determined by individual clients. These limitations will be agreed upon at the outset of the relationship and are subject to change, with notice from the client. The client is requested to verify or change any restrictions annually in writing. Client restrictions may include specific securities or sectors or maintenance of certain cash amounts. Clients are required to sign a Discretionary Investment Management Agreement when authorizing Biondo to assume discretionary authority.

### **Voting Client Securities for Discretionary Accounts**

Usually proxy voting will be at the discretion of Biondo, unless otherwise directed by client request in writing. Clients are permitted to place reasonable restrictions on Biondo's voting authority in the same manner that they may place restrictions on the actual selection of account securities. Clients may contact Biondo directly at 570-296-5525 or 877-246-6367 to obtain information on how Biondo voted a specific proxy on behalf of the client. Biondo may refrain from voting proxies if it concludes that the effect on shareholder's economic interests, or the value of the portfolio holding, is insignificant. Biondo's policy is to vote proxies in the best economic interest of the client, and not in the interest of the Firm. While it is unlikely that there will be a material conflict when voting client proxies, a conflict could arise from time to time. If it is appropriate to obtain a client's informed consent, Biondo will provide the client with sufficient information regarding the matter and nature of the conflict to enable the client to make an informed decision. Clients may receive a complete copy of Biondo's Proxy Voting Policy and Procedures upon request at any time by contacting Eugenia Pavek, the Firm's Chief Compliance Officer, at 570-296-5525 or 877-246-6367.

If a client does not give Biondo authority to vote proxies on their behalf, that client will receive proxies or other solicitations directly from their custodian. Clients may contact Biondo at 570-296-5525 or 877-246-6367 with questions about a particular proxy or solicitation.

### **Financial Information**

- Biondo does not require or solicit prepayment of more than \$1,200 in fees per discretionary client, six months or more in advance.
- Biondo knows of no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.
- Biondo has never been the subject of a bankruptcy petition at any time.



# **BIONDO**

## **INVESTMENT ADVISORS, LLC**

An affiliate of The Biondo Group, LLC  
540 Routes 6 & 209  
PO Box 909  
Milford, PA 18337

## **WRAP FEE PROGRAM BROCHURE**

### **Form ADV: Part 2A Appendix 1**

This wrap fee program brochure provides information about the qualifications and business practices of Biondo Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 570.296.5525 or [team@thebiondogroup.com](mailto:team@thebiondogroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Biondo Investment Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Contact us:  
TF 877.246.6367 or  
570.296.5525

[www.TheBiondoGroup.com](http://www.TheBiondoGroup.com)

Biondo Investment Advisors, LLC is a registered investment adviser. That designation does not imply a certain level of skill or training. Under the Investment Advisor Act of 1940, an Investment Adviser is defined as any person who, for compensation, engages in the business of advising others on investments. Investment Advisors must register with, and be regulated by, either the Securities and Exchange Commission or a State regulatory body.

March 10, 2017

## **Material Changes**

**Only the material changes since our last annual update on February 24, 2016 follow. Please review the entire document for our current wrap fee program information.**

### Services, Fees and Compensation:

- The fee schedule for Separately Managed and Institutional Accounts has been revised.
- A fee schedule for ETF Portfolios has been established.

### Account Requirements and Types of Clients:

- As a condition for starting and maintaining a discretionary relationship, Biondo now requires a \$25,000 minimum individual account portfolio size. Account size does affect investment options available.

### Investment Strategies:

- Sector Opportunities Strategy is no longer available for new investment.
- ETF Portfolios have been established for accounts over \$25,000.

### Other Financial Industry Activities and Affiliations:

- During 2017, Biondo will transition brokerage business from Biondo Asset Management, LLC to Fidelity Brokerage Services, LLC and National Financial Services, LLC.
- Biondo may also receive other incidental revenue from administrative areas. If profits are derived from trading errors, they will be donated to the Ingeborg A. Biondo Memorial Trust.

**Table of Contents**

<u>Topic</u>	<u>Page</u>
Cover Page	0
Material Changes	1
Table of Contents	2
Services, Fees and Compensation	3
Wrap Fee Account Fee Schedules	3
Institutional Fee Schedule	3
Account Requirements and Types of Clients	6
Portfolio Manager Selection and Evaluation	6
Advisory Business	7
Performance Based Fees and Side by Side Management	8
Methods of Analysis, Investment Strategies and Risk of Loss	8
Biondo's Investment Strategies	10
Voting Client Securities	12
Client Information Provided to Portfolio Managers	12
Client Contact with Portfolio Managers	13
Additional Information	13
Disciplinary Information	13
Other Financial Industry Activities and Affiliations	13
Code of Ethics	15
Review of Accounts	16
Client Referrals and Other Compensation	16
Financial Information	16

**Services, Fees and Compensation**

Biondo Investment Advisors, LLC (Biondo) sponsors a wrap fee program, Biondo Advisors Managed Account Program. On a fee for service basis, separate account portfolios are customized for clients based on investment objectives, risk tolerance and liquidity requirements. Biondo will provide a copy of its Wrap Fee Program Brochure, Form ADV Part 2A Appendix 1, and its privacy policy to each client prior to, or at the same time as the Investment Management Agreement is signed. Transactions for the Biondo Managed Account Program are processed without any commission charges to the account.

**Wrap Fee Account Fee Schedules**

Discretionary Equity Separately Managed Accounts:

	Option 1	Option2	Option 3
< \$1,000,000	1.50%	1.50%	1.25%
\$1,000,001 - \$5,000,000	1.00%	1.00%	0.75%
\$5,000,001 - \$10,000,000	0.75%	0.75%	0.50%
\$10,000,001 and over	Negotiated Fee Rate – All Portfolio Levels		

**Institutional Fees are negotiable.**

Descriptions of Portfolio Strategies and Offerings begin on page 10. Minimum portfolio size for Equity Separately Managed account is \$250,000 with the exception of 100% single strategy accounts that have a minimum portfolio size of \$100,000.

Discretionary Exchange Traded Funds (ETF) Portfolios:

< \$1,000,000	1.00%
\$1,000,001 - \$5,000,000	0.75%
\$5,000,001 - \$10,000,000	0.50%
\$10,000,001 and over	Negotiated Fee Rate

Descriptions of ETF Strategies begin on page 12. Minimum portfolio size for ETF Portfolios is \$25,000.



Fees may vary from this schedule due to specific circumstances of the client or as otherwise negotiated with particular clients. Fees are detailed in each client Investment Management Agreement. Specific circumstances can include, but are not limited to: the existence of other accounts with Biondo or its affiliates, percentage of asset allocation dedicated to fixed income, and fee schedules negotiated prior to the existence of the fee schedule provided above. Portfolio managers are paid a salary and performance bonus, not a percentage of fees charged to clients for the management of their accounts.

Advisory services fees are payable quarterly, in advance, based on an account's gross market value on the last business day of the previous calendar quarter. Gross market value is the total value of all cash and securities in the account without deduction of any margin balance. Accounts accepted during a quarter will be charged a pro-rated fee for that quarter.

Clients with multiple accounts, or clients with multiple accounts for various individuals in their immediate household, living at the same address, will be considered in total for the purpose of reaching breakpoints in the fee schedule. Corporate and Trust Accounts reporting under tax identification numbers, not Social Security numbers, will not be added to a household's total for breakpoint purposes. Certain accounts of Biondo or its affiliates, former employees or their relatives, and current employees or their relatives may be managed by Biondo for a reduced fee. Biondo advisory fees are, in general, based on assets under management. The fee schedule is reviewed on a periodic basis.

Biondo's fees are automatically deducted quarterly from the client's account during the first month of a quarter unless the client has specifically requested, in writing, to be billed. Billed clients are mailed or electronically delivered an invoice in the first week of a quarter. Institutional clients receive invoices and may request alternate payment schedules. Fees are due 30 days after receipt of Biondo's invoice.

Biondo's services may be terminated by either party with written notice as explained in the client's Investment Management Agreement. Since Biondo's fees are due and payable in advance, there are times a client may be entitled to a refund. Fee refunds are pro-rated for actual calendar days under management. Refunds are calculated during the account termination process and are credited to the account, or paid within thirty days of the account termination.

Biondo and its representatives do not receive direct compensation for the sale of securities including asset-based sales charges. Associates are compensated by salary and bonus. They do not sell other investment products for compensation. Biondo Asset Management, LLC, a broker-dealer affiliate of The Biondo Group, LLC currently receives 20% of client fees for processing client transactions. During 2017, Biondo will transition brokerage business from Biondo Asset Management, LLC to Fidelity Brokerage Services, LLC and National Financial Services, LLC prorating the payment to Biondo Asset Management, LLC as assets transition. Biondo may also receive other incidental revenue from administrative areas. If profits are derived from trading errors, they will be donated to the Ingeborg A. Biondo Memorial Trust.

Biondo advises The Biondo Growth Fund and The Biondo Focus Fund which are distributed by Northern Lights Distributors, LLC. A copy of the prospectus for either Fund, containing information on investment objectives, risks, charges and expenses, can be obtained by calling 1-800-672-9152 or by download at [www.TheBiondoGroup.com](http://www.TheBiondoGroup.com). The Biondo Growth Fund, an all cap, non-diversified, open-end investment company that seeks capital appreciation, pays Biondo a management fee equal to 1.00% of the average daily net assets of the Fund. The Biondo Focus Fund, an all cap concentrated, non-diversified, open-end investment company that seeks long term capital appreciation, pays Biondo a management fee equal to 1.50% of the average daily net assets of the Fund.

Since the brokerage fees received by Biondo Asset Management, LLC are based on a percentage of client fees and not trading activity, any potential conflict of interest of these payments is minimized. The relationship between Biondo and Biondo Asset Management, LLC is disclosed to clients in the Investment Advisory Agreement. Clients are given the option of directing their brokerage to non-affiliated firms.

The Biondo Growth Fund and The Biondo Focus Fund may be held in managed accounts. Management fees on those assets are not charged to a client's account, but are paid through the mutual funds as described in the prospectus and SAI for the funds.

Biondo does not primarily recommend mutual funds to its clients.

All of Biondo's revenue from advisory clients comes from fees, not from commissions or compensation for the sale of investment products, which are recommended to advisory clients.

Biondo does not charge advisory fees in addition to commissions or markups for wrap fee clients. Block trades executed through outside broker-dealers are charged a markup by the outside broker-dealer.

Institutional clients and clients directing brokerage to non-affiliated firms may be charged commissions or markups.

Client fees may be negotiated.

Biondo and its representatives do not accept performance-based fees based on a share of capital gains on, or capital appreciation of, the assets of an advisory client.

Costs under the Wrap Fee Schedule may be more or less than purchasing services separately. The cost of providing all services separately would be affected by individual charges for custody, interest and dividend processing, disbursements, statements, valuation, advice and trading. These costs are also influenced by the number of securities in a portfolio and the amount of trading.

In addition to the wrap fee, there are times when a client will incur additional fees. Account assets invested in shares of mutual funds or other investment companies will be included in calculating the gross value of an account for purposes of computing Biondo's fees. The same assets will also be subject to additional advisory fees and other fees and expenses, as set forth in the prospectuses of those funds, paid by the funds but ultimately paid by the investor. Clients, who direct brokerage or select alternative custodians may also incur brokerage, other transaction and custodial costs and fees. Clients will also pay a mark-up or mark-down or spread to market makers processing securities transactions. Biondo's current custodian, National Financial Services, LLC, charges account termination and transfer fees that are passed along to Biondo's clients. The amount of these fees is disclosed upon opening an account, upon any change and annually.

The advisor recommending the program may be compensated as a result of a client's participation in Biondo's wrap fee program. The amount of this compensation may be more than what the advisor would receive if the client paid separately for investment advice, brokerage or other services, or purchased The Biondo Growth Fund or The Biondo Focus Fund. This may create a financial incentive to recommend the wrap fee program over other programs or services of Biondo and could be a potential conflict of interest. Biondo has established policies and procedures that monitor employees' attention to fiduciary responsibilities, and that any investment program recommended is in the best interest of each client.

### **Account Requirements and Types of Clients**

As a condition for starting and maintaining a discretionary relationship, Biondo requires a \$25,000 minimum client portfolio size. Clients with investment horizons of less than three years are generally considered unsuitable for participation in Biondo's investment strategies.

Biondo provides investment advice to individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations or other business entities, educational institutions, endowments and foundations. Biondo also provides investment advice to clients through its participation in programs at Morgan Stanley, Merrill Lynch, J. P. Morgan and ENVESTNET.

### **Portfolio Manager Selection and Evaluation**

Investments for portfolios are determined by Portfolio Managers, who apply standards and practices established by the firm in analyzing and making investment decisions. Portfolio Managers are required to have a relevant university degree and/or extensive industry experience and/or extensive knowledge and understanding of portfolio management theory and investing portfolios. All Biondo employees are encouraged to supplement their formal education and experience through various industry-related educational programs. Joseph R. Biondo, Joseph P. Biondo and Scott A. Goginsky, CFA co-manage most client portfolios. Managers are reviewed annually by Biondo's Investment Committee and will be replaced if

long term performance and/or stability of portfolios are unsatisfactory. Portfolio Managers make investment decisions collaboratively for all clients.

Portfolio manager performance is monitored through programs supplied by Interactive Advisory Software. Performance is compared to appropriate indexes for account allocations.

Performance results are reviewed quarterly for accuracy. Performance is presented as both gross and net of fees. Biondo claims compliance with the Global Investment Performance Standards (GIPS®) and uses Ashland Partners & Company, LLP as the independent verifier.

Biondo's investment strategies are those developed by Joseph R. Biondo and Joseph P. Biondo along with Scott A. Goginsky, CFA. They are the Firm's portfolio managers. This arrangement creates a conflict of interest in that portfolio managers could place their own or Biondo's interests before a client's interest. The potential conflicts and how they are addressed by Biondo's Code of Ethics are more fully described in the Additional Information section.

### **Advisory Business**

Biondo provides investment supervisory services to approximately 90% of its firm assets. "Investment supervisory services" means the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client. Biondo manages separate accounts on a discretionary, fee-for-service basis as a percentage of assets under management. Portfolio Managers have authority to determine, without specific client consent, both the specific securities and the dollar amount to be bought or sold. Managed accounts are generally Wrap Fee Accounts unless other arrangements are made. As an accommodation to clients, Biondo accepts non-discretionary accounts that represent ten percent of Biondo's assets.

The type of investments on which Biondo offers advice includes:

- equity securities (exchange-listed, over-the-counter, and foreign issued),
- warrants,
- corporate debt securities (other than commercial paper),
- commercial paper,
- certificates of deposit,
- municipal securities,
- mutual fund shares,
- United States governmental securities,
- options contracts on securities, and
- insurance and annuities.

Biondo tailors its advisory services to the individual needs of clients by reviewing a client's personal information, goals and risk tolerance before the client enrolls in any sponsored program. Biondo's Investment Management Agreement includes a disclosure statement and a suitability questionnaire that all potential clients are asked to complete. An analysis of this information is used to determine whether a client's portfolio should be aggressive, moderate or conservative. Clients may impose certain restrictions on investing in particular securities.

Clients are requested to inform Biondo of any changes in the information provided at account inception and to review this information at least annually in writing.

Biondo participates in Wrap Fee Programs by providing portfolio management services. Biondo manages wrap fee accounts in the same way as it does other client accounts. The fee schedule for management of wrap fee accounts is different. Biondo receives a portion of the wrap fee for its services. A full description of fee calculation and compensation appears previously beginning on page 3.

### **Performance Based Fees and Side by Side Management**

Biondo and its supervised persons do not accept performance-based fees based on a share of capital gains on, or capital appreciation of, the assets of an advisory account.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

Biondo pursues a stock selection discipline that seeks to identify companies over the capitalization spectrum with exceptional growth potential. Biondo analyzes the strengths of each identified company using fundamental analysis, which emphasizes management's integrity and capabilities, product strength, competition, research and development practices and future growth prospects. Charting and technical analysis are also used. Main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared and provided by others (including purchased services), corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission (SEC), and company press releases. Biondo also attends corporate presentations at conferences and will occasionally visit the corporate headquarters of companies in which it has investment interest.

**Investing in securities involves risk of loss that clients should be prepared to bear. Clients with investment horizons of less than three years are generally considered unsuitable for participation in Biondo's investment strategies.**

Biondo's investment strategies include transactions in which securities are held at least a year, securities sold within a year, and securities sold within 30 days. (Biondo generally holds portfolio securities longer than a year, but securities held less than a year incur greater tax consequences.) Transactions can also include short sales, options and trading on margin.

- A short sale consists of selling borrowed shares in the hope that they can be bought back later at a lower price. Short sales have unlimited risk.
- Options are contracts that provide the holder the right to purchase or sell the underlying security. Trading options involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- Trading on margin can magnify gains and losses.

Fixed income components are intended to provide maximum current income with minimum credit risk, but clients should note there is still some risk to fixed income components.

Biondo does not guarantee:

- the future performance of the client's account or any specific level of performance,
- the success of any investment decision or strategy, or
- the success of Biondo's overall management of the client's account.

Investment decisions are subject to various market, currency, credit, economic, political and business risks. Biondo's investment decisions will not always be profitable.

Derivative securities are subject to changes in the underlying securities or indices on which such transactions are based. There is no guarantee that the use of derivatives for investment or hedging purposes will be effective or that suitable transactions will be available. Even a small investment in derivatives (which include options on stocks, ADRs and ETFs) may give rise to leverage risk, and can have a significant impact on the portfolio's exposure to securities markets values and interest rates. Derivatives are also subject to credit risk (the counterparty may default) and liquidity risk (the Fund may not be able to sell the security or otherwise exit the contract in a timely manner).

When covered call options are sold, a portfolio receives cash but limits its opportunity to profit from an increase in the market value of the security beyond the exercise price (plus the premium received). The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. In a rapidly rising market, a portfolio could significantly underperform the market. The gain on the underlying stock will be equal to the difference between the exercise price and the original purchase price of the underlying security, plus the premium received. The gain may be less than if a portfolio had not sold an option on the underlying security. If a call expires unexercised, a portfolio realizes a gain in the amount of the premium received, although there may have been a decline (unrealized loss) in the market value of the underlying securities during the option period which may exceed such gain. If the underlying securities should decline by more than the option premium a portfolio received, there will be a loss on the overall position.

Once an appropriate portfolio structure is developed for a client, Biondo will manage only the securities, cash and other investments held in the client's account. In making investment decisions for the account, Biondo cannot consider any other securities, cash or other investments owned by the client that have not been disclosed to Biondo.

## Investment Strategies

As part of a multi-disciplinary platform and based on an analysis of suitability, clients may choose to assign varying percentages of portfolio assets to the following strategies in Aggressive, Moderate or Conservative portfolios. Portfolio Managers may rebalance portfolios to reflect market conditions. Indicated percentages of each strategy included in a portfolio may fluctuate 5% to 10% based on market conditions. Securities may include mutual funds and Exchange Traded Funds (ETF's) to represent a market component when appropriate. Up to 20% margin may occur based on client circumstances and short term situations.

**Growth Strategy:** a portfolio of generally 35 or less securities that pursues stocks with growth characteristics in all market capitalizations with a large cap emphasis. Typically 20% or less leverage may be employed. Put and call options may be purchased or sold.

**Focus Strategy:** a portfolio of generally 25 or less securities that pursues stocks with growth characteristics in all market capitalizations. Typically 20% or less leverage may be employed. Put and call options may be purchased or sold.

**Dividend Strategy:** a portfolio of generally 35 or less primarily income generating securities in all market capitalizations with a large cap emphasis that may include Master Limited Partnerships (MLP's). Call options may be sold against stock positions in the portfolio.

**International Strategy:** a portfolio of generally 20 or less international securities in all market capitalizations. Portfolio selections are made based on relative strength versus other international securities available for inclusion.

**Sector Opportunities Strategy:** a portfolio of generally 10 ETF's representing the strongest sectors of the U.S. equity markets identified through relative strength analysis. Sector Opportunities Strategy is no longer available for new investment.

**Alternatives Strategy:** a portfolio of mutual funds and ETF's designed to reduce overall portfolio volatility and to track hedge fund benchmarks.

**Fixed Strategy:** a portfolio of generally 20 or less exclusively fixed income securities. Portfolio selections are made based on relative strength versus other fixed income securities available for inclusion.

Discretionary Equity Portfolio Offerings

**Option 1**

**100% Equity or Equity/Alternatives**

(100% in: Growth/Focus/Dividend/International/Alternatives)

OR

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
85% Focus	85% Growth	50% Growth	50% Focus	85% Dividend
15% International	15% International	40% Dividend	25% Dividend	15% International
		10% International	15% Alternatives	
			10% International	

**Option 2**

**20 – 30% Fixed Income Inclusion**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
50% Focus	50% Growth	70% Dividend	40% Focus	50% Dividend
20% Dividend	20% Dividend	30% Fixed	20% Dividend	20% Growth
10% International	10% International		10% Alternatives	10% International
20% Fixed	20% Fixed		10% International	20% Fixed
			20% Fixed	

**Option 3**

**Broader Diversification**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
30% Dividend	30% Dividend	50% Dividend	20% Growth	50% Growth
20% Focus	20% Growth	50% Fixed	20% Dividend	50% Fixed
10% International	10% International		10% Alternatives	
40% Fixed	40% Fixed		10% International	
			40% Fixed	



Discretionary Exchange Traded Funds (ETF) Strategies

As part of a multi-disciplinary platform and based on an analysis of suitability, clients may choose to assign varying percentages of portfolio assets to the following strategies in Domestic Equity, International Equity or Fixed Income ETF's. Portfolio Managers may rebalance portfolios to reflect market conditions. Indicated percentages of each strategy included in a portfolio may fluctuate 5% to 10% based on market conditions. Up to 20% margin may occur based on client circumstances and short term situations.

Discretionary Exchange Traded Funds (ETF) Portfolio Offerings

<b>Option</b>	<b>Domestic Equity</b>	<b>Int'l Equity</b>	<b>Fixed Income</b>
<b>1</b>	85%	15%	0%
<b>2</b>	70%	10%	20%
<b>3</b>	50%	10%	40%
<b>4</b>	40%	0%	60%

**Voting Client Securities**

Usually proxy voting will be at the discretion of Biondo, unless otherwise directed by client request in writing. Clients are permitted to place reasonable restrictions on Biondo's voting authority in the same manner that they may place restrictions on the actual selection of account securities. Clients may contact Biondo directly at 570-296-5525 or 877-246-6367 to obtain information on how Biondo voted a specific proxy on behalf of the client. Biondo may refrain from voting proxies if it concludes that the effect on shareholder's economic interests or the value of the portfolio holding is insignificant. Biondo's policy is to vote proxies in the best economic interest of the client, and not in the interest of the Firm. While it is unlikely that there will be a material conflict when voting client proxies, a conflict could arise from time to time. If it is appropriate to obtain a client's informed consent, Biondo will provide the client with sufficient information regarding the matter and nature of the conflict to enable the client to make an informed decision. Clients may receive a complete copy of Biondo's Proxy Voting Policy and Procedures upon request at any time by contacting Eugenia Pavek, the Firm's Chief Compliance Office, at 570-296-5525 or 877-246-6367.

If a client does not give Biondo authority to vote proxies on their behalf, that client will receive proxies or other solicitations directly from their custodian. Clients may contact Biondo at 570-296-5525 or 877-246-6367 with questions about a particular proxy or solicitation.

**Client Information Provided to Portfolio Managers**

Portfolio Managers are given the income, net worth, age, employment status, goals, any restrictions, asset allocation and suitability for each client. This information is updated as the client communicates a change. Additionally, updates are directly requested from all clients at least annually.

## **Client Contact with Portfolio Managers**

Portfolio Managers hold annual or more frequent Portfolio Reviews and are available for consultation during business hours by telephone, or by appointment. Portfolio Managers also issue newsletters and hold periodic teleconferences.

## **Additional Information**

### **Disciplinary Information**

Biondo and its management persons have no material disciplinary events to disclose.

### **Other Financial Industry Activities and Affiliations**

Biondo is a wholly owned subsidiary of The Biondo Group, LLC. The Biondo Group, LLC is also the owner of Biondo Asset Management, LLC, a registered broker-dealer and member of FINRA and SIPC and Biondo Wealth Services, LLC, providing life insurance and annuities.

Biondo has generally directed brokerage through Biondo Asset Management, LLC, unless otherwise requested by an individual client. Biondo also pays 20% of client fees to Biondo Asset Management, LLC for processing client transactions. During 2017, Biondo will transition brokerage business from Biondo Asset Management, LLC to Fidelity Brokerage Services, LLC and National Financial Services, LLC prorating the payment to Biondo Asset Management, LLC as assets transition.

Biondo has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides Biondo with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Biondo in conducting business and in serving the best interests of their clients but that may benefit Biondo.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Biondo to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. Fidelity commissions and transaction fees will not be charged to Biondo discretionary managed accounts.

As part of the arrangement, Fidelity also makes available to Biondo, at no additional charge to Biondo, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Biondo (within specified parameters). These research and brokerage services presently include services such as Wealthscape, a brokerage and custody platform featuring online service tools, comprehensive

account information, trading and modeling; and Insight & Outlook, a robust library resource for industry insights and market commentary that are used by Biondo to advise accounts.

Biondo may also receive additional services which may include Fidelity's Retirement Income Evaluator; and Practice Management & Insights, an in-depth resource for technology & operations, risk & regulatory, strategy and client focus issues that are current in our industry. Fidelity will also pay certain expenses that Biondo will incur in transitioning to a new Fidelity platform. Without this arrangement, Biondo might be compelled to purchase the same or similar services at its own expense.

As a result of receiving such services for no additional cost, Biondo may have an incentive to continue to use or expand the use of Fidelity's services. Biondo examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of Biondo's clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Biondo determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Biondo will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by Biondo will generally be used to service all of Biondo's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Biondo and Fidelity are not affiliates.

Biondo Asset Management, LLC receives distribution and service fees (12b-1 fees) on mutual funds employed in portfolios, including The Biondo Family of Funds. Biondo Asset Management, LLC shares with its clearing agent National Financial Services in margin interest charged. Biondo Asset Management, LLC will also transact securities transactions for compensation for clients in accounts that are not a part of the Managed Account Program. Insurance products will not be held in client investment advisory accounts. Some employees are registered and compensated by both Biondo and Biondo Asset Management, LLC through The Biondo Group, LLC. Any possible conflict of interest in this relationship is avoided by giving clients the option of directing brokerage and insurance business to non-affiliated firms.

Joseph R. Biondo has a referral arrangement with First Wilshire that pre-exists the formation of The Biondo Group, LLC. Biondo and its management persons have no other relationships that are material to its advisory business or to its clients.

### **Code of Ethics**

Biondo has adopted a Code of Ethics, pursuant to Section 204A-1 of the Investment Advisor Act of 1940, as amended, that ensures that the personal securities transactions of Biondo's principals, employees and affiliates do not conflict with transactions affected on behalf of clients. The Code of Ethics is based on the principles that Biondo will:

- place the interest of the clients first;
- avoid taking inappropriate advantage of their positions within Biondo;
- conduct any personal securities transactions in full compliance with the Code.

Clients or prospective clients will be sent a copy of Biondo's Code of Ethics at any time upon request.

Biondo does not recommend securities to managed clients in which Biondo or its officers or employees have a material financial interest.

Biondo does not buy or sell securities from or to any investment advisory client. However, officers or employees of Biondo may buy or sell or hold positions in securities recommended to clients, including buying securities that are being sold for certain clients and selling securities that are being purchased for certain clients. Biondo seeks to ensure that it, or its affiliates or employees, does not wrongfully benefit from the short-term effects of their recommendations. If an officer or employee is placing a trade for a security, they must file a pre-clearance trade request with the Chief Compliance Officer, or in her absence, the Director Operations. If the employee's trade is approved, clients' trades are placed first if possible. In some circumstances, client and employee trades may be part of a block trade with the final trade price calculated as an average price of all executions. If any employee receives a better price on a transaction, that transaction price is given to a client if the executions were transacted by the same broker. If it is not possible to reallocate a transaction in which an employee received a better price than a client, the employee's trade will be cancelled. The employee would then be required to re-file a pre-clearance trade request.

Accounts of Biondo, its affiliates or employees are managed along with other accounts in such a way that the internal account does not receive favorable treatment over other client accounts.

The Compliance Department of Biondo, in order to monitor compliance with Biondo's personal trading policies and restrictions, requires all personnel to have duplicate statements and confirmations for any outside brokerage accounts they may have sent to the Compliance Department.

Additionally, also in accordance with Section 204A of the Investment Advisor Act of 1940, as amended, Biondo also maintains and enforces policies reasonably designed to prevent the unlawful use of material, non-public information by Biondo or any of its principals or employees.

### **Review of Accounts**

Biondo's portfolio managers and associates are generally responsible for reviewing client portfolios. The portfolios are structured in accordance with the investment objectives of the clients and any restrictions imposed on the managers, described in the new account documents and annual updates. Generally, portfolios are reviewed quarterly at a minimum and with greater frequency as changes occur in the holdings. The process is facilitated utilizing the portfolio management system of Interactive Advisory Software. Portfolio managers and associates may meet or consult with clients of the firm in person or by phone. All clients are encouraged to communicate regularly with their portfolio manager and associates. These meetings or consultations may involve investment philosophy discussions, investment policy decisions, individual securities and client questions. On a daily basis The Biondo Growth Fund (BIONX) and The Biondo Focus Fund (BFONX) are reviewed by the portfolio managers and associates for both security weightings and exposure. Fund values are available online at Yahoo! Finance or other similar sites.

Portfolio changes, security values, deposits greater than 5%, withdrawals and client objectives are among the other factors that will serve as cause for a portfolio review.

Biondo makes arrangements for its clearance agent to furnish clients with written confirmations of transactions and debit/credit advice for any transaction for which Biondo has placed an order. Each client has particular needs which determine the frequency and nature of reporting. Generally, clients or their custodians will receive printed monthly statements and printed periodic performance reports no less than annually. Monthly statements include portfolio balances, positions and transaction detail for the period. Performance reports list beginning values, net additions and withdrawals, appreciation and ending values for each period. Additionally, through regular phone conversations and in person meetings, clients and Biondo are able to exchange information that allows goals, objectives and investment strategy to remain current. Biondo Family of Funds' clients receive annual and semi-annual printed fund reports, outlining positions, sector exposure and the performance for the fund.

### **Client Referrals and Other Compensation**

Biondo does not receive economic benefit from anyone who is not a client for providing investment advice or other advisory services to its clients.

Biondo does not employ the services of third-party or unaffiliated solicitors for referrals of advisory clients to the Firm.

### **Financial Information**

- Biondo does not require or solicit prepayment of more than \$1,200 in fees per discretionary client, six months or more in advance.
- Biondo knows of no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.
- Biondo has never been the subject of a bankruptcy petition at any time.

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# **BIONDO**

## **INVESTMENT ADVISORS, LLC**

An affiliate of The Biondo Group, LLC  
540 Routes 6 & 209  
PO Box 909  
Milford, PA 18337

## **BROCHURE SUPPLEMENT**

### **Form ADV: Part 2B**

Joseph P. Biondo, CEO & CIO, Portfolio Manager  
Joseph R. Biondo, Founder, Senior Portfolio Manager  
Scott A. Goginsky, CFA, Research Analyst and Portfolio Manager  
Karl A. Wagner, III, Director of Business Development  
Eugenia S. Pavek, Chief Compliance Officer, Vice President

This brochure supplement provides information about Joseph P. Biondo, Joseph R. Biondo, Scott A. Goginsky, CFA, Karl A. Wagner, III and Eugenia S. Pavek that supplements the Biondo Investment Advisors, LLC (Biondo) brochure. You should have received a copy of that brochure. Please contact Eugenia S. Pavek, Chief Compliance Officer if you did not receive Biondo Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Joseph P. Biondo, Joseph R. Biondo, Scott Goginsky, CFA, Karl A. Wagner, III and Eugenia S. Pavek is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Contact us:  
TF 877.246.6367 or  
570.296.5525

[www.TheBiondoGroup.com](http://www.TheBiondoGroup.com)

Biondo Investment Advisors, LLC is a registered investment adviser. That designation does not imply a certain level of skill or training. Under the Investment Advisor Act of 1940, an Investment Adviser is defined as any person who, for compensation, engages in the business of advising others on investments. Investment Advisors must register with, and be regulated by, either the Securities and Exchange Commission or a State regulatory body.

March 10, 2017

## **Educational Background and Business Experience**

**Joseph P. Biondo, Chief Executive Officer & Chief Investment Officer** was the Firm's Chief Operating Officer from November 2004 through December 2007. Joseph has been Chief Investment Officer since January 2008 and Chief Executive Officer since January 2015. Born in 1973, Joseph graduated from the Wharton School of Business at the University of Pennsylvania. Joseph began his career as a Financial Advisor at Prudential Securities Inc. from August 1997 to November 1999 and as a Portfolio Manager with The Biondo Group at Smith Barney from November 1999 to November 2004.

**Joseph R. Biondo, Founder & Senior Portfolio Manager** founded the Firm in March 2004 and was the Firm's Chief Executive Officer from March 2004 through December 2014. Joe was born in 1939 and attended the New York Institute of Finance. A Portfolio Management Director with The Biondo Group at Smith Barney from January 1991 to March 2004, Joe was with Smith Barney and/or predecessor firms since 1962.

**Scott A. Goginsky, CFA, Research Analyst and Portfolio Manager** joined the Firm in 2010 as Research Analyst and became a Portfolio Manager in January 2012. The CFA designation, which he received in 2000, requires successful completion of three required exams and at least three years of study. Scott was born in 1971 and received degrees from the University of Kansas and an M.B.A. from Oakland University. Prior to joining the Firm, he was a Director of Research, Investment Strategist and Senior Partner at R Capital Advisors, LLC and a Senior Equity Analyst for Schwartz Investment Counsel, Inc. from 2002 to 2008.

**Karl A. Wagner, III, Partner & Director of Business Development** joined the Firm in August 2013. Karl was born in 1969 and holds a Bachelor's Degree from Villanova University. He has been a financial advisor since 1994 and has worked with Fortune 200 companies, most recently as Regional Vice President with Prudential Financial from 2008 to 2013. Karl currently holds insurance licenses in several states.

**Eugenia S. Pavsek (Jean), Chief Compliance Officer** was the Firm's Director of Portfolio Management & Compliance from December 2004 until December 2007. Jean was born in 1946 and attended Skidmore College. She held several positions with Smith Barney and/or predecessor firms from April 1982 to December 2004 when she was a Branch Manager.



### **Disciplinary Information**

There are no legal or disciplinary events material to a client's, or a prospective client's, evaluation of the persons described in this brochure supplement.

### **Other Business Activities**

Biondo is a wholly owned subsidiary of The Biondo Group, LLC. The Biondo Group, LLC is also the owner of Biondo Asset Management, LLC, a registered broker-dealer and member of FINRA and SIPC and Biondo Wealth Services, LLC, providing life insurance and annuities.

Biondo has generally directed brokerage through Biondo Asset Management, LLC unless otherwise requested by an individual client. Biondo also pays 20% of client fees to Biondo Asset Management, LLC for processing client transactions. During 2017, Biondo will transition brokerage business from Biondo Asset Management, LLC to Fidelity Brokerage Services, LLC and National Financial Services, LLC prorating the payment to Biondo Asset Management, LLC as assets transition. Biondo may also receive other revenue from administrative areas. Profits derived from trading errors are donated to the Ingeborg A. Biondo Memorial Trust.

Biondo Asset Management, LLC shares with its clearing agent National Financial Services, LLC in margin interest charged. Biondo Asset Management, LLC will also transact securities transactions for compensation for clients in accounts that are not a part of the Managed Account Program. Insurance products may be held in client investment advisory accounts, but will not be charged advisory fees. Insurance revenue is paid to Biondo Wealth Services, LLC and Biondo Asset Management, LLC. Some employees described in this brochure supplement are registered and compensated by both Biondo and Biondo Asset Management, LLC through The Biondo Group, LLC. Any possible conflict of interest in this relationship is avoided by giving clients the option of directing brokerage and insurance business to a non-affiliated firm.

Biondo and its representatives do not receive direct compensation for the sale of securities or other investment products, including asset-based sales charges. Representatives are compensated by salary and bonus.

Biondo does not primarily recommend mutual funds to its clients. Biondo advises The Biondo Growth Fund and The Biondo Focus Fund which are distributed by Northern Lights Distributors, LLC. A copy of the prospectus for either Fund, containing information on investment objectives, risks, charges and expenses, can be obtained by calling 1-800-672-9152 or by download at [www.thebiondogroup.com](http://www.thebiondogroup.com). The Biondo Growth Fund, an all cap, non-diversified, open-end investment company that seeks capital appreciation, pays Biondo a management fee equal to 1.00% of the average daily net assets of the Fund. The Biondo Focus Fund, an all cap concentrated, non-diversified, open-end investment company that seeks long term capital appreciation, pays Biondo a management fee equal to 1.50% of the average daily net assets of the Fund.

Account assets invested in shares of mutual funds or other investment companies, except The Biondo Family of Funds, will be included in calculating the gross value of an account for

purposes of computing Biondo's fees. These assets, including The Biondo Family of Funds, will also be subject to additional advisory fees and other fees and expenses, as set forth in the prospectuses and SAI's of those funds, paid by the funds but ultimately borne by the investor. Distribution and service fees (12b-1 fees) are paid to Biondo Asset Management, LLC as a broker dealer for the funds employed.

Since the brokerage fees received by Biondo Asset Management, LLC are based on a percentage of client fees and not trading activity, any potential conflict of interest these payments may cause is minimized. The Biondo Growth Fund and The Biondo Focus Fund may be held in accounts managed by Biondo, but clients are not charged management fees on those assets. All trades for The Biondo Family of Funds are executed through broker-dealers other than Biondo Asset Management, LLC.

All of Biondo's revenue from advisory clients comes from fees, not from commissions or other compensation for the sale of investment products that are recommended to advisory clients.

Biondo does not charge advisory fees in addition to commissions or markups for wrap fee clients. Block trades executed through outside broker-dealers are charged a markup by the outside broker-dealer.

Institutional clients and clients directing brokerage to non-affiliated firms may be charged commissions or markups.

The persons described in this brochure supplement are not actively engaged in any business or occupation for compensation other than previously mentioned unless that compensation represents less than ten percent of the person's time and income.

### **Additional Compensation**

Representatives do not receive additional compensation for providing advisory services. Only clients provide an economic benefit to the persons described in this brochure for providing advisory services.

### **Supervision**

The Chief Compliance Officer Eugenia S. Pavek supervises the activity of Joseph P. Biondo, Joseph R. Biondo, Scott A. Goginsky, CFA and Karl A. Wagner, III. She can be reached at 570-296-5525. Advice given to clients is monitored through review and approval of new account documents, investment advisory agreements, client communications, daily trading and notes of client meetings. The activity of Eugenia S. Pavek is reviewed and approved by Genevieve C. Cornell, Director Operations.