

ITEM 1 | Cover Page



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**Wealth Advisors and Retirement Planning and Advisory**  
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**June 17, 2015**

This brochure provides information about the qualifications and business practices of the Wealth Advisors and Retirement Planning and Advisory divisions of Mesirow Financial Investment Management, Inc. ("MFIM"). If you have any questions about the contents of this brochure, please contact Kirke Cushing at 312.595.6474 or [kcushing@mesirowfinancial.com](mailto:kcushing@mesirowfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Mesirow Financial Investment Management, Inc., is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The site may be searched by a unique identifying number known as a "CRD number." MFIM's CRD number is 111135.

**ITEM 2 | Material Changes**

MFIM Wealth Advisors and Retirement Planning and Advisory's Form ADV Part 2A, currently dated June 17, 2015, and as amended from time to time, is MFIM Wealth Advisors and Retirement Planning and Advisory's disclosure document prepared based on the Security and Exchange Commission's regulatory requirements. MFIM Wealth Advisors and Retirement Planning and Advisory is required to update this document at least annually, or when an event occurs that may be deemed to have a material impact on MFIM Investment Advisory's investment management business and/or on its clients, or when a disciplinary event occurs.

MFIM Wealth Advisors and Retirement Planning and Advisory have no material or disciplinary events to report or disclose.

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## ITEM 4 | Advisory Business

MFIM, an Illinois corporation formed in 1986, is an investment advisor registered with the SEC with its principal place of business located in Illinois. MFIM's sole shareholder is Mesirow Financial Services, Inc., which is a wholly owned subsidiary of Mesirow Financial Holdings, Inc.

MFIM does not provide tax or legal advice. Clients should consult with an expert on tax or legal issues.

For private clients, MFIM Wealth Advisors offers both discretionary and non-discretionary services.

### WEALTH ADVISOR CLIENTS

MFIM Wealth Advisors assists clients in preparing an Investment Policy Statement based on a particular client's investment objectives and sets asset allocation targets based on these objectives. MFIM Wealth Advisors then constructs an investment portfolio based on asset allocation targets. Quantitative and qualitative measures are used to evaluate the portfolio on an ongoing basis, as well as to evaluate the performance of the portfolio in relation to the client's Investment Policy Statement.

### RETIREMENT PLANNING AND ADVISORY

MFIM Retirement Planning and Advisory also provides services, which include providing retirement plan sponsors comprehensive consulting services by assisting plans in establishing and/or maintaining a consistent and ongoing documented process of prudent oversight and due diligence.

As of March 31, 2015, MFIM Wealth Advisors and Retirement Planning and Advisory manage approximately \$4.1 billion in client assets on a discretionary basis and approximately \$4.9 billion in client assets on a non-discretionary basis.

## ITEM 5 | Fees and Compensation

### WEALTH ADVISOR CLIENTS

For private clients, annual management fees for both discretionary and non-discretionary investment advisory services have been established within the following minimum fee ranges, with a minimum annual fee of \$4,000:

first \$3,000,000 .....	1.00%
next \$2,000,000 .....	0.80%
next \$5,000,000 .....	0.60%
> \$10,000,000 .....	0.50%

MFIM Wealth Advisors may also charge a flat fee.

### RETIREMENT PLANNING AND ADVISORY CLIENTS

Annual management fees for retirement planning and advisory services have been established within the following minimum annual fee ranges:

plans under \$5,000,000 .....	0.50%
plans between \$5,000,000 and \$20,000,000 .....	0.25%
plans between \$20,000,000 and \$50,000,000 .....	0.20%
plans over \$50,000,000 .....	typically pay a flat fee

Management fees are generally to be paid quarterly in advance. For purposes of determining the management fees, the value of the assets under management is based on information provided by the custodian of the assets. In the event an account terminates, the unearned management fee will be refunded based upon the number of days during the quarter the account was not under management. For non-

retirement planning and advisory services, management fees are typically deducted from the custodial account and paid directly to MFIM.

In connection with the purchase or recommendation of mutual funds, in the event Mesirow Financial, Inc. ("MFI"), MFIM's broker/dealer affiliate, is appointed as the broker/dealer of record, MFI may receive Rule 12b-1 fees from certain mutual funds. In those instances, the client's advisory fees will be reduced by the amount of the Rule 12b-1 fees received by MFI. MFI may also receive and retain fees received in connection with such mutual fund transactions for performing services related to shareholder accounting and related communications.

**Limited Negotiability of Advisory Fees** MFIM retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These facts, circumstances and needs may include, among other factors, the complexity of the client; assets to be placed under management; anticipated future additional assets; related accounts; portfolio style; account composition; and reporting requirements. The specific annual fee schedule will be identified in the contract between MFIM and each client.

Discounts, not generally available to our advisory clients, may be offered to employees, family members and friends of associated persons of MFIM.

**Termination of the Advisory Relationship** Clients may generally terminate their investment management agreement upon providing five (5) days prior written notice. Certain fees may be paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees are generally refunded. In calculating a client's reimbursement of fees, MFIM may prorate the reimbursement according to the number of days remaining in the billing period.

**Additional Fees and Expenses** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker/dealers, including, but not limited to, any transaction charges imposed by a broker/dealer with which an independent investment manager effects transactions for the client's account(s). Clients have a choice on where to custody their assets, and therefore such fees and expenses vary between clients.

**Grandfathering of Minimum Account Requirements** Pre-existing advisory clients are subject to minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, minimum account requirements may differ among clients.

**ERISA Accounts** In certain circumstances, MFIM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act of 1974 ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation.

**Advisory Fees in General** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers.

**Limited Prepayment of Fees** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

**Educational Events:** MFIM employees may benefit from educational events sponsored by service providers to MFIM, such as law firms, audit firms and other professional services firms.

## ITEM 6 | Performance-Based Fees and Side-by-Side Management

MFIM Wealth Advisors and Retirement Planning and Advisory do not charge performance-based fees.

## ITEM 7 | Types of Clients

MFIM provides advisory services to the following types of clients:

- High net worth individuals
- Corporations or other businesses
- Pension and profit sharing plans
- State or municipal government entities
- Charitable organizations

## ITEM 8 | Methods of Analysis, Investment Strategies and Risk of Loss

### METHOD OF ANALYSIS

#### Wealth Advisors

In developing an Investment Policy Statement for clients, MFIM Wealth Advisors typically considers the following factors:

- Short- and long-term objectives for asset growth, income, liquidity, tax efficiency
- Risk tolerance and time horizon
- Asset allocation targets
- Specific guidelines and preferences about investments that will be included in or excluded from a client's portfolio

MFIM Wealth Advisors analyzes a vast universe of data in order to select investments that meet our standards of quality and fit within the client's risk profile. Investments are typically made in mutual funds, equities and fixed income products. The focus of the due diligence process is to identify investments with integrity, strong organizations, consistent style and a successful track record. To do this, the following issues are typically evaluated:

- Historical performance
- Company fundamentals
- Investment style
- Historical taxability
- Manager incentives
- Fixed-income creditworthiness
- Corporations or other businesses
- State or municipal government entities

#### Retirement Planning and Advisory

MFIM's Retirement Planning and Advisory division performs comprehensive qualitative and quantitative research and analysis customized for clients, which generally includes the following activities: (i) analyzing

plan expenses; (ii) setting guidelines for prudent investment practices; (iii) creating a diversified investment menu; (iv) educating plan participants; (v) performing ongoing due diligence of investment managers and vendors; and (vi) documenting the due diligence process.

## FORMS OF RISK

**Mutual Fund Investing** Investments in mutual funds are subject to market risks such as absence of liquidity in markets or fluctuations in market prices beyond the control of the managers, resulting in investment objectives of the fund not being achieved.

**Past Performance** Past performance of a particular investment is not indicative of the future performance.

**Asset Allocation Models** While asset allocation models are believed to result in a diversified portfolio of investments, diversification does not protect against market risks and does not assume profit.

**Risks for All Forms of Analysis** MFIM's analysis methods rely on publicly-available sources of information, which may not be reliable and are assumed to be accurate and unbiased data. While MFIM is confident that the data is accurate, there is always a risk that MFIM's analysis may be compromised by limited, inaccurate or misleading information.

**Risk of Loss** Investments are not guaranteed and may lose some or all of its value.

## ITEM 9 | Disciplinary Information

MFIM and its management personnel have no reportable disciplinary events to disclose.

## ITEM 10 | Other Financial Industry Activities and Affiliations

Clients should be aware that the receipt of additional compensation by MFIM and its management persons or employees creates a conflict of interest that may impair the objectivity of MFIM and these individuals when making advisory recommendations. MFIM endeavors at all times to put the interests of its clients first as part of our fiduciary duty as a registered investment advisor. MFIM typically takes the following steps to address any potential conflicts:

- MFIM discloses to clients the existence of all material conflicts of interest;
- MFIM collects, maintains and documents accurate, complete and relevant client background information, including the client's investment mandates, financial goals, objectives and risk tolerance;
- MFIM's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable for the client's needs and circumstances;
- MFIM requires that our employees seek prior approval of any outside employment activity to ensure that any conflicts of interest in such activities are properly addressed;
- MFIM periodically monitors outside employment activities of its employees to verify that any conflicts of interest continue to be properly addressed; and
- MFIM educates its employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients.

MFIM's affiliate has a clearing relationship with National Financial Services, Inc. ("NFS") however; clients have the authority to select custodians. Certain employees of MFIM may be separately licensed as registered representatives of MFI. These individuals, in their separate capacity, may effect securities transactions for which they will receive separate, yet customary compensation.

## ITEM 11 | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

MFIM has adopted a Code of Ethics that sets forth the ethical standards of business conduct that MFIM requires of its employees, including compliance with applicable federal securities laws.

MFIM and its personnel owe a duty of loyalty, fairness and good faith towards clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but also to the general principles that guide the Code of Ethics.

MFIM's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by MFIM's access persons. MFIM has additional policies and procedures relating to the preclearance of all employee trades (other than securities deemed exempt from this obligation). MFIM's Code of Ethics also provides for oversight, enforcement and recordkeeping provisions.

MFIM's Code of Ethics further includes policies and procedures governing gifts and entertainment, outside business activities, confidentiality of information and information barriers, and charitable and political contributions. The Code of Ethics also prohibits the misuse of material non-public information and emphasizes the avoidance of conflicts of interest with investors. Each employee must acknowledge the terms of the Code of Ethics on an annual basis. Any employee who violates the Code of Ethics may be subject to possible actions, which may include enhanced supervision, censure, suspension or termination.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email ([jlevine@mesirowfinancial.com](mailto:jlevine@mesirowfinancial.com)) or by phone (312.595.6072).

MFIM is part of a group of affiliated financial services companies that perform a number of different services for a client. MFIM is mindful of the conflicts or potential conflicts that such relationships may create. Consequently, MFIM has adopted a Code of Conduct that prescribes standards of conduct required of all employees, regardless of their position or affiliation in the group. The Code prohibits self-dealing and other improper activities, the misuse of material non-public information, and it emphasizes the avoidance of conflicts of interest with clients. Some specific areas of potential conflict are discussed below.

MFIM and/or individuals associated with it may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in certain securities that may also be recommended to a client. However, it is the expressed policy of MFIM that no person employed by MFIM may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

MFIM does not aggregate employee trades with client transactions

MFIM, through MFI, may direct the purchase or sale in securities on a principal basis in accordance with Section 206(3) under the Investment Advisers Act of 1940, as amended.

As these situations represent actual or potential conflicts of interest to clients, MFIM has established the following policies and procedures for implementing its Code of Ethics, to ensure our firm complies with its regulatory obligations and provides clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of MFIM may put his or her own interest above the interest of an advisory client.



2. No principal or employee of MFIM may buy or sell securities for their personal portfolio(s) based on information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of MFIM that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account.
4. MFIM requires prior approval for any IPO or private placement investments.
5. MFIM maintains a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by the appropriate designated supervisor.
6. MFIM has established procedures for the maintenance of all required books and records.
7. For accounts custodied at NFS, clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where MFIM is granted discretionary authority.
9. All of MFIM's principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
10. MFIM requires delivery and acknowledgement of the Code of Ethics by each access person.
11. MFIM has established policies requiring the reporting of Code of Ethics violations to senior management.

Any individual who violates any of the above restrictions may be subject to possible actions, which may include enhanced supervision, censure, suspension or termination.

## ITEM 12 | Brokerage Trading Practices

For equity and fixed income securities, MFIM will endeavor to select those brokers/dealers that will provide the best services at the lowest potential commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, access to relevant markets, expertise in particular securities markets, competitive commission rates and prices, research, trading platform, and other services that will help MFIM in providing investment management services to clients.

The authority to select brokers/dealers is set forth in the investment advisory agreement signed by the client to establish an account.

MFIM Investment Advisory does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Where MFIM selects MFI to execute transactions, the client should consider the following: (i) although MFIM believes that MFI's commission rates are competitive with other full service brokers, there has been no arms-length negotiation to receive the lowest possible commission rate; and (ii) for some accounts there may be an incentive on MFIM's part to engage in or recommend more trading with respect to investment management services (or conversely less trading).

MFIM generally does not engage in agency cross transactions whereby it has discretion over two accounts, or MFI, acts simultaneously as a broker for accounts (which may be an advisory or brokerage account) and buys from or sells to another account. However, under certain circumstances, MFIM may determine that it is beneficial to both accounts to transact in the same security with each other. Depending on the size of the transaction and the volume and liquidity of the market, MFIM may decide that crossing the two orders will

bring a better price or facilitate the time of an execution, as where, for example, one account may be selling to fulfill a withdrawal request and, simultaneously, another account buying to invest a contribution of funds.

A cross transaction will be made only with the prior and informed consent of MFIM's advisory clients or interpretations of the SEC permitting such transactions without client consent. Agency cross transactions will not be permitted for ERISA clients.

MFIM will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Clients should be aware that when MFIM places a blocked order, or an order aggregating the trades for a number of advisory accounts, if multiple fills are obtained, such orders are executed at an average daily price calculated by the broker/dealer. Likewise, in the event that a blocked order results in a partial execution, MFIM will allocate the securities bought or sold on a prorata basis if possible due to size constraints.

## ITEM 13 | Review of Accounts

### INVESTMENT SUPERVISORY SERVICES PORTFOLIO MANAGEMENT

MFIM Wealth Advisors has dedicated supervisors, as well as compliance, operational and internal audit staff, who monitor and provide oversight to the investment activities of supervised personnel. The supervisors, or their designees, review and monitor the activities of wealth advisors. Such activities include, but are not limited to, adhering to client guidelines and objectives, trading and best execution, employee trading, investment product due diligence, and marketing and advertising.

## ITEM 14 | Client Referrals and Other Compensation

### CLIENT REFERRALS

MFIM may periodically enter into solicitor's arrangements with unrelated third parties ("Solicitors") where MFIM agrees to pay a portion of the fees derived from an account to the individual or entity that referred the account. Unless otherwise disclosed, the client is not charged any amount in addition to the customary advisory fee charged by MFIM. There is no differential between the amount of or level of advisory fee charged by MFIM to the client, attributable to the existence of any Solicitor's arrangement and that charged to other clients of MFIM. MFIM may also pay referral compensation to its affiliates and/or their employees. Whenever MFIM pays a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with MFIM;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to MFIM by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to MFIM by clients referred by solicitors, or by affiliates of MFIM and/or their employees, are not increased as a result of any referral fee.

It is MFIM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to clients.

MFIM may also compensate affiliate personnel that work in other business units for referrals.

## ITEM 15 | Custody

MFIM Wealth Advisors clients choose which custodian will custody their assets. Most of MFIM Wealth Advisor clients choose to custody their assets at NFS, since MFIM Wealth Advisor's affiliate has a clearing relationship with NFS. MFIM Wealth Advisors and clients receive account statements from NFS. Most Retirement Plan Advisory clients custody their assets at an outside custodian and receive statements from the custodian. **Due to the fact that MFIM Wealth Advisors does not custody client assets, clients are urged to carefully compare the information provided on statements to any report provided by MFIM Wealth Advisors to ensure that all account transactions, holdings and values are correct and current.**

## ITEM 16 | Investment Discretion

Clients may engage MFIM to provide discretionary and non-discretionary asset management services. Clients give MFIM discretionary authority when they sign a discretionary investment management agreement with MFIM and may in certain circumstances limit or change/amend such limitations by giving MFIM written instructions.

## ITEM 17 | Voting Client Securities

MFIM Wealth Advisors and Retirement Planning and Advisory generally do not vote proxies on behalf of clients, however MFIM is required to disclose its proxy voting policies and procedures.

MFIM's Proxy Voting Policies and Procedures apply only in the event that MFIM has agreed to, or has been instructed to, vote proxies on behalf of a client. **Currently, the only group within MFIM that has undertaken this responsibility is U.S. Value Equity.** Otherwise, it is the general policy of Mesirow Financial that the firm's registered investment advisors and underlying groups do not vote proxies on behalf of clients. The following information regarding MFIM's Proxy Voting Policies and Procedures, therefore, applies only to U.S. Value Equity.

MFIM has adopted and implemented policies and procedures that are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and SEC rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. MFIM's authority to vote the proxies of certain of MFIM's clients is established by MFIM's advisory contracts executed by those clients, and MFIM's proxy voting policy and procedures have been tailored to reflect these specific contractual obligations. In addition to SEC requirements governing advisers, MFIM proxy voting policies reflect the long-standing fiduciary standards and responsibilities for ERISA accounts set out in Department of Labor Bulletin 94-2, 29 C.F.R.2509.94-2 (July 29, 1994).

Except as otherwise agreed to in writing with a client, MFIM has no authority or obligation to take any action or render any advice with respect to the voting of proxies on behalf of a client.

Where MFIM has accepted discretionary authority to vote proxies on behalf of clients, MFIM has elected to utilize an outside, third party, independent proxy voting service (the "Service"). The Service will establish and provide MFIM with two (2) sets of comprehensive proxy voting guidelines annually that the Service will utilize as its sole basis for its determination for each proxy voted on behalf of MFIM clients. One set of guidelines is for Taft-Hartley clients, the other is for non-Taft-Hartley clients. In reference to Taft-Hartley clients, the guidelines specify that the proxies are to be voted in accordance with AFL-CIO guidelines where the AFL-CIO takes a specific position. In reference to the non-Taft-Hartley accounts, the proxies are to be voted in accordance with a separate and mutually exclusive set of proxy voting guidelines, established by the Service.

In the event that a client of MFIM requests information as to how a particular proxy had been voted on that client's behalf, MFIM will provide said information to the client in a timely manner. Under no circumstance will MFIM disclose to a third party how a proxy had been voted by the Service on behalf of a client without that client's express, written consent. Likewise, in the event that a client of MFIM requests a copy of MFIM's Proxy Voting Policies and Procedures, MFIM will provide said Policies and Procedures within a reasonable amount of time to the client at client's address of record.

MFIM is currently not aware of any specific conflicts of interest. However, should MFIM become aware of a conflict of interest, it will rely on, and the Service shall vote in accordance with, its pre-determined policies as set forth in the guidelines if application of such policies to the matter at hand involves discretion on the part of MFIM.

## ITEM 18 | Financial Information

MFIM has no additional financial circumstances to report.

MFIM has not been the subject of a bankruptcy petition at any time during the past 10 years.