

Dear Valued Client:

We are pleased to welcome you to the International Assets Advisory LLC family of investment professionals. On behalf of the entire firm, we want to thank you for allowing us to be your financial investment advisor. We appreciate the confidence you've shown by selecting us and we will endeavor to reinforce that trust in our service to you. We look forward to a long and professional relationship.

For additional information about International Assets Advisory, please feel free to visit our website at www.iaac.com. In addition to learning more about the firm and our team, we post our complete Business Continuity Policy which outlines the steps we take to be available to you even in the unlikely event the office has to close temporarily due to an emergency situation such as a hurricane or terrorist attack. If you do not have a computer, we will mail you a copy upon your request.

As member of FINRA, we are required to provide you with a copy of our Privacy Policy which details the steps we take to protect the confidential information we receive from and about you and our other clients. If you would like information about **SIPC**, including the **SIPC** brochure, you may contact **SIPC** at **(202)-371-8300**, **Web site: www.sipc.org**, **Address: Securities Investor Protection Corp. 805 15th Street, N.W. Suite 800 Washington DC 20005-2215, Fax (202)371-6728 or Email: asksipc@sipc.org**

Please find attached a new customer package which includes a copy of your account paperwork, Disclosure Statement and other documentation in accordance with the rules and regulations governing the Securities Industry. If you have any questions or concerns please contact your account representative at your earliest convenience.

Again, thank you for becoming one of our valued clients.

Sincerely,

Edward Cofrancesco
President

PRODUCT DISCLOSURE STATEMENT

This statement contains important information. Please read it carefully. In particular you should review the "Credit Disclosure" section concerning margin accounts.

DISCLOSURE REQUIRED BY NEW YORK STOCK EXCHANGE® RULE 382 AND FINRA RULE 3230

International Assets Advisory LLC (IAAC) a member organization of the Financial Industry Regulatory Authority (FINRA), has a fully disclosed clearing agreement with NFS a member of the New York Stock Exchange and a carrying organization. IAAC has retained NFS to provide certain record keeping and operational services for your account(s), which include execution and settlement of securities transactions, custody of securities and cash balances, and extension of credit on margin transactions, where applicable.

These services are provided under a written Clearing Agreement between IAAC and NFS. You may also have an agreement with an investment advisor (IA), where applicable, who has introduced your account(s) to IAAC pursuant to a New Account Application and Agreement or a Managed Account Application and Agreement you signed (collectively referred to hereafter as "Account Agreement").

It is important that you know of and understand the respective responsibilities that IAAC, NFS, and your IA (if applicable) each have undertaken regarding such account(s). They are set forth as follows:

CREDIT DISCLOSURE

Cash Accounts

Cash accounts may be subject, at NFS's discretion, to interest on any debit balances in U.S. dollars or any other currency resulting from failure to make payment in full for securities purchased, from failure to timely deliver securities sold, from proceeds of sales paid prior to settlement date, or for other charges which may be made to the account.

Margin Accounts

The Account Agreement contains the necessary provisions for you to authorize the opening and maintenance of a Margin Account. Purchases of securities on credit, commonly known as margin purchases, enable you to increase your buying power and thus increase the potential for profit or loss. A portion of the purchase price is deposited when buying securities on margin, and NFS extends credit for the remainder. This loan appears as a debit balance in U.S. dollars or any other currency on your monthly account statement. NFS charges interest on the debit balance in U.S. dollars, or any other currency, and requires you to maintain securities, cash, or other property to secure repayment of funds advanced and interest due.

Interest will be charged in the appropriate currency for any credit extended to you for the purpose of buying, trading, or carrying any securities for any cash withdrawals made against the collateral of securities, or for any other extension of credit. When funds are paid in advance of settlement on the sale of securities, interest will be charged in the appropriate currency on such amount from the date of payment until the settlement date. In the event that any other charge is made to the account in U.S. dollars, or any other currency for any reason, interest may be charged on the resulting debit balances. Interest you pay on the loan may be shared between IAAC and NFS.

Interest Rates

Interest charged on any debit balances in cash accounts or credit extended in margin accounts may be up to 3.00 percentage points above the NFS Base Lending Rate for that currency. A portion of the interest charged by NFS may be shared with IAAC. The NFS Base Lending Rate for each currency will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and general credit market conditions. For a loan in a currency other than U.S. dollars, the NFS Base Lending Rate will be set based on the above referenced criteria in the country whose currency is the basis of the loan.

The NFS Base Lending Rate for each currency will change without prior notice. When the NFS Base Lending Rate for a particular currency changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If the rate of interest charged to you is changed for any other reason, you will be notified at least 30 days in advance.

Interest Period

The interest period begins on the 20th day of each month and ends on the 19th day of the following month. Accordingly, the interest charges for the period as shown on your monthly statement are based only on the daily net debit and credit balances for the interest period.

Method of Interest Computation

At the close of each interest period during which credit was extended to you, an interest charge is computed by multiplying the average daily debit balance for that currency by the applicable schedule rate and by the number of days during which a debit balance was outstanding and then dividing by 360. If there has been a change in the NFS Base Lending Rate for that currency, separate computations will be made with respect to each rate of charge for the appropriate number of days at each rate during the interest period. If not paid, the interest charge for credit extended to your account at the close of the interest period is added to the opening debit balance for that currency for the next interest period.

With the exception of credit balances in your short account, all other credit and debit balances in the same currency will be combined daily and interest will be charged on the resulting average daily net debit balances for that currency for the interest period. Credit balances in one currency will not be combined or netted with debit balances in a different currency. If there is a debit in your cash account and you hold a margin account, interest will be calculated on the combined debit balance for that currency and charged to the margin account. Any credit balance in your short account is disregarded because such credit collateralizes the stock borrowed for delivery against the short sale. Such credit is disregarded even if you should be long the same position in your margin account (for instance, short sale against the box).

If the security that you sold short (or sold short against the box) appreciates in market price over the selling price, interest will be charged in U.S. dollars, or any other currency, on the appreciation in value. Correspondingly, if the security that you sold short depreciates in market price, the interest charged will be reduced since your average debit balance will decline. This practice is known as "marking-to-the market." Weekly, a closing price is used to determine any appreciation or depreciation of the security sold short. If your account is short shares of stock on the record date of a dividend or other distribution, however such short position occurs, on the following business day, your account will be charged the amount of the dividend or other distribution.

General Margin Policies

The amount of credit that may be extended by NFS and the terms of such extension are governed by regulations of the Federal Reserve Board, rules of the New York Stock Exchange, Inc. and, within the parameters of the foregoing, are subject to published amendments thereto and NFS's business judgment. NFS establishes certain policies with respect to margin accounts. NFS may require the deposit of additional acceptable collateral at any time. Margin account equity is the current market value of securities and cash deposited as security less the amount owed NFS for credit extended at its discretion.

NFS's general policy is to require margin account holders to maintain equity in their accounts of 30 percent of the current market value or \$3 per share for common stock (whichever is greater). NFS applies other standards for other types of securities. For instance, securities valued at less than \$5 per share may not be purchased in a margin account. Also, certain securities may be ineligible for margin credit from time to time. For information with respect to general margin maintenance policies for municipal bonds, corporate bonds, U.S. Treasury notes and bonds, and other securities, as well as information about the eligibility of particular securities for margin credit, please contact your Account Representative or Investment Advisor .

Notwithstanding the above general policies, IAAC reserves the right, at its discretion, to require the deposit of additional collateral and to set required margin at a higher or lower amount with respect to particular accounts or classes of accounts as it deems necessary. In making these determinations, IAAC may consider various factors including the size of the account, liquidity of a position, concentrations of securities in an account, or a decline in creditworthiness. If you fail to meet a margin call in a timely manner, some or all of your positions may be liquidated.

Deposits of Collateral, Lien on Accounts, and Liquidation

In the event that additional collateral is requested, you may deposit funds or acceptable securities into your margin account. If satisfactory collateral is not promptly deposited after a request is made, either NFS or IAAC may, at its discretion, liquidate securities held in any of your accounts.

In this connection, pursuant to the Margin Agreement section of the Account Agreement, NFS retains an interest in securities and other property held in your accounts, including securities held for safekeeping so long as any credit extended remains outstanding.

Callable Securities

Securities which are held for your account(s) and which are in "street name," or are being held by a securities depository, are commingled with the same securities being held for other clients of financial organizations and for NFS's own clients. Your ownership of these securities is reflected in our records. You have the right at any time to require delivery to you of any such securities that are fully paid for or are in excess of margin requirements.

The terms of many bonds allow the issuer to partially redeem or "call" the issue prior to maturity date. Certain preferred stocks are also subject to being called by the issuer. Whenever any such security being held by NFS is partially "called," it will determine, through a random selection procedure as prescribed by New York Stock Exchange rules, the ownership of the securities to be submitted for redemption without regard to unsettled sales. In the event that such securities owned by you are selected and redeemed, your account(s) will be credited with the proceeds.

Should you not wish to be subject to this random selection process, you or your IA must instruct NFS to deliver your securities to you. Delivery will be effected provided, of course, that your position is unencumbered or had not already been called by the issuer as described prior to receipt by NFS of your instructions. The probability of one of your securities being called is the same, whether it is held by you or by NFS for you.

Miscellaneous Credits

NFS credits to your account(s) funds belonging to you, such as dividends, interest, redemptions, and proceeds of corporate reorganizations on the day such funds are received by NFS. These funds come to NFS from issuers and various intermediaries in which NFS is a participant, such as the Depository Trust Clearing Corporation. Periodically, certain of those intermediaries pass on to their participants some or all of the interest earned on funds while in the possession of the intermediary. To the extent NFS receives such payments, NFS retains them. Information regarding when NFS credits your account(s) with funds due to you, when those funds are available to you, and/or when you begin earning interest on those funds, is available from IAAC.

Substitute Payments

To the extent NFS determines (in accordance with federal income tax regulations) that your securities have been loaned, certain payments you receive with respect to such loaned securities will be reclassified as "substitute payments." The tax consequences of receiving substitute payments may be different than the tax consequences of receiving payments made by an issuer of an underlying security. For instance, a dividend received by an individual may be taxed at a preferential rate if the dividend is a qualified dividend, whereas if an individual receives a substitute payment, the preferential rate for qualified dividends will not apply.

Individuals may also be affected if certain payments (such as exempt interest dividends, capital gain distributions, return of capital, and foreign tax credit dividends) are reclassified as substitute payments. Corporate taxpayers could also be affected because the dividends received deduction is not available with respect to substitute payments. We suggest you contact your tax advisor to discuss the tax treatment of substitute payments.

As permitted under your margin agreement, NFS may lend shares in your account when your account has a debit balance. In the instance where securities are on loan over an ex-dividend date, NFS may issue a substitute payment to the account in lieu of the dividend, and subsequently a tax differential reimbursement. Substitute payments received in 2007 and forward, however, may be eligible for a reimbursement to the lender's account only if the account is open on the reimbursement date. Please note that these reimbursements are subject to change and may be eliminated without advanced notification.

SPECIAL NOTE FOR NON-U.S. PERSON'S ACCOUNTS

With respect to assets custodied by NFS on your behalf, income and capital gains or distributions to you from your account may be taxable in your country of domicile. Please consult your tax advisor for the appropriate tax treatment of your transactions.

MUTUAL FUND BREAKPOINT DISCOUNTS AND OTHER DISCLOSURES RELATING TO MUTUAL FUND, MONEY FUND, FDIC-INSURED BANK DEPOSITS, AND ANNUITY FEES AND REVENUE SHARING

Before investing in mutual funds, it is important that you understand the sales charges, expenses, and management fees that you will be charged, as well as the breakpoint discounts to which you may be entitled. Understanding these charges and breakpoint discounts will assist you in identifying the best investment for your particular needs and may help you to reduce the cost of your investment. This section will give you general background information about these charges and discounts; however, sales charges, expenses, management fees, and breakpoint discounts vary from mutual fund to mutual fund.

Therefore, where applicable, you should discuss these matters with your IA and review each mutual fund's prospectus and statement of additional information (available from your IA) to obtain the specific information regarding the charges and breakpoint discounts associated with a particular mutual fund.

Event Sponsorship Fees Disclosure

Mutual fund companies, annuity companies, and other solution providers offer marketing support in the form of payments to NFS (or third parties at NFS's direction) in connection with educational conferences, events, seminars, and workshops for broker-dealers or investment professionals. These payments maybe for the expenses of educational materials or other conference-related expenses. For a listing of companies that pay contributions to NFS for events, please refer to <https://nationalfinancial.fidelity.com/advisor/portal/login>.

Sales Charges

Investors who purchase mutual funds must make certain choices, including which funds to purchase and which share class is most advantageous in light of their specific investing needs. Each mutual fund has a specified investment strategy. These decisions will be made by you and/or your IA, subject to your agreements with them. You and they should consider whether the mutual fund's investment strategy is compatible with your investment objectives. Additionally, many mutual funds offer different share classes. Although each share class represents a similar interest in the mutual fund's portfolio, the mutual fund will charge you different fees and expenses depending upon your choice of share class.

As a general rule, Class A shares carry a "front-end" sales charge or "load" that is deducted from your investment at the time you buy the fund shares. This sales charge is a percentage of your total purchase. As explained below, many mutual funds offer volume discounts, known as "breakpoint discounts," to the front-end sales charge assessed on Class A shares at certain predetermined levels of investment.

In contrast, Class B and C shares usually do not carry any front-end sales charges. Instead, investors who purchase Class B or C shares pay asset-based sales charges, which may be higher or lower than the charges associated with Class A shares. Investors that purchase Class B or C shares may also be required to pay a sales charge known as a "contingent deferred sales charge" when they sell their shares, depending upon the rules of the particular mutual fund. This is known as a "back-end" sales charge or the "load."

Breakpoint Discounts

Most mutual funds offer investors a variety of ways to qualify for breakpoint discounts on the sales charge associated with the purchase of Class A shares. In general, most mutual funds provide breakpoint discounts to investors who make large purchases at one time. The extent of the discount depends upon the size of the purchase. Generally, as the amount of the purchase increases, the percentage used to determine the sales load decreases. The entire sales charge may be waived for investors that make very large purchases of Class A shares. Mutual fund prospectuses contain tables that illustrate the available breakpoint discounts and the investment levels at which breakpoint discounts apply.

Additionally, most mutual funds allow investors to qualify for breakpoint discounts based upon current holdings from prior purchases through Rights of Accumulation (ROA) and from future purchases based upon Letters of Intent (LOI). Mutual funds have different rules regarding the availability of ROAs and LOIs. Therefore, where applicable, you should discuss these matters with your IA and SAM(s), and review the mutual fund's prospectus and statement of additional information to determine the specific terms upon which a mutual fund offers ROAs or LOIs.

Rights of Accumulation

Many mutual funds allow investors to count the value of previous purchases of the same fund, or another fund within the same fund family, with the value of the current purchase to qualify for breakpoint discounts. Moreover, mutual funds may allow investors to count existing holdings in multiple accounts, such as individual retirement accounts (IRAs) or accounts at other financial organizations, to qualify for breakpoint discounts. Therefore, if you have accounts at other financial organizations and wish to take advantage of the balances in these accounts to qualify for a breakpoint discount, you must advise your IA about those balances. You may need to provide documentation if you wish to rely

upon balances in accounts at another firm. In addition, many mutual funds allow investors to count the value of holdings in accounts of certain related parties, such as spouses or children, to qualify for breakpoint discounts.

Mutual funds also follow different rules to determine the value of existing holdings. Some funds use the current net asset value (NAV) of existing investments to establish whether an investor qualifies for a breakpoint discount. Mutual funds also follow different rules to determine the value of existing holdings. Some funds use the current net asset value (NAV) of existing investments to establish whether an investor qualifies for a breakpoint discount.

However, a small number of funds use the historical cost, which is the initial purchase cost, to determine eligibility for breakpoint discounts. If the mutual fund uses historical costs, you may need to provide account records, such as confirmation statements or monthly statements, to qualify for a breakpoint discount based upon previous purchases. You should consult with your IA and SAM(s) and review the mutual fund's prospectus and statement of additional information to determine whether the mutual fund uses NAV or historical costs to establish breakpoint eligibility.

Letters of Intent (LOI)

Most mutual funds allow investors to qualify for breakpoint discounts by signing a LOI, which commits the investor to purchase a specified amount of Class A shares within a defined period of time, usually 13 months. For instance, if an investor plans to purchase \$50,000 worth of Class A shares over a period of 13 months, but each individual purchase would not qualify for a breakpoint discount, the investor could sign a LOI at the time of the first purchase and receive the breakpoint discount associated with a \$50,000 investment on the first and all subsequent purchases.

Additionally, some funds offer retroactive LOIs that allows investors to rely upon recent purchases to qualify for a breakpoint discount. However, if an investor fails to invest the amount required by the LOI, the fund is entitled to retroactively deduct the correct sales charges based upon the amount that the investor actually invested. If you intend to make several purchases within a 13-month period, you should consult your IA and applicable SAM(s) and the mutual fund prospectus to determine if it would be beneficial for you to sign a LOI. As you can see, understanding the availability of breakpoint discounts is important because it may allow you to purchase Class A shares at a lower price. The availability of breakpoint discounts may save you money and may also affect your decision regarding the appropriate share class in which to invest. Therefore, where applicable, you should discuss the availability of breakpoint discounts with your IA and SAM and carefully review the mutual fund prospectus and its statement of additional information when choosing among the share classes offered by a mutual fund. If you wish to learn more about mutual fund share classes or mutual fund breakpoints, you can also review the investor alerts available on the FINRA web site at:

<http://www.finra.org/InvestorInformation/InvestorAlerts/MutualFunds/UnderstandingMutualFundClasses/index.htm> and <http://www.finra.org/InvestorInformation/InvestorAlerts/MutualFunds/MutualFundBreakpointsABreakWorthTaking/index.htm>

Mutual Fund Fees and Revenue Sharing

NFS may receive servicing fees from mutual funds that participate in NFS's mutual fund no-transaction-fee program (FundVest®) in lieu of clearance charges to IAAC. Participation by IAAV in this program is optional and IAAC may share with NFS in such fees. These fees may be considered revenue sharing and are a significant source of revenue for NFS and may be a significant source of revenue for IAAC. These fees are paid in accordance with an asset-based formula. IAAC may share a portion of these fees with certain Turnkey Asset Management Providers that provide operational and related services to IAAC.

NFS also receives operational reimbursements from mutual funds in the form of networking or omnibus processing fees. These fees are based on a flat fee per holding and are reimbursed to NFS for the work it performs on behalf of the funds, which may include but is not limited to: sub-accounting services, dividend calculation and posting, accounting, reconciliation, client confirmation and statement preparation and mailing, and tax statement preparation and mailing.

These fees are a significant source of revenue for NFS. For additional details regarding NFS's mutual fund no-transaction-fee program or a listing of funds that pay NFS networking or omnibus fees, please contact your registered representative.

Money Fund and FDIC-Insured Bank Deposit Fees and Revenue Sharing

Money fund and FDIC-insured bank deposit fees for processing and revenue sharing are significant sources of revenue for NFS and may be significant sources of revenue for IAAC. NFS receives fees from providers for making available money market funds or FDIC-insured bank deposit programs, which you have selected through your IA. These fees are paid in accordance with an asset based formula. IAAC may share in these fees. A portion of NFS's fees is applied against costs associated with providing services on behalf of the funds, which may include: cash sweep systems, sub-accounting services, dividend calculation and posting, accounting, reconciliation, client statement preparation and mailing, tax statement preparation and mailing, marketing and distribution related support, and other services.

NFS receives processing fees from certain money fund and FIDC-insured bank deposit providers. These fees reimburse NFS for operational services it performs on behalf of the funds, which may include: cash sweep systems, sub-accounting services, dividend calculation and posting, accounting, reconciliation, client statement preparation and mailing, tax statement preparation and mailing, or other services. For a listing of companies that pay NFS revenue sharing and processing fees, please contact your registered representative.

Annuity Fees and Revenue Sharing

NFS may receive servicing fees from certain insurance companies that participate in NFS's annuity program (participation by IAAC in this program is optional). These fees may be considered revenue sharing and are a source of revenue for NFS.

NFS also receives operational reimbursement fees from certain insurance companies. A flat fee per holding is paid to NFS for the services it provides, which may include, but are not limited to posting, account reconciliation, and client statement preparation and mailing. These fees are a source of revenue for NFS. For additional details regarding processing annuities and a listing of annuities that pay NFS revenue sharing and processing fees, please contact your registered representative.

FEDERAL AND STATE TAX WITHHOLDING FOR RETIREMENT ACCOUNTS

Subject to changes in prevailing rules or your circumstances, you may at any time designate or change the federal and state income tax withholding election for distributions from your individual retirement account or qualified retirement plan by contacting your IA, where applicable, or IAAC. Please note that if you do not have enough federal or state income tax withheld, you may be responsible for payment of estimated taxes, and penalties and interest may apply.

LIENS AND LEVIES

If for any reason your account(s) is/are subject to a lien or levy directed to NFS, NFS will abide by the directions of the federal, state, or other levying authority unless it receives a court order staying or quashing the lien or levy, or some other form of release from the levying authority. In the event NFS receives a lien or levy on your account, a reasonable processing fee may be assessed on your account(s).

DISCLOSURE REQUIRED BY NEW YORK STOCK EXCHANGE RULE 446(D) AND FINRA RULE 3510

Business Continuity

IAAC, in conjunction with its affiliates, maintains a business continuity plan (the Plan) that covers the resumption of business processes for each IAAC department in the event of a business interruption, consistent with applicable regulations, including FINRA Rule 3510. These plans are updated whenever there is a material change to the IAAC business.

Additionally, IAAC policy requires formal semi-annual reviews, including business risk assessments of the Plan. Changes to IAAC processes, products, or the business environment are evaluated, and modifications to the configuration of IAAC Business Continuity Disaster Recovery Sites (Recovery Sites) are performed as required. Current copies of the Plan are maintained in an off-site location.

IAAC also maintains Recovery Sites for its personnel. The Recovery Sites provide for the relocation of IAAC associates to resume processing operations and trading functions in the event of a business interruption. Each operations or trading workstation to be used under the Plan is equipped with all the software, as well as all the telecommunication equipment, needed for IAAC associates to continue in their role. A centralized fax and wire printer room, where all communications to IAAC are controlled, is also maintained.

Partitions on the hard drives of the workstations to be used under the Plan separate business continuity client server, market data, and desktop applications from the day-to-day uses of the Recovery Sites workstations.

In the event you are unable to contact your investment advisor due to a significant business interruption, IAAC may be contacted directly by you to process limited trade-related transactions, cash disbursements, and security transfers. Such instructions to IAAC must be in writing and transmitted via facsimile or postal service as follows:

International Assets Advisory LLC
300 S. Orange Ave. #1100
Orlando, FL 32801
Fax: (407) 254-1505

For additional instructions, please select the Business Continuity and Customer Support links at the bottom of the home page on the IAAC web site at <http://www.iaac.com>, or contact IAAC at (800) 432-0000.

IAAC has entered into a Clearing Agreement with NFS, pursuant to applicable regulations including NYSE Rule 382. Under the terms of the Clearing Agreement, NFS provides certain services to IAAC including trade execution, clearance, and custodial services. NFS maintains its own emergency contact phone number, which is listed below.

Emergency Contact NFS Phone Number **1-800-877-2410**

For more information

As described in this brochure, we are committed to protecting your assets through our relationship with NFS. If you need additional information about how your assets are protected, please contact your investment representative.

DISCLOSURE REQUIRED BY NEW YORK STOCK EXCHANGE® RULE 409A AND FINRA RULE 2342

Information regarding the Securities Investor Protection Corporation (SIPC®), including a SIPC brochure, may be obtained by contacting SIPC via its web site at <http://www.sipc.org/> or by telephone at (202) 371-8300.

EXCESS ACCOUNT PROTECTION

As a registered broker-dealer in the United States, International Assets Advisory LLC is a member of the Securities Investor Protection Corporation (SIPC®) that protects your assets up to \$500,000, of which \$250,000 can be in cash. Please note that money market mutual fund securities (registered with the SEC and sold by prospectus) are considered securities (not cash) by SIPC and are therefore covered up to the \$500,000 limit. More information about SIPC protections can be obtained at www.sipc.org.

Radian Asset Assurance, Inc.

The supplement, SIPC coverage, NFS has arranged for additional protection for customer cash and securities is with Radian Asset Assurance, Inc. (Formerly Asset Guaranty insurance Company) which has an AA ratings from Standard & Poor's and Fitch Ratings. Radian was chosen to provide coverage in excess of SIPC coverage because NFS believes it offers the best combination of service and value.

Remember, this account protection does not cover declines in the market value of securities or apply to any failures by us as your broker/dealer to meet our separate obligations outlined in your welcome letter. This additional insurance would apply should NFS fail to meet its obligations and is separate from any coverage we as your broker/dealer may provide. This additional insurance covers total account net equity in excess of the \$500,000/\$100,000 coverage provided by SIPC and in those circumstances when NFS's SIPC insurance has been exhausted.

Please note that SIPC and Excess SIPC protects against lost, stolen, or missing securities or cash in the event the broker-dealer holding your assets goes out of business. SIPC or Excess SIPC protection does not protect against market losses from the rise and fall of investments.

ELECTRONIC CONFIRMATIONS

Certain clients receive electronic confirmations through the Depository Trust Company or other institutional delivery systems in lieu of hard copy confirmations of each transaction. You should be aware that all of the terms, conditions, and disclosures set forth on such hard copy confirmations will continue to apply to each confirmation processed electronically, including (among other things) the following:

- Securities purchased on a cash or margin basis are, or may be, hypothecated under circumstances which will permit the commingling thereof with securities carried for other clients, but such securities, if hypothecated, will be withdrawn from hypothecation as soon as practicable after receipt of payment here for.
- If the transaction is a purchase by you in a cash account and sufficient funds are not already in your NFS account, you are required to make full payment for the securities described on the confirmation promptly and not later than settlement date. This payment must be done in accordance with the terms of the particular transaction, and you agree not to contemplate the sale of such securities prior to making such payment. If the securities described are not

already held in your NFS account, NFS will act upon your continuous representation and that of your IA that you own such securities, and that you will promptly, but not later than settlement date, deposit such securities with NFS.

- If full payment for the securities purchased by you in the transaction is not received by NFS, or if securities sold by you are not delivered in proper form on or after the first trading day after settlement date, IAAC or NFS may at its option cancel or otherwise liquidate the transaction without notice to you, and you will be liable to IAAC or NFS for any resulting loss, including, without limitation, all expenses, attorney's fees, and other costs incurred by us and interest thereon.
- Provisions of agreements and contracts shall inure to the benefit of any successors to IAAC or NFS. All agreements and contracts are governed by the laws of the state of New York.
- It is understood and agreed that all transactions are subject to the rules and customs of the exchange or market (and its clearing house, if any) where they are executed. The name of the broker, or party, and the time of execution will be furnished on request.
- Commission rates are subject to negotiation, and any commission charged to you on the transaction may be more or less than commissions charged to or by others in similar transactions. The source and amount of other commissions charged by us in connection with the transaction will be furnished on request.
- Call features may exist for securities. Call features for fixed income securities may affect yield. Complete information will be provided upon request.
- The ratings that appear in the description of some fixed income securities have been obtained from ratings services that NFS believed to be reliable; however, NFS cannot guarantee their accuracy. Securities for which a rating is not available are marked "Unrated."
- If the transaction involves an asset-backed security, including a municipal collateralized mortgage obligation, which represents an interest in, or is secured by, a pool of receivables or other financial assets continuously subject to prepayment, then the actual yield of such security may vary according to the rate at which the underlying receivable or other financial assets are prepaid. Information concerning the factors that affect yield (including at a minimum estimated yield, weighted average life, and the prepayment assumptions of underlying yield) will be furnished upon your written request.

ELECTRONIC TRANSFERS

If you have any questions about electronic transfers, call NFS's Client Services at (800)801-9942.

Contact NFS immediately if you think your statement or transfer receipt is incorrect or if you need more information about a particular transfer. We must hear from you within 60 days of the date of the first document on which the transfer in question appeared. When contacting NFS, provide your name, your account number, the dollar amount of the transfer in question, a description of the transfer in question, and a clear explanation indicating why you believe it is an error or why you need more information.

If you notify us verbally, we may request that you submit your inquiry in writing within ten business days. We will inform you of the results of our investigation within ten business days after we receive your inquiry and we will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your inquiry. If further investigation is required, within ten business days of your inquiry, NFS will credit your account in the amount of the transfer in question so that you have use of the funds during our investigation. If we ask you to submit your inquiry in writing and we do not receive your written inquiry within ten business days, we may not credit your account. If we decide that there was no error, we will send you a written explanation within three business days of the completion of our investigation. You may request copies of the documents that we use in our investigation. If you have any questions, contact your investment professional or financial organization.

LOST SECURITIES

If your periodic client statement indicates that securities were forwarded to you and you have not received them, you or your IA should notify IAAC or NFS immediately. If notification is received within 120 days after the mailing date, as reflected on your periodic statement, replacement will be made free of charge. Thereafter, a fee for replacement may apply.

PRIVACY POLICY

IAAC, in conjunction with its affiliates, has adopted and will abide by the privacy policy (Privacy Policy) as described below.

The following describes how International Assets Advisory, LLC ("IAAC") handles your personal information and what steps we take to protect your privacy:

IAAC has access to customer information for legitimate business purposes only. Only those employees who provide products or services to you or those who need your information to service your account are authorized to access your information. The company requires its employees who have access to customer information to protect it and keep it confidential.

To conduct regular business, we may collect nonpublic personal information from sources such as, information reported by you on applications or other forms you provide to us, information you report directly to your registered representative, and information about your transactions with our affiliates or others.

Security Standards

We safeguard this information in accordance with federal standards and established security standards and procedures. Measures we take in this regard include implementation of physical, electronic and procedural safeguards.

Sharing Information

In the course of conducting business, we may disclose some or all of the previously described information about you to our clearing firm, NFS and other businesses as allowed by law, for the purpose of providing customer service or account maintenance or in response to a subpoena, to prevent fraud, or to comply with an inquiry by a government agency or regulator.

COMPLAINTS

Complaints concerning services provided by IAAC may be directed to:

Complaints
International Assets Advisory LLC
Chief Compliance Officer
300 S. Orange Ave. #1100
Orlando, FL 32801 (407)
254-1516

PRODUCT DISCLOSURES

The information provided in this document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject or its affiliates to any IAA to any registration requirement within such jurisdiction or country. Neither the information, nor any opinion contained in this document a solicitation or offer by IAA or its affiliates to buy or sell any securities, options or other financial instruments or provide any investment advice or service.

Investors should consider the investment objectives, risks, charges, and expenses before investing in any security. The prospectus contains this and other information. Please contact your account executive for a copy of the prospectus. Please read the prospectus carefully before investing.

Equities and Options

Before buying, investors should consider whether the investment is suitable for themselves and their portfolio. Additionally, investors should consider any recent market or company news. Stocks can be volatile and entail risk, and individual stocks may not be suitable for an investor.

Options carry a high level of risk and are not suitable for all investors. Certain requirements must be met to trade options through International Assets Advisory LLC. Please read the Options Disclosure Document before considering any option transaction

Mutual Funds

There are risks involved when investing in Mutual Funds, including possible loss of principal. In addition to the normal risks associated with equity investing, investments in smaller companies typically exhibit higher volatility, and when these products replicate indexes weighted in smaller capitalization stocks they share the same risk/return attributes of those stocks and of those indexes. Investors should consider the investment objectives, risks, charges, and expenses before investing. The prospectus contains this and other information.

UITs

UITs are fixed and not actively managed. The market value of units will fluctuate, and when sold, may be worth less than the original cost, potentially resulting in a loss. The value of each unit will fluctuate with the underlying securities. Investing in securities denominated in currencies other than the US Dollar involves certain considerations comprising both risk and opportunity not typically associated with investing in US securities. Risks also include political and government restrictions which might adversely affect the payment or receipt of payment of income on foreign securities, fluctuations in foreign securities, exchange rates, limited liquidity, lack of public information and the risk of price volatility. Please consult a tax professional regarding the tax consequences.

Exchange Traded Funds

Exchange-traded funds (ETFs) are an increasingly popular class of index funds that trade like stocks. They can be bought or sold throughout the market day, and offer portfolio exposure to the world's leading indexes. Exchange traded funds are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost.

Foreign Securities and Currency

Investing in securities denominated in currencies other than the US Dollar involves certain considerations comprising both risk and opportunity not typically associated with investing in US securities. Risks also include political and government restrictions which might adversely affect the payment or receipt of payment of income on foreign securities fluctuations in foreign securities, exchange rates, limited liquidity, lack of public information and the risk of price volatility. Please consult a tax professional regarding the tax consequences.

Fixed Income Products/Bonds and Municipal Bonds

Fixed-income investments are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayments, corporate events, tax ramifications, and other factors. Please discuss these and other factors with your account executive before investing in these products. Bonds are subject to changes in interest rates, risk of defaults by the issuer, and the loss of purchasing power due to inflation.

While such a strategy does not guarantee a profit or against loss, a diversified portfolio can minimize these risks because the risk is distributed over a variety of investments. In a well-balanced investment portfolio, some holdings may be negatively affected by market changes, while others may have a positive reaction, thus balancing the portfolio. Virtually all investments have some degree of risk. When investing in bonds, it's important to remember that an investment's return is linked to its risk.

Risks common to most all bonds include:

Credit Risk – financial risk that the issuer will not be able to repay the principal upon maturity as promised

Call Risk – longer-term bonds are usually callable. The bonds may be called before the maturity date if interest rates decrease

Market Risk – if the bond must be sold before the maturity date, the bond may be worth more or less than the face value depending on interest rate movements.

Inflation Risk – recognizes the value of assets or of income will be eroded as inflation shrinks the value of a country's currency.

Liquidity Risk – some securities are very hard to sell if there is a thin trading market or if the bond is relatively unknown.

CD and Structured Products

Investors should consider the investment objectives, risks, charges, and expenses before investing in these CDs. The Term Sheet and Disclosure Statement contains this and other information about the CD. Please contact your financial consultant for a copy of the Term Sheet and Disclosure Statement and read them carefully before investing. The CDs are insured by the FDIC and certain limitations apply. Please refer to www.fdic.gov or your attorney for more information on FDIC insurance.

Prior to purchasing any structured products consider the following:

Before purchasing a structured product, investors should carefully consider the risks associated with an investment in the structured product and whether the structured product is a suitable investment for them. Before investing, prospective investors should read the prospectus relating to the particular structured product.

In addition, investors are encouraged to consult with their investment, legal, accounting, tax and other advisors in connection with any investment in a structured product. Disclaimer Pertaining to Structured Products NOT FDIC/NCUA INSURED MAY LOSE VALUE NO BANK GUARANTEE NOT A DEPOSIT NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY.

Before you invest, you should read the prospectus in that registration statement, and any other document that the issuer has filed with the SEC relating to such offering for more complete information about the issuer and the offering of any securities. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov or contact your IAA investment advisor at (800)432-0000.

The CDs, financial instruments or strategies mentioned herein may not be suitable for all investors. This material does not take into account your particular investment objectives, financial situations or needs and is not intended as a recommendation of particular financial instruments or strategies to you. Before acting on any investment recommendations, you should consider whether it is suitable for your particular circumstances and speak with your financial advisor.

Annuities

Variable annuities are sold by prospectus only. Before purchasing an annuity, you should carefully consider its investment objectives and all the risks, charges and expenses associated with the annuity and its investment options. For this and other information, call your financial advisor at (813) 448-6770 for a free prospectus. Please read the prospectus carefully before you invest or send money.

A variable annuity's value will fluctuate depending upon the underlying investment, and investor's units, when redeemed, may be worth more or less than the original amount invested.

REITs

REITs are generally long-term, illiquid investment that is not suitable for all investors. Share redemption is limited, and there currently is no active trading market for shares. REIT's are subject to various risks such as real estate market conditions including demand, which can increase the purchase price of properties we intend to acquire, and the product's fees and expenses will impact total performance. There is no guarantee that REIT's will meet their stated investment objectives.

INTERNATIONAL ASSETS ADVISORY LLC

CUSTOMER IDENTIFICATION POLICY

Customer Account Opening Notice

Pursuant to section 326 of the USA PATRIOT Act, International Assets Advisory LLC (IAA) is required to provide its customers with adequate notice regarding information required to establish their identity.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To ensure mandatory compliance with the USA PATRIOT Act and related laws and regulations, IAA obtains, verifies, and records information that identifies each entity that opens an account with IAA.

What this means for you: When you open an account, we are required by law to ask you for your name, address and other information that will allow us to identify you. We may also require you to provide identification documents.

Also, in accordance with the requirements of the Unlawful Internet Gambling Enforcement Act we are prohibited by federal law from processing unlicensed Internet gambling transactions involving U.S. persons.

Questions regarding information requirements and related issues should be directed to your primary International Assets Advisory LLC contact.