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This disclosure brochure provides clients with information about the qualifications and business practices of ALCO Advisors, Inc., an independent investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). It also describes the services ALCO Advisors, Inc. provides as well as background information on those individuals who provide investment advisory services on behalf of ALCO Advisors, Inc. Please contact Stephen J. Coville, President of ALCO Advisors, Inc. at 781-834-8100 if you have any questions about the contents of this disclosure brochure.

The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that ALCO Advisors, Inc. or any individual providing investment advisory services on behalf of ALCO Advisors, Inc. possess a certain level of skill or training. Additional information about ALCO Advisors, Inc. is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for ALCO Advisors, Inc. is 129513.

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ADVISORY BUSINESS

Company

ALCO Advisors, Inc. is a privately-held Massachusetts corporation that has been providing investment advisory services since 1991 and has been an SEC-registered investment adviser since 2007. Throughout this disclosure brochure, ALCO Advisors, Inc. is referred to as “ALCO”.

The principal owner of ALCO is Stephen J. Coville, CPA.

Services

ALCO provides the following investment advisory services:

Investment Management Services

ALCO provides personalized investment management services which consists of giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions, during which a client's goals and objectives are established, ALCO assess the client's risk profile and investment guidelines.

ALCO will then create and manage a customized portfolio based on the client's risk profile and investment guidelines. ALCO will allocate the client's assets among various asset classes based on the client's risk tolerance. ALCO's management of the client's account will be based on the client's investment objective.

ALCO will create a portfolio principally comprised of mutual funds, exchange traded funds (commonly known as “ETFs”), and/or debt and equity securities in accordance with the investment objectives of the client. Each portfolio will be designed with the goal of meeting each client's individual needs. The mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; the fund's tax efficiency; and the fund's management fee structure.

Investment management services will be provided on both a discretionary and non-discretionary basis. For accounts managed on a discretionary basis, the client gives ALCO full authority to manage the client's assets in accordance with what ALCO deems to be in the client's best interest based on the client's investment guidelines. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Securities will always remain in the name of the client.

Financial Planning Services

Financial planning is primarily an analytical process designed to organize financial data, identify needs and opportunities and evaluate alternative courses of action; it may include analysis of current net worth, income taxes, cash flow and budgeting,

investments and asset allocation, retirement planning, employee benefit plan analysis, estate and gift tax planning, education pre-funding and risk management focusing on life, health and disability coverage.

In general, ALCO gathers required information through personal interviews. ALCO will typically meet with the client to conduct an evaluation of the client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are also reviewed. ALCO conducts a financial analysis and prepares a written plan that describes the client's current situation, identifies needs and opportunities and makes suggestions designed to help the client achieve stated goals.

While financial analyses may include investment advice concerning mutual funds and securities, it may also include investment advice with respect to products that may or may not constitute "securities," such as life insurance and annuities. It also takes into consideration estate tax planning issues that may not constitute "investment" advice.

ALCO may recommend its own services and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if ALCO recommends its own services. The client is under no obligation to act upon any of the recommendations made by ALCO under a financial planning engagement and/or engage the services of any such recommended professional, including ALCO or any of its related persons. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of ALCO's recommendations.

In performing its services, ALCO shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. If requested by the client, ALCO may suggest the services of other professionals for implementation services, but the client is under no obligation to engage the services of any suggested professional. In addition, each client is advised that it remains their responsibility to promptly notify ALCO if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising ALCO's previous recommendations and/or services.

Consulting Services

Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. ALCO also provides specific consultation and administrative services regarding investment and financial concerns of the client. Additionally, ALCO provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, retirement planning and insurance.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Additional Services

ALCO provides other services related to non-securities matters. Such services involve paying bills for a client and/or providing general financial oversight of a client's assets other than investment portfolio services.

Assets Under Management

As of December 31, 2010, the total amount of client assets managed by ALCO is approximately \$37,200,000. Of this amount, 26,100,000 are managed on a non-discretionary basis and \$11,100,000 are managed on a discretionary basis.

FEES AND COMPENSATION

Investment Management Services Fees

The annual fee for investment management services will be charged as a percentage of assets under management. The table below shows the maximum annual fee for portfolio management services. The actual fee charged may be less than the maximum fee shown below depending upon the size and complexity of the client's account:

Assets Under Management	Maximum Annual Fee (%)
\$0 to \$500,000	1.00%
\$500,000 to \$2,000,000	0.75%
Over \$2,000,000	Negotiable

Clients will be billed in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of that quarter. If an account is terminated during a calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the agreement was effective.

Unless otherwise agreed to, ALCO's investment management agreement and/or the separate agreement the client enters into with the account custodian will authorize ALCO, through the account custodian, to debit the client's account for the amount of ALCO's fee and to directly remit that portfolio management fee to ALCO. Details of the investment management fee charged are more fully described in the advisory agreement entered into with each client.

Financial Planning and Consulting Services Fees

Financial Planning and/or Consulting services fees will be charged a rate of up to \$250 per hour and will be due and payable as they are earned. The length of time it will take to complete the advisory service will depend on the nature and complexity of the individual client's personal circumstances. Because this service is designed primarily to meet the specific needs of wealthy families and individuals, there is no "typical" number of hours required to provide this service. ALCO will provide the client with an estimate of the time required to complete this service at start of the advisory relationship.

In certain limited circumstances, ALCO will offer to provide financial planning to families or family groups for an annual retainer, rather than an hourly fee. The amount of this retainer will be negotiated with each family or family group. In some circumstances, ALCO may require that a retainer be paid in advance of the financial planning work to be done, however, no fee will be collected six (6) months or more in advance.

Additional Services Fees

Additional Services fees will be charged a rate of up to \$250 per hour and will be due and payable as they are earned. The length of time it will take to complete the Additional Service will depend on the nature and complexity of the individual client's personal circumstances. While there is no "typical" number of hours required to complete the Additional Services, ALCO will provide the client with an estimate of the time required to complete the Additional Services at start of the advisory relationship.

In certain limited circumstances, ALCO will offer to provide Additional Services to families or family groups for an annual retainer, rather than an hourly fee. The amount of this retainer will be negotiated with each family or family group. In some circumstances, ALCO may require that a retainer be paid in advance of the Additional Services to be done, however, no fee will be collected six (6) months or more in advance.

Important Additional Information

Fees Negotiable

ALCO retains the right to modify fees, in its sole and absolute discretion, on a client-by-client basis based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.). ALCO may combine related household accounts for fee calculation and minimum annual fee purposes.

Direct Debiting of Client Accounts

In order for ALCO's advisory fees to be directly debited from a client's account, the client must provide written authorization permitting ALCO to bill the custodian. In

addition, the account must be held by a qualified custodian and the qualified custodian must agree to send to the client an account statement on at least a quarterly basis. The account statement must indicate all amounts disbursed from the account including the amount of advisory fees paid directly to ALCO. Clients are informed that it is their responsibility to verify the accuracy of the fee calculation and that the account custodian will not determine whether the fee is properly calculated.

Termination of Client Relationship

A client agreement may be canceled by either party, for any reason upon receipt of written notice. Upon termination of any account, any earned, unpaid fees will be due and payable. Because ALCO charges for fees in arrears, no refund will be due to the client. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

Mutual Fund Fees

All fees paid to ALCO for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of ALCO. In that case, the client would not receive the services provided by ALCO which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by ALCO to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Trading and Other Costs

All fees paid to ALCO for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of equity securities and options. Such fees may include odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see the section entitled "Brokerage Practices" on page 9 of this disclosure brochure for additional information on brokerage and other transaction costs.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

ALCO does not accept performance-based fees (e.g., fees based on a share of capital gains on or capital appreciated of the assets in a client's account).

TYPES OF CLIENTS

ALCO provides investment advisory services to individuals (including high net worth individuals), pension and profit sharing plans, trusts, estates, corporations and other types of business entities.

Engaging the Services of ALCO

All clients wishing to engage ALCO for investment advisory services must first complete the applicable investment advisory agreement as well as any other document or questionnaire provided by ALCO. ALCO may only implement its investment management recommendations after the client has arranged for and furnished ALCO with all information and authorizations regarding accounts with the appropriate broker-dealer/custodian.

The investment advisory agreement describes the services and responsibilities of ALCO to the client. It also outlines ALCO's fee in detail. Upon completion of the investment advisory agreement, ALCO will be considered engaged by the client. In addition, clients must complete certain broker-dealer/custodial documentation. Neither ALCO nor the client may assign the investment advisory agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of ALCO are not to be considered an assignment.

A copy of ALCO's privacy policy notice and this written disclosure statement are provided to each client prior to or contemporaneously with the execution of the investment advisory agreement. Any client who has not received a copy of ALCO's written disclosure statement at least forty eight (48) hours prior to executing the investment advisory agreement shall have five (5) business days subsequent to executing the agreement to terminate ALCO's services without penalty.

ALCO's clients are advised to promptly notify ALCO if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon ALCO's management services.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Types of Investments

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Recommendations for new investments may include domestic and foreign equity securities, exchange-traded funds (ETFs), certificates of deposit, municipal and United States government securities, mutual funds, and partnerships investing in real estate. In addition, ALCO offers investment advice on venture capital limited partnerships.

Investment Strategies

ALCO may utilize different investment strategies, based upon the needs of the client, including long-term purchases (e.g., securities held at least a year), short-term purchases (e.g., securities sold within 12 months) and trading (e.g., securities sold within 30 days).

Security Analysis

ALCO both analyzes securities and evaluates the client's investments to ascertain that the fundamental features synchronize with the client's objectives.

Sources of Information

In conducting security analysis, commercially available services concerning investments, as well as taxation, numerous financial newspapers and periodicals, publicly available information such as annual reports, prospectuses, SEC filings and company press releases are all used for securities evaluation.

Risk

In General

Investing in securities involves risk of loss that each client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security's price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed income securities, a period of rising interest rates could erode the value of bond since bond values generally fall as bond yields rise. Investment risk with international equities also includes fluctuation in currency values, differences in accounting and economic and political instability. Depending upon the client need and investment mandate, ALCO will attempt to thoroughly explain the applicable risks.

Exchange Traded Funds (ETFs)

Equity-based exchange traded funds are subject to risks similar to those of stocks. If the stock tracked within an ETF decline due to weakening fundamentals, crumbling technical support, global events, or any other market fluctuations, the value of the ETF will go down. Fixed income-based ETFs are subject to risks similar to those of bonds such as increasing interest rates. Investment returns will fluctuate and are subject to market volatility, so that an investor's ETF shares, when redeemed or sold, may be worth more or less than their original cost.

Cash Management

Cash in client accounts is typically held in a Schwab money market fund although when deemed advisable, a portion of the client's cash balance may be held in a short-term bond fund. Because ALCO considers the management of cash balances as an

integral part of its investment management strategy, ALCO includes any such cash balances when calculating its asset-based fees. To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus.

DISCIPLINARY HISTORY

ALCO has never been disciplined by a regulatory agency.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

In addition to providing investment advice, ALCO also offers non-advisory tax services. Stephen J. Coville, President of ALCO, will devote the majority of his time to ALCO's investment advisory business.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

ALCO has adopted a Code of Ethics to prevent violations of federal securities laws. The Code of Ethics is predicated on the principle that ALCO and its employees owe a fiduciary duty to its clients. Accordingly, ALCO expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. ALCO and its employees are required to adhere to the Code of Ethics. At all times, ALCO and its employees must (i) place client interests ahead of ALCO's; (ii) engage in personal investing that is in full compliance with ALCO's Code of Ethics; and (iii) avoid taking advantage of their position. Clients and prospective clients may request a copy of ALCO's Code of Ethics by contacting Stephen J. Coville, President of ALCO, at 781-834-8100.

Prohibition on Use of Insider Information

ALCO has also adopted policies and procedures to prevent the misuse of "insider" information. A copy of ALCO's Insider Trading policies and procedures is available to any client or prospective client upon request. For a copy of ALCO's Insider Trading policies and procedures, please contact Stephen J. Coville, President of ALCO, at 781-834-8100.

Participation or Interest in Client Transactions

Individuals associated with ALCO may buy, sell, or hold in their personal accounts the same securities that they recommend to clients.

At times, ALCO or its related persons may purchase securities that it deems appropriate only for its or their own account. Based on the experience of ALCO or its related persons holding the securities and on further research and due diligence, ALCO may at a later time purchase such securities for client accounts at prices which might be higher or lower than those originally paid.

BROKERAGE PRACTICES

Broker Selection

ALCO will generally recommend that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc., a FINRA-registered broker-dealer, for investment management accounts.

Best Execution

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while ALCO will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests ALCO to arrange for the execution of securities brokerage transactions for the client’s account, ALCO shall direct such transactions through broker-dealers that ALCO reasonably believes will provide best execution. ALCO shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

Broker Analysis

ALCO evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving ALCO.

Also in consideration is such broker-dealers' provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by "soft dollars", as further discussed in the "Research/Soft Dollars Benefits" section immediately below). Accordingly, if ALCO determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

ALCO's Chief Compliance Officer is responsible for continuously monitoring and evaluation the performance and execution capabilities of brokers that transact orders for our client accounts to ensure consistent quality executions. In addition, ALCO periodically reviews its transaction costs in light of current market circumstances and other relevant information.

Research/Soft Dollar Benefits

ALCO uses Charles Schwab & Co.'s ("Schwab"), Schwab Advisor Services. There is no direct link between ALCO's use of Schwab Advisor Services and the investment advice it gives to its clients, although ALCO receives economic benefits through its participation in the program that are typically not available to Schwab retail investors.

As a user of Schwab Advisor Services, Schwab makes available to ALCO other products and services that benefit ALCO, but may not benefit its clients' accounts. Some of these other products and services assist ALCO in managing and administering clients' accounts, including:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk serving Schwab Advisor Services participants exclusively;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;
- Ability to have investment advisory fees deducted directly from client account;
- Access, for a fee, to an electronic communication network 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 investors.

Schwab Advisor Services also makes available to ALCO other services intended to help ALCO manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

In addition, Schwab Institutional may make available, arrange and/or pay for these types of services rendered to ALCO by independent third parties.

Additional benefits received because of ALCO's use Schwab Advisor Services may depend upon the amount of transactions directed to, or amount of assets custodied by, Charles Schwab & Co., Inc. ALCO is required to maintain a minimum level of client assets with Schwab Advisor Services to avoid a quarterly service fee. While as a fiduciary ALCO endeavors to act in its clients' best interests, ALCO's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to ALCO of the availability of some of the foregoing products and services and not solely on the nature cost or quality of custody and brokerage provided by Schwab which may create a conflict of interest.

Directed Brokerage

Company Directed Brokerage

ALCO does not have the discretionary authority to determine the broker-dealer to be used. As stated above, clients in need of brokerage will have Charles Schwab & Co., Inc. Schwab Advisor Services recommended to them. While there is no direct linkage between the investment advice given and usage of Schwab, economic benefits are received which would not be received if ALCO did not give investment advice to clients (please see additional disclosures in the "Research/Soft Dollars Benefits" section directly above). ALCO does not participate in any transaction fees or commissions paid to the broker dealer or custodian and does not receive any fees or commissions for the opening or maintenance of client accounts at recommended brokers.

Not all investment advisers require their clients to direct brokerage. ALCO is required to disclose that by directing brokerage, ALCO may not be able to achieve most favorable execution of client transactions and this practice may cost clients more money.

Client Directed Brokerage

Certain clients may direct ALCO to use particular brokers for executing transactions in their accounts. With regard to client directed brokerage, ALCO is required to disclose that ALCO may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates ALCO might pay for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money. ALCO reserves the right to decline acceptance of any client account that directs the use of a broker dealer if ALCO believes that the broker dealer would adversely affect ALCO's fiduciary duty to the client and/or ability to effectively service the client portfolio.

As a general rule, ALCO encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services

provided by the broker to the client in exchange for the directed brokerage designation.

Trade Aggregation/Allocation

Investment Management

Transactions for each client generally will be made independently, unless ALCO decides to purchase or sell the same securities for several clients at approximately the same time. ALCO may (but is not obligated to) combine or “batch” such orders to:

- obtain best execution;
- negotiate more favorable commission rates; or
- allocate equitably among ALCO’s clients, differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will generally be averaged as to price and allocated among ALCO’s clients pro rata. In the event that ALCO determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

- When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;
- Allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- If an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed);
- With respect to sale allocations, allocations may be given to accounts low in cash;
- In cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, ALCO may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or
- In cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Financial Planning and Consulting

ALCO's financial planning and consulting practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price.

Financial planning and consulting clients will be required to select their own broker dealers and insurance companies for the implementation of financial planning and/or consulting recommendations. ALCO may recommend any one of several brokers. ALCO clients must independently evaluate these brokers before opening an account. The factors considered by ALCO when making this recommendation are the broker's ability to provide professional services, ALCO's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. ALCO's financial planning and consulting clients may use any broker or dealer of their choice.

Trade Errors

Trade errors are promptly reported to the custodian and will be rectified by the custodian with no adverse financial effect on the client. In the event that a trade error results in a gain for a client, the client will be permitted to retain any such gain in their account.

REVIEW OF ACCOUNTS

Investment Management Services

Reviews

Each portfolio is reviewed weekly for performance versus the major market indexes. A monthly review is performed for the portfolio and for each security, with the objective being to identify problems. Quarterly, each portfolio is compared with the major market averages and each security (mostly mutual funds) is compared with its relevant market segment index. In addition, a quarterly review is performed of the universe of mutual funds available through the Morningstar service to measure the relative performance and statistical measurements of funds held in client accounts compared with others available. Also, daily and weekly charts of fund prices are used to monitor those held in client accounts.

All reviews are conducted by Stephen J. Coville, President of ALCO Advisors, Inc.

Reports

Quarterly reports include portfolio holdings with related cost and change in value; performance for latest quarter and year-to-date (defined as the month end nearest the initial funding of the account(s)); and a report showing the change in value of the components of the portfolio (including cash additions and withdrawals).

Financial Planning

Reviews

These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

Reports

Clients will receive reports as contracted for at the inception of the advisory relationship.

Consulting Services

Reviews

These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

Reports

Due to the nature of this service, ALCO will not typically provide reports unless contracted for at the inception of the advisory relationship.

CLIENT REFERRALS AND OTHER COMPENSATION

ALCO does not receive any economic benefits (e.g., sales incentives, prizes) from non-clients for providing investment advice. ALCO does not use solicitors to refer clients to ALCO.

CUSTODY

Custody of client assets will be maintained with the independent custodian selected by the client. ALCO will not have physical custody of any assets in the client's account *except as permitted for payment of advisory fees*. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize ALCO to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account.

Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. *Clients are urged to carefully review the account statement sent by the broker-dealer/custodian and to compare the account statement provided by the broker-dealer/custodian with any statements provided by ALCO.*

INVESTMENT DISCRETION

For those client accounts over which ALCO has discretion, ALCO requests that it be provided with written authority (e.g., limited power of attorney contained in ALCO's investment management agreement) to determine the types and amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change or amend these limitations as required. All such amendments shall be submitted in writing.

ALCO generally has discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are effected: (1) which securities are bought and sold for the account and (2) the total amount of securities to be bought and sold. ALCO's authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between ALCO and the client.

VOTING CLIENT SECURITIES

Proxy Voting

The act of managing assets of clients may include the voting of proxies related to such managed assets. Where the power to vote in person or by proxy has been delegated, directly or indirectly, to the investment adviser, the investment adviser has the fiduciary responsibility for (a) voting in a manner that is in the best interests of the client and (b) properly dealing with potential conflicts of interest arising from proxy proposals being voted upon. Accordingly, ALCO has instituted proxy voting policies and procedures that are designed to (i) ensure that proxies are voting in an appropriate manner and (ii) complement ALCO's investment policies and procedures regarding its general responsibility to monitor the performance and/or corporate events of companies which are issuers of securities held in managed accounts.

ALCO's general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities (collectively, "proxies"), in a manner that serves the best interests of the client as ALCO determines in its sole discretion, taking into account the following factors: (i) the impact on the value of the securities; (ii) the costs and benefits associated with the proposal; and (iii) the customary industry and business practices. Clients may request a copy of ALCO's Proxy Voting Policies by contacting Stephen J. Coville, President of ALCO, at 781-834-8100.

Class Action Settlements

ALCO, if requested by the client, will assist with class action claims. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether

such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

FINANCIAL INFORMATION

Prepayment of Fees

Because ALCO does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, ALCO is not required include a balance sheet with this disclosure brochure.

Financial Condition

ALCO does not have any adverse financial conditions to disclose.

Bankruptcy

ALCO has never been the subject of a bankruptcy petition.

PRIVACY NOTICE

ALCO views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. ALCO does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, ALCO may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers, etc. ALCO restricts internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for ALCO. As emphasized above, it has always been and will always be ALCO's policy never to sell information about current or former clients or their accounts to anyone. It is also ALCO's policy not to share information unless required to process a transaction, at the request of a client, or as required by law. For the full text of ALCO's Privacy Policy, please contact Stephen J. Coville, President of ALCO, at 781-834-8100.

CLIENT COMPLAINTS

Clients may contact Stephen J. Coville, President of ALCO, at 781-834-8100 to submit a complaint. Written complaints should be sent to ALCO Advisors, Inc., One Snow Road, Suite 4, Marshfield, MA 02050.