

FORM ADV PART 2A BROCHURE: Item 1 – Cover Page



National Asset Management, Inc.

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September 30, 2011

This Brochure provides information about the qualifications and business practices of National Asset Management, Inc. ("NAM"). If you have any questions about the contents of this Brochure, please contact us at 206-343-8092 and/or aliciag@namadvisorguide.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

NAM is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about NAM also is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD number for NAM is 115927.

Item 2 - Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to Clients as required by SEC Rules. This Brochure dated September 30, 2011 is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to Clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

The material change since the last annual update of the brochure is NAM's headquarter has moved to a new office address effective 8/1/2011.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Alicia Guagliardo, Chief Compliance Officer at 206-343-8092 or aliciag@namadvisorguide.com. Our Brochure is also available on our web site www.namadvisorguide.com, also free of charge.

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

NATIONAL ASSET MANAGEMENT, INC.

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Brochure

Supplement(s)

Item 4 – Advisory Business

National Asset Management (“NAM”) is a subsidiary of National Holdings Corporation, the firm’s principal owner. NAM has been providing investment advisory services since 1994. NAM provides investment advisory services to individuals, trusts, estates, charitable organizations, corporations or other business entities, and qualified/pension/profit sharing plans. NAM offers its Clients primarily fee-based Programs to provide flexibility in investment strategy based upon the investor’s financial goals, circumstances and risk tolerance. All accounts have minimum account size requirements, which may be negotiable, depending on the Client household, relationship, type and size of the account. The amount of the fee assessed is reflected on periodic statements issued by the custodian (no less frequently than quarterly or in the case of performance fees and some monitoring services, a separate invoice is sent to the Client). Advisory fees may be subject to negotiation depending upon a range of factors including, but not limited to, account size and overall range of services provided. Under certain circumstances the minimum \$40.00 per month fee may be reduced or waived by NAM.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on our advisory services. As used in this Brochure, the words “we”, “our” and “us” refer to NAM and the words “you”, “your” and “Client” refer to you as either a Client or prospective Client of our firm. Also, you may see the term Independent Investment Advisory Representative (“IIAR”) throughout this Brochure. As used in this Brochure, our IIARs are our firm’s officers, employees, and all individuals providing investment advisory services on behalf of our firm.

NAM advisory services are made available to Clients primarily through individuals associated with NAM as independent investment advisor representatives (“IIARs”). For more information about the IIAR providing advisory services, Client should refer to the Brochure Supplement for the IIAR. The Brochure Supplement is a separate document that is provided by the IIAR along with this Brochure before or at the time Client engages the IIAR. If Client did not receive a Brochure Supplement for the IAR, the Client should contact the IIAR or NAM at aliciag@namadvisorguide.com.

The IIAR may be replaced by NAM if he or she is unable to render investment services to the account temporarily or permanently, terminates his or her relationship with NAM, is terminated by the Client or is no longer a registered investment advisor representative.

NAM shall never have custody of any Client funds or securities except when the Client has provided written authorization for NAM to directly debit advisory fees and the services of an independently qualified custodian are used for such services. NAM does not represent, warrant, or imply that the services or methods of analysis used by NAM IIAR can or will predict future results or insulate Clients from losses due to market condition. No sales commission or special compensation is received by NAM for the recommendations. Clients are advised that all fees paid to NAM for investment advisory services are separate and distinct from the fees and expenses charged by custodians, variable annuities, ETF's and mutual funds (described in each fund's prospectus) to their shareholders. Further, transaction charges may apply when purchasing or selling securities. NAM does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the Client funds or securities.

TYPES OF ADVISORY SERVICES

NAM through its IIARs, offers advisory services described below to Clients in the various Programs. Under such customized engagements, Clients authorize IIARs to purchase and sell securities on a discretionary or non-discretionary basis (depending on the Program) pursuant to an investment objective chosen by the Client. This authority is set out in an advisory agreement between NAM, IIAR and the Client. The IIAR obtains the necessary financial data from the Client, assists the Client in determining the suitability of the advisory services and assists the Client in setting the appropriate investment objective. The IIAR provides on going investment advice and management that is tailored to the individual needs of the Client based on the investment objective chosen by the Client. Depending on the specific engagement, the types of securities that the IIAR may purchase and sell include mutual funds, ETFs, equities, options, fixed income securities, interests in partnerships such as real estate, oil and gas, as well as management of variable annuity subaccounts. Clients generally may impose reasonable restrictions on investing in certain securities or groups of securities. The assets managed as part of a customized engagement are held at a custodian.

Following is a description of the firm's fee-based Programs, which are more fully described in NAM's Wrap Fee Program Brochure (Appendix One). Please contact the Chief

Compliance Officer, if you have any questions about this Wrap Fee Program Brochure narrative.

Liberty Program

The Liberty Program is a Program for individual management of accounts held with National Securities Corporation (“NSC”) and vFinance Investments, Inc. (“vFin”), both affiliates of NAM, on an asset-based fee basis. The qualified custodian for NSC and vFin is National Financial Services, a Fidelity company. Under the Program, the IIAR will act as portfolio manager. The Program is offered as either a non-discretionary or discretionary service. The minimum initial investment for the Program is \$25,000. The minimum account size requirements may be negotiable depending on the Client household, relationship, type and size of the account. Liberty Program accounts are charged assets under management (“AUM”) fee, based on the value of all securities in the account. The amount of the fee agreed upon between NAM and the Client is included in the NAM Investment Advisory Agreement, not to exceed a rate of 2.75% on an annualized basis, based upon the value of the assets in the account at the end of the period, adjusted for deposits and withdrawals during the month, plus a monthly administrative fee of \$7.25. In addition, NSC and vFin may collect a ticket charge, which may be a flat fee per transaction or based on the size of the transaction. The AUM fee is calculated by NAM and deducted automatically from the account monthly in arrears. These fees do not include ticket charges or potential commissions imposed by NSC and vFin. The transaction ticket charge is deducted by NSC and vFin at the time of the transaction. Costs and fees arising out of transactions effected by NSC and vFin, including commissions, dealer mark-ups, mark-downs or “spreads”, will be separately borne by the Client. To the extent permitted by law, NSC and vFin may act on an agency or principal basis. NSC and vFin would retain any mark-ups, mark-downs or “spreads” associated with any such transaction in which it acts as principal. There is a minimum monthly AUM fee of \$40. NAM however will have discretion to waive or reduce fees for certain accounts on a case by case basis. The reduction or waiving of fees will be approved by the CEO or CCO of NAM. The standard AUM fee schedule is as follows:

Total Account Value	Annual Fee
Up to \$500,000	2.75%
\$500,000 to \$1,500,000	2.25%
\$1,500,000 to \$2,500,000	1.75%

Over \$2,500,000

Negotiable

A Liberty Plus Program is also available to persons who may be deemed a Qualified Client that meet certain net worth or other criteria. The Liberty Plus Program is a discretionary service. Liberty Plus Accounts are charged a smaller negotiable percentage asset-based fee than in the regular Program, plus a performance fee. The performance fee is an agreed percentage of quarterly appreciation in the account (as adjusted for contributions and withdrawals), limited by a “high water mark”, which is the highest prior quarterly value in the account from the time the Liberty Plus Program is elected.

Representative (Rep) as Manager Program

The Rep as Manager Program is a Program for individual management of accounts held with Fidelity Institutional, TD Ameritrade Institutional, Interactive Brokers, or Charles Schwab Institutional (Clearing Agents) all unaffiliated entities of NAM, on an asset-based fee basis. Under the Program, an IIAR associated with NAM will act as portfolio manager. The Program is offered as either a non-discretionary or discretionary service. The minimum initial investment for the Program is \$25,000. The minimum account size requirements may be negotiable depending on the Client household, relationship, type and size of the account. Rep as Manager Program accounts are charged an assets under management (“AUM”) fee, based on the value of all securities in the account. The amount of the fee agreed upon between NAM and the Client is included in the NAM Investment Advisory Agreement, not to exceed a rate of 2.75% on an annualized basis, based upon the value of the assets in the account at the end of the period, adjusted for deposits and withdrawals during the month, plus a monthly administrative fee of \$7.25. In addition, the Clearing Agent may collect ticket charges, which may be a flat fee per transaction or based on the size of the transaction. The AUM fee is calculated by NAM and deducted automatically from the account monthly or quarterly in arrears. These fees do not include ticket charges or potential commissions imposed by Clearing Agent. The transaction ticket charge fee is deducted by the Clearing Agent at the time of the transaction. Costs and fees arising out of transactions effected by the Clearing Agent, including commissions, dealer mark-ups, mark-downs or “spreads”, will be separately borne by Client. To the extent permitted by law, the Clearing Agent may act on an agency or principal basis. The Clearing Agent would retain any mark-ups, mark-downs or “spreads” associated with any such transaction in which it acts as

principal. There is a minimum monthly AUM fee of \$40. NAM however will have discretion to reduce or waive fees for certain accounts on a case by case basis. The reduction or waiving of fees will be approved by the CEO or CCO of NAM. The standard AUM fee schedule is as follows:

Total Account Value	Annual Fee
Up to \$500,000	2.75%
\$500,000 to \$1,500,000	2.25%
\$1,500,000 to \$2,500,000	1.75%
Over \$2,500,000	Negotiable

A Representative As Manager Plus Program is also available to persons who may be deemed a Qualified Client that meet certain net worth or other criteria. The Representative As Manager Plus Program is a discretionary service. Rep As Manager Plus Accounts are charged a smaller negotiable percentage asset-based fee than in the regular Program, plus a performance fee. The performance fee is an agreed percentage of quarterly appreciation in the account (as adjusted for contributions and withdrawals), limited by a “high water mark”, which is the highest prior quarterly value in the account from the time the Rep As Manager Plus Program is elected.

Alliance Program

The Alliance Program is a separate account management portfolio Program, in which a portfolio manager not affiliated with NAM is selected. Under the Program, an IIAR helps Clients identify and match a portfolio manager to the personal and financial data and investment objectives provided by the Client. The portfolio manager will invest the Client’s account on a discretionary basis. The minimum initial investment is \$25,000, but may be higher depending on the manager selected.

Under the Alliance Program, accounts are charged assets under management (“AUM”) fee, based on the value of all securities in the account, and a monthly administrative fee of \$7.25. In addition, NSC collects a ticket charge, which may be a flat fee per transaction or based on the size of the transaction. Under the terms of most Alliance contracts, Clients authorize NAM to calculate and debit their account to pay Program fees monthly in arrears. Certain contracts provide for advance monthly or quarterly payments. The collection methodology is established by the

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type of contract, and is not negotiable. In contracts that provide for advance fees, the Client can terminate the contract at any time upon written notice and receive a pro rata refund of the fees. There is a minimum monthly fee requirement of \$40. The standard fee schedule is as follows, but may be negotiable in individual cases:

Total Account Value	Annual Fee
Up to \$250,000	2.5%
\$250,000 to \$1,000,000	2.0%
\$1,000,000 to \$2,000,000	1.5%
Over \$2,000,000	Negotiable

An Alliance Plus Program is also available to persons who may be deemed a Qualified Client that meet certain net worth or other criteria. The Alliance Plus Program is a discretionary service. Alliance Plus Accounts are charged a smaller negotiable percentage asset-based fee than in the regular Program, plus a performance fee. The performance fee is an agreed percentage of quarterly appreciation in the account (as adjusted for contributions and withdrawals), limited by a “high water mark”, which is the highest prior quarterly value in the account from the time the Alliance Plus Program is elected.

Investnet Programs - Managed Account Solutions (MAS)

NAM offers Clients four Programs sponsored by Investnet Asset Management, Inc. through National Securities Corporation and assets are custodied at National Financial Services:

MAS Model Management: A NAM IIAR acts as portfolio manager and has full discretion to trade account assets. No uniform investment strategy is employed. The minimum initial investment for this sub-Program is \$50,000. The use of margin is not permitted. The asset under management fee is calculated by NAM and deducted automatically from the account monthly in arrears.

MAS SIGMA: All assets are invested in mutual funds and/or exchange-traded funds available through the Program and are managed directly by Investnet or using one or more model portfolios of funds available under the Program that were created by one or more independent investment advisers based on target asset mixes developed by Investnet. Investnet has developed a method for screening and

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selecting mutual funds by performance and risk characteristics, asset class, and minimum fund investment. The minimum initial investment for this sub-Program is \$50,000. The use of margin is not permitted.

MAS Separately Managed Account: Funds are maintained in a separate account. A sub-manager acts as portfolio manager and has full discretion to trade account assets. No uniform investment strategy is employed. The minimum initial investment for this sub-Program is \$100,000. The use of margin is not permitted.

MAS Multi-Manager: MMAs are accounts that allocate Client assets in accordance with pre-determined models in various asset classes. Funds are held in a separate account, managed by Envestnet in accordance with the instructions of one or more sub-managers. Assets are directly invested within each asset class pursuant to the instructions of a separate account manager. An overlay manager is typically responsible for initially allocating assets within each asset class and monitoring and rebalancing among the asset classes. No uniform investment strategy is employed. The minimum initial investment for this sub-Program is \$250,000. The use of margin is not permitted.

Envestnet Program accounts are charged a “wrap” fee, based on the value of all securities in the account, which covers advisory, execution, custodial and reporting services, and sub-manager fees. The Client authorizes National Financial Services (“NFS”) to calculate Program fees and debit the account to pay the Program fees to NAM, Envestnet and sub-managers for the SIGMA, Separately Managed Account, and Multi Manager Program. The standard fee schedule (subject to the minimum fee) is as follows:

Total Account Value	Annual Fee
Up to \$250,000	2.75%
\$250,000 to \$1,000,000	2.5%
\$1,000,000 to \$2,000,000	2.0%
Over \$2,000,000	Negotiable

There is a minimum annual fee, which varies depending on the sub-Program selected, as follows:

MAS Model Management:	N/A
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MAS SIGMA:	\$200
MAS Separately Managed Account:	\$725
MAS Multi-Manager:	\$525

Monitoring of Investments

NAM offers a Program pursuant to which independent investment advisor representatives ("IIARs") associated with NAM provide asset-monitoring services with respect to variable annuity products, plans such as 401(k)s, 403(b)s, mutual funds, and accounts held at custodians whereby NAM has no direct relationship. The IIAR monitors the investment and reallocation of assets among sub-accounts offered by the insurance company that issues a variable annuity or among investment options in 401(k)s, 403(b)s, mutual funds and other plans in accordance with a confidential Client profile, which includes the Client's investment objectives. Monitoring may be done on a discretionary or non-discretionary basis. If the discretionary service is selected, the IIAR will be primarily responsible for making investment decisions with respect to the variable annuity, mutual fund or other plans, including allocations and reallocations among sub-accounts or investment options. If a non-discretionary service is elected, the IIAR will provide investment advice regarding allocations and reallocations among subaccounts or investment options, but the investment decisions will remain with the Client. Some insurance companies and mutual funds may charge fees if investments are reallocated among sub-accounts and/or mutual fund family allocations more than a certain number of times during a specified period. The Client's accounts would bear any such fees.

A monitoring fee is negotiated between the Client and NAM. The monitoring fee is payable in arrears, quarterly, during the month following the end of each quarter. The amount of the monitoring fee agreed upon between NAM and the Client is included in the NAM Investment Advisory Agreement, not to exceed a rate of 2.75% on an annualized basis, based upon the value of the assets in the account at the end of the monitoring period, adjusted for deposits and withdrawals during the quarter, plus a monthly administrative fee of \$7.25. NAM may also impose an additional \$25.00 per quarter for those account relationships where assets are held away and not reportable through NAM's reporting systems. The assets are valued by independent pricing services, whenever available, or obtained in good faith through other customarily acceptable sources and reflected on the Client's statement by the

applicable insurance company, mutual fund or other plans. During the initial monitoring period, the monitoring fee is prorated based on the number of days remaining in the monitoring period from the date of the monitoring agreement. All transaction costs and other fees charged by an insurance company that issues a variable annuity, mutual fund or other plan accounts for plan transactions are in addition to the monitoring fee.

A Monitoring Plus Program is also available to persons who may be deemed a Qualified Client that meet certain net worth or other criteria. The Monitoring Plus Program is a discretionary service. Monitoring Plus Accounts are charged a smaller negotiable percentage asset-based fee than in the regular Program, plus a performance fee. The performance fee is an agreed percentage of quarterly appreciation in the account (as adjusted for contributions and withdrawals), limited by a “high water mark”, which is the highest prior quarterly value in the account from the time the Monitoring Plus Program is elected.

Unified Managed Account Program

NAM offers a Unified Managed Account Program through an agreement with FOLIO*fn* Investments, Inc. Pursuant to the Program, an independent investment advisor representative (“IIAR”) associated with NAM provides ongoing investment advice to Clients that is tailored to the individual needs of the Client. As part of these services, the IIAR obtains the necessary financial data from the Client, assists the Client in determining the suitability of the Program, assists the Client in setting an appropriate investment objective and assists the Client in opening an account with Folio*fn*. NAM IIAR also has trading discretion to allocate a Client’s account opened at FOLIO*fn* among models, as well as to mutual funds and exchange traded funds, and to rebalance the account from time-to-time among those alternatives. Models may be provided to the Program by outside management firm, Concord Wealth Management. NAM also makes available models of third party investment advisors. Under this scenario, NAM, through its IIARs, will assist the Client to select a model portfolio of securities designed by a select portfolio management firm to provide discretionary asset management services. It is the third party investment advisor (and not the IIAR) that has the Client authority to purchase and sell securities on a discretionary basis pursuant to investment objective chosen by the Client. This authorization will be set out in the NAM Investment Advisory Agreement. The minimum initial investment for the Program is \$25,000. Unified Managed Account

Program accounts are charged assets under management (“AUM”) fee, based on the value of all securities in the account. The amount of the fee agreed upon between NAM and the Client is included in the NAM Investment Advisory Agreement, not to exceed a rate of 2.50% on an annualized basis, based upon the value of the assets in the account at the end of the period, adjusted for deposits and withdrawals during the month or quarter, plus a monthly administrative fee of \$7.25. These fees cover asset allocation, investment management, execution, custodial and reporting services. The AUM fee is calculated by NAM and deducted automatically from the account monthly or quarterly in arrears, whichever is selected by the Client. The standard AUM fee schedule is as follows:

Total Account Value	Annual Fee
Up to \$500,000	2.50%
\$500,000 to \$1,500,000	2.25%
\$1,500,000 to \$2,500,000	1.75%
Over \$2,500,000	Negotiable

Financial Planning

Certain IIARs offer financial planning services for a flat fee or an hourly rate. IIAR provides personal financial planning tailored to the individual needs of the Client. These services may include, as selected by the Client on the NAM Financial Planning Agreement, information and recommendations regarding investment planning, retirement planning, estate needs, business needs, education planning, life and disability insurance needs, long-term care needs and cash flow/budget planning. The services take into account information collected from the Client such as financial status, investment objectives and tax status, among other data. The IIAR delivers to the Client a written financial plan. NAM and IIAR will not have any discretionary investment authority when offering financial planning. If the Client elects to engage the IIAR, the planning services may include recommendations only as to general types of investment products or securities that may be appropriate for Client to consider, and will not include recommendations regarding specific investments or securities.

Management of Private Fund Assets / Sub-manager Services

Certain IIARs associated with NAM offer a service wherein they manage assets for private funds as an Outside Business Activity of the IIAR or act as sub-manager through NAM, on a discretionary or non-discretionary basis. In each case, the fee is individually negotiated with the fund manager or principal advisor, and may include a performance fee to qualified clients.

Retirement Solutions

NAM delivers retirement solutions to plan providers, plan sponsors, and participants through FOLIO^{fn} Institutional. Alliance Benefit Group LLC is a national network of independently owned retirement plan consulting; health and welfare consulting; and benefits administration firms that operate as “Licensees” of Alliance Benefit Group, LLC ABG Carolinas has partnered with FOLIO^{fn} to provide customized benefits administration, plan consulting, health and welfare consulting, and employee communication services to sponsors. NAM has partnered with Alliance Benefits Group LLC and FOLIO^{fn} Institutional who provides trading and custody. All firms are integrated and automated so that services can be offered under one customizable and low-cost retirement solution.

Assets Under Management

As of September 30, 2011, we manage \$390,087,610.29 in Client assets on a discretionary basis, and \$112,889,883.66 Client assets on a non-discretionary basis.

Item 5 - Fees and Compensation

As referenced in the above Section Item 4, fees are listed for each Program sections and fees may be subject to negotiation on individual cases however not to exceed certain thresholds depending on the Program.

The specific manner in which fees are charged by NAM is established in a Client’s written agreement with NAM. NAM will generally bill its fees on a monthly or quarterly basis depending on Program and Client election on agreement with NAM. Clients will be billed in arrears each calendar month or quarter. Clients may also elect to be billed directly for fees or to authorize NAM to directly debit fees from Client accounts. Management fees shall be

prorated for each capital contribution and withdrawal made during the applicable calendar month or quarter. Accounts initiated or terminated during a calendar month or quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

NAM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, third party investment managers and other third parties such as registered investment product deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Variable Annuities, Mutual Funds and Exchange Traded Funds also charge internal management fees, which are disclosed in the product/fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to NAM's fee, and NAM shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that NAM considers in selecting or recommending broker dealers for Client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

As part of its fiduciary duties to Clients, NAM endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by NAM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence NAM's choice of Clearing Agent for custody and brokerage services.

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

In some cases, NAM has entered into performance fee arrangements with qualified Clients having a net worth greater than \$2,000,000 or for whom we manage at least \$1,000,000. Performance-based fees are based on a share of capital gains or capital appreciation of a Client's account.

Such fees are subject to individualized negotiation with each Client. NAM will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring Clients' assets

for the calculation of performance-based fees, NAM shall include realized and unrealized capital gains and losses.

NAM IIARs manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees (“side-by-side management”). Performance-based fees and side-by-side management may create conflicts of interest. In order to address this potential conflict of interest, a supervisor will review Client trades and accounts to ensure that investments are suitable and that the account is being managed according to the Client’s investment objectives and risk tolerance.

Performance based fee arrangements may create an incentive for NAM IIARs to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. NAM has implemented procedures that are designed to help ensure that Clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among Clients. To address this conflict of interest, we have instituted policies and procedures that require our IIARs to allocate investment opportunities to applicable Clients, as financially able, and if they are suitable in an effort to avoid favoritism among our Clients, regardless of whether the Client is charged performance fees.

Item 7 - Types of Clients

NAM provides investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, corporation or other business entities, and qualified/pension/profit sharing plans.

All advisory accounts have minimum account size requirements of \$25,000.00, which may be negotiable, depending on the Client household, relationship, type and size of the account.

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

The IIAR has access to various research reports and model portfolios to which he or she may refer to in determining investment advice provided to Clients. The IIAR chooses his or her own research methods, investment style, and management philosophy. It is important to note that no methodology, investment style, or investment strategy is guaranteed to be successful or profitable or can guarantee a Client against loss. The investment strategies and advice may vary depending upon each Client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. NAM IIARs use a variety of investment analysis techniques to analyze the securities they purchase or sell on behalf of Clients, primarily including:

- *Fundamental Research*, which is analysis of industries and companies based on factors such as sales, assets, earnings, products and services, markets and management. Fundamental analysis of economic trends includes interest rates, unemployment, inventories, consumer savings and gross national product(s). The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- *Charting*, which is the graphic tracking of price movements and other trends to determine typical movement. When a trend deviates from its norm, that can be an indicator of an impending upturn or downturn. The risk of market timing based on analysis of charts is that it may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in the market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- *Technical Analysis*, which involves analysis of stock prices, also takes into account internal market factors that reflect investor psychology. This style of

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

- *Cyclical Analysis*, which reviews securities in industries that are particularly sensitive to swings in general economic conditions. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.
- *Asset Allocation*, an attempt to identify an appropriate ratio of securities and cash suitable to the Client's investment goals and risk tolerance. A risk of asset allocation is that the Client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Investment Strategies

In the implementation of its analysis, NAM IIARs use some or all of the following strategies at any given time:

- *Long Term Purchases* - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- *Short Term Purchases* - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- *Trading* - IIARs may use short-term trades (in general, selling securities within 30 days of purchasing the same securities) when managing your account(s). An IIAR may sell a security soon after purchasing it on occasions when they determine that there is a reasonable basis for the sale and it is suitable given your stated investment objectives and tolerance for risk. Short-term gains in taxable accounts are subject to federal income tax at higher rates than long-term gains, while losses realized on

securities held 30 days or less are generally not tax-deductible. These differences in tax treatment are disadvantages of short-term trades for taxable clients. There is also risk in that high velocity trading creates substantial transaction costs that in aggregate could negatively impact account performance.

- *Short Sales* – securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price. The risk associated with a short sale is the buy-in risk. Once borrowed, the shares are subject to buy in at any time.
- *Margin Transactions* – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. This allows the Client to purchase more stock than would be able to in the Client's available cash, and would allow the IIAR to purchase stock without selling other holdings which is therefore a higher risk strategy.
- *Option Purchases and Option Writing* – a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells (or Writes) an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

Risk of Loss

NAM IIARs can recommend many different types of securities, including mutual funds, closed end funds, ETFs, allocation on variable annuity subaccount, equities, warrants, fixed income securities, options, hedge funds, private placements, and structured products. Investing in these securities and alternative investments involves the risk of loss that Clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Described below are some particular risks associated with some types of investments available in the Program. Risk is inseparable from return. Every investment involves some degree of risk, which can be very close to zero in the case of a US Treasury security or very high for something such as a concentrated exposure to a one specific foreign security. An understanding of risk in different forms can help clients to understand the opportunities, trade-offs and costs involved with different investment approaches. The principal risk of any investment is that despite any comprehensive analysis, the security or instrument will not perform as expected. This can be due to, among other things:

- general market risk: factors influencing the markets or specific investments, particularly equity markets and some fixed income investments, foreign securities may have geopolitical risk, currency risk, regulatory risk, and liquidity risk;
- management risk: the strategies utilized by NAM IIARs may not work in some market conditions, management risk could also influence mutual fund and ETF portfolio management teams;
- leverage risk: which may increase volatility of the portfolio;
- price and interest rate risk: when interest rates change, the price of a bond is likely to adjust up or down so that its yield, based on the new price, is in line with the new level of interest rates. Interest rate risk is probably the most significant risk facing clients in fixed income securities because it affects all bonds similarly.
- credit risk: the markets perception of the bonds issuer's ability to pay interest and repay principal.
- convertible arbitrage risk: if interest rates on the convertible security rise, its value usually fall;
- short sales risk: if the value of a security sold short increases prior to the scheduled delivery date, the account must pay more for the security than it has received from the purchaser in the short sale;
- options and futures risk: the risk that the counter-party that wrote the option will be unable or unwilling to perform its obligations under the option contract, or the options may become illiquid and difficult to close. Options are a derivative of stocks. An option derives its value from the price of the underlying stock.
- tax risk: NAM in some cases may not manage client accounts with tax consequences in mind; some strategies, including transactions in options and futures contracts, can be subject to special tax rules, which may have adverse tax consequences for the account holder.

- private placements: these instruments are exempt from registration under federal securities laws, clients do not have access to public information, deemed restricted securities and are not traded on a secondary market or exchange and the instrument is thus illiquid.

Item 9 - Disciplinary Information

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

Item 10 - Other Financial Industry Activities and Affiliations

Other Business Products

NAM has developed a product in conjunction with Concord Technology Services, Inc. and Orion Advisor Services, LLC which assists RIA and Broker Dealer firms in servicing their Clients' needs. The product can be (a) branded individually for the firm, creating a Client proposal, including asset allocation, possible models and managers (b) a program through which the firm can create its own models, (c) new account forms with a methodology to populate and print the forms for Client signature, (d) quarterly performance reporting, (e) billing, (f) a trading module that supplies trade data conforming to the selected models, (g) data retrieval and aggregations, and (h) product offerings available through the platform.

Arrangements with Related Broker-Dealer

NAM is affiliated with National Securities Corporation ("NSC") and vFinance Investments, Inc. (vFin). Under the some of the wrap programs, NSC / vFin effects transactions for advisory Clients of NAM upon receipt of instructions from NAM. NSC / vFin generally executes orders received from NAM Clients on an agency basis, and will collect ticket charges and possibly commissions on the accounts managed by NAM.

For some of the programs it offers, NAM requires the use of the services of NAM's affiliate, NSC and vFin. NAM uses certain NSC and vFin facilities, administrative systems and

technology, and does not currently fully reimburse NSC and vFin for the cost of those services. NSC and vFin, however, does receive the revenue generated through trade execution, margin interest, etc. for accounts held through these respective firms.

Service arrangements with our affiliated entities present a conflict of interest because we may have a financial incentive to recommend our affiliates' services. While we believe that fees charged by our affiliates are competitive, such fees may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through NAM's other Clearing Agent firms.

Recommendation of Other Registered Investment Advisers

NAM acts as a solicitor and may refer NAM Clients to other Registered Investment Advisors and receive a portion of the fees charged by those Advisors, which varies depending on the solicitor arrangements with each Advisor. NAM's IIARs receive a portion of the asset management fees paid to NAM by these Advisors.

Item 11 – Code of Ethics

NAM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and gratuities, and the initial, quarterly, and annual reporting of personal securities holdings and trading activity, among other things. All supervised persons at NAM must acknowledge the terms of the Code of Ethics annually, or as amended. NAM anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which NAM has management authority to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which NAM, its affiliates and/or Clients, directly or indirectly, have a position of interest. NAM's IIARs and persons associated with NAM are required to follow NAM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of NAM (IIARs) and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for NAM's Clients. The Code of Ethics is designed to

assure that the personal securities transactions, activities and interests of the IIARs of NAM will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing IIARs to invest for their own accounts. Under the Code certain types of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of NAM's Clients. In addition, the Code requires pre-clearance of limited offerings and IPO transactions, and restricts trading in close proximity to Client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that IIARs might benefit from market activity by a Client in a security held by an IIAR. IIAR trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between NAM and its Clients.

NAM's Clients or prospective Clients may request a copy of the firm's Code of Ethics by contacting Alicia Guagliardo, Chief Compliance Officer.

It is NAM's policy that the firm will not affect any principal or agency cross securities transactions for Client accounts. NAM will also not cross trades between Client accounts. Even though Program contracts and applicable law may permit, as a matter of policy, NAM does not generally permit cross transactions in its advisory programs. In case-by-case exceptions, cross transactions will be permitted in advisory accounts, but only if they comply with applicable regulations, Client consent is obtained and NAM believes the transactions are in the Client's best interest. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

NAM does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

NAM does not have discretion to select which broker dealers Clients' trades are placed for execution. However, NAM works with a selected group of custodians/broker dealers from which its Clients can choose. Based on the Client's selection, all trades for their accounts are then placed through their selected custodian/broker dealer. We recommend that you establish an account with a custodian/broker dealer with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our Clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our Clients and our firm.

Brokerage for Client Referrals

We do not receive Client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Block Trades

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. We do this to ensure to the extent possible that our Clients receive the optimal execution and consistent results across our Client base. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. When NAM IIARs combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned IIARs associated with our firm may

participate in block trading with your accounts; however, they will not be given preferential treatment.

NAM considers and describes below the factors in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions).

FOLIOfn Investments, Inc.

In the Unified Managed Account Program, execution services are provided through FOLIOfn Investments, Inc. member FINRA/SIPC. FOLIOfn was selected for the Program because it allows fractionalized share trading, which enables smaller accounts to take advantage of models provided through outside management firms. Transactions may also be directed to another broker-dealer if legal execution obligations so require. Costs and fees affected by other broker-dealers are separately borne by the Client.

Charles Schwab & Co., Inc.

NAM may recommend that Clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab Institutional"), an unaffiliated registered broker-dealer, member SIPC/NYSE, among others, to maintain custody of the Client's assets and to effect trades for their accounts. Clients are advised that there may be transaction charges involved when purchasing or selling securities. NAM does not share in any portion of the brokerage fees/transaction charges imposed by Schwab Institutional. Additionally, the commission/transaction fees charged by Schwab Institutional may be higher or lower than those charged by other broker-dealer/custodians. Schwab Institutional provides NAM with access to its institutional trading and operations services, which are typically not available to Schwab retail clients. Schwab Institutional services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional clients or would require significantly higher minimum initial investments. Schwab Institutional also makes available to NAM other products and services that benefit NAM but may not benefit its Clients' accounts. These include technology that provide access to Client account data (such as trade confirmations and account statements for our affiliate NSC and vFin), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of NAM's fees from its Clients' accounts, and

assist with back-office support, recordkeeping and Client reporting. The availability to NAM of the foregoing products and services is not contingent upon NAM committing to Schwab Institutional any specific amount of business (assets in custody or trading).

Fidelity Institutional

NAM may recommend that Clients establish brokerage accounts with the Fidelity Institutional, an unaffiliated registered broker-dealer, member SIPC/NYSE, among others, to maintain custody of the Client's assets and to effect trades for their accounts. Clients are advised that there may be transaction charges involved when purchasing or selling securities. NAM does not share in any portion of the brokerage fees/transaction charges imposed by Fidelity Institutional. Additionally, the commission/transaction fees charged by Fidelity Institutional may be higher or lower than those charged by other broker-dealer/custodians. Fidelity Institutional provides NAM with access to its institutional trading and operations services, which are typically not available to Fidelity retail clients and access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts). Fidelity Institutional services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional clients or would require significantly higher minimum initial investments or with no transaction fees. Fidelity Institutional also makes available to NAM other products and services that benefits NAM but may not benefit its Clients' accounts. These include technology that provide access to Client account data (such as trade confirmations and account statements for our affiliate NSC and vFin), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of NAM's fees from its Clients' accounts, and assist with back-office support, recordkeeping and Client reporting. The availability to NAM of the foregoing products and services is not contingent upon NAM committing to Fidelity Institutional any specific amount of business (assets in custody or trading).

TD Ameritrade Institutional

NAM may recommend that Clients establish brokerage accounts with TD Ameritrade Institutional, an unaffiliated registered broker-dealer member FINRA/SIPC, among others for services which include custody of securities, trade execution, clearance and settlement of transactions. TD Ameritrade Institutional is

a division of TD Ameritrade, Inc. ("TD Ameritrade"). There is no direct link between NAM's participation in the Program and the investment advice it gives to its Clients. The services include the following products and services: receipt of duplicate Client statements and confirmations for our affiliate NSC and vFin; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; and access to mutual funds with no transaction fees. TD Ameritrade may also have paid for business consulting and professional services received by NAM's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit NAM but may not benefit its Client accounts. The benefits received by NAM or its IIAR through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

Interactive Brokers

NAM may recommend Interactive Brokers, member FINRA/SIPC, to Clients for custody and brokerage services. Interactive Brokers offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. There is no direct link between NAM's participation in the Program and the investment advice it gives to its Clients. The services include the following products and services: research related products and tools; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; and access to mutual funds with no transaction fees. Some of the products and services made available by Interactive Brokers through the Program may benefit NAM but may not benefit its Client accounts. The benefits received by NAM or its IIAR through participation in the Program do not depend on the amount of brokerage transactions directed to Interactive Brokers.

Item 13 – Review of Accounts

NAM supervisors are charged with reviewing all new Client account applications for completeness, unacceptable accounts, and potential improper addresses, reviewing the customer personal data and determining that the recommendation of the particular advisory service appears to be appropriate to the customer's personal and financial situation and investment objectives, and forwarding the application to the CCO for final approval. NAM supervisors are required to review trades on the NAM trade review system daily and to conduct a review of a sample of customer accounts through the firm's internal data management system to detect and prevent irregularities or abuses, such as front running and wash transactions. The CCO conducts quarterly reviews of a sample of customer accounts and may perform surprise inspections of investment advisory representatives' activity on a periodic basis as deemed necessary. All reviews are conducted pursuant to NAM's written supervisory procedures.

All Clients receive statements of activity and account holdings directly from the asset custodian(s). Statements are sent monthly if there is activity in the account, otherwise quarterly. Clients may be provided with quarterly evaluation reports analyzing the performance of the securities in the Client's account in order to assist the Client in determining whether to re-allocate investment of account assets among available securities.

Item 14 – Client Referrals and Other Compensation**Compensation for Client Referrals**

NAM has some arrangements wherein compensation is paid to unaffiliated third parties. Such compensation may serve as an inducement to refer Clients to NAM, and therefore may present a conflict of interest. The general circumstances for such payment are as follows:

NAM may from time to time pay compensation to unaffiliated third parties for referring Clients to NAM, as permitted under Rule 206(4)-3 of the Investment Advisers Act of 1940. Such arrangements are disclosed in writing to the Client at the time the referral is made. Appropriate disclosure would be provided to the Client in any such case in accordance with SEC rules and the solicitor will be compensated by NAM according to the specific terms of the compensation arrangement contained in the NAM Solicitation Agreement.

Additional Compensation

For some of the Programs NAM offers, NAM requires the use of the services of NAM's affiliates, NSC and vFin. NAM uses certain NSC and vFin facilities, administrative systems and technology, and does not currently fully reimburse NSC and vFin for the cost of those services. NSC and vFin, however, does receive the revenue generated through trade execution, margin interest, etc. for accounts held through these respective firms.

NAM participates in the Institutional programs of some unaffiliated broker-dealers, such as Charles Schwab Institutional, Fidelity Institutional, Interactive Brokers, and TD Ameritrade Institutional, collectively the "Clearing Agents". While there is no direct link between the investment advice given and participation in the programs, economic benefits are received. These benefits include receipt of duplicate confirmations and bundled duplicate statements to our affiliate NSC and vFin; access to a trading desk serving advisor participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate share to Client accounts; access to an electronic communication network via the Clearing Agent's web portal for Client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional clients. The benefits received through the participation in the program does not necessarily depend upon the proportion of transactions directed to the respective broker-dealer.

Lastly, NAM acts as a solicitor and may refer NAM Clients to other Registered Investment Advisors and receives a portion of the fees charged by those Advisors, which varies depending on the arrangement. NAM's IIARs receive a portion of the asset management fees paid to NAM by these Advisors.

Item 15 - Custody

For NAM advisory accounts, Client assets are maintained with a qualified custodian as referenced earlier in the Brochure for each respective Program. The Client will complete account paperwork with the applicable custodian. Clients will receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains Client's investment assets. NAM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

We previously discussed in the “Fees and Compensation” section (Item 5) of this Brochure that our firm directly debits advisory fees from Client accounts. As part of this billing process, the Client's custodian is advised of the amount of the fee to be deducted from that Client's account. On at least a quarterly basis, the custodian is required to send to the Client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for Clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

NAM does not have actual custody of Client accounts.

Item 16 – Investment Discretion

Whether NAM, its IIARs or third-party managers have investment discretion depends on the Program selected by the Client. Discretionary authority will be explicitly authorized through the completion of the NAM Investment Advisory Agreement and the Clearing Agent's trading authorization or limited power of attorney forms, if applicable, and may be limited by the Client. In most NAM programs, the NAM Investment Advisory Agreement and the Clearing Agent's Account Application provide authorization to the NAM's Clearing Agent partners to provide brokerage services related to the advisory services offered. NAM will receive discretionary authority from the Client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account.

When selecting securities and determining amounts, NAM observes the investment policies, limitations and restrictions of the Clients for which it advises.

Investment guidelines and restrictions must be provided to NAM in writing per the NAM Investment Advisory Agreement or an Investment Policy Statement.

Item 17 – Voting Client Securities

All Client securities are held at the respective custodian: Fidelity Institutional, Charles Schwab Institutional, TD Ameritrade Institutional, National Financial Services, *Foliofn*, or Interactive Brokers. These custodians are responsible for ensuring all proxy material is forwarded to the Client. NAM does not serve as custodian for any Client securities, and as such does not receive proxies for securities held in Client accounts. NAM does not vote, nor give advice on how to vote, proxies for securities held on behalf of Clients. Under the investment advisory agreement between NAM and the Client, the Client retains exclusive voting authority over the securities in the Client's portfolio and the firm does not have any role in proxy voting. Client shall be responsible for voting all proxies. If Client assets are invested in mutual funds, the managers of those mutual funds may vote the proxies for the securities in the funds. Client is entitled to receive information from fund managers concerning their proxy voting policies and procedures. Those managers are required to provide information to Clients about the manner in which the managers of the Funds have voted proxies in the past. Client should review the information that is provided concerning the proxy voting policies of the managers of the funds in which assets are invested.

Item 18 – Financial Information

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

As an advisory firm that maintains discretionary authority for Client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. NAM has no additional financial circumstances to report.

NAM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.