

Item 1 - Cover Page

ZIEGLER LOTSOFF CAPITAL MANAGEMENT, LLC
FORM ADV – PART 2A INFORMATION
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This Brochure provides information about the qualifications and business practices of Ziegler Lotsoff Capital Management, LLC (“ZLCM”). If you have any question about the contents of this Brochure, please contact us at (312) 368-1442. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about ZLCM, including a copy of its Form ADV Part 1, is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes To This Brochure Since Its Last Annual Update

This Brochure reflects the acquisition of Red Granite Advisors LLC by Ziegler Lotsoff Capital Management, LLC and the termination of the Ziegler Lotsoff Capital Management IL, LLC entity. All functions of Ziegler Lotsoff Capital Management IL, LLC are now being performed by Ziegler Lotsoff Capital Management, LLC.

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Item 4 - Advisory Business

Ziegler Lotsoff Capital Management, LLC (“ZLCM”, “we”, “us”, “our”), provides discretionary investment supervisory services and other advisory services to a wide variety of clients. ZLCM is owned by several shareholders including The Ziegler Companies, Inc., a holding company, ZLCM Partners, LLC, RTZ Acquisition, LLC, and RG Partners, LLC. The Ziegler Companies, Inc. is owned by various shareholders, of which Peter Rittenhouse Kellogg owns 25% or more. RTZ Acquisition, LLC is wholly-owned by RTZ Acquisition Holdings, LLC. ZLCM owns a controlling interest in Red Granite Advisors LLC (“Red Granite”), another investment management firm. As of February 29, 2012, ZLCM has regulatory assets under management of \$4,042,181,230, including the Red Granite assets under management. Of this amount, \$3,894,781,905 constitutes discretionary client assets under management, and \$147,399,325 constitutes non-discretionary assets under management. ZLCM also has assets under advisement, primarily through sub-advisory relationships with unaffiliated mutual funds, of \$683,859,341. Together with its majority-owned affiliate, ZLCM has \$4,726,040,571 in assets under management and advisement as of February 29, 2012.

The advisory services of ZLCM are described in detail below.

Discretionary Supervisory Services

ZLCM provides investment management services to clients based upon the individual needs of each client. The services involve managing each client’s account on a continuous basis and purchasing and selling investments in the account as ZLCM’s professional staff deems necessary by using discretionary authority granted to ZLCM by the client. Types of securities managed include stocks, bonds, mutual funds, and ETFs. Clients are obtained by direct solicitation or referred by consultants.

ZLCM also manages portfolios not involving continuous investment supervisory services. These services are provided when ZLCM is retained to perform a particular function not involving specific knowledge of other assets of the client. An example of such a service is the management of an institution’s bond portfolio, but not other securities within the client’s investment portfolio.

The initial investment and asset allocation recommendations are based on the financial information gathered from each client including a complete Investment Policy Statement, investment restrictions requested by the client, and overall financial condition. Based on this information, the client is provided with initial investment recommendations designed to provide an appropriate asset mix consistent with the client’s objectives. The client’s portfolio and its performance are then monitored by the client’s ZLCM Client Service Representative (“Client Service Rep”) consistent with the client’s stated goals and objectives. The frequency of these reviews and transactions made for a client’s account are determined by the Client Service Rep. Clients are free to contact their Client Service Rep at any time if they have questions about their accounts.

ZLCM does not assure or guarantee the results of its Discretionary Supervisory Services. Thus, losses can occur from following ZLCM’s advice pertaining to any investment or investment approach, including using conservative investment strategies.

Former BSA Account Services

During August 2005, ZLCM acquired the accounts of Burnham Sullivan & Associates (“BSA”). Services to BSA managed accounts are performed on a fully-discretionary basis like those described above under Discretionary Supervisory Services.

Other Advisory Services

ZLCM also provides other advisory services to high net worth individuals, corporations, endowments/foundations, retirement plans, and retirement plan participants. These advisory and consulting services include: helping formulate client investment objectives; identifying risk tolerance characteristics; developing investment policy statements; creating asset allocation strategies driven by the policy or risk profile; searching for suitable investment managers, mutual funds and/or investment products (e.g., stocks and bonds) to implement these strategies; and continuous monitoring, evaluation and reporting on client accounts.

Investment managers of client accounts may also be investment advisers to mutual funds recommended to clients, thus have a conflict of interest when recommending these funds to clients. ZLCM intends to base recommendations on the best interests of its clients. Although ZLCM believes its services are competitively priced, clients may be able to obtain similar advisory services at lower prices if purchased elsewhere.

Additionally, in cases where mutual funds shares are purchased, clients should be aware that they will pay both a direct management fee to ZLCM for purposes of selecting, monitoring, and recommending the liquidation of mutual fund share and indirect management and other fees through the mutual fund which pay an investment advisor for management of assets within the particular fund. See Fees and Compensation below for detail.

Services to Unaffiliated Mutual Funds

ZLCM acts as an investment adviser to various unaffiliated mutual funds within the HighMark Family of Funds. The Funds include the following:

- HighMark Wisconsin Tax Exempt Fund
- HighMark NYSE ArcaTech 100 Index Fund
- HighMark Equity Income Fund

Thus, when recommending shares of the Funds to clients, a conflict of interest exists.

Advisory services for individually managed accounts

We manage, on a discretionary basis, portfolios consisting of marketable debt and equity securities, commodities, currencies, and other such instruments. We may manage both the underlying assets as well as options and futures positions. Some of these positions generally are used for “hedging” purposes and are designed to reduce, but not necessarily eliminate, the risk of fluctuation in interest rates or other attributes of assets or liabilities maintained in various client portfolios. All of our research is conducted internally. Clients may impose restrictions on investing in certain securities or types of securities. We manage client portfolios in accordance with their investment policies and use reasonably available resources to comply with investment restrictions, when applicable.

Additionally, we also design and construct specialized portfolios and provide consulting services tailored to meet specific client mandates. We also act as a “Qualified Professional Asset Manager” (QPAM) under the Employee Retirement Income Security Act of 1974 (ERISA), providing requested guidance on specific transactions related to particular assets of employee benefit plan investors.

Advisory services for pooled investment vehicles

ZLCM is the sponsor and investment advisor to three pooled investment vehicles. ZLCM manages two domestic trusts and a Cayman Islands exempted company. The two domestic trusts are The ZLCM Group Trust, a Massachusetts’s common law trust, and The ZLCM Trust, a Delaware statutory trust. The ZLCM Group Trust consists of two distinct investment portfolios and the ZLCM Trust consists of three distinct investment portfolios, each of which is known as an investment fund (a “Fund”) and is represented by a separate series of units of participation (each, a “Series”). Following is a brief description of each fund within each vehicle.

THE ZLCM GROUP TRUST

The ***Core Fixed Income Fund*** is a longer duration fixed income investment program that is designed to emphasize high credit quality and high current income. The Fund consists primarily of liquid, investment grade fixed income instruments.

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The ***Core Fixed Income Fund*** is a longer duration fixed income investment program that is designed to emphasize high credit quality and high current income. The Fund consists primarily of liquid, investment grade fixed income instruments.

The ***Credit Opportunities Fund*** is part of a master-feeder structure. The Fund does not make its portfolio investments directly, but invests instead in shares issued by the Credit Opportunities Master Fund, Ltd., a Cayman Islands exempted company for which ZLCM serves as investment manager. The Fund is designed for accredited U.S. taxable investors.

CAYMAN ISLANDS EXEMPTED COMPANY

The ***Credit Opportunities Master Fund Ltd.*** employs both fundamental analysis and an opportunistic trading approach by investing in a variety of fixed income, equity and derivative instruments related to a company including, but not limited to, corporate debt instruments, convertible securities, short sales of equity investments for convertible bond arbitrage opportunities, and various interest rate and credit derivative instruments, including options and swaps on such instruments, but the Fund may also invest in foreign securities, bank debt instruments, repurchase and reverse repurchase agreements, other OTC derivatives, commercial paper, stocks and stock indices, rights and options on any of the foregoing, and other investments, assets or property selected by ZLCM. The Fund is part of

a master-feeder structure and serves as the primary investment vehicle for the Credit Opportunities Fund, established under the ZLCM Trust and for the Credit Opportunities Fund Ltd. (a Cayman Islands exempted company).

The *Credit Opportunities Fund Ltd.* is part of a master-feeder structure. The Fund does not make its portfolio investments directly, but invests instead in shares issued by the Credit Opportunities Master Fund, Ltd., a Cayman Islands exempted company for which ZLCM serves as investment manager. The Fund is designed for non-U.S. investors and accredited tax-exempt U.S. investors.

The *Credit Opportunities Fund II Ltd* employs both fundamental analysis and an opportunistic trading approach by investing in a variety of fixed income, equity and derivative instruments related to a company including, but not limited to, corporate debt instruments, convertible securities, short sales of equity investments for convertible bond arbitrage opportunities, and various interest rate and credit derivative instruments, including options and swaps on such instruments, but the Fund may also invest in foreign securities, bank debt instruments, repurchase and reverse repurchase agreements, other OTC derivatives, commercial paper, stocks and stock indices, rights and options on any of the foregoing, and other investments, assets or property selected by ZLCM. The Fund is designed for qualified U.S. and foreign pension investors.

Advisory services for Investment Companies

ZLCM is the adviser to the Ziegler Lotsoff Capital Management Investment Trust Long/Short Credit Fund (the “Long/Short Fund”), a registered investment company. The Long/Short Fund is an income fund seeking to provide high current income and capital appreciation by investing in U.S. and foreign debt securities, both investment and non-investment grade quality. It is the sole portfolio of Ziegler Lotsoff Capital Management Investment Trust. Additional series and/or funds may be added in the future.

Advisory services for Wrap Fee programs and Model Investment portfolios

ZLCM acts as a discretionary investment manager for one or more non-affiliated broker-sponsored wrap fee programs. Additionally, ZLCM also acts as a discretionary investment manager within a wrap free program sponsored by an affiliated broker-dealer, B.C. Ziegler and Company. We provide asset management services to clients that select ZLCM to manage their accounts through their respective wrap sponsor. We manage the program accounts in accordance with their investment policies and will use reasonably available resources to comply with investment restrictions, when applicable. There may be differences in the performance of wrap portfolios among ZLCM clients and other institutional accounts invested in similar strategies we manage for other clients, resulting from differences in the number of securities held in the portfolio, cash availability, investment restrictions, account

sizes, tax considerations, and other factors. The program sponsor generally pays ZLCM a fee based on assets managed in connection with the program. The fees we receive in connection with wrap programs may vary from fees charged to other clients and between wrap programs. For our services, we receive a portion of the total wrap fee charged by the wrap sponsor.

We also provide model investment portfolios ("Models") to various outside financial institutions. The Models contain our current investment recommendations as to the composition of a portfolio that would be appropriately purchased for the account managed in accordance with the relevant investment strategy. The recommendations generally reflect the investment recommendations and security weightings simultaneously being made for our discretionary institutional and high-net worth clients within the same investment strategy. The financial institution may implement our model recommendations on its own trading platform for the clients that have chosen to participate in the program. The financial institution may choose to implement some or all of our recommendations in terms of both the securities and/or the weightings. As securities and weightings change in the model, those modifications are communicated promptly to the financial institutions that are using our model program. There is no requirement that the Models be administered as it is provided, or at all, and we do not monitor or supervise the Model administered by the outside institutions. The performance of our discretionary accounts and those of the Models using the same investment strategy may differ for these and other reasons.

Advisory services for Commodity Futures Portfolios

ZLCM is registered with the Commodity Futures Trading Commission as a Commodity Pool Operator ("CPO") and Commodity Trading Advisor ("CTA"), and is a member of the National Futures Association. As such, we may advise clients with respect to investment in commodity futures contracts and options thereon, including without limitation, financial instruments, equity index futures, and other tradable positions available on recognized futures exchanges.

Item 5 - Fees and Compensation

ZLCM bases its investment management fees on a percentage of assets under management. Generally, we provide advisory services on an individualized basis, based on the particular needs of each client. Accordingly, fees will be negotiated with each individual client depending on the nature of services to be provided, the type of client, other assets the client may have invested with us, and other relevant factors.

We generally have established investment advisory fees in accordance with the schedules below. Fees are for advisory services only, unless otherwise indicated. We will directly invoice clients for

investment management fees. Fees are generally payable quarterly in advance at the beginning of each calendar quarter and are based on the market value of the assets under management. For accounts beginning at other times, pro-rata billing at the end of the initial quarter will be followed by regular quarterly billings. We may amend our fee schedule with our advisory contracts.

Discretionary Supervisory Services Fee

Non-investment company clients compensate ZLCM on a quarterly basis for its account management services in accordance with the following fee schedule which is based upon the types of securities managed and value of those securities:

<i>Equity Accounts</i>	<i>Annual Fee</i> 1.00%	
<i>Balanced Accounts</i>	<i>Annual Fee</i> 1.00% 0.75%	<i>Account Size</i> First \$5,000,000 Assets over \$5,000,000
<i>Fixed Income Accounts</i>	<i>Annual Fee</i> 1.00% of assets	
<i>Enhanced Cash Accounts</i>	<i>Annual Fee</i> 0.50% of assets	

These fees represent the maximum fees charged. Fees are negotiated on a relationship basis. While the fee schedules above represent the majority of the products and services offered to most of our clients, there are specialized products and/or services provided based on specific client mandates for which there is no set fee schedule. Fees for those accounts are not represented in this document and generally are negotiated with the client on a case-by-case basis.

Depending on the account, nature of investment strategy and/or the volatility in the size of the account based upon withdrawals or additions, ZLCM will charge an advisory fee for its management services using one of the following three calculations:

1. **In Advance.** A quarterly fee will be billed in advance based on the account asset value on the last business day of the previous quarter and will become due the following business day. If additional cash or securities or other investments in excess of 20% of the prior quarter ending market value are accepted for management during the first two months of any quarter, an additional fee, pro-rated for the number of days remaining in the fee period and covering the total value of the accepted assets, will be charged and will become due on the date of such acceptance.

If the Agreement is terminated, a refund prorated from the date of termination through the end of the billing period will be made. No fee adjustment will be made during any fee period for appreciation or depreciation in account asset value during that period, nor shall any adjustment or refund be made with respect to partial withdrawals of account assets by the client.

2. **In Arrears.** The quarterly renewal fee is billed in arrears for the previous quarter based upon the account asset value on the last business day of the previous quarter and is due the following business day. If the account terminates, the account is charged the pro-rata fee for the time services were provided during the quarter. If assets are withdrawn

during the quarter, ZLCM may prorate the fee for the time services were provided during the quarter prior to the withdrawal.

3. Averaging. Using this method, the management fee for the first calendar quarter is calculated on the average capital base of the assets placed under its supervision and determined as of the last day of the calendar quarter. The average capital base is calculated using the beginning of market value of the account and adding to this value the time-weighted net contributions and withdrawals of capital during the quarter in order to determine the billable asset value. Management fees charged by ZLCM on subsequent calendar quarters will be calculated on the average capital base of the account as determined at the close of business on the last business day of each calendar quarter. Such fees shall be calculated using the prior quarter-end market value, and adding to this value the time-weighted net contributions and withdrawals of capital during the last quarter to determine the billable asset value.

Fees are charged on the billable asset value at the following annual rates, and one quarter (1/4) of the annual fee is payable as of the close of each calendar quarter. Termination of an advisory agreement can occur upon written notice by either party to the other and becomes effective in 30 business days after the notice date.

Former BSA Account Service Fees

Fees for former BSA accounts receiving management services follow the following fee schedule.

	<u><i>Equity/Balanced</i></u>	<u><i>Fixed Income</i></u>
On the first \$5,000,000	1.00%	0.60%
On the next \$5,000,000	0.75%	0.40%
Over \$10,000,000	0.60%	0.30%

Fees are payable quarterly, in advance. The contracts of former BSA clients can be terminated upon 10 days written notice. Upon termination, unearned fees are prorated to the date of termination and returned.

Other Advisory Service Fees

Fees for these other advisory services are negotiated and depend upon the complexity and nature of the assignment. Asset based fees are typically billed quarterly, in advance, unless other arrangements are negotiated. The client and ZLCM have the right to terminate the agreement upon 30 days written notice. Any unearned prepaid fees are prorated and returned to the client. The client pays agreed upon expenses due but not paid.

We also provide investment advisory service to an affiliated open-end mutual fund and private investment partnerships. We have arrangements with other advisory firms where we have discretionary authority over client assets, however, we are not the client's primary adviser and instead acts in a sub-advisory capacity. Fee arrangements with these accounts are generally negotiated individually based on the needs of the client, size of the account and services provided to such accounts.

The fee schedules above do not apply to Separately Managed Account (“WRAP”) or Unified Managed Account clients. More information about ZLCM’s billing practices is detailed in the Investment Management Agreement. Clients should review the fees and billing practices with ZLCM.

Additional Fee Information

Clients may generally terminate their investment advisory agreement within five business days of signing the agreement. Thereafter, the advisory agreement typically will be cancelable on 30 days’ notice. Clients receive a refund of a portion of any fees paid in advance, prorated based on the number of days in any quarterly period after termination.

Clients may incur other expenses while having their investments managed by us including brokerage transactions costs and custodial fees that are separate and distinct from our advisory fees. We do not reduce our advisory fees to offset commissions charged for brokerage services or fees charged by clients’ custodians.

We do not accept compensation for the sale of securities or any other investment products, including service fees from the sale of mutual funds. We strive to be an independent advisor at all times and always put clients’ interests first. Our brokerage practices are discussed in more detail in Item 12, Brokerage Practices.

Clients with individually managed portfolios have the option of purchasing the investment products we recommend through other brokers and agents with no affiliation to us.

Each prospective and existing management client should carefully consider the following information about management services and contact their ZLCM account manager if they have any questions.

1. Each mutual fund in which a client’s assets may be invested also pays its own advisory fees and other expenses (including 12(b)-1 fees) which already have been deducted from the fund’s reported performance and, depending on the fund, a client may be able to invest directly in the shares issued by a mutual fund with or without incurring any sales or advisory service fees. In addition, there are tax effects pertaining to fund share redemptions made by ZLCM on behalf of clients. Redemptions are taxable events which may accelerate the recognition of capital gains, and frequent redemptions may result in short-term, rather than long-term capital gains.
2. Each alternative investment fund in which a client’s assets may be invested also pays its own advisory fees and other expenses which already have been deducted from the fund’s reported performance. Investors can expect fees for the underlying alternative investment funds to be higher. Depending on the fund, a client may be able to invest directly in the fund shares with or without incurring any sales or advisory service fees.
3. The amount of fees paid by clients receiving management services will vary from client to client based on the type of account and investment needs of the client. Thus, clients receiving similar advisory services will pay different fees.

4. Although ZLCM believes its management services are competitively priced, clients may be able to obtain similar services at lower prices if acquired elsewhere.

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

Equity Portfolios Fees

Clients choosing a performance based fee arrangement for management of their equity portfolios are charged two types of fees for services, an asset-based fee calculated as a negotiated asset-based fee, the other a performance fee. A description of the asset-based fee and performance fees follows:

Asset-Based Fee. The annual asset-based fee is calculated as a percentage of the assets under management. The annual fee is up to .25% of the average month-end market values of the net assets in the account, payable quarterly after services are provided. The fee, which does not include transactions costs, is deducted from the account quarterly. The base fee for any partial quarter is prorated based on the number of days services were provided during the quarter.

Performance Fee. In addition to the base fee described above, clients agree to pay ZLCM a quarterly performance fee up to 30% of the amount of the excess total return if the account exceeds the total return of the S&P 500. The performance fee for any partial quarter is prorated and a maximum annual performance fee may be established. Other performance fee limitations may also apply. The following paragraphs describe how the performance fee is calculated.

In determining market value (i) any unrealized profit or loss on open positions is included, (ii) brokerage commissions on open positions are considered accrued in full upon the initiation of such open positions and deducted in determining the market value, and (iii) all asset-based fees are deducted from market value if and when accrued.

Total return of the account is the change in quarter-end market value calculated by use of the time-weighted rate of return method. The total return of the account is calculated net of all fees. The total return of the S&P 500 is calculated by ZLCM, or other third party, in the sole discretion of the client. The period from the performance measurement commencement date through the end of the first fully- completed quarter is the quarterly performance measurement period. Upon completion of the period, performance starts anew for the next quarterly period and continues to restart on a quarterly basis. The period from the performance measurement commencement date through the end of the fourth fully completed quarter is the annual performance measurement period.

The performance fee is calculated by taking the total return of the account for the performance measurement period in excess of the total return of the S&P 500 for the same period multiplied by the performance fee rate established by contract (currently up to 30%). Losses are carried forward to the next billing periods and must be offset before any performance fee is paid. ZLCM may, at its option, establish a maximum annual performance fee. If it does, the cumulative quarterly performance fees may not exceed the maximum annual performance fee. In addition, ZLCM may also establish other performance fee maximums that relate to the life of the account.

This performance fee arrangement may create an incentive for ZLCM to make investments that are more risky or more speculative than might be the case in the absence of a fee based on performance.

Clients should be aware that, by using this fee method, ZLCM may receive increased compensation with regard to unrealized appreciation as well as realized gains in the account.

Clients agreeing to a performance-based fee must represent to ZLCM that the client (i) is a natural person or a company (as defined in paragraphs (b)(2) and (g)(1) of Rule 205-3 of the Investment Advisers Act of 1940), who immediately after entering into this Agreement has at least \$750,000 under management of ZLCM; or (ii) is a natural person or company whose net worth (exclusive of home) at the time the contract is entered into exceeds \$1.5 million (either alone or held jointly with such person's spouse).

All fees are negotiable and generally will not exceed amounts quoted in the preceding schedules, but may under certain circumstances. Employees (and relatives) of ZLCM and affiliates typically receive a discount from the preceding schedules.

Side-by-Side Management Fees

Side-by-Side management of pooled investment vehicles and individually managed accounts may create certain conflicts of interest. The performance fees charged to these pooled investment vehicles may give us an incentive to favor these vehicles to the detriment of our managed accounts. Conflicts are offset by clearly defined investment objectives, the relative size of the firm, firm policies for the handling of trades and transparency. The strategies for the pooled investment vehicles are clearly defined and differentiated from the individually managed accounts. Some pooled investment vehicles invest in the same securities as individually managed accounts while others invest in a substantially different manner than long-only, individually managed accounts. For example, one pooled investment vehicle may buy smaller and less liquid securities that for practical reasons could not be fairly allocated among several separately managed accounts. Similarly, a pooled investment vehicle may engage in short sales, which again would be impracticable among separately managed accounts. Even though there may be instances in which a security may be appropriate for separately managed accounts as well as pooled investment vehicles, in most cases, our size is such that liquidity is not an issue when establishing or exiting positions for both separately managed accounts and pooled investment vehicles. If full positions cannot be established or liquidated the same day, the trades are allocated pro rata between the separately managed accounts and the pooled investment vehicles.

Item 7 - Types of Clients/Minimum Account Size

ZLCM makes its advisory services to a wide variety of clients including, but not limited to, individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities, employee benefit plans, foundations, trusts, high net worth individuals, wrap and model portfolio platforms, and investment companies. ZLCM may also act as a sub-adviser to affiliated or unaffiliated open-end investment companies..

The minimum fee may be negotiated. In general, individually managed accounts are subject to a \$5,000,000 minimum. The minimum investment in the pooled investment vehicles generally range from \$750,000 to \$2,000,000, depending on the strategy. For accounts which ZLCM acquired from BSA during August 2005, the minimum annual fee is \$1,000. In wrap platform accounts, minimum investment sizes range from \$50,000 to \$100,000.

The minimums set forth above may be waived for mutual fund and variable annuity commission paying accounts. These guidelines apply only at the start-up of an account and may be waived or

changed at the discretion of the firm during the life of the account. There are no restrictions placed on maintaining the account after start-up. All fees are subject to negotiation, but the minimum fee will not exceed the quoted amount. We may, at our discretion, accept accounts below the minimum investment provided certain conditions are satisfied.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

ZLCM has a long-term investment horizon. Investing in securities involves the risk of loss that clients should be prepared to bear. ZLCM does not have a single strategy or program that is utilized for all advisory clients. Rather, strategies adopted for, or recommended to, particular clients are based on the individual needs and objectives of each client. Client portfolio parameters may vary due to the industry in which the client is involved or the goals for the portfolio (e.g., maximizing current income, asset preservation, or attainment of a certain yield over a defined period of time). Despite this relative diversity in clients' needs and objectives, ZLCM frequently utilizes common portfolio management strategies, where applicable, to manage similar portfolios with similar needs and objectives in similar ways.

Equity Strategies

In general, ZLCM's equity strategies seek to invest in companies with strong financials that appear to have favorable prospects for capital growth. ZLCM uses quantitative models and fundamental analysis to look for companies within the strategy's defined capitalization range that appear to have the potential for more rapid price appreciation than other stocks in the target index and the overall stock market in general. ZLCM will generally sell a portfolio security when the portfolio managers believe 1) the security has achieved its value potential; 2) changing fundamentals signal a deteriorating value potential; or 3) other stocks have a better performance potential.

ZLCM's equity strategies are intended for investors who are willing to withstand the risk of short-term price fluctuations in exchange for potential long-term capital appreciation. ZLCM tries to diversify client risks by investing in a wide array of equity securities across different market sectors.

Fixed Income Strategies

On the fixed income side, ZLCM focuses on using a fundamental, bottom-up analysis to identify securities.

The fixed income strategies emphasize high credit quality and high current income consisting primarily of liquid, investment grade fixed income instruments. ZLCM may seek to actively manage fixed income strategies by varying sector weights, adjusting the duration in relation to anticipated risk, engaging in strategic yield curve positioning, and selecting securities that ZLCM's portfolio managers believe are attractively valued.

Credit Opportunities Fund

The Credit Opportunities Fund seeks to generate absolute risk-adjusted returns through fundamental analysis and opportunistic trading. The fundamental analysis focuses on understanding the operational characteristics of the underlying company or assets, such as sales growth, operating leverage, cash flow metrics, balance sheet strength, and the competitive landscape. The opportunistic trading process focuses on buying and selling individual securities ZLCM's portfolio managers believe the market has undervalued or overvalued due to the security's various risk factors, including but not limited to: headline, credit, call/put, volatility and structure risks, or other idiosyncratic risks associated with the security. Investments generally consist of corporate debt instruments, convertible securities, short sales of equity investments for convertible bond arbitrage opportunities, and various interest rate and credit derivative instruments, including options and swaps on such instruments. Investments may also consist of foreign securities, bank debt instruments, repurchase and reverse repurchase agreements, other over-the-counter derivatives,

commercial paper, stocks and stock indices, rights and options on any of the foregoing, and other investments, assets or property ZLCM's investment professionals select.

Quantitative Research Strategy

ZLCM has developed a proprietary multi-factor quantitative model to evaluate equity securities called the Quantitative Research Strategy ("QRS"). Through QRS, ZLCM uses a portfolio optimization program to produce a portfolio that closely reflects the risk characteristics of the benchmark, while providing for the expected excess returns generated by the stocks' assigned alphas. The portfolios are constructed within a prescribed risk range, measured by the portfolio's annualized predicted tracking error relative to the benchmark.

The QRS approach captures investor overreaction to past events by screening a broad (investable) universe of stocks and grouping the stocks into either "bargain," "glamour," or "neutral" categories. The strategy constructs portfolios that are more heavily allocated toward "bargain" stocks and away from "glamour" stocks. Neutral stocks are used to manage the risk of the portfolio relative to the benchmark index.

Bargain stocks are those stocks with the lowest historical growth in sales revenue and a high cash flow to price (CF/P) multiple and represent 20% of the investable universe. Glamour stocks are those stocks with the highest historical growth in sales revenue, and a low CF/P multiple and represent 20% of the investable universe. The remaining 60% of the stocks in the investable universe are categorized as neutral.

ZLCM's main sources of information include, but are not limited to, financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, public filings and company press releases.

Neither ZLCM, nor the third party managers it may secure, guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including conservative investments and strategies recommended or applied by ZLCM.

Investments in securities risk the loss of capital. Some of these risks may include:

- 1) The stated investment strategy may not achieve the strategy's objective because our analysis was flawed and we do not implement the strategy effectively.
- 2) Securities may decline significantly in price over short or extended periods of time. Price changes may occur in the market as a whole, or they may occur in only a particular company, industry, or sector of the market. Smaller capitalization stocks are likely to be even more volatile in price than the stock market as a whole. Debt securities are interest-rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer, and general market liquidity.
- 3) Markets may be illiquid or disrupted, and external events may negatively affect the value of a specific company.
- 4) Fraud, for which no amount of analysis can be sufficient.

Risks Specific to Pooled Investment Vehicles

There are specific risks involved in ZLCM's management of pooled investment vehicles, which are described in detail in the respective private placement memoranda or prospectus. In general, ZLCM's pooled investment vehicles face all of the risks that apply to ZLCM's individually managed accounts, with some notable differences.

ZLCM may use leverage in the management of some pooled investment vehicles. ZLCM may also acquire substantial short positions. These investments can be highly profitable, but they may also expose the portfolio to substantial losses.

ZLCM may invest in options and other derivatives in some pooled investment vehicles. ZLCM may also acquire short positions. These investments can be highly profitable, but may also expose the vehicle to substantial losses.

ZLCM can pursue a focused non-diversified investment strategy in the management of ZLCM's pooled investment vehicles that target certain securities in particular market sectors. This strategy may be profitable; however, the lack of diversification may magnify losses from erroneous investment decisions and expose our pooled investment vehicles to markets or sectors that have experienced significant declines in which pooled investment vehicles may have substantial exposure.

Item 9 - Disciplinary Information

In 1999, the SEC entered a settlement order involving Mr. Craig Vanucci, the Managing Director of Client Services for ZLCM. The matter involved activities that occurred at while Mr. Vanucci was employed at another firm. At that time Mr. Vanucci had a subadvisory portfolio responsibility for a money market fund. The SEC alleged that he failed to maintain a net asset value of \$1.00 per share due to certain underlying notes held in the fund. A civil penalty was imposed of \$30,000.

There is no additional disciplinary information to report regarding itself or any of its associates or other related persons.

Item 10 - Other Financial Industry Activities and Affiliations

Sixty-six percent of ZLCM is owned by RTZ Acquisitions, LLC, ZLCM Partners, LLC, and RG Partners, LLC. The remaining 34% is owned by The Ziegler Companies, Inc. The Ziegler Companies also owns 100% of B.C. Ziegler and Company ("BCZ"), a securities broker-dealer registered with the Financial Industry Regulatory Authority and investment adviser.

ZLCM serves as the adviser to private investment vehicles. A brief description of these activities can be found under Item 4, Advisory Business. As such, those vehicles are ZLCM clients. Additionally, it is possible that from time to time other clients may be solicited to invest in such collective investment vehicles. These partnerships are unregistered and offered only to qualified purchasers and investors whose net worth and level of sophistication make these suitable investments for them.

The Ziegler Companies, part owner of ZLCM, also owns 100% of B.C. Ziegler and Company. B.C. Ziegler and Company is an investment adviser and securities broker-dealer registered with FINRA that manages limited partnerships or limited liability companies. Complete and accurate information regarding those limited partnerships or limited liability companies is available in B.C. Ziegler and Company's Form ADV. Since the B.C. Ziegler and Company funds are closed, ZLCM clients will not be solicited to invest in any of those limited partnerships or limited liability companies offered by B.C. Ziegler and Company.

ZLCM is registered with the Commodity Futures Trading Commission as a Commodity Pool Operator ("CPO") and Commodity Trading Advisor ("CTA"), and is a member of the National Futures Association. A brief description of our activity as a CPO and CTA can be found under Item 4, Advisory Business.

ZLCM is the adviser to the Ziegler Lotsoff Capital Management Investment Trust, a registered investment company, with one open-end no-load mutual fund: Ziegler Lotsoff Capital Management Micro Cap Fund. A brief description of this company's activities can be found under Item 4, Advisory Business.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ZLCM has adopted and enforces a Code of Ethics ("Code") in accordance with Rule 204A-1 of the Advisers Act and Rule 17j-1 of the Investment Company Act of 1940. All employees are subject to the Code. The Code is designed to prevent the misuse of material, non-public information by ZLCM or any of our employees. The Code sets forth specific provisions relating to personal and proprietary securities transactions, outside business activities, and confidentiality.

ZLCM's employees are permitted to invest for their own accounts, which may include investment in our products. ZLCM or our related persons may buy or sell securities for their own accounts that are bought or sold for client accounts. This creates a conflict of interest because the employees of the firm may have an incentive to execute their orders in front of our clients. To mitigate this conflict, the Code imposes restrictions (e.g., black out periods, restricted securities, and watch lists) on trading in securities that are held or may be held in client accounts. Any exceptions to the above must be pre-approved by the Chief Compliance Officer ("CCO"). Such approval will be given only where it is clear that the proposed activity could not create a conflict of interest or harm, disadvantage, or deprive any client of an opportunity. In the event of a conflict of interest, the foremost consideration is what is in the best interest of the client.

ZLCM may solicit investment in the pooled investment vehicles we manage from clients holding individually managed accounts. This creates a conflict of interest if we obtain performance fees from investment in pooled investment vehicles. Additionally, it is more difficult to withdraw investments from pooled investment vehicles than it is from managed accounts. We manage this conflict by fully disclosing it to clients prior to their making an investment. We also believe this conflict is mitigated by principals and employees having investments in the pooled investment vehicles ZLCM manages. As a result, the principals and employees of ZLCM have an incentive to avoid risk of loss because they share in the profits and losses of the pooled investment vehicles and therefore have an incentive to avoid strategies that expose their personal investments to undue risk of loss.

Personal and proprietary securities transactions are analyzed with the use of software specially designed to administer the pre-clearance and monitoring of employee trading in relation to client holdings and transactions. Additionally, all employees are subject to mandatory quarterly transaction and annual holdings certifications. The Code also requires that all employees electronically certify on an annual basis that they have read and understand the Code and have disclosed all personal securities required to be reported.

Access persons of the registered mutual fund that we advise also are subject to the restrictions and reporting requirements of Rule 17j-1 of the Investment Company Act of 1940.

In addition, ZLCM may periodically arrange for transactions between advisory accounts with similar investment objectives. Such transactions usually accommodate a client wishing to sell an investment by arranging for the other client to buy the investment. When recommending and effecting such “cross transactions,” ZLCM may have a conflict of interest, particularly where a limited market exists for the security, because the client-buyer’s or the client-seller’s financial interests may differ at the time of the transaction. However, ZLCM will not recommend any cross transaction unless it believes it is suitable for both the client-buyer and client-seller. In determining the reasonableness of prices for cross transactions, ZLCM will examine the market for the particular investment including, where available, obtaining current bid and Ask information on the security from an unaffiliated broker, and ZLCM will make a determination as to what it believes to be a fair price at the time based on the information so obtained. Because cross transactions often involve investments which are less liquid, current price information may not be readily available.

A copy of the ZLCM Code of Ethics is available upon request by contacting the Chief Compliance Officer, at 312-368-1442 or by sending a written request to: Ziegler Lotsoff Capital Management LLC, 20 N. Clark Street, 34th Floor, Chicago, IL 60602, Attention: Chief Compliance Officer.

Item 12 - Brokerage Practices

Investment or Brokerage Discretion

ZLCM generally has discretion over client accounts, which includes a determination of which positions are to be established; the total amount to be purchased or sold; which broker, dealer or futures commission merchant will effect such transactions; and the commission rate(s) at which the transactions will be effected.

Contracts with some clients, however, contain specific restrictions regarding, among other things, the size and type of individual stock investments relative to total assets; other restrictions regarding the type of securities in which the client may invest; the nature of the issuer of such securities; and credit and other quality standards. Each client is responsible for informing us in writing of the investment objectives and cash needs of the account and of any changes or modifications made to its investment objectives, as well as any specific investment restrictions applicable to its account. Unless such investment restrictions and guidelines are based on specific, objective criteria (e.g., prohibitions on purchasing a specific security identified by CUSIP number, ticker symbol or some other clear security identifier), we will be responsible only for using our commercially reasonable efforts to comply with the client’s investment restrictions and guidelines. Except for violations of the duty of care stated in the client agreement, we are not responsible or liable for any good faith deviations from the investment objectives, restrictions and guidelines, especially where investment

objectives, restrictions and guidelines involve non-specific or subjective criteria. The client must give prompt written notice if the client deems any investments made for the account to be in violation of the client's objectives or restrictions. Unless the client notifies us in writing of specific restrictions, the investments made on behalf of the client's account are deemed unrestricted.

ZLCM maintains a solicitation arrangement with a brokerage firm that also executes trades placed by our equity department. As indicated below, we generally effect and allocate brokerage transaction consistent with principals of "best execution." Nevertheless, although we believe that clients referred to us through this solicitation arrangement are not being charged any additional advisory fees as a consequence of the relationship, it is possible that our other clients may be absorbing somewhat higher brokerage commissions payable to brokers which also provide solicitation services to us than would have been the case in the absence of this solicitation arrangement. It also is possible that we might have a greater incentive to execute more transactions with brokerage firms that also refer clients or private fund investors to us. Similarly, brokerage firms that provide both solicitation and execution services to us may have an incentive to refer more clients to us than would otherwise be the case in order to induce us to direct more brokerage business to those firms.

Directed Brokerage and Broker Selection

Our clients may provide us with written direction to effect all or a portion of their portfolio transactions through particular broker/dealers. We believe that our clients are more likely to receive the best results on transactions executed for their accounts where we are not limited in selecting the executing broker. Such a direction to utilize a particular executing entity may be conditioned by the client on the broker/dealer being competitive as to price and execution of each transaction, or may be subject to varying degrees of "restrictions" (i.e., an instruction to utilize the broker or dealer whether or not competitive, or at specified levels of commission or commission discounts which are less favorable than we might otherwise attain). In the case of "restricted" designations, we generally will execute transactions in listed equity securities through the designated broker/dealer. On the other hand, unless the client has specifically directed that the designated broker be utilized for all transactions, without exception and regardless of the possible economic disadvantage to the client, we sometimes will not follow such general direction when, in our judgment, the designated broker/dealer will not afford the best price and execution. The following describes the manner in which transactions for Directed accounts will be handled, and it provides important information regarding Directed Brokerage arrangements in general:

- Clients that maintain Directed Brokerage arrangements, including wrap programs and other similarly situated clients, may in some instances, not participate in aggregated or bunched orders, and in such cases, the client's order will generally trade after the aggregated or bunched order, and may trade last.
- We may or may not be able to achieve best execution when we are directed to use a client's Directed Broker depending on the Directed Broker the client has instructed us to use, the proportion of brokerage the client has instructed us to direct, the securities that we are buying or selling for the client account, and/or the fees that client has agreed to pay to the Directed Broker.
- We will not negotiate commission rates with the clients' Directed Broker.

- Directed Brokerage accounts may not generate the same returns as similar, non-directed accounts in the same strategy due to the disadvantages discussed above.

In the event of non-directed brokerage arrangements, we will choose the broker/dealer through which transactions will be effected for customer accounts. Several factors are considered in selecting an executing entity, including but not limited to, particular expertise in the type of position or transaction; access to relevant markets and prior experience with such executing entity; and commission charge. We may also consider research and/or brokerage services available from the entity. After considering the factors we believe are relevant to the services, we may determine to pay a commission in excess of that which the executing entity might have charged for effecting the same transaction in recognition of the value of research or brokerage services provided. If securities orders are placed with broker/dealers that do not make a market in a particular security, such order subsequently may be executed with or through a market maker in that security. In such event, there may be a mark-up/down on the price of the security in addition to the commissions or other fees paid to the clients' broker/dealers and custodians.

Soft Dollars

In determining whether to effect clients' brokerage transactions through brokers/dealers who provide us with "brokerage or research products or service" as that term is used in Section 28(e) of the Securities and Exchange Act of 1934, we review (i) whether the product or service is an eligible product or service under Section 28(e); (ii) whether the product or service provides us with lawful and appropriate assistance; and (iii) whether, in good faith, the commission is reasonable in consideration of the value received from the product or service.

Although we will, whenever possible, allocate brokerage to broker/dealers providing both best execution and soft dollar credits, the commissions paid to such executing entities are expected to be comparable to those paid to other broker/dealers not providing ZLCM with research or brokerage services. Moreover, we believe that soft dollar credits we receive from broker/dealers, viewed in terms of a particular transaction or our overall responsibility to all of our clients, are reasonable, although it is impossible to assign a precise monetary value to such research and execution services. Research services and other data received as a result of the soft dollar credits may relate to a specific transaction but, for the most part, will consist of a wide variety of information, products and services useful to our clients and us.

Generally, we seek to obtain proprietary research products and services, which include a broad variety of financial and related information and services. These products and services assist the portfolio managers in the decision-making process as it relates to client portfolios and may include research related to information concerning market, economic and financial data; a particular aspect of economics or on the economy in general; statistical information; data on pricing and availability of securities; financial publications; electronic market quotations; performance analytics; analyses concerning specific securities, companies, industries or sectors; and market, economic, financial studies and forecasts; and computer databases and quotation equipment.

We may also obtain brokerage products or services related to the connectivity between our trade order management system and our broker/dealers and various execution venues, as well as market data used in certain trading applications and order routing.

We may acquire soft dollar benefits that assist us in rendering advice inuring to the overall benefit of all of our clients or to the benefit of certain of our clients. For example, it is possible that certain equity accounts may bear a disproportionate soft dollar “cost” for research primarily benefiting fixed income clients. We believe, however, that the soft dollar transactions we undertake are generally fair to our clients in terms of which clients benefit from the research and which clients bear the cost of such research.

For accounts other than those which are prohibited from using soft dollars for anything but research services, we may accumulate and use soft dollars to acquire products or services that go beyond the Section 28(e) safe harbor. The receipt of non-research related products and services creates an inherent conflict of interest in that the use of client commissions to acquire non-research applications may incentivize us to effect more client transactions than necessary in order to acquire such products and services and to select brokers based on an interest in obtaining the products and services rather than based on the clients’ interest in obtaining best execution. Additionally, we benefit by using client commissions to pay for non-research products and services because those are items that we otherwise might be required to pay for directly. Such products or services may include, but are not limited to, computers or terminals; client reporting and accounting services; client dedicated hardware, software and programming services; proxy voting services; and other products or services that facilitate both pre- and post-trade client account management.

Soft dollar credits received from accounts that do not permit soft dollar usage outside of the Section 28(e) safe harbor will not be used toward non-research services, although those accounts may benefit from the products or services purchased with soft dollars. Accounts that do not permit soft dollar credit outside of the Section 28(e) safe harbor are those managed on behalf of insurance companies, ERISA plans, and registered investment companies, including the funds in the Ziegler Lotsoff Capital Management Investment Trust. Additionally, certain accounts that are not restricted by law may instruct ZLCM that any soft dollar credits received can only be used for those items that fall within the Section 28(e) safe harbor. The amount of brokerage commissions spent related to non-research products or services is approximately 40% of total commission bills annually. If a product or service is a mixed-use item, we take the conservative view and pay for the item with soft dollar credit generated outside the Section 28(e) safe harbor. The ratio of the amount of commissions required to be paid in order to earn one dollar of soft dollar services generally is 2:1.

Order Aggregation and Allocation

It is our practice, when feasible, to aggregate orders for a number of client accounts for execution as a single transaction in order to seek a more advantageous net price or more favorable overall execution. The benefit, if any, obtained as a result of such aggregation is generally allocated pro rata among the accounts of the clients that participated in the aggregated transaction. However, in the case of a client that has restricted us to a particular broker/dealer with respect to transactions for that client account and has specified a particular commission rate for such transactions, the client account generally will be unable to participate in aggregated orders. Further, where such client account does participate in an aggregate order executed with the client’s designated broker, the client’s specification of a particular commission rate will preclude that client from receiving the benefit, if any, of a lower net price resulting from the aggregation. In those circumstances, the accounts of other clients participating in the aggregated order may receive a correspondingly greater benefit.

When directed brokerage accounts or wrap accounts cannot be aggregated with transactions for our other clients, such client's orders will generally trade after the aggregated order in a random rotation with other similar orders and may trade last.

Item 13 - Review of Accounts and Reports

ZLCM reviews all managed accounts on an ongoing basis. All accounts are reviewed by the Portfolio Policy Review Committee. This Committee is chaired by Matt O'Neil and focuses on reviewing the accounts versus their investment policy statements and reviewing client holdings reports. The members of this Committee include portfolio managers, sales and client service representatives, and a member of the Compliance Department.

A complete performance monitoring report is furnished to most clients at least quarterly. Quarterly performance reports detail assets under management and performance analysis from current quarter, year-to-date and since inception. An appraisal report which includes a list of all securities in the portfolio is also provided. Client meetings are available upon request.

Client portfolios are reviewed by the portfolio management team at multiple levels. Portfolios are continuously monitored to ensure they are positioned correctly versus the benchmark based on the current investment strategy. Portfolio performance attribution is performed to understand the sources of return. A review of portfolio performance to composite performance is performed monthly to ensure that any deviations are explained. Client portfolios are also reviewed by compliance personnel on a routine basis in connection with the firm's policies and procedures.

The agreement between the client and ZLCM for other consulting services defines the nature of reports and account reviews and their frequency. Normally, each report includes information regarding investment results, in the absolute and relative to appropriate peer groups and benchmarks over a variety of time periods.

Item 14 - Client Referrals and Other Compensation

ZLCM may also enter into agreements with and compensate firms and individuals that refer prospective clients to the firm. Typically, payments for referrals are a flat annual retainer, a percentage of the customary advisory fee received by ZLCM from the referred client, or a combination of the two. Thus, no additional fee is paid to ZLCM by a referred client. Each referred client is provided with details regarding the referral arrangement before the client signs an advisory agreement with the firm. Such arrangements create a conflict of interest for the person or firm making the referral because of the fee the person or firm will receive for making the referral.

ZLCM negotiates compensation on a case-by-case basis with non-related entities that refer clients. In all cases, such marketing arrangements comply with Rule 206(4)-3 under the Advisers Act.

ZLCM have a non-exclusive arrangement with Direct Access Partners to introduce prospective non-US clients to ZLCM. Direct Access Partners has no authority to bind ZLCM to any contractual relationship. Only ZLCM can enter into agreements with clients. As compensation for referral services, Direct Access Partners receives a percentage of the fees paid to ZLCM by each client.

Additionally, certain divisions within ZLCM may effect and allocate brokerage transactions for client accounts with or through Direct Access Partners. ZLCM theoretically may have a greater incentive

to execute transactions with brokerage firms, including Direct Access Partners, which refer clients or private fund investors to ZLCM than to firms that do not also solicit clients on behalf of ZLCM.

Item 15 - Custody

ZLCM does not take custody of client funds or securities; it only provides investment management services. The assets of client accounts must be held by the bank, trust company, broker-dealer, or other entity designated and appointed by the client.

To the extent a client receives any account or other investment ownership or transaction statement from ZLCM, ZLCM recommends the client carefully compare the information in the report to that in the custodian's statements and alert ZLCM of any discrepancy.

An independent public account audits the pooled investment vehicles annually and the audited financial statements are distributed to the investors in the pools.

Item 16 - Investment Discretion

For most managed accounts, ZLCM is granted discretionary authority by the client to buy and sell securities, including mutual funds, in the quantities and at the times it deems appropriate without obtaining the prior consent of the client before each transaction. The firm also offers such services on a nondiscretionary basis. Clients may place written limitations on the percentage of portfolio securities invested in each issuer and each industry segment.

ZLCM currently serves as investment manager to a number of clients, including investment companies. The firm strives to cause purchase and sale transactions to be allocated among clients in such manner as it deems equitable. In making such allocations, the main factors considered are the respective investment objectives, the relative size of portfolio holdings of the same or comparable securities, the commitments generally held, and opinions of the persons responsible for managing client accounts.

Through the exercise of its discretionary authority, ZLCM may purchase various forms of government agency notes, FMHA loans, SBA loans and other forms of government fixed income securities when it believes such investments are suitable for a client's account. Although U.S. government agency securities have not been subject to credit risk (the failure by the agency to pay principal or interest when due), they are subject to interest rate and liquidity risk. The value of interest rate sensitive investments, including government note and loan pools recommended by ZLCM, will decline with a rise in interest rates, especially for those securities whose interest reset date is further away from the date of the rise in interest rates. Thus, loss of principal can occur even though ultimate payment of the face amount, and interest thereon, is guaranteed by the United States government. Also, brokers who sell such investments generally are not required to establish a "secondary" market for the securities. Even if a secondary market does exist, there can be no assurance that the market will be sufficiently active to allow for the purchase and sale of client securities at acceptable prices at the time. Thus, ZLCM may not be able to sell a particular investment out of a client's account at an acceptable price at the time the client may wish to raise cash, or for any other reason.

ZLCM makes available to its investment advisory clients an overnight investment vehicle which seeks to produce returns exceeding other overnight investment options generally available in the

marketplace. The vehicle is a repurchase agreement between ZLCM acting as your agent, and a securities broker/dealer. Under the Repurchase Agreement, the broker-dealer (the “Counterparty”) “sells” to ZLCM, individual loans (“Loans”) whose payment is guaranteed by the full faith and credit of the United States and securities (“Securities”) secured by pools of these guaranteed Loans. The Securities and Loans are issued through the U.S. Small Business Administration. At the time the Counterparty sells the Loans and Securities to ZLCM the Counterparty obligates itself to repurchase the Loans and Securities on the next business day at a slightly higher price, hence the name “Repurchase Agreement.”

These Loans and Securities, despite the government guarantee, do present risks related to liquidity; that is, the price paid for a particular Loan or Security may be less than ZLCM’s purchase price because of movements in prevailing interest rates, supply and demand in the marketplace, and other factors. In the event the Repurchase Agreement Counterparty fails to repurchase the Loans and Securities upon ZLCM’s demand, ZLCM will work with the custodian to sell the SBA Loans and Securities and deliver the resulting cash to its clients. In the event that the SBA Loans and Securities could not be sold in the marketplace for a price at least equal to the Counterparty’s repurchase obligation, ZLCM reserves the right to deliver the Loans and Securities into its client’s accounts.

ZLCM does not have authority or responsibility to pursue, maintain, participate in or defend any claims, proceedings, causes of action, suits or disputes on behalf of a client, the plan, the trustee or the account. The client will need to provide ZLCM with all additional powers of attorney and other documentation, if necessary, to appoint ZLCM as agent and attorney-in-fact with respect to the account, but such powers will not authorize ZLCM to take any action not authorized in the Investment Management Agreement.

Item 17 - Voting Client Securities

Pursuant to various provisions of the Investment Advisers Act of 1940, ZLCM acts in a fiduciary capacity with respect to each of its advisory clients and, therefore, we must act in the interest of the beneficial owners of the accounts we manage. We understand that it is our fiduciary duty to vote proxies and that proxy voting decisions may affect the value of shareholdings. In the absence of specific voting guidelines or directives from a client, we will vote proxies in the manner that we believe will do the most to maximize the value of our clients’ investments. We will attempt to consider all factors of the vote that could affect the value of the beneficial owner’s investments. One of the primary factors we consider when determining the desirability of investing in a particular company is the quality and depth of that company’s management. Accordingly, a major factor that we consider in determining how proxies should be voted is the recommendation of management on any issue. However, we do not consider recommendations from management to be determinative of our ultimate decision. As a matter of practice, the votes with respect to most issues are cast in accordance with the position of the company’s management. Each issue, however, is considered on its own merits, and we will not support the position of a company’s management in any situation where we determine that the ratification of management’s position would adversely affect the investment merits of owning that company’s shares.

At times, proxies may be solicited by a company in which ZLCM has, or is seeking a business relationship or in which some other conflict of interest may be present. Accordingly, when ZLCM believes that a particular vote to be cast on behalf of a client presents a potential material conflict of interest, ZLCM will report the matter to its legal counsel and seek guidance as to how the vote

should be cast.

Our proxy voting process is dynamic and subject to periodic review. Reflecting this ongoing process, our judgment concerning the manner in which the best economic interest of the shareholders is achieved can and has changed over time based on additional information, further analysis, and changes in the economic environment. Our policy may be revised in its discretion to address any such changes.

We manage accounts on behalf of a diverse group of clients, including ERISA plans, state and local government funds, unions, corporations, socially conscious funds, and charitable foundations. From time to time, clients may desire that the proxies be voted differently from our General Proxy Voting Guidelines and Proxy Voting Policy. In such cases, the client either may retain the right to vote their proxies or may direct us to vote proxies on their behalf. Consequently, it is possible that we may vote proxies for the same securities differently for different clients.

We maintain records of proxy voting in accordance with the Investment Advisers Act of 1940, and will furnish proxy voting record regarding a client's securities if so requested by the client. Additionally, a copy of our current proxy voting policies and procedures will be provided upon request. Clients may request copies of their proxy voting records by calling Margaret Baer at 312-368-1442 or by sending a written request to: Ziegler Lotsoff Capital Management LLC, 20 N. Clark Street, 34th Floor, Chicago, IL 60602, Attention: Margaret M. Baer, Chief Administrative Officer.

Item 18 - Financial Information

Because ZLCM does not require prepayment of client fees more than six months in advance, the firm is not required to provide financial statements. ZLCM does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.

PRIVACY POLICY

It is the policy of ZLCM to maintain the security and confidentiality of all customer information. We do not sell or make available personally identifiable customer information to non-affiliated parties. This policy covers all types of personally identifiable customer information, including among other things, personal and financial information provided by customers at the time they open accounts, ongoing transactional activity within accounts, and other personal or financial data furnished to ZLCM by customers in the course of the account relationship. These policies apply to all our customers.

As permitted by law and in order to service your account(s) with our firm, ZLCM does provide personally identifiable customer information described above to certain third party service providers and custodians of investment advisory accounts. In each case, we have received assurance from the third party that its respective policies are in accord with our own. We may disclose or report personally identifiable customer information in limited circumstances where we believe in good faith that disclosure is required or permitted by law, for example to cooperate with regulators or law enforcement authorities, resolve customer disputes perform credit or authentication checks, or for institutional risk control.

ZLCM collects non-public personal information about its customers from the following sources:

- a) Account applications;
- b) Information related to opening an account and providing investment advice; and
- c) Information received from ancillary sources, such as consumer reporting agencies in the course of providing financial services to customers.

The categories of information we collect include personal vital statistics, as well as personal financial data about our client's financial circumstances and objectives. We restrict access to non-public personal information about you to those employees who need to know that information to provide products or services to you. We have developed and maintain physical, electronic, and procedural safeguards to guard your non-public personal information.

Item 1 - Cover Page

SCHEDULE 2.B - BROCHURE SUPPLEMENT

Ziegler Lotsoff Capital Management, LLC

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Chicago, IL 60602

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March 29, 2012

This brochure supplement provides information about Scott Roberts, Paula Horn, Don Nesbitt, Matthew MacLean, Mikhail Alkhazov, Stephen Bossu, Mark Burka, Christian Grenier, David Hershey, Michael Hurley, Linda Matza, Joseph Pappo, Donald Reid, Michael Sanders, Richard Scargill, Jon Thomas, Criag Vanucci, Robert Wilemse, and Eric Zenner that supplements the Ziegler Lotsoff Capital Management, LLC (“ZLCM”) brochure. You should have received a copy of that brochure. Please contact ZLCM’s Chief Compliance Officer if you did not receive ZLCM’s brochure or if you have any questions about the contents of this supplement.

Additional information about the above-listed individuals is available on the SEC’s website at www.adviserinfo.sec.gov.

Education and Business Standards

ZLCM requires that investment professionals in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Scott A. Roberts

Item 2 - Educational Background and Business Experience

Mr. Roberts was born in 1963. He serves as ZLCM's President. Mr. Roberts has an M.B.A. in Finance and Investments from the Applied Security Analysis Program at the University of Wisconsin at Madison and a B.S. in Accounting and Finance from Marquette University. Mr. Roberts was President and CIO of Deerfield Capital Management and responsible for all investment management, marketing and operational activities of the firm. Mr. Roberts oversaw the growth of assets under management at Deerfield from less than \$400mm in 2000 to over \$15B at the end of 2007. Mr. Roberts was Chief Investment Officer at several Zurich Insurance Company subsidiaries including Scudder Kemper Investments, Zurich Investment Management and CentreRe. Prior to Zurich, Mr. Roberts was the Director of Fixed Income for Loomis Sayles in Milwaukee. Prior to Loomis Sayles, Mr. Roberts was a Senior Vice President and Portfolio Manager for Putnam Investments.

Item 3 - Disciplinary Information

Mr. Roberts does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. Roberts is not actively engaged in any other business activities

Item 5 - Additional Compensation

Mr. Roberts does not receive addition compensation for advisory services.

Item 6 - Supervision

Mr. Roberts is supervised by ZLCM's Board of Managers. The Board of Managers consists of Suhail Rizvi, John Giampetroni, Thomas Paprocki, Craig Schedler, and Mr. Roberts.

The Board of Managers, and other individuals it so designates, shall regularly review Mr. Roberts' activities on a quarterly basis.

Paula Horn

Item 2 - Educational Background and Business Experience

Ms. Horn was born in 1968. She received a Bachelor of Arts degree from Tufts University and M.M. Degree from J.L. Kellogg Graduate School of Management at Northwestern University. Ms. Horn was Managing Director of Investment Grade Credit at Deerfield Capital, which included the ABS and Investment Grade Corporate Bond Management teams. Ms. Horn was with Deerfield Capital for more than 7 years. Prior to joining Deerfield Capital, Ms. Horn was a Vice President, Portfolio Manager and Corporate Bond Trader at Scudder Kemper Investments. While there, Ms. Horn was responsible for all corporate bond portfolio management and trading activities for the Firm's third party accounts totaling approx U.S. \$4 billion. Prior to her position at Scudder Kemper, Ms. Horn was a Corporate Bond Portfolio Manager and Trader for several Zurich Insurance Company subsidiaries, including Zurich Investment Management and Centre Investment Services. Prior to Centre Investments, Ms. Horn was a software consultant with the PORTIA division of Thomson Financial Services.

Item 3 - Disciplinary Information

Mr. Horn does not have any disciplinary information to disclose. She has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Ms. Horn is not actively engaged in any other business activities

Item 5 - Additional Compensation

Ms. Horn does not receive addition compensation for advisory services.

Item 6 - Supervision

Ms. Horn is supervised by Scott Roberts, ZLCM's Chief Executive Officer. His contact information is sroberts@zieglerlotsoff.com or 312-422-1266.

Mr. Roberts, and other individuals as he designates, regularly review the accounts for which Ms. Horn provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Donald J. Nesbitt, CFA

Item 2 - Educational Background and Business Experience

Mr. Nesbitt was born in 1960. He is Managing Director and Chief Investment Officer – Equity Investments. Prior to joining ZLCM, Mr. Nesbitt was a Portfolio Manager for Qwest Asset Management Company from September 1998 to April 2002. He was employed in various investment capacities with the Illinois Teachers' Retirement System from October 1989 to September 1998, and served as its Chief Investment Officer, Director of Investments from September 1994 to September 1998. Mr. Nesbitt also worked as an investment analyst from Duff & Phelps, Inc. from February 1986 to October 1989. Mr. Nesbitt received a B.S. degree in Economics from St. Cloud State University and a M.S. in Financial Analysis from the University of Wisconsin-Milwaukee. He also holds a Chartered Financial Analyst (CFA) designation. He has successfully passed the NASAA Series 65 Uniform Investment Adviser Law Exam.

The CFA® designation is granted by the CFA Institute. Candidates for the CFA® must hold a bachelors degree, pass a series of three six-hour exams focusing on areas of financial analysis and ethics including: Ethical and Professional Standards, Quantitative Methods, Economics, Financial Reporting and Analysis, Corporate Finance, Analysis of Investments and Portfolio Management and Analysis, have at least 48 months of professional work experience and adhere to a strict Code of Ethics and professional Standards.

Item 3 - Disciplinary Information

Mr. Nesbitt does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. Nesbitt is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Mr. Nesbitt does not receive any additional compensation for advisory services.

Item 6 - Supervision

Mr. Nesbitt is supervised by Scott Roberts, ZLCM's Chief Executive Officer. His contact information is sroberts@zieglerlotsoff.com or 312-422-1266.

Mr. Roberts, and other individuals as he designates, regularly review the accounts for which Mr. Nesbitt provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Mikhail Alkhazov, CFA

Item 2 - Educational Background and Business Experience

Mr. Alkhazov was born in 1980. He joined Ziegler Lotsoff Capital Management, LLC in 2002. He currently serves as a Portfolio Manager for Ziegler sub-advised mutual funds and quantitatively managed separate account strategies. In December 2011, Mr. Alkhazov will complete the MBA program at the University of Chicago Booth School attaining concentrations in Economics, Analytical Finance, and Statistics. Mr. Alkhazov graduated magna cum laude from the University of Wisconsin–Milwaukee with undergraduate degrees in Accounting and in Finance. He earned the Chartered Financial Analyst (CFA) designation and additionally holds Series 7, 66, and 55 licenses. In his free time Mr. Alkhazov serves as a mentor to Economics undergraduates at UW-Milwaukee.

The CFA® designation is granted by the CFA Institute. Candidates for the CFA® must hold a bachelors degree, pass a series of three six-hour exams focusing on areas of financial analysis and ethics including: Ethical and Professional Standards, Quantitative Methods, Economics, Financial Reporting and Analysis, Corporate Finance, Analysis of Investments and Portfolio Management and Analysis, have at least 48 months of professional work experience and adhere to a strict Code of Ethics and professional Standards.

Item 3 - Disciplinary Information

Mr. Alkhazov does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. Alkhazov is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Mr. Alkhazov does not receive any additional compensation for advisory services.

Item 6 - Supervision

Mr. Alkhazov is supervised by Donald Nesbitt, ZLCM's Co-Chief Investment Officer, Equities. His contact information is dnesbitt@zieglerlotsoff.com or 312-523-0743.

Mr. Nesbitt, and other individuals as he designates, regularly review the accounts for which Mr. Alkhazov provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Stephen K. Bossu, CFA

Item 2 – Educational Experience and Business Background

Mr. Stephen K. Bossu was born in 1953. He has been with the firm since 1984. Prior to joining the firm, he was Portfolio Manager of Fixed Income Securities at the State Teachers Retirement System of Ohio, where he directed the management of a portfolio of over \$2 billion in government and agency securities, mortgage securities, and private and public corporate debt. Performance of the fund ranked at the top of the universe of public funds on a consistent basis. The interest rate futures hedging program he developed during his tenure was one of the first such programs for a state retirement fund. The fund was among the first public funds to participate in mortgage-backed securities, derivatives and CMO markets. Prior to joining the State Teachers Fund, Mr. Bossu spent four years in the Investment Department of the Public Employees Retirement System of Ohio as a fixed income portfolio manager and credit analyst. Mr. Bossu was invited by the Japanese Ministry of Finance to speak before the February, 2003 JSEP Workshop “Cross-Border Capital Flows in the East Asian Region” on the topic of hedge fund investing as it is related to capital flows in Asia.

Mr. Bossu has a B.A. in Economics and a M.B.A. in Finance from the University of Notre Dame. In 1982, he was granted his Chartered Financial Analyst (CFA) designation. He has participated as a panelist at conferences geared toward the use of options for institutional investors and has authored several articles in various financial publications.

Item 3 – Disciplinary Information

Mr. Bossu has no prior disciplinary history.

Item 4 – Other Business Activities

Mr. Bossu has no other business activities.

Item 5 – Additional Compensation

Mr. Bossu has no additional sources of compensation.

Item 6 – Supervision

The activities of Mr. Bossu are supervised by Paula Horn, ZLCM’s Chief Investment Officer, Fixed Income. Her contact information is phorn@zieglerlotsoff.com or 312-368-1442.

Ms. Horn, and other individuals as she designates, regularly reviews the activities of Mr. Bossu to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Mark B. Burka, CFA

Item 2 - Educational Background and Business Experience

Mr. Burka was born in 1950. He is currently a Senior Vice President and Portfolio Manager for ZLCM. Prior to joining ZLCM, Mr. Burka was a Portfolio Manager for Burnham, Sullivan, Andelbradt from 2003 to 2005. Burnham, Sullivan, Andelbradt was acquired by ZLCM in 2005. He was employed by Aon Corporation, in various investment capacities, between 1977 and 2003. Mr. Burka worked as a research analyst for Burton J. Vincent Chesley & Co. from 1976 into 1977. From 1974 to 1976 he worked for Northern Trust Company as a research analyst. Mr. Burka received a B.A. degree in both Economics and Philosophy from University of Wisconsin, Madison, in 1972, and a Masters Degree in Finance and Accounting in 1974 from the University of Chicago. He was awarded the Chartered Financial Analyst (CFA) designation in 1977.

The CFA® designation is granted by the CFA Institute. Candidates for the CFA® must hold a bachelors degree, pass a series of three six-hour exams focusing on areas of financial analysis and ethics including: Ethical and Professional Standards, Quantitative Methods, Economics, Financial Reporting and Analysis, Corporate Finance, Analysis of Investments and Portfolio Management and Analysis, have at least 48 months of professional work experience and adhere to a strict Code of Ethics and professional Standards.

Item 3 - Disciplinary Information

Mr. Burka does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. Burka is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Mr. Burka does not receive any additional compensation for advisory services.

Item 6 - Supervision

Mr. Burka is supervised by Donald Nesbitt, ZLCM's Co-Chief Investment Officer - Equities. His contact information is dnesbitt@zieglerlotsoff.com or 312-523-0743.

Mr. Nesbitt, and other individuals as he designates, regularly review the accounts for which Mr. Burka provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Kevin Carlson

Item 2 - Educational Background and Business Experience

Mr. Carlson was born in 1984. He received a Bachelor of Arts degree from DePaul University. Prior to working with ZLCM, Mr. Carlson provided analytical support in the healthcare investment banking division of Ziegler Capital Markets. He was involved in over \$3 billion in financings and provided support for transactions ranging from project financings to debt re-financings for a variety of health providers. Mr. Carlson's current responsibilities at ZLCM include preparing client portfolio reviews, managing the pipeline of bond proceeds, analyzing the investment lineup of prospective clients, and preparing investment recommendations.

Mr. Carlson has successfully passed the FINRA Series 7 General Securities Representative Exam, and NASAA Series 66 Uniform Combined State Law Exam.

Item 3 - Disciplinary Information

Mr. Carlson does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. Carlson is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Mr. Carlson does not receive any additional compensation for advisory services.

Item 6 - Supervision

Mr. Carlson is supervised by Linda Matza, ZLCM's Director of Sales. Her contact information is lmatza@zieglerlotsoff.com or 312-432-7657.

Ms. Matza, and other individuals as she designates, regularly review the accounts for which Mr. Carlson provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Christian J. Greiner, CFA

Item 2 – Educational Background and Business Experience

Christian J. Greiner, CFA, was born in 1977. Mr. Greiner joined the firm in 2003 as an Equity Analyst. Currently, he is a Portfolio Manager who provides fundamental research across all sectors and participates in the decision making process for stock selection. He has a substantial role in the quantitative research effort, contributing to the stock scoring model research. He has been responsible for developing a system that aggregates investment community sentiment towards individual stocks, and in the past has worked on quantitative tax-effective investment strategies, as well as long-short equity products for the firm.

Mr. Greiner holds a B.S. in Finance from DePaul University, as well as an M.B.A from the University of Chicago. Christian earned the Chartered Financial Analyst (CFA) designation, and is a member of the CFA Society of Chicago. Prior to joining the firm, he held positions with Checkfree Investment Services and Northern Trust.

Item 3 – Disciplinary Information

Christian J. Greiner has no prior disciplinary history.

Item 4 – Other Business Activities

Christian J. Greiner does not have any other business activities.

Item 5 – Additional Compensation

Christian J. Greiner has no additional sources of compensation.

Item 6 – Supervision

Jointly, Joseph N. Pappo and Donald W. Reid supervise all the activities of Christian J. Greiner. Mr. Pappo and Mr. Reid may be contacted at jpappo@zieglerlotsoff.com and dreid@zieglerlotsoff.com, respectively or at 312-368-1442.

Portfolio managers serve as generalists. While portfolio managers are not confined to a specific area in terms of their contributions, all areas are covered by assigning coverage responsibility of various areas to specific portfolio managers. Often these areas overlap, to encourage discussion and consensus building. Mr. Pappo and Mr. Reid review all research, data and recommendations received from Mr. Greiner before making any decisions related to client portfolios based on that information.

David A. Hershey, CFA

Item 2 – Educational Background and Business Experience

Mr. Hershey was born in 1958. He is a Senior Portfolio Manager with ZLCM and has been with the firm, through its predecessors Ziegler Lotsoff Capital Management II, LLC and Lotsoff Capital Management, since 1989. Mr. Hershey has over 25 years of experience in the U.S. fixed income markets and has been with the firm since 1989. He manages and tactically trades the mortgage, agency and asset-backed areas of the firm's fixed income strategies. In addition to his portfolio management responsibilities, Mr. Hershey is an integral in fixed income product development and research. Prior to joining the firm in 1989, Mr. Hershey spent six years in the banking industry with a focus on interest rate risk management.

Mr. Hershey holds a M.B.A in Finance from Arizona State University and a B.S. in Finance from Southern Illinois University. He has been a Chartered Financial Analyst since 1992 and a Partner at Lotsoff Capital Management since 1994.

Item 3 – Disciplinary Information

David A. Hershey has no prior disciplinary history.

Item 4 – Other Business Activities

David A. Hershey is registered with the National Futures Association ("NFA") as an Associated Person of Lotsoff Capital Management LLC ("LCM"). LCM is a member of the NFA and is registered with the Commodity Futures Trading Commission ("CFTC") as a Commodity Pool Operator ("CPO") and Commodity Trading Adviser ("CTA").

Item 5 – Additional Compensation

David A. Hershey has no additional sources of compensation.

Item 6 – Supervision

The activities of Mr. Hershey are supervised by Paula Horn, ZLCM's Chief Investment Officer, Fixed Income. Her contact information is phorn@zieglerlotsoff.com or 312-368-1442.

Ms. Horn, and other individuals as she designates, regularly reviews the activities of Mr. Hershey to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Matthew S. MacLean

Item 2 - Educational Background and Business Experience

Mr. MacLean was born in 1973 and is currently a Managing Director, Chief Compliance Officer and General Counsel for ZLCM. Prior to joining ZLCM, Mr. MacLean served as a Partner, Chief Compliance Officer and General Counsel for Red Granite Advisors LLC from 2006 until ZLCM acquired Red Granite in 2012. Between 1999 and 2006, he worked for the Milwaukee law firm of Michael Best & Friedrich LLC, where he rose to the level of partner in the firm's litigation department. Mr. MacLean's work with Michael Best focused on ERISA, securities, and insurance litigation. Ms. Nelson received a Bachelor of Arts degree in History from St. Norbert College. He earned a Doctor of Jurisprudence degree from Vanderbilt University School of Law. Mr. MacLean is licensed to practice law in the State of Wisconsin, all federal courts in Wisconsin, the United States District Court for the Northern District of Illinois, and the United States Seventh Circuit and Federal Circuit Courts of Appeal.

**Ms. Nelson has successfully passed the FINRA Series 7 General Securities Representative Exam, and NASAA Series 65 Uniform Combined State Law Exam. AV-Preeminent

Item 3 - Disciplinary Information

Mr. MacLean does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Ms. Nelson is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Mr. MacLean does not receive any additional compensation for advisory services.

Item 6 - Supervision

Mr. MacLean is supervised by Scott Roberts, ZLCM's Chief Executive Officer. His contact information is sroberts@zieglerlotsoff.com or 312-422-1266.

Mr. Roberts, and other individuals as he designates, regularly review the accounts for which Mr. MacLean provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Linda A. Matza

Item 2 - Educational Background and Business Experience

Ms. Matza was born in 1958. She is a Managing Director, Sales and is responsible for Institutional Sales and Marketing in the Central US, as well as the management of Institutional distribution activities for ZLCM. Ms. Matza joined ZLCM in May 2005, and was previously a Senior Vice President of Scudder Investments, Inc, a division of Deutsche Bank.

Ms. Matza has a B.A. in English and a B.A. in Psychology from St. Olaf College in Northfield, MN, and is a Chartered Life Underwriter (CLU) and Chartered Financial Consultant (ChFC).

Ms. Matza has successfully passed the FINRA Series 6 Investment Company Products/Variable Contracts Limited Representative Exam, Series 7 General Securities Representative Exam, Series 24 General Securities Principal Exam, NASAA Series 63 Uniform Securities Agent State Law Exam and Series 65 Uniform Investment Adviser Law Exam.

Item 3 - Disciplinary Information

Ms. Matza does not have any disciplinary information to disclose. She has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Ms. Matza is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Ms. Matza does not receive any additional compensation for advisory services.

Item 6 - Supervision

Ms. Matza is supervised by Scott Roberts, ZLCM's Chief Executive Officer. His contact information is sroberts@zieglerlotsoff.com or 312-422-1266.

Mr. Roberts, and other individuals as he designates, regularly review the accounts for which Ms. Matza provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Matthew E. O'Neil

Item 2 - Educational Background and Business Experience

Matthew E. O'Neil, Senior Vice President, Institutional Sales and Client Services, was born in 1969. He joined Ziegler in 2001 and has 19 years of investment industry experience. Mr. O'Neil services institutional client relationships for Ziegler Capital Management. From 1995 to 2001, he worked within the proprietary mutual fund team of a large Midwestern bank holding company. While there, Mr. O'Neil's responsibilities ranged from brokerage services manager to mutual fund product manager.

Mr. O'Neil is a graduate of Marquette University in Milwaukee, Wisconsin where he earned a Bachelor of Science degree in business economics. He has successfully passed the FINRA Series 6 Investment Company Products/Variable Contracts Limited Representative Exam, Series 7 General Securities Representative Exam, Series 24 General Securities Principal, NASAA Series 63 Uniform Securities Agent State Law Exam and Series 65 Uniform Investment Adviser Law Exam.

Item 3 - Disciplinary Information

Mr. O'Neil does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. O'Neil is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Mr. O'Neil does not receive any additional compensation for advisory services.

Item 6 - Supervision

Mr. O'Neil is supervised by Craig Vanucci, a Director at ZLCM. His contact information is cvanucci@zieglerlotsoff.com or 312-432-7654.

Mr. Vanucci, and other individuals as he designates, regularly review the accounts for which Mr. O'Neil provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Joseph N. Pappo

Item 2 – Educational Background and Business Experience

Born in 1951, Joseph N. Pappo is a Senior Portfolio Manager for our Active Equity strategies and is responsible for stock selection, operations, and systems. He is instrumental in the vision and design of products and product improvements that meet the goals and expectations of clients. He is also very involved with the design of portfolio management systems that insure accuracy and efficiency in the management of client portfolios. He joined one of ZLCM's predecessor firms, Lotsoff Capital Management, in 1997.

In 1988, Mr. Pappo founded Eden Financial Corporation, where he served as president between 1988 -1991. Eden Financial offered clients unique investment opportunities by applying Modern Portfolio Theory to the stock market. The Eden operation was integrated into Weiss, Peck & Greer in 1991 as the new Quantitative Equity Division. From June 1991 through July 1996, Mr. Pappo served as the managing director of that division. The division managed seven mutual funds and 30 institutional accounts.

Between 1981-1989, Mr. Pappo co-owned and managed GNP Options, a successful equity options trading partnership that employed sophisticated arbitrage strategies using theoretical valuation models. Responsibilities included managing partnership assets and floor traders affiliated with the partnership. Mr. Pappo holds a B.A. and a M.A. from Northwestern University.

Item 3 – Disciplinary Information

Joseph N. Pappo has no prior disciplinary history.

Item 4 – Other Business Activities

Joseph N. Pappo does not have any other business activities.

Item 5 – Additional Compensation

Joseph N. Pappo has no additional sources of compensation.

Item 6 – Supervision

The activities of Mr. Pappo are supervised by Scott Roberts, ZLCM's Chief Executive Officer. His contact information is sroberts@zieglerlotsoff.com or 312-368-1442.

Mr. Roberts, and other individuals as he designates, regularly review the accounts for which Mr. Pappo provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Donald W. Reid, Ph.D.

Item 2 – Educational Background and Business Experience

Donald W. Reid, Ph.D., born in 1952, is responsible for quantitative stock analysis, portfolio construction, and research and development of new products and product improvements. Prior to joining Ziegler Lotsoff Capital Management, LLC in 1997, he had similar responsibilities as Director of Quantitative Equity Research at Weiss, Peck & Greer, 1991-1996, and as Director of Research and Development for Eden Financial Corporation, 1988-1991. He has extensive experience in theoretical and applied financial research in portfolio management and investments.

Dr. Reid was an Associate Professor of Finance at the University of South Alabama from 1990-1991; Associate Professor at the University of Georgia, 1986-1990; and Assistant Professor at the University of Kentucky, 1981-1986. He has several academic and trade publications to his credit including an article co-authored with Dr. Harry Markowitz (recipient of the 1990 Nobel Prize in Economics) in the Journal of Portfolio Management, Summer 1994 Issue, entitled, “The Value of a Blank Check”. Dr. Reid was an accountant with Ernst & Ernst (currently Ernst & Young) early in his career. Dr. Reid holds a B.S. from Auburn University, a M.S. from University of Georgia, and a Ph.D. from University of Kentucky with a concentration in Financial Economics.

Item 3 – Disciplinary Information

Donald W. Reid has no prior disciplinary history.

Item 4 – Other Business Activities

Donald W. Reid does not have any other business activities.

Item 5 – Additional Compensation

Donald W. Reid has no additional sources of compensation.

Item 6 – Supervision

The activities of Mr. Reid are supervised by Scott Roberts, ZLCM’s Chief Executive Officer. His contact information is sroberts@zieglerlotsoff.com or 312-368-1442.

Mr. Roberts, and other individuals as he designates, regularly review the accounts for which Mr. Reid provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Michael S. Sanders, CFA

Item 2 - Educational Background and Business Experience

Mr. Sanders was born in 1981. He received a Bachelor of Business Administration from St. Norbert College and a Master of Science in Applied Economics from Marquette University. Mr. Sanders has also earned the CFA designation. Mr. Sanders was a financial analyst at Ziegler Capital Management where he was in charge of performance attribution and financial modeling. Prior to that, Mr. Sanders was an intern with Ziegler Capital Management and Ziegler Capital Markets.

The CFA® designation is granted by the CFA Institute. Candidates for the CFA® must hold a bachelors degree, pass a series of three six-hour exams focusing on areas of financial analysis and ethics including: Ethical and Professional Standards, Quantitative Methods, Economics, Financial Reporting and Analysis, Corporate Finance, Analysis of Investments and Portfolio Management and Analysis, have at least 48 months of professional work experience and adhere to a strict Code of Ethics and professional Standards.

Item 3 - Disciplinary Information

Mr. Sanders does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. Sanders is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Mr. Sanders does not receive any additional compensation for advisory services.

Item 6 - Supervision

Mr. Sanders is supervised by Paula Horn, ZLCM's Chief Investment Officer, Fixed Income. Her contact information is phorn@zieglerlotsoff.com or 312-523-0741.

Ms. Horn, and other individuals as she designates, regularly reviews the activities of Mr. Sanders to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Richard D. Scargill

Item 2 - Educational Background and Business Experience

Mr. Scargill was born in 1966. He received a Bachelor of Science degree from the University of South Florida and a M.B.A degree from Marist College. Mr. Scargill was a Vice President, Fixed Income Portfolio Manager at Zurich Scudder Investments where he managed approximately U.S. \$5 billion mutual fund assets. Prior to joining the mutual fund group, Mr. Scargill was a Vice President, Fixed Income Portfolio Manager at Scudder, Stevens & Clark where he managed approximately U.S. \$ 2.5 million of institutional and high yield assets. Prior to joining the assets management group at Scudder, Stevens & Clark, Mr. Scargill held a number of positions in their client investment services. Mr. Scargill has successfully passed the FINRA Series 6 Investment Company Products/Variable Contracts Limited Representative Exam and the NASAA Series 63 Uniform Securities Agent State Law Exam and the Series 65 Uniform Investment Adviser law Exam.

Item 3 - Disciplinary Information

Mr. Scargill does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. Scargill is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Mr. Scargill does not receive any additional compensation for advisory services.

Item 6 - Supervision

Mr. Scargill is supervised by Paula Horn, ZLCM's Chief Investment Officer, Fixed Income. Her contact information is phorn@zieglerlotsoff.com or 312-523-0741.

Ms. Horn, and other individuals as she designates, regularly review the activities of Mr. Scargill to monitor compliance with regulatory and internal procedures.

Jon Thomas

Item 2 – Educational Background and Business Experience

Jon Thomas was born in 1976. Mr. Thomas has over 11 years experience investing in and advising on debt capital markets, including high yield and distressed securities, bank loans, convertible bonds, corporate restructures and various credit hedging instruments. In his career, Mr. Thomas has provided fixed income portfolio management for mutual funds, hedge funds, plan sponsors and high net worth families. Prior to joining the firm, Mr. Thomas was a Senior Portfolio Manager at Simran Capital Management, a boutique fixed income asset management firm he co-founded in 2005. From 2003 to 2005, Mr. Thomas was Vice President and Director of High Yield & Distressed Research at Advest Inc., a division of Axa Financial. Prior to Advest, Mr. Thomas was a restructuring advisor with Crossroads LLC from 2001 to 2003, where he advised both debtors and creditors on debt restructurings, asset sales and bankruptcy proceedings. Mr. Thomas began his career in 1998 as a investment banker with JP Morgan Chase, where he held positions in New York, Hong Kong and Thailand.

Mr. Thomas holds a B.S. in Finance and International Business from Babson College.

Item 3 – Disciplinary Information

Mr. Thomas has no prior disciplinary history.

Item 4 – Other Business Activities

Jon Thomas has no other business activities.

Item 5 – Additional Compensation

Jon Thomas has no additional sources of compensation.

Item 6 – Supervision

The activities of Mr. Thomas are supervised by Paula Horn, ZLCM's Chief Investment Officer, Fixed Income. Her contact information is phorn@zieglerlotsoff.com or 312-368-1442.

Ms. Horn, and other individuals as she designates, regularly reviews the activities of Mr. Thomas to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Craig S. Vanucci, CFA

Item 2 - Educational Background and Business Experience

Mr. Vanucci was born in 1958. He is a Managing Director, Director of Client Services. Previously Executive Vice President of GSC Capital Corporation, Inc., Mr. Vanucci serves on ZLCM's Fixed Income Investment Committee. Mr. Vanucci holds a B.A. in Finance from Bowling Green State University and a M.B.A. in Finance from the University of Toledo. Mr. Vanucci also holds Chartered Financial Analyst (CFA) designation. He has successfully passed the NASAA Series 65 Uniform Investment Adviser Law exam.

The CFA® designation is granted by the CFA Institute. Candidates for the CFA® must hold a bachelors degree, pass a series of three six-hour exams focusing on areas of financial analysis and ethics including: Ethical and Professional Standards, Quantitative Methods, Economics, Financial Reporting and Analysis, Corporate Finance, Analysis of Investments and Portfolio Management and Analysis, have at least 48 months of professional work experience and adhere to a strict Code of Ethics and professional Standards.

Item 3 - Disciplinary Information

In 1999, the SEC entered a settlement order involving Mr. Craig Vanucci, the Managing Director of Client Services for ZLCM. The matter involved activities that occurred at while Mr. Vanucci was employed at another firm. At that time Mr. Vanucci had a subadvisory portfolio responsibility for a money market fund. The SEC alleged that he failed to maintain a net asset value of \$1.00 per share due to certain underlying notes held in the fund. A civil penalty was imposed of \$30,000.

Item 4 - Other Business Activities

Mr. Vanucci is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Mr. Vanucci does not receive any additional compensation for advisory services.

Item 6 - Supervision

Mr. Vanucci is supervised by Scott Roberts, ZLCM's Chief Executive Officer. His contact information is sroberts@zieglerlotsoff.com or 312-422-1266.

Mr. Roberts, and other individuals as he designates, regularly review the accounts for which Mr. Vanucci provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Robertus J. Willemse, CFA

Item 2 - Educational Background and Business Experience

Robert J. Willemse, CFA, born in 1960, is a Senior Portfolio Manager for our US Fixed Income strategies. He also contributes his knowledge and experience in research of investments across Treasuries, Agencies, Mortgage Backed, Asset Backed and Corporate securities to all of the firm's fixed income strategies. He has been with Lotsoff Capital Management and ZLCM since 2001. Prior to joining the firm, Mr. Willemse managed Fixed Income Portfolios at ABN AMRO Asset Management in Amsterdam since 1997. He spent two years with the Federal Reserve Bank of Richmond as a Research Analyst. He then joined the Asset/Liability Management team at Corestates Bank in Philadelphia. He began at ABN AMRO North America in Chicago in October 1992 developing models to measure and manage the bank's interest rate risk exposure.

Mr. Willemse has a B.S. in Economics and a M.S. in Econometrics from Tilburg University in the Netherlands. He also earned a M.S. in Finance from Drexel University in Philadelphia, and is a Chartered Financial Analyst.

Item 3 – Disciplinary Information

Robertus J. Willemse has no prior disciplinary history.

Item 4 – Other Business Activities

Robertus J. Willemse does not have any other business activities.

Item 5 – Additional Compensation

Robertus J. Willemse has no additional sources of compensation.

Item 6 – Supervision

The activities of Mr. Willemse are supervised by Paula Horn, ZLCM's Chief Investment Officer, Fixed Income. Her contact information is phorn@zieglerlotsoff.com or 312-368-1442.

Ms. Horn, and other individuals as she designates, regularly reviews the activities of Mr. Willemse to monitor suitability of recommendations and compliance with regulatory and internal procedures.

Eric E. Zenner, CFA

Item 2 - Educational Background and Business Experience

Mr. Eric Zenner was born in 1966. He received a Bachelor of Science degree from The University of Illinois and M.B.A from DePaul University. Prior to joining Ziegler, he was a Managing Director and Portfolio Manager for Deerfield Capital where he was responsible managing \$3.5 billion of investment grade corporate portfolios. Mr. Zenner was with Deerfield Capital for six years. Prior to joining Deerfield, he was a Director and Senior Corporate Bond Trader at Northwestern Mutual Life Insurance Company in Milwaukee, Wisconsin. At Northwestern Mutual Life, Mr. Zenner was responsible for trading the firm's \$12 billion general account portfolio of investment grade corporate bonds. Prior to Northwestern Mutual Life Insurance, Mr. Zenner was head taxable bond trader at Firststar Bank in Milwaukee. Prior to Firststar Bank, Mr. Zenner was municipal bond trader with Cronin and Company in Chicago.

Mr. Zenner has successfully passed the FINRA Series 7 General Securities Representative Exam, Series 24 General Securities Principal Exam, and NASAA Series 63 Uniform Securities Agent State Law Exam. Additionally, he is a member of the Investment Analysts Society of Milwaukee and the CFA Institute. Mr. Zenner is a Chartered Financial Analyst charterholder.

Item 3 - Disciplinary Information

Mr. Zenner does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. Zenner is not actively engaged in any other business activities.

Item 5 - Additional Compensation

Mr. Zenner does not receive any additional compensation for advisory services.

Item 6 - Supervision

Mr. Zenner is supervised by Paula Horn, ZLCM's Chief Investment Officer, Fixed Income. Her contact information is phorn@zieglerlotsoff.com or 312-523-0741.

Ms. Horn, and other individuals as she designates, regularly reviews the activities of Mr. Zenner to monitor compliance with regulatory and internal procedures.