

Kessler Investment Group, LLC

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This brochure provides information about the qualification and business practices of Kessler Investment Group, LLC ("KIG"). If you have any questions about the contents of this brochure, please contact us at 812-314-0083 or by email at craig@kesslerig.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Kessler Investment Group, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC does not imply a certain level of skill or training.

March 14, 2012

Material Changes

On July 28, 2010, the United State Securities and Exchange Commission (SEC) published “Amendments to Form ADV” which amends the disclosure document that we provide to *clients* as required by SEC Rules. This Brochure dated March 14, 2012 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

This Brochure contains the following change since the last update of our Brochure filed on November 1, 2010: As of December 31, 2011, we discontinued offering pension consulting services. As of this date, no pension consulting services had been provided.

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

In the past we have offered or delivered information about our qualifications and business practices to *clients* on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this Brochure with an offer to provide a copy of the current brochure within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Craig A. Kessler, Chief Compliance Officer at 812-314-0083 or craig@kesslerig.com, free of charge.

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Advisory Business

Firm Description and Principal Owner

Kessler Investment Group, LLC ("KIG") has been a Registered Investment Advisor [RIA] since July 1, 2010. The principal owner of KIG is Craig Kessler, President/Chief Investment Officer.

Types of Advisory Services

KIG provides asset management services to separate accounts in accordance with the methods described in the *Methods of Analysis, Investment Strategies and Risk of Loss* section of this Brochure. We offer the following products: Total Return, ETF Total Return, Dividend Income, ETF Dividend Income, Balanced and ETF Balanced. All three products are suitable for long-term investors only.

In addition, we have sub-adviser relationships in place. For more information see the *Other Financial Industry Activities and Affiliations*.

Tailored Relationships

Client portfolios are managed to the above model portfolios. However, clients may impose certain restrictions on investing and types of securities. Such requests must be submitted to KIG in writing.

Assets Under Management

As of December 31, 2011, KIG managed the following client assets:

Discretionary Client Assets:	\$67,844,534
Non-Discretionary Client Assets:	\$10,253,348

Fees and Compensation

Standard Fee Schedule

KIG's compensated for our advisory services and for providing model portfolios by receiving fees from the client. For model portfolio and non-discretionary services, the basic fee schedule is based upon a percentage of the client's assets under management.

Annual Rate of Compensation	Market Value of Assets Managed
1.75%	First \$200,000
1.50%	Next \$300,000
1.00%	Amount over \$500,000

These annual fees shall be negotiable in certain cases. No increase in the annual fee shall be effective without prior written notification to the Client. Generally, KIG requires a minimum annual advisory fee of \$175.

Project Based and Hourly Based Financial Planning

Project Based Planning is done on a fee basis that is calculated using a quasi-hourly rate based upon the complexity level of the situation and the estimated time involved. A fee range is quoted at the time that the Advisory Agreement is discussed and signed. This agreement outlines the scope of the engagement. The timing of the payment of fees will be determined at the signing of the Advisory Agreement.

In certain cases, hourly based or “segmented” planning may be done for a client. In these cases, fees are charged based on an agreed upon hourly or one-time fixed rate. Currently, those fixed and hourly rates are:

Hourly Rate: \$200/hr.

Fixed Fee: \$1,500

Fee Billing

Fees are billed quarterly in advance. When an account is opened on a day other than the first day of a quarter, the fee will be pro-rated for the number of days in the quarter the account was open. An investment advisory agreement may be canceled by written notice to the other party, as provided in the client agreement:

- at any time
- by either party
- for any reason

Any prepaid, unearned fees will be promptly refunded on a prorated basis based on the number of days the account was under management during the quarter. If your account is closed or moved to another custodian or broker-dealer, the custodian may charge you commissions, account closure fees, and other expenses associated with the liquidation and/or transfer of the account.

Unless the Client requests direct billing, fees will be automatically deducted from the account. Clients will be provided with a quarterly statement reflecting deduction of the advisory fee.

Other Fees

Clients are responsible for custodial fees and transaction costs. The client may pay charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. All transactional costs and charges are the responsibility of the Client.

Upon *client* request, we will assist with special projects which may involve lengthy research and/or communication with the *client's* attorney or tax advisor. Fees for such services are based on a negotiated hourly rate, due at the time of service.

Performance-Based Fees & Side-by-Side Management

KIG and our supervised persons do not accept any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Types of Clients

KIG provides asset management services to:

- Individuals
- High Net Worth Individuals
- Pension, 401K Plans and Profit-Sharing Plans
- Trusts and Estates
- Corporations and Partnerships

Although KIG does not require a minimum account size, KIG requires a minimum annual advisory fee of \$175.00.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

KIG uses a combination of methods of analysis when studying securities. The methods work together to assist us in determining whether to, or when to, buy or sell a security. We generally use the following methods of analysis:

- **Fundamental Analysis** – the study of the security as an operating business. When we buy or sell a security of a company, we are taking or disposing of ownership in that business. Therefore we try to determine the value of that business by applying ratios relative to a security's price as it relates to earnings, debt, cash flow and other data. Fundamental analysis considers current and projected business growth and income and their expected impact on the value of the company and its related securities. Consideration is also given to management's effectiveness in achieving company objectives, product markets, intellectual property, barriers to entry and other competitive advantages.
- **Technical Analysis** – the method of evaluating stocks and securities based on statistical data reflected by market activity. It relies on historical trends (short and long-term trends) relative to price, security price changes and the trading volume involved. We use technical analysis in conjunction with fundamental analysis.
- **Charting Analysis** – a tool of technical analysis. It tracks the price of a security over time to determine a trend. We look at stock charts to decide if there is a short or long-term pattern or trend. Charting can aid in determining when to buy or sell.
- **Cyclical** – a tool of economic cycle analysis. We look for business and economic indicators to determine where we believe we are in a particular economic cycle and then determine which types of securities would be expected to flourish in such an environment. We also use this to determine when it would be appropriate to sell securities that have run their course and need to have their capital reallocated to more advantageous sectors.

The risks associated with using these methods of analysis have to do with changing information. The fundamentals of a company can change as a result of internal factors such as reorganization, departing leadership or product failure. Company fundamentals may also be affected by outside factors such as economic, environmental or political climate changes. These changes can, in turn, cause changes to the technical data we rely on to make our investment decisions, and ultimately the direction we expected the stock price to go.

KIG uses information from a variety of sources when researching a security. Some sources provide technical information such as charts or statistical data while other sources provide information we use to determine the fundamentals of a company.

Equity Methods of Analysis:

For Equity investments, we use the following sources of information most often:

- Financial newspapers, magazines and newsletters, which provide a source for certain charts and articles on specific businesses and the overall economy.
- Research materials prepared by others such as an analyst report on a company we are studying. The analyst collects information on a company and summarizes their findings in a report.
- Annual reports, prospectuses, and other filings with the Securities and Exchange Commission are used to gather information regarding a company's financial statements and other important information. This information assists us in determining the fundamental value of a company.
- Company press releases provide news and product or service announcements from a company.
- Morningstar Office™ – a service which gives computer access to real-time financial market data, news, and charts.
- Company conference calls – companies often present their quarterly earnings report on a conference call. This call also provides an opportunity to ask questions of senior management participating on the call.

Fixed Income Methods of Analysis:

For Fixed Income we use the following sources of information most often:

- Ratings agencies (such as Moody's and Standard & Poor's) ratings, as well as underlying supporting documentation, when available.
- Annual reports, prospectuses, and filings with the Securities and Exchange Commission (SEC) for corporate issuers, and the Municipal Securities Rulemaking Board (MSRB) for municipal issuers, are used to get an issuer's financial statements and other important information about an issuer.
- Financial newspapers, magazines and newsletters provide a source for certain charts and articles on specific businesses and the overall economy.

Investment Strategies

KIG uses different investment strategies in an effort to help the *client* meet their investment goals. After a discussion with the *client* about their investment objectives, risk tolerance and time horizon (the expected number of months, years, or decades you will be investing to achieve a particular financial goal), a strategy is decided upon to best meet the needs of the *client*. The following strategies are used by KIG:

Total return

Objective

The Total Return portfolio is a diversified, "go anywhere" portfolio which is comprised of individual stocks and/or bonds that KIG believes will deliver superior upside potential to that of the overall market as measured by the Russell 3000® Index. At KIG, we believe avoiding downside risk is a key ingredient to achieving the portfolio's objective. This means the portfolio will not remain fully invested at all times. When market conditions dictate, the portfolio manager will reduce the portfolio's exposure to the stock and/or bond market.

Identify the Universe

The first step in building the portfolio is to identify the stock market sectors which the KIG investment process determines may outperform the broader market. To establish the list of sectors, KIG applies the proprietary Active vs. Passive ("AVP") process. Once the sectors have been identified, we drill down to find the stocks that meet our investment criteria. These criteria are designed to identify companies with the following qualities:

- Well-capitalized with a strong balance sheet.
- Record of financial strength and profit growth

Examine the Technical Picture

The chart of a company's stock price gives a history of what investors have been willing to pay for the company. KIG believes this is important information and gives the portfolio manager the opportunity to gauge whether the stock is over-owned or ready to be accumulated.

Stocks or Bonds?

The KIG approach is to use both stocks and bonds to achieve the portfolio's objective of outperforming the broad market, as measured by the Russell 3000® Index.

At times, bonds offer a better opportunity for upside returns than stocks. To invest solely in stocks, when the objective is total return, decreases the chance for success.

Portfolio Selection

The stocks and bonds selected for the portfolio are those that meet the investment objective of the portfolio, exhibit attractive price charts and represent the "best of breed" within their sector.

Balanced

Objective

The Balanced portfolio is designed for investors looking for the stable income that can come from fixed income investments with the potential for growth that comes from equities.

Portfolio Construction

The target allocation of equity securities and bonds is determined based on the client's initial interview at the time the account is opened. During annual reviews, or more frequently if necessary, the allocation will be adjusted so as to remain consistent with the client's investment objective.

The portfolio is constructed by blending high-quality fixed income securities with the Dividend Income portfolio. Portfolio weightings of equities vs. fixed income will range in percentage from 70/30 equity/fixed income to 30/70 fixed income/equity as determined by the client's objectives.

Dividend Income

Objective

The Dividend Income portfolio is a diversified stock portfolio with the primary objective of providing a dividend yield that is greater than that of the Standard & Poor's 500® Index. The portfolio's secondary objective is to protect capital. When broad market forces dictate, the portfolio manager will reduce equity exposure to protect downside risk.

This flexible approach enables the portfolio manager to adjust to changing market conditions and focus alternatively on income and capital preservation, depending on the outlook for the market and the economy. Delivering rising income along with the potential for moderate growth is essential to achieving the portfolio's objective.

Identify the Universe

The first step in the KIG investment process is to identify the market sectors that are expected to outperform the broader market. To establish the list of sectors, the portfolio manager applies the proprietary AVP process. Once the sectors have been identified, the portfolio manager will "drill down" to find stocks that meet the KIG investment criteria. These criteria are designed to identify companies with the following qualities:

- Well-capitalized with strong balance sheet.
- A history of consistent and growing dividend payments.

Examine Cash Flow Characteristics

Strong companies pay dividends to shareholders out of cash flow. Historically, companies that have consistently increased their cash flows have rewarded their shareholders with increased dividends and superior total returns.

Select Companies

The stocks selected for the portfolio are those that meet the KIG investment objectives, trade at attractive valuations and are likely to exceed market expectations for future cash flows.

ETF Total Return

Objective

The ETF Total Return portfolio is a diversified, "go anywhere" portfolio which is comprised of the sector-oriented Exchange Traded Fund ("ETF") securities KIG believes will deliver superior upside potential to that of the overall market as measured by the Russell 3000® Index. At KIG, we believe avoiding downside risk is a key ingredient to achieving the portfolio's objective. This means the portfolio will not remain fully invested at all times. When market conditions dictate, the portfolio manager will reduce the portfolio's exposure to the stock and/or bond market.

Identify the Universe

The first step in building the portfolio is to identify the stock market sectors which the KIG investment process determines may outperform the broader market. To establish the list of sectors, KIG applies the proprietary AVP process. Once the sectors have been identified, the

portfolio manager will invest in the ETF securities which provide exposure to those sectors. These criteria are designed to identify companies with the following qualities:

- Well-capitalized with a strong balance sheet.
- Strong executive management that has a significant stake in the company's future through the direct ownership of stock.
- Record of financial strength and profit growth

Examine the Technical Picture

The chart of a company's stock price gives a history of what investors have been willing to pay for the company. We believe this is important information and gives us the opportunity to gauge whether the stock is over-owned or ready to be accumulated.

Stocks or Bonds?

We use both equity-oriented ETF securities and fixed income securities to achieve the portfolio's objective of outperforming the broad market as measured by the Russell 3000® Index.

At times, we believe, bonds offer a better opportunity for upside returns than stocks. To invest solely in stocks, when the objective is total return, decreases the chance for success.

Portfolio Selection

The stocks and bonds selected for the portfolio are those that meet our investment objectives, exhibit attractive price charts and represent the "best of breed" within their sector.

ETF Balanced

Objective

The ETF Balanced Portfolio is designed for investors looking for the stable income that can come from fixed income investments with the potential for growth that comes from equities.

Portfolio Construction

The target allocation of equity-oriented ETF securities and fixed income securities is determined based on the client's initial interview at the time the account is opened. During annual reviews, or more frequently if necessary, the allocation will be adjusted so as to remain consistent with the client's investment objective.

The portfolio is constructed by blending high-quality fixed income securities with the ETF Dividend Income portfolio. Portfolio weightings of equities vs. fixed income will range in percentage from 70/30 equity/fixed income to 30/70 fixed income/equity as determined by the client's objectives.

ETF Dividend Income

Objective

The ETF Dividend Income portfolio is a diversified ETF portfolio with the primary objective of providing a dividend yield that greater than that of the Standard & Poor's 500® Index. The portfolio's secondary objective is to protect capital. When broad market forces dictate, the portfolio manager will reduce equity exposure to protect downside risk.

This flexible approach enables the portfolio manager to adjust to changing market conditions and focus alternatively on income and capital preservation, depending on the outlook for the

market and the economy. Delivering equity income along with the potential for moderate growth is essential to achieving the portfolio's objective.

Identify the Universe

The first step in KIG investment process is to identify the market sectors that are expected to outperform the broader market. To establish the list of sectors, the portfolio manager applies the proprietary AVP process. Once the sectors have been identified, the portfolio manager will identify the ETF securities that meet the KIG investment criteria. These criteria are designed to identify ETF securities with the following qualities:

- Reasonable expenses
- Low portfolio turnover
- Acceptable tracking error

Portfolio rebalancing is performed when sector exposure exceeds 50% or as needed to comply with client objectives.

An account invested in any of these strategies will be primarily invested in individual stocks, and/or bonds but consideration will also be given to investing in ETF securities and/or unit trusts based on account size. Accounts may hold small companies, mid-sized companies and large companies.

Since the stock market tends to be volatile in nature, investing in only individual stocks will likely result in daily fluctuations in the overall value of your account. Investing in stocks brings with it an increased risk that you may lose capital. In an effort to reduce the risk of loss, KIG researches each investment by using a combination of different methods of analysis as discussed above, along with the following tools to help reduce the risk in an account:

Diversification – spreading money among different investments to reduce risk. The rationale behind this technique contends that a portfolio of different kinds of investments will pose a lower risk than any individual investment found within the portfolio.

Allocation – using only a certain percentage of the overall account value for an individual security. This helps to ensure that the portfolio does not become overweight in one security or sector

Risk of Loss:

Investing in securities involves risk of loss that you should be prepared to bear. KIG will use our best judgment and good faith efforts in providing services to you. Not every investment decision or recommendation made by us will be profitable and we cannot guarantee any particular level of account performance, or that your account will be profitable over time.

KIG has an obligation to act in the best interest of the *client* (fiduciary duty). As a fiduciary, KIG must apply all of the skill, care and thoroughness available to KIG when acting on behalf of the *client*.

Equity Risks

- Market risk – the risk that the value of the investments in your account will decrease due to the change in value of the stock price, interest rates, foreign exchange rates, and commodity prices or other market forces.
- Currency risk – a form of risk that results from the change in price of one currency against another. (i.e. U.S. dollar vs. Canadian dollar)

- Economic risk – the possibility that an economic downturn will negatively impact an investment.
- Political risk – the risk that an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns because of a change in government, legislative bodies, other foreign policy makers, or military control.
- Business risk – the risk that a loss considered normal in a company's operations and environment (such as competition and poor economic conditions) that result in a company not having enough cash to meet its operating expenses and/or financial leverage.
- Environmental risk – this is often referred to “acts of God.” Floods, hurricanes, tsunamis, earthquakes, volcanoes and other forces of nature are unpredictable and may cause both short and long term negative impacts to financial markets.
- Fraud – criminal activity. While this activity is not anticipated as a result of the due diligence (the process of investigation, performed by investors, into the details of a potential investment, such as an examination of operations and management and the verification of material facts) completed by KIG, it can occur and is generally very difficult to detect.

Fixed Income Risks:

- Interest Rate Risk – if interest rates rise, bond prices usually decline. If interest rates decline, bond prices usually increase. This risk exists because as interest rates rise, investors require higher yields and with a fixed coupon, the price of a bond must fall to create a higher yield. The longer a bond (or bond fund's) maturity, the greater the impact a change in interest rates can have on its price. If you don't hold your bond until maturity you may experience a gain or loss when you sell your bond due to this effect.
- Credit Risk – Bonds carry the risk of default, which means that the issuer is unable to make further income and principal payments. Many individual bonds are rated by a third party source such as Moody's or Standard & Poor's to help describe the creditworthiness of the issuer. U.S. Treasury bonds have backing from the U.S. Government and thus are considered to have no default risk.

Since a bond fund is made up of many individual bonds, diversification can help mitigate the credit risk of a downgrade (a reduction in the credit rating) or a default, either of which could affect a bond's price. Bonds are typically classified as investment grade-quality (medium - highest credit quality) or below investment grade-quality (commonly referred to as high-yield bonds or junk bonds), as are bond funds. Credit risk is a greater concern for high-yield bonds and bond funds that invest in lower-quality bonds and bonds of issuers whose ability to pay interest and principal may be considered speculative.

- Call Risk – A callable bond has a provision that allows the issuer to call, or repay, the bond early (usually at 100 cents on the dollar ... known as “par”). If interest rates drop low enough, the bond's issuer can save money by repaying its callable bonds and issuing new bonds at lower interest rates. If this happens, the bond holder's interest payments cease and they receive their principal early. If the bond holder then reinvests the principal in bonds, he or she will likely have to accept a lower coupon rate, one that

is more consistent with prevailing interest rates. This will lower the value of an account's interest payments received.

- **Reinvestment Risk** – Even if you hold non-callable securities, during periods of declining interest rates, you may be forced to buy new bonds at lower, prevailing interest rates as your existing investments reach maturity thus resulting in the same situation discussed in “Call Risk” above.
- **Inflation Risk** – The money you earn today is always worth more than the same amount of money at a future date. This is because goods and services usually cost more in the future, due to inflation. So we try to invest in such a way that your investment return is higher than the inflation rate. Because a high inflation rate can erode the real value (the value of income received today minus inflation) of the income you receive, inflation can jeopardize the real value of any fixed income payments you may be counting on. To combat this risk, we will give consideration to purchasing a bond or bond fund that has its principal adjusted for increases in the inflation rate, such as U.S. Treasury Inflation-Protected bonds (TIPs) and bond funds that invest in TIPs.

ETF Index

For accounts that do not meet the minimum investment amount of \$10,000 for any of the ETF managed strategies, a non-managed ETF broad market index security will be used.

Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of KIG or the integrity of KIG's management. To date, KIG and its management have not had any items to report under this Item.

Other Financial Industry Activities and Affiliations

Affiliations

KIG is 100% owned by Craig Kessler and has no affiliations.

Financial Industry Activities

KIG participates in the Institutional Services Programs offered to independent investment advisers by TD Ameritrade Institutional and Raymond James Financial Services, Inc. (“RJFS”) that provide custody services for our clients. KIG will typically recommend these custodians to clients in need of brokerage and custodial services. We are independently owned and operated, and are not affiliated with these custodians. As part of the institutional programs, the broker-dealer normally provides KIG with access to their institutional trading and operations services. These services are typically not available to retail investors. They are generally available to independent investment advisers at no charge as long as a minimum balance of client account assets are kept at the broker-dealer. For more info see the *Brokerage Practices* section of this Brochure.

Recommend or Select Other Investment Advisers

We have sub-adviser relationships with: Kirr, Marbach & Company, LLC, Raymond James & Associates, Inc. and Bowling Portfolio Management, LLC. Because KIG does not receive any compensation for recommending sub-advisers we do not believe there is a material conflict of interest with clients.

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

KIG has adopted a code of ethics for all supervised persons of the firm describing our high standard of business conduct, and fiduciary duty to our *clients*. KIG requires that all officers and employees must follow all applicable Federal and State regulations governing registered investment advisory practices. The code of ethics generally outlines proper behavior related to all services provided to *clients*. The code states no officer or employee may knowingly participate in insider trading activities such as:

- Trade on the basis of material, non-public information;
- Provide material, non-public information to others who trade based upon such information;
- Recommend the purchase or sale of securities based on material, non-public information;
- Provide assistance to a person trading on the basis of material, non-public information;
- Trade in securities of an issuer involved in a tender offer (an offer to purchase some or all of shareholders' shares in a corporation) while in possession of material, nonpublic information; or
- Misappropriate material, non-public information in a manner that breaches a fiduciary duty owed to someone.

All officers and employees are required to read and accept the terms of the code of ethics each year, or as amended. Each supervised person is required to promptly report any internal violations of the code of ethics. Furthermore, KIG's Chief Compliance Officer regularly evaluates officer and employee performance to ensure compliance with the code of ethics.

KIG's *clients* or prospective *clients* may request a complete copy of our code of ethics by contacting the Chief Compliance Officer.

Subject to following the code of ethics and applicable laws, KIG's officers and employees are allowed to buy and sell the same securities for their own account that KIG buys and sells for our *clients*. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the officers and employees of KIG will not interfere with (i) making decisions in the best interest of the *clients* and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, there is a possibility that employees could benefit from market activity by a *client* in a security held by an employee. Employee trading is continually monitored under the code of ethics to minimize potential conflicts of interest between our supervised persons and our *clients*.

To supervise compliance with our code of ethics, KIG requires that any of our access persons (officers and employees who have access to information regarding *client* investment recommendations or transactions) must provide a report of all of their securities holdings annually, and report any transactions that occur in their account(s) quarterly to the firm's Chief Compliance Officer. KIG also requires such access persons receive approval from the Chief

Compliance Officer before investing in any Initial Public Offerings or private placements (limited offerings). In addition, the code of ethics requires pre-approval of certain transactions in personal accounts depending on the circumstances of the transaction.

KIG will buy or sell a security for all of our existing *client* accounts, as appropriate, either before or at the same time it is purchasing any of the securities for our officer and employee accounts. Sometimes KIG's access persons will buy or sell securities for their own account for reasons unrelated to the investment strategies adopted by KIG's *clients*. Access person accounts, managed by KIG and paying management fees, are included in the allocation mix and are treated the same as any other *client*. For more information on our order allocation policy see the *Brokerage Practices* section.

Brokerage Practices

Broker Selection & Directed Brokerage

KIG participates in the Institutional Services Programs offered to independent investment advisers by the various registered broker-dealers (See *Other Financial Services Activities and Affiliations* section) that provide custody services for our *clients*. We require *clients* to have a third party broker-dealer/custodian relationship, and will suggest these broker-dealers for *clients* to use as a custodian. The *client* is required to effect transactions through any broker-dealer recommended by KIG.

Suggesting a broker-dealer may create a conflict of interest. In an effort to mitigate any such conflict, KIG reviews each broker-dealer providing trading services for our *clients* for best execution no less than annually. If a concern arises with any or all of the custodians, such review will be conducted more frequently. KIG will suggest a broker-dealer that we believe is best suited to meet the investment needs of the *client*, based on the *client's* specific circumstances, and best execution. When seeking best execution we consider such factors as:

- reliability and financial responsibility,
- effecting transactions, particularly with regard to such aspects as timing, order size and execution of order,
- cost of execution,
- competitive commissions, and
- any other factors KIG considers being relevant.

Soft Dollars

An arrangement that provides an advisor with products or services other than transaction execution from or through a broker-dealer in exchange for *client* brokerage transactions (*client* brokerage commissions) is known as "soft dollars." The broker-dealer is compensated by account holders through commissions ("soft-dollars") or other transaction-related fees for securities trades that are executed through the broker-dealer or that settle into the *client* accounts held with the broker-dealer (trade away). When we use *client* brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to pay for the research, products or services.

KIG has soft-dollar arrangements with the broker-dealers we recommend to *clients*. KIG may, in our discretion, cause the *client's* account(s) to pay broker-dealers a commission greater than another qualified broker-dealer might charge to effect the same transaction where KIG determines in good faith that the commission is reasonable in relation to the value of the brokerage, research and other services received. KIG's recommendation that *clients* use a particular custodian may be based on our interest in receiving the research or other products or services, rather than on our *clients'* interest in receiving most favorable execution. Therefore, KIG may be considered to have a conflict of interest when allocating transactions.

KIG received the following products and services during our last fiscal year that were paid for by *client* brokerage commissions:

- custody of *client* assets,
- brokerage services and software that provide access to *client* account data (such as trade confirmations and account statements), and assists with back-office support, record keeping and *client* reporting,
- trade execution and software that assists in trade execution (and allocation of aggregated trade orders for multiple *client* accounts),
- research created or developed by the broker-dealer, and occasionally developed by a third party,
- pricing information and other market data,
- access to mutual funds, fixed income and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment, and
- software that assists in requesting payment of management fees from *client* accounts

In addition to the above products and services that directly benefit the *client*, KIG may also use the following products and services that are paid for by *client* brokerage commissions, which do not directly benefit the *client*. These services include:

- publications and conferences on practice management,
- information technology,

Many of these soft-dollar benefits are used to service all *client* accounts. Soft dollar benefits are not limited to those *clients* who have generated a particular benefit although certain soft dollar allocations are connected to particular *clients* or groups of *clients*. KIG will not allocate soft dollar benefits to *client* accounts proportionately to the soft dollar credits the accounts generate. KIG believes, however, that, over time, all of KIG's client accounts will receive some benefit from the research and other products and services purchased with all others *clients'* brokerage commissions.

Order Aggregation

Your accounts will trade in the same securities with other KIG *clients*. Orders will be aggregated when possible and when in the *clients'* best interest. Each account that participates in an aggregated order that is filled at several different prices through multiple trades will receive the average share price and will share the non-account specific transaction costs on a pro rata basis.

In the event of a partial fill, we will aggregate our order pro-rata according to the procedures above.

Review of Accounts

KIG's portfolio manager is responsible for the continuous monitoring of securities in a portfolio. This review includes changes in the fundamentals of the companies or entities issuing securities, price fluctuations and significant economic or industry developments. *Client* accounts are formally reviewed at least quarterly by KIG's portfolio manager as part of the portfolio management process. The primary tool used is Morningstar Office™. Accounts are reviewed for consistency with the model portfolio to which the account is assigned. More frequent reviews may be triggered by material changes in a *client's* individual circumstances, excess market movements, and a request from any *client*.

The *Client* will receive monthly or quarterly account statements and trade confirmations from the custodian. KIG does not provide regular reports to *clients* unless specifically requested by the *client(s)*.

Client Referrals and Other Compensation

As discussed above in the Brokerage Practices section, we do have arrangements with various Brokers whereby KIG receives an economic benefit from non-clients in connection with giving advice to clients.

KIG does not directly or indirectly compensate anyone for client referrals.

Custody

KIG is not a broker dealer and does not take possession of *client* assets. Our *clients'* assets are housed in nationally recognized banks or brokerage firms, otherwise known as custodians. KIG has a limited power of attorney to place trades on the *client's* behalf. If authorized by our *client*, KIG may also have the authority to ask the custodian to pay management fees from your account, and give the payment directly to KIG (direct debit), and therefore is deemed to have custody. For more details, see "Fees and Compensation" of this Brochure. *Clients* will receive statements from the broker-dealer, bank or other qualified custodian at least quarterly. We urge you to carefully review these statements and compare these official custodial records to the quarterly performance reports that we provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. For more information on the types of reports you will receive from KIG, see the *Review of Accounts* section.

Investment Discretion

KIG usually receives discretionary authority from the *client* at the outset of an advisory relationship. This authority allows KIG to determine the securities bought or sold, the amount of securities bought or sold, and which brokers to transact through without having to get the *client's* consent for each transaction. Under this authority, you allow us to:

- Purchase and sell stocks, bonds, mutual funds, exchange traded funds, master limited partnerships, unit trusts, money market funds (or other cash equivalent holdings) in your accounts,
- Arrange for delivery and payment in connection with such purchases and sells, and
- Act on your behalf in most matters necessary or incidental to handling your account, including monitoring certain assets.

When selecting securities and determining amounts, KIG observes the investment policies, limitations and restrictions received from the *client*. Investment guidelines, limitations and restrictions must be provided to KIG in writing.

It is KIG's practice to question *clients* to determine if there are any limitations to the KIG's discretionary authority. KIG allows *clients* to place restrictions on particular securities as well as the amount, and type of securities to be purchased.

When making decisions regarding the purchase and sale of securities, KIG consistently follows the allocation procedures, as described in the *Brokerage Practices* section, in place to ensure that all *clients* have equal access to investment opportunities. These procedures are in place to make sure that no *client* benefits more than other *clients* as a result of KIG's trading decisions.

Voting Client Securities

As a service to clients and to fulfill KIG's role as fiduciary, KIG adopted Proxy Voting Policies and Procedures [the "Policy"], effective July 1, 2010. KIG has retained EC Proxy Voting Service, Inc. to act as voting agent.

The Policy is written to ensure that votes are cast in a manner that is in the best interest of the client. KIG will consider only those factors that relate to the client's investment or dictated by the client's written instructions, including how its vote will economically impact and affect the value of the client's investment.

Proxy votes generally will be cast in favor of proposals that:

- maintain or strengthen the shared interests of shareholders and management;
- increase shareholder value;
- maintain or increase shareholder influence over the issuer's board of directors and management; and
- maintain or increase the rights of shareholders.

Proxy votes generally will be cast against proposals having the opposite effect. In the event of a conflict of interest KIG will refer to the client on how to vote. KIG's Chief Compliance Officer administers the Policy and its procedures.

Unless directed otherwise by the *client*, KIG will vote client securities. If a *client* would like to cast their vote(s) contrary to KIG recommendation(s), KIG is able to accommodate that. In this circumstance, the client should issue this instruction by contacting Craig Kessler, Chief Compliance Officer.

In the event the client decides to vote proxies they will receive proxies directly from the custodian. Clients may contact the Chief Compliance Officer for assistance in completing their vote.

Upon written request, and at no charge to the *client*, KIG will provide the *client* with information on how their securities were voted and/or a copy of KIG's Proxy Voting Policies and Procedures. Please address requests for further information to Craig Kessler, Kessler Investment Group, LLC, 50 Washington Street, Suite 1-A, Columbus, Indiana 47201.

Financial Information

Registered Investment Advisors are required to provide you with certain financial information or disclosures about KIG's financial condition in this Item. KIG has no financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Craig A. Kessler

Kessler Investment Group, LLC

50 Washington Street, Ste 1-A

Columbus, Indiana 47201

812-314-0083

This brochure supplement provides information about Craig Kessler that supplements Kessler Investment Group, LLC ("KIG") brochure. You should have received a copy of that brochure. Please contact Craig Kessler, President/Chief Investment Officer/Chief Compliance Officer if you did not receive a copy of the KIG brochure or if you have any questions about the contents of this supplement.

Additional information about Craig Kessler is available on the SEC's website at www.adviserinfo.sec.gov.

March 14, 2012

Educational Background & Business Experience

Name, Age (Year of Birth)

Craig Kessler, 41 (Born 1970)

Formal Education

B.A. Economics, Butler University, 1992

Business Background

2009 – Present	Kessler Investment Group, LLC – President, Chief Investment Officer
2007 – 2009	Lincoln Bank – Vice President, Lincoln Bank Investment Services
2001 – 2007	Kirr, Marbach & Company, LLC – Director of Marketing
1999 – 2001	Fifth Third Securities – Assistant Vice President, Investments

Disciplinary Information

Craig Kessler does not have a disciplinary history.

Other Business Activities

Craig Kessler is not actively engaged in any other investment-related business or industry activities.

Additional Compensation

Economic Benefit

Craig Kessler does not receive additional compensation other than his regular salary and bonus.

Supervision

Describe Supervision

Craig Kessler, President/Chief Investment Officer/Chief Compliance Officer is the sole owner of Kessler Investment Group, LLC and is responsible for supervising all supervised persons and monitoring the advice the supervised persons provide to clients. KIG's supervised persons (Craig Kessler, John Eisenbarth, Norma Snapp, and Ryan Veldhuizen) meet formally every month. Investment/management meetings are also held on an ad hoc, as needed basis.

Jeremy S. Donaldson
Kessler Investment Group, LLC
50 Washington Street, Ste 1-A
812-314-0083

This brochure supplement provides information about Jeremy Donaldson that supplements Kessler Investment Group, LLC ("KIG") brochure. You should have received a copy of that brochure. Please contact Craig Kessler, President, Chief Compliance Officer if you did not receive KIG brochure or if you have any questions about the contents of this supplement.

Additional information about Jeremy Donaldson is available on the SEC's website at www.adviserinfo.sec.gov.

March 14, 2012

Educational Background & Business Experience

Name, Age (Year of Birth)

Jeremy S. Donaldson, 41 (Born 1970)

Formal Education

B.A. Public Policy – University of Chicago, 1992

Business Background

2012 – Present	Kessler Investment Group, LLC – Executive Vice President
2005 – 2012	Northwestern Mutual Investment Services, LLC – Investment Specialist Northwestern Mutual Wealth Management Company – Wealth Management Advisor
1997-2005	A.G. Edwards and Sons, Inc. – Branch Manager – Columbus, IN

Disciplinary Information

Legal or Disciplinary Events

Jeremy Donaldson does not have disciplinary history.

Other Business Activities

Jeremy Donaldson is not actively engaged in any other investment-related business or activities.

Additional Compensation

Jeremy Donaldson does not receive additional compensation other than his regular salary and bonus.

Supervision

Describe Supervision

Craig Kessler, President/Chief Investment Officer/Chief Compliance Officer, is the sole owner of Kessler Investment Group, LLC and is responsible for supervising all supervised persons and monitoring the advice the supervised persons provide to clients. KIG's employees meet formally every month. Investment/management meetings are also held on an ad hoc, as needed basis.

Name, Title and Telephone Number of Supervisor

Craig Kessler, President/Chief Investment Officer/Chief Compliance Officer – 812-314-0083

John C. Eisenbarth
2680 E. Main Street
Suite # 218
Plainfield, IN 46168
317-837-4910

Kessler Investment Group, LLC
50 Washington Street, Ste 1-A
812-314-0083

This brochure supplement provides information about John Eisenbarth that supplements Kessler Investment Group, LLC (“KIG”) brochure. You should have received a copy of that brochure. Please contact Craig Kessler, President, Chief Compliance Officer if you did not receive KIG brochure or if you have any questions about the contents of this supplement.

Additional information about John Eisenbarth is available on the SEC's website at www.adviserinfo.sec.gov.

March 14, 2012

Educational Background & Business Experience

Name, Age (Year of Birth)

John C. Eisenbarth, 55 (Born 1955)

Formal Education

B. A. Business Administration, 1982

Business Background

2009 – Present	Kessler Investment Group, LLC – Vice President
2003 – 2009	Lincoln Bank – Investment Advisor
1990 – 2003	Money Concepts International, Inc. – Regional Trainer

Disciplinary Information

John Eisenbarth does not have disciplinary history

Other Business Activities

John Eisenbarth is not actively engaged in any other investment-related business or industry activities.

Additional Compensation

John Eisenbarth does not receive additional compensation other than his regular salary and bonus.

Supervision

Describe Supervision

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Name, Title and Telephone Number of Supervisor

Craig Kessler, President/Chief Investment Officer/Chief Compliance Officer – 812-314-0083

Norma P. Snapp
Kessler Investment Group, LLC
50 Washington Street, Ste 1-A
812-314-0083

This brochure supplement provides information about Norma Snapp that supplements Kessler Investment Group, LLC (“KIG”) brochure. You should have received a copy of that brochure. Please contact Craig Kessler, President, Chief Compliance Officer if you did not receive KIG brochure or if you have any questions about the contents of this supplement.

Additional information about Norma Snapp is available on the SEC's website at www.adviserinfo.sec.gov.

March 14, 2012

Educational Background & Business Experience

Name, Age (Year of Birth)

Norma P. Snapp, 66 (Born 1944)

Formal Education

Indiana University, Attended

Business Background

2009 – Present	Kessler Investment Group, LLC – Vice President
2000 – 2009	Citigroup Global Markets / Smith Barney – Investment Advisor
1993 – 2000	Merrill Lynch, Pierce, Fenner & Smith, Inc. – Retirement Plan Specialist

Disciplinary Information

Legal or Disciplinary Events

Norma Snapp does not have disciplinary history.

Other Business Activities

Norma Snapp is not actively engaged in any other investment-related business or industry activities.

Additional Compensation

Norma Snapp does not receive additional compensation other than her regular salary and bonus.

Supervision

Describe Supervision

Craig Kessler, President/Chief Investment Officer/Chief Compliance Officer, is the sole owner of Kessler Investment Group, LLC and is responsible for supervising all supervised persons and monitoring the advice the supervised persons provide to clients. KIG's employees meet formally every month. Investment/management meetings are also held on an ad hoc, as needed basis.

Name, Title and Telephone Number of Supervisor

Craig Kessler, President/Chief Investment Officer/Chief Compliance Officer – 812-314-0083

Ryan W. Veldhuizen
Kessler Investment Group, LLC
50 Washington Street, Ste 1-A
812-314-0083

This brochure supplement provides information about Ryan Veldhuizen that supplements Kessler Investment Group, LLC ("KIG") brochure. You should have received a copy of that brochure. Please contact Craig Kessler, President, Chief Compliance Officer if you did not receive KIG brochure or if you have any questions about the contents of this supplement.

Additional information about Ryan Veldhuizen is available on the SEC's website at www.adviserinfo.sec.gov.

March 14, 2012

Educational Background & Business Experience

Name, Age (Year of Birth)

Ryan W. Veldhuizen, 25 (Born 1985)

Formal Education

B.A. Economics/Mathematics - Taylor University, 2007

Business Background

2011 – Present Kessler Investment Group, LLC – Vice President

2007 – 2011 City Securities Corporation – Financial Planner

CERTIFIED FINANCIAL PLANNER™ professional since 2010

Description of Professional Designations

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals. Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:
- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

Disciplinary Information

Legal or Disciplinary Events

Ryan Veldhuizen does not have disciplinary history.

Other Business Activities

Ryan Veldhuizen is not actively engaged in any other investment-related business or activities.

Additional Compensation

Ryan Veldhuizen does not receive additional compensation other than his regular salary and bonus.

Supervision

Describe Supervision

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Name, Title and Telephone Number of Supervisor

Craig Kessler, President/Chief Investment Officer/Chief Compliance Officer – 812-314-0083