

FIRM BROCHURE
(Part 2A of Form ADV)



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This brochure provides information about the qualifications and business practices of QUAD CITY INVESTMENT ADVISORS, LLC. If you have any questions about the contents of this brochure, please contact us at: (309) 743-3580. 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 QUAD CITY INVESTMENT ADVISORS, LLC is available on the SEC's website at www.adviserinfo.sec.gov

January 1, 2015

MATERIAL CHANGES

Annual Update

The Material Changes section of this brochure will be updated when material changes occur since the previous release of the Firm Brochure. During the annual update these changes will be recorded in this section.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization. This document is designed to meet this requirement and will be updated annually.

There were no material changes in 2014.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (309)743-7756.

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ADVISORY BUSINESS

Firm Description

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA), was originally founded in 2000 as CMG Investment Advisors, LLC. In 2008 CMG was purchased by Quad City Bank & Trust. In 2010, the firm was renamed Quad City Investment Advisors, LLC.

QCIA provides investment management and personalized confidential financial planning to individuals, pension and profit sharing plans, corporations, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial issues, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. The client maintains asset control. QCIA places trades for clients under a limited power of attorney.

Periodic reviews are communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

Principal Owners

Quad City Investment Advisors, LLC is a wholly owned subsidiary of Quad City Bank & Trust as of 2008.

Types of Advisory Services

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) provides investment services, also known as asset management services and also furnishes investment advice through consultations. On more than an occasional basis, QCIA furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and estate planning.

As of December 31, 2014, QCIA manages approximately \$151,085,400 in assets for approximately 295 accounts. All of the \$151,085,400 is managed on a non-discretionary basis.

Tailored Relationships

Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Investment Management Agreement

Quad City Investment Advisors, LLC (QCIA) offers Investment Management services to clients. Within the scope of the Investment Management Agreement arrived upon through consultations, financial and investment goals are set and objectives to reach those goals are defined. As financial and investment goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Management Agreement is provided to the client in writing prior to the start of the relationship in the signed Investment Management Agreement. The service includes investment management for individuals and firms on a non-discretionary basis. Recommendations are based on the client's needs, investment objectives, financial and tax status, and their risk tolerance among other factors.

Although the Investment Management Agreement is an ongoing agreement and adjustments may be required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Financial Planning Agreement

A financial plan is designed to help a client with various aspects of financial planning.

Quad City Investment Advisors, LLC (QCIA) offers basic and advanced financial plans for clients interested in financial planning.

Basic plans may include debt evaluation, risk profile and target asset allocation, comparison of current overall portfolio to the target mix, retirement planning scenarios, spend analysis, report summary and recommendations.

Advanced financial planning may include all of the basic plan elements plus some or all of the following: pension and social security analyses, estate plan review, education planning, stock option/restricted stock modeling, inventory and evaluation of all insurance coverage including casualty, life, and disability. Executive summary report and recommendations complete the package.

Implementation of the recommendations is at the discretion of the client.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled at the discretion of the adviser and the client.

Asset Management

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Quad City Investment Advisors, LLC (QCIA) provides certain Asset Management Services in conjunction with the Synervest Portfolio and Synervest Advantage Program offered by Loring Ward, Inc. (LWAS). When utilizing the Synervest program, QCIA recommends portfolios of SA Funds which are administered by LWAS. SA Funds are modeled fund packages of DFA Funds. LWAS provides quarterly reports of account holdings, historical performance and transactional data to clients and QCIA. LWAS receives a fee as the administrator of the SA Funds. These fees and other LWAS program services are described in LWAS's ADV Part 2 Brochure that will be provided to clients using the program. QCIA and LWAS are not affiliated. The Synervest Advantage Program allows the client to hold both SA Funds and non-SA Funds in their portfolio. LWAS charges a separate management fee on the non-SA Funds held in the Synervest Advantage account.

When not utilizing the LWAS Synervest Advantage Program for clients, QCIA recommends for implementation the services of LPL Financial and Schwab as custodians. In rare circumstances outside assets can be held at the client's direction outside of the managed model portfolio.

Initial public offerings (IPOs) are not available through QCIA.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, QCIA will refund any unearned portion of the advance payment.

QCIA may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, QCIA will refund any unearned portion of the advance payment.

FEES AND COMPENSATION

Description

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) charges fees based on the type of service provided to each client:

The annual Investment Management fee is based on a percentage of the investable assets per client household according to the following schedule:

\$100,000 - \$250,000	1.05%
\$250,000 - \$500,000	1.00%
\$500,000 - \$1,000,000	0.90%
\$1,000,000 - \$2,000,000	0.80%
\$2,000,000 - \$3,000,000	0.70%
\$3,000,000 - \$5,000,000	0.60%
Above \$5,000,000	negotiable

This fee schedule is “break pointed,” which means that as the investable amounts included in a client household reach a stated level all assets get the reduced fee. This fee is not adjusted without notification to the client, and fees are generally reviewed during client meetings. As client assets approach breakpoints, it may be in the clients’ best interest to make sure the amount stays above the breakpoint in order to pay the minimal amount of advisory fees.

Fee schedules may be negotiated based on the complexity of the client situation, overall relationship, etc. Existing client relationships may be in place where the fees are higher or lower than the current fee schedule above.

Financial plans are priced at a fixed rate according to the level of service requested by the client and/or recommended by the advisor after reviewing the client’s situation. Fees start at \$1000 and are based on the complexity of the services requested by the client. All fees will be disclosed to clients before the commencement of work.

In certain situations fees may be negotiable.

The minimum account size is \$100,000 of assets under management, which equates to an annual fee of \$1,050. Quad City Investment Advisors, LLC has the discretion to waive the account minimum and/or minimum fee.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that Quad City Investment Advisors, LLC invoices clients before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account, first from available cash balances then, if necessary, through the liquidation of securities in accordance with the model portfolio in the Investment Policy Statement. QCIA has no discretion in deciding what to liquidate to free up cash for fees. All liquidation is done in accordance with the model portfolio in the Investment Policy Statement.

Fees for financial plans are due at the time the Financial Planning Agreement is signed. Hourly rate fees shall be due and payable as billed, at least on a quarterly basis.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. QCIA receives no income from brokerage trading commissions.

Clients may purchase many of the securities recommended by QCIA directly through nonaffiliated broker-dealers without paying an advisory fee.

QUAD CITY INVESTMENT ADVISORS, LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. Mutual fund expense ratios also reflect a number of other expenses the fund absorbs internally, including trading and custody fees, legal and accounting expenses, share registration fees, transfer agent fees, and possibly 12b-1 fees. These fees and expenses are borne internally by the fund itself, and are not charged to individual shareholders though the effect is felt by all shareholders in the form of lower investment returns. These fees are in addition to the fees paid by clients to QUAD CITY INVESTMENT ADVISORS, LLC.

QCIA generally offers no-load advisory class shares of all mutual funds that are recommended. These same funds can typically be bought through a broker-dealer without paying an advisory fee,

but the client may have to pay a sales charge or buy shares with a contingent deferred sales charge or other form of acquisition expense.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) reserves the right to stop work on any account that is more than 90 days overdue. In addition, QCIA reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in QCIA's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

PERFORMANCE-BASED FEES

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

QUAD CITY INVESTMENT ADVISORS, LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

TYPES OF CLIENTS

Description

QUAD CITY INVESTMENT ADVISORS, LLC generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, and technical analysis.

The main sources of information that Quad City Investment Advisors, LLC may use include research from LPL Financial, Dimensional Fund Advisors, and Loring Ward model portfolios, Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, and the World Wide Web.

Other sources of information may include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that Quad City Investment Advisors, LLC (QCIA) uses passively-managed indexed mutual funds and exchange-traded funds as the core investments, and then adds actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

QCIA practices the strategy of long-term purchases in client accounts, where positions are purchased and held for a year or longer. QCIA also has the capability of handling margin transactions for clients on an as-needed basis. This strategy is rarely used.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar last year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

DISCIPLINARY INFORMATION

Legal and Disciplinary

QCIA, via the annual compliance update process, discovered an oversight in that it had employed two individuals to act on its behalf as Investment Adviser Representatives at a time when they were not in compliance with the registration requirements of the Investment Advisor's Act of 1940. The firm, QCIA, has always been properly registered. This oversight regarding the Investment Advisors Representatives was brought forward to the Illinois State Securities Department by QCIA for resolution. QCIA entered into a Stipulation and Consent Order on June 22, 2011, paid the appropriate fines, and the matter was closed with no further proceedings.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Financial Industry Activities

QUAD CITY INVESTMENT ADVISORS, LLC is registered as a Registered Investment Advisor with the Securities and Exchange Commission.

Affiliations

QUAD CITY INVESTMENT ADVISORS, LLC has arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, and a banking or thrift institution. Most advisors are dually licensed, which means that they are registered both with a broker-dealer and with a registered investment advisory firm.

The dually registered advisors are affiliated with broker-dealer LPL Financial. There is no conflict of interest at this time as advisors are dually registered to provide the appropriate service to their clients regardless of their needs. The service is client driven.

The affiliated banking institution is Quad City Bank & Trust. There is no conflict of interest at this time because both the bank trust department and QCIA refer customers to one another depending on the client's own needs and without any compensation to one another. The fact that the same affiliated person manages both entities helps assure that the referral process is two-way and client driven.

Due to a contractual obligation, one Advisor is dually registered with an outside Registered Investment Advisory Firm (RIA). Activity is monitored to assure no conflict of interest for QCIA exists.

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

Code of Ethics

The employees of QUAD CITY INVESTMENT ADVISORS, LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request.

The Code of Ethics focuses on the firm's responsibility to clients. It states the avoidance of conflicts of interest, the confidentiality requirements for nonpublic client information, and restrictions on outside business activities. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades.

Employees comply with the provisions of the QCIA *Compliance Manual*. Those provisions state that the firm and advisers do not recommend trades to clients where the adviser or firm has a material interest in the issue. QCIA does not allow the firm or advisers to trade in the same non-exempt securities as clients (i.e. non-open end mutual funds).

Most client trades are in open ended mutual funds, which are exempt from employee trade reporting because the volume and timing of client trades can have no impact on the employee trade results. Internal controls to prevent contemporaneous trading by employees and clients in the same securities consist of quarterly reviews by the CCO. High standards of training for employees and standards of client care also help prevent abuse.

Personal Trading

The Chief Compliance Officer of QUAD CITY INVESTMENT ADVISORS, LLC is Susan Serre. She reviews employee trades each quarter. Her trades are reviewed by Cynthia Carlson, EVP. The investments reviewed do not include open ended mutual funds, government liabilities, cash accounts, or CDs. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Small mutual fund trades or exchange-traded fund trades do not affect the securities markets.

BROKERAGE PRACTICES

Selecting Brokerage Firms

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. QCIA recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

QCIA recommends discount brokerage firms and trust companies (qualified custodians), such as LPL Financial, Schwab Institutional, and TD Ameritrade Institutional. QCIA also provides certain asset management services in conjunction with the Synervest and Synervest Advantage program offered by Loring Ward, Inc. (LWAS).

QCIA does not receive fees or commissions from any of these arrangements. Not all investment advisory firms recommend specific broker-dealers.

Best Execution

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) reviews the execution of trades at each custodian monthly. The review is documented in the QCIA *Compliance Manual*. Trading fees charged by the custodians are reviewed on an annual basis. QCIA does not receive any portion of the trading fees.

Soft Dollars

LPL Financial, Loring Ward (LWAS), Schwab Institutional and TD Ameritrade Institutional may make available to Quad City Investment Advisors, LLC (QCIA) other products and services that benefit QCIA. These include software and other technology that provides access to client account data; facilitates trade executions; provides research, pricing information and other market data; and assists with back-office functions, record-keeping and client reporting. LPL Financial, LWAS, Schwab Institutional, and TD Ameritrade Institutional also make available to QCIA other services intended to help QCIA manage and further develop its business enterprise, such as client seminars and presentations. LPL Financial, LWAS, Schwab Institutional, and TD Ameritrade Institutional may make available, arrange, and/or pay for these types of services rendered to QCIA by independent third parties.

The selection of LPL Financial, LWAS, Schwab Institutional and TD Ameritrade Institutional as a custodian for clients is not affected by this nominal credit. QCIA does not pay more than the recommended broker-dealer's lowest possible commission rate in order to generate soft dollars.

Receiving soft dollars from any brokerage firm is a potential conflict of interest. QCIA addresses the potential for any conflict of interest by making a good faith determination that commissions charged by each broker dealer it recommends to clients are reasonable in relation to the value of the trade execution and research services provided by that broker dealer, viewed in terms of all transactions executed by that broker dealer for clients of QCIA who use that broker dealer as well as the value that may be received by QCIA in carrying out its overall responsibilities to all of its clients regardless of which broker dealer they may use.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. Occasionally QCIA may encounter a situation where it could aggregate client orders. If this situation does occur, since QCIA does not aggregate trades clients may pay transaction costs that are higher than they would have been if the orders had been aggregated.

REVIEW OF ACCOUNTS

Periodic Reviews

Account reviews are performed at least annually or as determined necessary and/or requested by clients. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Investment Management clients receive periodic communications on at least a quarterly basis, which typically consist of statements from their custodian.

CLIENT REFERRALS AND OTHER COMPENSATION

Incoming Referrals

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) may from time-to-time accept client referrals from outside professional service providers, such as CPAs. When accepting such referrals, QCIA may pay fees to the firm or individual person making the referral pursuant to a Solicitor's Contract. The fee may be a fixed amount or a percentage of the fees earned by QCIA or its advisory representative for managing the referred account. When the referral fee is based on account management fees earned by QCIA and its advisory representative, the fee will be in the range of approximately 10% to 25% of the fee collected per year depending upon the account size that QCIA advises. In all situations where a referral fee is paid to an outside firm or individual, the referral fee is paid out of the management fee on the account and does not result in the client paying fees that are higher than they would be if the referral fee was not paid. Also, when a firm or person is paid for making a client referral to QCIA, that firm or person may have a conflict of interest and there can be no assurances that the referral is in the client's best interest.

Referrals Out

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them. From time to time, as the client's situation requires, QCIA may refer clients to its principal owner Quad City Bank & Trust.

CUSTODY

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly, sometimes monthly based on activity.

It should be noted that as QCIA has the right to deduct its management fees directly from the account, it is deemed by rule to have a form of custody over the account. However, in such situations, all account assets will remain in the possession of a qualified custodian who is independent of QCIA.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by QUAD CITY INVESTMENT ADVISORS, LLC.

INVESTMENT DISCRETION

Non-Discretionary Authority for Trading

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) does NOT accept discretionary authority to manage securities accounts on behalf of clients.

Trades will be placed in client accounts under the following circumstances: when trades are directly requested and/or agreed to by clients, annual rebalancing of accounts as per the agreement, when an asset class deviates more than 5% to 10% from the asset allocation plan as detailed in each client's signed Investment Policy Statement, and/or pre-approved utilization of the automatic rebalancing feature available through Loring Ward.

This is non-discretionary authority as all trades are agreed upon, in writing, before placing of trades.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. The client signs a limited power of attorney so that Quad City Investment Advisors, LLC may execute the trades that the client has approved.

VOTING CLIENT SECURITIES

Proxy Votes

QUAD CITY INVESTMENT ADVISORS, LLC does not vote proxies on securities. Clients are expected to vote their own proxies.

FINANCIAL INFORMATION

Financial Condition

QUAD CITY INVESTMENT ADVISORS, LLC (QCIA) does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because QCIA does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.