

Advanced Capital Group

**50 South Sixth Street, Suite 975
Minneapolis, MN 55402**

TF: 866-225-5224

T: 612-230-3000

F: 612-230-3019

www.acgbiz.com

January 1, 2012

FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of Advanced Capital Group. If you have any questions about the contents of this brochure, please contact us at TF: 866-225-5224; T: 612-230-3000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Advanced Capital Group is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Advanced Capital Group is 109673.

Advanced Capital Group is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Form ADV Part 2A, Item 4

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Advanced Capital Group (ACG) is a fee only Registered Investment Advisor. In that capacity, it has two distinct practice lines: Investment Consulting and Investment Management.

In its Investment Consulting practice, it advises clients on the hiring, monitoring and replacing of third party Investment Managers, principally mutual funds and pooled products like separate accounts and collective trust funds. Most of its Investment Consulting is done with employer sponsored retirement plans but it also has a number of individual investors to whom it provides those services.

In its Investment Management practice, it buys and sells individual securities, almost exclusively fixed income products. In that practice, it works with both high net worth individuals and institutional clients such as corporations and foundations.

ACG was incorporated in Minnesota in 1998. Its principal owners are: Charles Langowski, Justin Dorsey and Patrick Larson.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

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In its Investment Management practice, it buys and sells individual securities, almost exclusively fixed income products. In that practice, it works with both high net worth individuals and institutional clients such as corporations and foundations.

To expand on the Investment Management practice, we would add that we are an Investment Manager approved by Charles Schwab to be an investment management option in its Separate Account Network (SAN) for its Midwest Region. Through it, Charles Schwab financial consultants can utilize our investment management services with their clients without further due diligence or fee negotiation. Primarily, we manage municipal bond portfolios for the SAN program.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

ACG's advisory services can be tailored to the individual needs of clients. By way of example, clients may impose restrictions on investing in certain securities, or types of securities, depending on their risk tolerance or unique portfolio needs. An example may include exposure to a certain

asset class that they do not wish to duplicate within the ACG portfolio.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

We do not participate in wrap fee programs.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.

Investment Consulting:

Discretionary: \$0

Non-Discretionary: \$4,508,780,000

Investment Management:

Discretionary: \$39,200,000

Non-Discretionary: \$183,270,000

Fees and Compensation

Form ADV Part 2A, Item 5

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

ACG's fees are negotiable, as well as how ACG is paid. To explain, each practice area will be discussed separately.

ACG works with both employer sponsored retirement plans and individuals in its Investment Consulting practice. Moreover, three tiers of service are offered to employer sponsored retirement plans. In Tier I, ACG helps the plan sponsor select and monitor its retirement plan(s) core funds and suggests replacements when, and if, necessary. In Tier II, ACG provides participant investment education and assistance. In Tier III, ACG benchmarks an employer sponsored plan's existing features and services to confirm that the total fees paid are reasonable for the services received.

Tier I fees may be in the form of basis points or a fixed dollar amount. Tier II fees are often stated as a basis points fee. Tier III services are generally charged as a fixed dollar fee. Some ACG clients choose to pay ACG directly while others pass ACG's fees through, in whole or in part, to the plan trust. Tier III clients always pay ACG directly. ACG does not have a standard fee schedule when providing Tier I, Tier II or Tier III services to employer sponsored retirement plans as fees depend on many factors and complexity.

Individual Investment Management clients are generally charged a basis points fee, which clients can choose to pay from outside their account or have deducted from their account. When providing Investment Management services to individuals, the fees charged are as follows:

Municipal Bond Portfolio Management – Municipal Security Portfolio	
\$750,000 to \$5,000,000	0.50% (50 basis points)
Above \$5,000,000	Negotiable

Municipal Bond Portfolio Management – Essential Purpose Core Portfolio	
\$750,000 to \$5,000,000	0.55% (55 basis points)
Above \$5,000,000	Negotiable

Municipal Bond Portfolio Management – Essential Purpose Yield Portfolio	
\$750,000 to \$5,000,000	0.75% (75 basis points)
Above \$5,000,000	Negotiable

The Investment Management Fees charged to its institutional clients are negotiable.

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

Clients can chose to have fees deducted from assets or be billed directly. In either case, our standard arrangement for payment is quarterly. Further, we are paid for services rendered. Thus, our fees are paid or deducted in arrears, not in advance.

Form ADV Part 2A, Item 5

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

ACG's Investment Management or Consulting clients may be charged transaction fees or a recordkeeping fee by their selected trustee or custodian. That fee may be either assessed against the client's account or paid directly by the client.

In addition to the fees charged for Tier I, Tier II and Tier III services, ACG generally passes through out-of-pocket expenses (out of town travel, hotels, car rental, major printing, etc.) except meals, at cost.

Investment Management clients will be assessed expense ratios by the management of a mutual fund or pooled product, such as a separate account or collective trust fund. In some instances our custodians, Charles Schwab or Fidelity, may assess a transaction fee for trade execution. That fee is a custodial transaction fee and is not paid to ACG.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

ACG's fees are deducted in arrears so if a client terminates their contract mid-quarter there are no advanced fees that are paid that would require a refund. We do not require payment in advance for any services.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

ACG does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. It therefore has no conflict of interest with those investments nor recommends them based on the compensation received, rather than on a client's needs. ACG does not use mutual funds or pooled products that pay upfront or deferred sales commissions. ACG's sole source of compensation is the fee disclosed in ACG's service agreement.

Form ADV Part 2A, Item 5

2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Clients of ACG always have the option to purchase investment products that we recommend through other brokers, agents or investment advisors not affiliated with ACG.

3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

Not Applicable

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

Not Applicable

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

ACG does not charge a performance based fee on any investment management account.

Types of Clients

Form ADV Part 2A, Item 7

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Investment Consulting: ACG works primarily with employer sponsored retirement plans, individuals, foundations and endowments. We do not have a minimum account size.

Investment Management: ACG works with high net worth individuals, corporations, foundations and endowments. The account minimum for Investment Management is \$750,000. Exceptions to that minimum may be made depending on the ability to reach that minimum within a twelve month period.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

All investing involves risk of loss and any client that hires ACG must be prepared to bear that risk.

The focus of ACG's Investment Consulting practice is on portfolio analytics. For most accounts, ACG follows the principals of Modern Portfolio Theory. ACG's goal is to build portfolios along an efficient frontier and then discuss the pros and cons of taking on more, or less, risk along that arc with each client.

Individual clients in ACG's Investment Management practice are almost exclusively limited to municipal bond investing. ACG's core strategy is to buy or sell essential purpose general obligation bonds but depending upon the particular circumstance, ACG may also buy other kinds of bonds as well. ACG's investment decisions are principally driven by its individual client's answers to its Suitability Questionnaire. Throughout our investment management practice, credit analysis is a significant focus.

ACG's Investment Management decisions for institutional clients are principally driven by cash-flow needs and duration of their liabilities.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

The material risks associated with ACG's Investment Consulting practice are common to all mutual funds and pooled products like separate accounts and collective trust funds. The risks can include non-systematic risks like: a) management, or company risk, which reflect the decisions a company's managers make that affect the performance of its stock or it can be b) credit, or default risk, which is the risk the company fails to make bond interest or principal payments on a timely basis. The risks could also be systematic and include: a) inflation (increasing inflation can reduce the value of an investment, in particular bonds), b) the change in value of a bond due to changes in interest rates, c) the change in value of one currency versus another, d) the inability to buy or sell an investment quickly due to its lack of liquidity and/or e) the possibility that political or social unrest will affect investment performance.

ACG's investment and portfolio analytics relies solely on historical data and does not predict future outcomes. Thus, in extraordinary events, the use of historical data may not be helpful. The financial market changes in 2008 and early 2009 are an example. In ordinary market environments we seek to provide superior risk-adjusted returns compared to the broad market itself.

In our Investment Management practice, risk can be a) management (company, or governmental entity, etc.) risk, which reflect the decisions the managers or civic leaders make that affect the performance of its bond or it can be b) credit, or default risk, which is the risk the company or governmental entity fails to make bond interest or principal payments on a timely basis. The risks

Form ADV Part 2A, Item 5

could also be systematic and include: a) inflation (increasing inflation can reduce the value of an investment, in particular bonds), b) the change in value of a bond due to changes in interest rates, c) the change in value of one currency versus another, d) the inability to buy or sell an investment quickly due to its lack of liquidity and/or e) the possibility that political or social unrest will affect investment performance.

ACG's approach to inflation has to do with the yield curve. At different times, we have either shorted or lengthened the duration depending on market and economic conditions. Security selection is also a substantial risk. Today, an investor in municipal bonds needs to acknowledge the fact that municipalities have in the past and may in the future default on their bonds. ACG works to mitigate this risk by employing a rigorous credit analysis process but this process still cannot guarantee success.

With regard to frequent trading, ACG's general philosophy is buy-and-hold. That having been said, there have been times in ACG's Investment Management practice that fixed-income securities have been sold shortly after their purchase due to a sudden and dramatic movement in interest rates that was beneficial to its clients.

The fact that ACG does not accept any commissions or soft dollars on any fixed income trades helps portfolio performance and results in unbiased buy and sells decisions. Taxes are a consideration in the management of a portfolio and in consultation with the client an appropriate tax strategy will be developed.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

Municipal Bonds are an integral asset class in our Investment Management process. Today, there is a special and opaque risk associated with the true cost of the post-retirement liabilities municipalities have promised to their retirees. That risk is substantial and buyers of municipal bonds need to be aware of it. As noted earlier, it is possible for Municipalities to default on their bonds – and even go into bankruptcy. It has happened in the past. The Great Depression saw a number of Municipalities default or declare bankruptcy. Historically, defaults of essential purpose and general obligation municipal bonds have been rare. Inflation and security specific defaults have been and will continue to be a principal risk for municipal bonds.

In our Investment Management practice, we also buy an assortment of taxable fixed income securities. The most common types are corporate bonds, mortgage backed securities (MBS), collateralized mortgage obligations (CMOs), and securities issued by government agencies like FNMA, FHLB, FHLMC and FFCB. Risk of default is the most material risk associated with corporate bonds because the issuing company is the only entity responsible for payment to the bondholder. Fortunately there is ample financial information available to the rating agencies and investors so the financial health of a particular company can be readily determined. Liquidity is very high for most investment grade corporate bonds which allows the investor to sell an unwanted position quite easily. MBS and CMOs possess a unique risk known as prepayment risk. The securities are backed by residential mortgages which can be prepaid without penalty at any time. The individual MBS and CMOs can trade at a premium which is at risk if the mortgage prepays. This type of risk is managed by knowing the specific characteristics of the individual mortgages (such

as loan size, geographic diversification, mortgage term, rate etc.) and how the specific security will react to changes in prepayment behavior. Fortunately there are very sophisticated analytics available to investors that provide all the necessary data to assess prepayment risk and the impact on a specific security. The risk unique to agency backed bonds(FNMA, FHLB, FHLMC and FFCB) is call risk. A call feature allows the issuer to redeem the security on or after a specific date at a specific price. Unfortunately, the call feature is exercised by the issuer at the time most disadvantageous to the investor. The easiest way to avoid this type of risk is by not purchasing securities with a call feature. The more common method is to purchase securities with a call feature as a small percentage of the total portfolio. An investor earns a higher yield if a security contains a call feature versus one that does not so there is a benefit to the investor. Call risk is very common with agency issued securities but can be managed properly.

Disciplinary Information

Form ADV Part 2A, Item 9

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

Not Applicable

2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

Not Applicable

3. was found to have been involved in a violation of an investment-related statute or regulation; or

Not Applicable

4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

Not Applicable

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or

Not Applicable

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;

Not Applicable

(b) barring or suspending your firm's or a management person's association with an investment-related business;

Not Applicable

(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or

Not Applicable

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

Not Applicable

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

Not Applicable

1. was found to have caused an investment-related business to lose its authorization to do business; or

Not Applicable

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership;
(ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

**Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See SEC rule 204-2(a)(14)(iii).
[Click here to enter text.](#)**

Not Applicable

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

The principals of ACG have an ownership interest in a separately incorporated benefits consulting firm d.b.a. ACG – Benefits and Risk Consulting. Through it, two (2) of ACG's principals (Charles Langowski and Justin Dorsey) are registered representatives of a broker-dealer.

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Not Applicable

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

The principals of ACG are also shareholders in a separately incorporated benefits consulting firm d.b.a. ACG-Benefits and Risk Consulting (ACG-BRC). ACG-BRC is an insurance agency licensed in the State of Minnesota. Most of ACG-BRC's business is consulting on employer-sponsored health care plans and voluntary benefits, but one of ACG's 401(k) clients also has a non-qualified plan for its executives which use corporate owned life insurance (COLI). To compensate ACG for the oversight of the investments within the COLI, the client assigns those commissions to us through a broker-dealer. Several of ACG's 401(k) clients are also clients of ACG-BRC, and vice versa.

In 2010, ACG bought the 401(k) investment consulting practice from Deloitte. The terms of that agreement were to pay Deloitte a percentage of income received by these former Deloitte clients for a period of three (3) years.

Form ADV Part 2A, Item 5

ACG receives client referrals from Charles Schwab & Co., Inc ("Schwab") through ACG's participation in the Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with ACG. Schwab does not supervise ACG and has no responsibility for ACG's management of client portfolios or Advisor's other advice or services. ACG pays Schwab fees to receive client referrals through the Service. ACG's participation in the Service may raise potential conflicts of interest described below.

ACG pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by ACG is a percentage of the fees the client owes to ACG or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. ACG pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to ACG quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by ACG and not by the client. ACG has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs ACG charges clients with similar portfolios who were not referred through the Service.

ACG generally pays Schwab a non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The non-Schwab Custody Fee is higher than the Participation Fees advisors generally would pay in a single year. Thus, ACG will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and non-Schwab Custody Fees will be based on assets in accounts of ACG's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, ACG will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit ACG's fees directly from the accounts.

For accounts of ACG's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from ACG's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, ACG may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. ACG nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for ACG's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Not Applicable

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

Form ADV Part 2A, Item 11

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

Our Code of Ethics is specifically intended to comply with Rule 204A-1 under the Investment Advisers Act of 1940. Structurally, its goal is to set forth standards of conduct and require compliance with federal securities laws and that reflect the fiduciary principals of the Advisers Act. Its Code applies to all supervised persons at Advanced Capital Group. Its broad categories include: Standard of Conduct and Compliance with Laws, Rules and Regulations; Protection of Material Non Public Information; Personal Securities Trading and Consequences for Failure to Comply and Reporting Certain Conduct.

A copy of our code of ethics will be provided to any client or prospective client upon request.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.

Not Applicable

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Not Applicable

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Note: The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under SEC rule 204A-1(e)(10) and similar state rules.

Not Applicable

Brokerage Practices

Form ADV Part 2A, Item 12

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

Note: Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Not Applicable

a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

Not Applicable

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.

Not Applicable

c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

Not Applicable

d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Not Applicable

e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.

Note: This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or

services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.

Not Applicable

f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

Not Applicable

2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.

Not Applicable

b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

Not Applicable

3. Directed Brokerage.

a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

Not Applicable

b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Note: If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a. or to the second or third sentences of Item 12.A.3.b.

Not Applicable

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

When possible client purchases and sales are aggregated to achieve the most efficient execution. In instances when we are selling securities to harvest gains/losses or reposition portfolios, as a courtesy, we often attempt to reach out to clients to determine whether the change is in line with each client's specific goals.

Fixed-income purchases are to be allocated among accounts using the following prioritization; suitability for type of account (municipal, short-duration taxable accounts etc...), percentage of account not invested (percentage of the account in cash), duration of the position relative to account duration (in the context of the duration of the relevant benchmark duration) and finally subjective fit for a specific account (i.e. If a position were non-callable it would be most appropriate to place it in an account with a significant amount of call risk as opposed to an account comprised entirely of non-callable bonds - all proceeding factors being equal).

Review of Accounts

Form ADV Part 2A, Item 13

A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

Our individual quarterly reports are reviewed by Charles Langowski and Patrick Larson – both principals in our firm.

On a monthly basis client asset allocation positions and relative performance are reviewed and discussed by the Investment Management team. On an ad-hock basis spot checks are performed on individual accounts to test for best execution, block-trade distribution practices and consistency of fees being deducted with fees agreed to in the respective service agreement. Offers are made to meet with individual clients throughout the year and at year-end a request is made to those individual clients to update Advanced Capital Group with any substantially changes in their lives that would make them want to change their investment goals and objectives.

On a quarterly basis, each of our retirement-plan clients is provided with a comprehensive investment-overview. Their preparation is a team effort – as is their internal review. But, ultimately, responsibility for them is with Charles Langowski and Dan Schroeder.

B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

Changes in market dynamics, economic forces or a change in an investment manager within a portfolio may prompt a review of all impacted portfolios.

C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

In our Investment Consulting practice, quarterly reports are prepared for retirement plan clients and generally meetings are held quarterly with their investment committees to review those reports. For individual accounts, reports are also prepared quarterly. The quarterly reports are meant to supplement the quarterly reports those entities receive from their qualified custodian. Advanced Capital Group engages an independent third party to reconcile account activity and balances on a quarterly basis to assure accuracy of reports.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Not Applicable

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

Note: If you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.

Not Applicable

Custody

Form ADV Part 2A, Item 15

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

We do not custody client funds or securities.

In our retirement plan consulting practice, we have no control over which custodian the Plan Sponsor chooses. With our individual accounts, we primarily use Charles Schwab and Fidelity. We are informed and believe that both are qualified custodians. Each sends a monthly statement directly to our clients. We also use an independent third party reconciliation firm to roll-up the account activity of each account on a daily basis. We urge our clients to compare the account statements they receive from our third party aggregator with the statement they receive from their respective qualified custodian. We also direct them to compare the fee reduction on their statement from their qualified custodian with the fee we agreed upon with them in our service agreement.

Investment Discretion

Form ADV Part 2A, Item 16

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

We currently exercise no discretionary authority in our Investment Consulting practice. We do, however, exercise discretionary authority over some accounts in our Investment Management practice. Even then, we only do so with fixed-income securities. Besides getting each client's express authorization to trade with discretion, we also require each client to, separately, initial the paragraphs in the service agreement where that authority is given. Finally, our service agreement directs each of them to review that contract with a lawyer of their choosing.

Voting Client Securities

Form ADV Part 2A, Item 17

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

Advanced Capital Group does not handle any proxy voting issues.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

Any pertinent proxy information is forwarded to the client directly from the custodian. Clients may contact us regarding a proxy question but Advanced Capital Group will not offer any advice as to the manner in which the client should vote.