

Brochure

Form ADV Part 2A ■ March 31, 2015

This brochure provides information about the qualifications and business practices of Cleary Gull Advisors Inc. (Cleary Gull Advisors). If you have questions about the contents of this brochure, please contact Cleary Gull Advisors at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Cleary Gull Advisors is also available on the SEC's website at www.adviserinfo.sec.gov.

Please note that registration of an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2 - Material Changes

The following is a summary of material changes since the last Cleary Gull Advisors brochure dated March 31, 2014:

Item 12 – Brokerage Practices

This item was updated to clarify that on occasion Cleary Gull Advisors may effect trades between two client accounts (cross trade) when it is in the best interest of each client participating in the transaction, no client is disadvantaged by the transaction and Cleary Gull Advisors believes it can achieve best execution.

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Item 4 - Advisory Business

Cleary Gull Advisors is an independent investment advisory firm registered with the SEC under the Investment Advisers Act of 1940 (Advisers Act). Cleary Gull Advisors provides investment advisory and consulting services

to not-for-profit hospitals and senior living organizations, public and private foundations and endowments, high net worth families and individuals, and other business entities.

Cleary Gull Advisors is a wholly-owned subsidiary of Cleary Gull Holdings Inc., a privately held, employee-owned organization. Together with Cleary Gull Inc. (Cleary Gull), an affiliated SEC registered investment adviser and broker-dealer, Cleary Gull Advisors and its predecessor firms have served clients nationwide since 1987. Cleary Gull Advisors and Cleary Gull today operate through three specialized operating divisions: Institutional Advisory, Wealth Management, and Investment Banking. Michael J. Cleary, Chief Executive Officer and Chairman of the Board of Directors, is a principal owner of Cleary Gull Holdings Inc.

Investment Advisory Services

Cleary Gull Advisors believes the investment advisory business should be approached with an underlying sense of purpose. With decades of experience, Cleary Gull Advisors combines a unique blend of investing acumen, independence, and objectivity to assist clients in creating custom portfolios designed to address both short- and long-term goals. Advisory services are tailored to the individual needs of each client based on factors such as the client's objectives, income tax status, and size of the account. Cleary Gull Advisors' focus is on delivering specialized investment advice aligned directly with the underlying purpose of a client's assets. Identifying how a client's assets will be used in the future begins Cleary Gull Advisors' process of identifying objectives and guidelines. These factors and others help form the basis of well-designed and effective investment strategies tailored for each client. While solutions may have wide applicability, each client's situation is unique.

Cleary Gull Advisors' investment advisory services include, but are not limited to:

- Analysis of objectives including customized risk budgeting
- Asset allocation and portfolio construction
- Investment policy development
- Manager evaluation and selection/investment research
- Responsible investing
- Custodian reviews
- Trustee and Board education

Prior to engaging Cleary Gull Advisors, clients enter into a written agreement that sets the terms and conditions under which Cleary Gull Advisors renders its services. A client may negotiate for specific advisory services designed to achieve the client's policy and investment objectives. Clients may impose restrictions on investing in certain securities or types of securities. Cleary Gull Advisors also works with clients' other professional advisors, including other Managers clients may separately engage, to provide clients with an integrated approach.

Discretionary and Non-Discretionary Services

Cleary Gull Advisors manages client accounts on either a discretionary or non-discretionary basis. Investment decisions are guided by the client's investment policy statement. If a client's account is managed on a discretionary basis, Cleary Gull Advisors will execute all investment selections that are determined to be appropriate to implement the client's policy without further consultation with the client. Cleary Gull Advisors' discretionary authority may include the ability to retain and terminate affiliated and unaffiliated investment managers (Managers) to perform subadvisory services for client accounts. Cleary Gull Advisors generally selects Managers that are on the platform of a third party service provider that it retains (Program Administrator). Such Managers enter into a subadvisory agreement directly with the Program Administrator. In other cases, Managers may enter into an advisory agreement directly with the client.

If a client's account is managed on a non-discretionary basis, the client may receive different execution prices (higher or lower) on securities bought or sold and may receive different transaction charges than if the account was managed on a discretionary basis.

Other Services

Cleary Gull Advisors provides investment policy direction, asset allocation modeling, and analysis of investment management organizations and their investment process to Cleary Gull, including Manager and fund due diligence, recommendation and selection, fixed income strategy and analysis, portfolio construction advice, and model portfolios. Cleary Gull Advisors also analyzes broad investment trends and provides this information to Cleary Gull. Cleary Gull may also retain Cleary Gull Advisors to perform subadvisory services.

Assets Under Management

As of December 31, 2014, Cleary Gull Advisors advised on approximately \$776 million of client assets on a discretionary basis and approximately \$338 million of client assets on a non-discretionary basis.

Item 5 - Fees and Compensation

Cleary Gull Advisors offers investment advisory services for a negotiable fee based upon the amount and type of assets in client accounts, the level of service provided, and the complexity and scope of the assignment. Fees may be asset, retainer, or project based and may be subject to an annual minimum. Fees are generally paid quarterly in advance in accordance with a fee schedule set forth in each client's advisory agreement and are generally directly deducted from the client's account, unless the client requests to be billed. Cleary Gull Advisors and the client have the right to terminate the advisory agreement by written notice. If the agreement is terminated, the client will either receive a pro rata refund of unearned advisory fees or pay any advisory fees and expenses yet due. A client may cancel an advisory agreement without penalty within five (5) business days after it is signed.

Following are sample fee schedules:

Client Type	Assets Under Management	Annual Fee Rate
Individuals	Total Market Value	0.75%
High Net Worth Families	Total Market Value	0.40%
Institutional < \$5 million	Total Market Value	1.50%
Institutional \$5 to \$15 million	First \$5,000,000	0.65%
	Over \$5,000,000	0.55%
Institutional > \$15 million	First \$10,000,000	0.45%
	Next \$10,000,000	0.35%
	Next \$10,000,000	0.25%

Clients pay a separate fee to each Manager retained to manage the client's account, which is generally deducted from the client's account. Clients with assets invested in mutual funds or exchange-traded funds (ETFs) (collectively, a "fund" or "funds") will indirectly pay a proportionate share of the funds' expenses, including the investment management fees to the funds'

investment advisers. More information about each fund's fees and expenses is available in the fund's prospectus. Investments in private investment vehicles, such as hedge funds and other collective investment funds, may involve additional fees directly or indirectly paid at the fund level.

Clients are responsible for all fees and charges imposed by third parties, including clearing and other transaction charges, brokerage commissions, custodian fees, dealer spreads and transfer fees and taxes. Please see Item 12 for a discussion of brokerage practices.

Cleary Gull Advisors' fees for certain projects are billed and payable at project completion, unless otherwise agreed. Cleary Gull Advisors may request, in advance and with approval of the client, reimbursement of travel expenses and/or special costs incurred at the request of the client.

Cleary Gull may pay Cleary Gull Advisors, Cleary Gull Advisors and Cleary Gull may share revenues, and/or Cleary Gull may reimburse Cleary Gull Advisors for costs associated with providing services to Cleary Gull. See Item 4 - Other Services.

Other Fees

Cleary Gull Advisors utilizes a third party service provider to provide class action litigation monitoring and securities claim filing administration involving securities held or previously held in existing client accounts. The service provider currently charges a contingency fee of 20% of the amount of each claim settlement award, which is deducted from the client's award at the time of payment. There are no minimum fees or other fees deducted from an account related to this service.

Account Valuation Practices

Cleary Gull Advisors generally relies on its Program Administrator to value client portfolios in order to calculate investment performance and client fees, where applicable. In instances where the Program Administrator is unable to determine a price for a security or if Cleary Gull Advisors determines a price received from the Program Administrator is not reflective of fair market value, Cleary Gull Advisors will determine a fair value for that security according to the methodology outlined in Cleary Gull Advisors' Valuations of Securities Policy.

There are inherent conflicts of interest when Cleary Gull Advisors values client accounts, as higher security prices increase market values, thereby enhancing performance results and increasing fees. In addition, because clients pay different fees based on differing fee schedules or the size of the account, Cleary Gull Advisors has an incentive to favor those accounts where it earns the highest fees. Cleary Gull Advisors maintains investment, trade allocation and account valuation (including fair valuation) policies and procedures to address such conflicts of interest.

Item 6 - Performance-Based Fees

Cleary Gull Advisors does not manage any accounts for a fee based on performance.

Item 7 - Types of Clients

Cleary Gull Advisors provides investment advisory and consulting services to not-for-profit hospitals and senior living organizations, public and private foundations and endowments, high net worth families and individuals, and other business entities. As described in Item 4, Cleary Gull Advisors also provides investment strategy, research, and other services to Cleary Gull, an affiliated investment adviser. Cleary Gull may also retain Cleary Gull Advisors to perform subadvisory services.

Conditions for Managing Accounts

Clients are responsible for notifying Cleary Gull Advisors of any changes in their financial situation, investment objectives, or account restrictions. Cleary Gull Advisors does not generally require a minimum amount to be invested. However, Cleary Gull Advisors may impose minimum fees for certain investment advisory and consulting services.

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

Methods of Analysis

Cleary Gull Advisors' methods of analysis for funds and Managers include the following:

- Screening of Managers and funds using both qualitative and quantitative factors. Qualitatively, Cleary Gull Advisors considers the Manager's or fund's structure, ownership, history, personnel, risk management, and decision-making process. Quantitative factors considered include total return, risk as measured by standard deviation, relative volatility and absolute decline over various historical periods, portfolio turnover, and consistency of results. These quantitative factors are analyzed absolutely and in comparison to appropriate peer groups.
- Cleary Gull Advisors selects Managers and funds that it believes have demonstrated adherence to a clearly defined investment strategy and process. Cleary Gull Advisors also considers Managers' and funds' fees, account size requirements, and client servicing capabilities. Thus, Cleary Gull Advisors will not necessarily recommend a Manager or fund based solely on the best historical performance or the lowest possible fees.
- Because Cleary Gull Advisors believes turnover is expensive, it considers transaction volume during its analysis.

Cleary Gull Advisors' methods of analysis relating to fixed income portfolio management may include, but are not limited to, sector selection, maturity or yield curve positioning, credit quality, relative value and security selection. Fundamental credit analysis may be used for individual credits or structures and will generally include an assessment of the issuer's business and strategy, balance sheet, income statement, and cash flow analysis. Credit research is generally conducted using sources such as Bloomberg, broker and independent research, rating company reports, company filings and conference calls, official statements, the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access (EMMA) system, conversations with trading desks, and news sources.

Other methods of analysis and sources used by Cleary Gull Advisors related to Managers, funds and fixed income securities also may include, but are not limited to:

- Fundamental and technical analysis
- Research services and products of the Program Administrator and other third party providers, including statistical data, due diligence, and access to a database of Managers, mutual funds, ETFs, and other investment vehicles
- Financial newspapers and magazines
- Manager interviews, conference calls or on-site visits
- Research materials prepared by independent services, such as Morningstar
- Rating services
- Annual reports, prospectuses, and other filings with the SEC and MSRB
- Company press releases
- Portfolio modeling tools

Investment Strategies

Cleary Gull Advisors focuses on the purpose of the client's assets in developing investment strategies. Cleary Gull Advisors primarily uses an investment approach that is long-term in focus and centered on asset allocation. Cleary Gull Advisors may manage fixed income investments in conjunction with other advisory activities.

Risk of Loss

Investing in securities involves risk of loss which clients should be prepared to bear. Past performance is no guarantee of future results; therefore, clients should not assume that future performance of any specific investment, investment strategy or objective will be profitable. Clients could sustain a loss of some or all of their investment. Risks to which client accounts may be subject include, but are not limited to, the following:

- *Management Risk.* With respect to discretionary accounts, Cleary Gull Advisors and Managers are delegated the authority to buy and sell securities on behalf of clients who must rely upon their abilities, judgment, and investment abilities. There is no guarantee that the investment techniques of Cleary Gull Advisors or a Manager will be successful.
- *Allocation Risk.* The performance of client accounts will depend in part on Cleary Gull Advisors' decisions as to strategic asset allocation and tactical adjustments made to the asset allocation. At times or for extended periods,

asset classes or the investment markets in general may not perform as Cleary Gull Advisors expected.

- *Equity Security Risk.* Common stocks and other equity securities generally increase or decrease in value based on the earnings of the issuer and on general industry and market conditions. The value of a company's share price may decline for many reasons including, but not limited to, poor decisions made by management, lower demand for the company's services or products, or if the company's revenues fall short of expectations. There are also risks associated with the stock market, which may experience periods of turbulence and instability.
- *Fixed Income Security Risk.* The market value of fixed income securities is affected significantly by changes in interest rates – generally, when interest rates rise, the market value of fixed income securities declines and when interest rates decline, their market value rises. Generally, fixed income securities with longer maturities entail greater interest rate risk but have a higher yield. Conversely, fixed income securities with shorter maturities generally entail less interest rate risk but have a lower yield. The value of a fixed income security may also be affected by changes in its credit quality rating or the issuer's financial condition, which may result in credit or default risk.
- *Mutual Fund and ETF Risk.* Mutual funds and ETFs are subject to investment advisory, transactional, operating, and other expenses. Each fund is subject to specific risks, depending on its investments. The value of a fund's investments and the net asset value of the fund's shares will fluctuate for many reasons including, but not limited to, responses to changes in market and economic conditions, as well as the financial condition and/or performance of the securities held within the fund. The performance of each fund will also depend on whether the fund's investment adviser is successful in pursuing the fund's investment strategy. ETFs may trade at a discount or premium to net asset value and are subject to trading and commission costs.
- *Complementary (Alternative) Investments Risk.* Complementary investments present different and potentially magnified risks compared to other more conventional asset classes, such as those resulting from the use of leverage, complicated tax consequences, difficulty in illiquid markets and general volatility in pricing/valuation, among others.

- *Foreign Investment Risk.* Investments in companies and markets other than the U.S. carry a number of economic, financial and political considerations that are not associated with the U.S. markets and that could unfavorably affect performance. Among those risks are greater price volatility; weak supervision and regulation of securities exchanges, brokers and issuers; higher brokerage costs; fluctuations in foreign currency exchange rates and related conversion costs; adverse tax consequences; and settlement delays.
- *Liquidity Risk.* Liquidity risk is the risk that securities may be difficult or impossible to sell at the desired time and price. The liquidity of a particular security depends in part on the continued functioning of the market for the security, for example the willingness of broker-dealers to make a market in the security, and the demand for the security in the market. Liquidity risk may be heightened for certain securities, such as fixed income securities, particularly those that are purchased in small lots, and non-traditional (complementary or alternative) investments, such as hedge funds, private equity, and other private investments.

Item 9 - Disciplinary Information

Cleary Gull Advisors has not been involved in any material legal or disciplinary event.

Item 10 - Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

Certain persons of Cleary Gull Advisors are registered representatives of Cleary Gull, an affiliated broker-dealer. Cleary Gull is also registered as a municipal securities dealer with the MSRB.

Affiliations

Cleary Gull Advisors and Cleary Gull are both wholly owned subsidiaries of Cleary Gull Holdings Inc., a privately held, employee-owned organization. As described in Item 4, Cleary Gull Advisors provides investment policy, asset allocation and analysis services to Cleary Gull. Cleary Gull may also retain Cleary Gull Advisors to perform subadvisory services. Cleary Gull

Advisors and Cleary Gull share office space and personnel. Clients of Cleary Gull Advisors may elect to have assets custodied at the clearing broker utilized by Cleary Gull. Cleary Gull, a separately registered broker-dealer and a registered municipal securities dealer, receives commissions on transactions effected in such client accounts. In addition, Cleary Gull Advisors may use the execution services of Cleary Gull to effect client transactions for the purchase and/or sale of securities or other assets. Because Cleary Gull is an affiliate of Cleary Gull Advisors, the use of Cleary Gull's execution services may present a conflict of interest due to Cleary Gull's receipt of commissions.

Dual Roles

Cleary Gull Advisors' Chief Financial Officer also serves as Chief Compliance Officer which may present a conflict of interest in performing the dual roles. In addition, as noted above, Cleary Gull Advisors personnel may have roles with the broker-dealer and municipal dealer operations as well as Cleary Gull. Cleary Gull Advisors maintains policies, procedures and controls to routinely monitor these conflicts, and does not believe it results in unfair treatment of its clients.

Administrative Services Agreement

Cleary Gull Advisors has entered into an arrangement where it provides administrative services such as account reporting, portfolio accounting, performance calculation and trade order entry and execution for an entity that is not an advisory client. Cleary Gull Advisors does not have investment discretion over the account and does not believe this arrangement creates a conflict of interest for its existing clients.

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

Code of Ethics

Cleary Gull Advisors has adopted a Code of Ethics to assist employees in carrying out its duties as a fiduciary to its clients. The Code of Ethics is based upon the principle that Cleary Gull Advisors and its employees owe a fiduciary duty to clients to conduct their affairs, including their personal

securities transactions, in such a manner as to avoid: (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm, and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. The Code of Ethics is designed to maintain Cleary Gull Advisors' high ethical standards. The purpose of the Code of Ethics is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct and to provide guidelines to employees related to charitable and/or political contributions, giving and accepting gifts/entertainment, serving as a director or trustee for an external organization, and engaging in outside business activities. Existing or prospective clients may contact Cleary Gull Advisors for a full copy of the Code of Ethics.

Participation or Interest in Client Transactions

As described above in Item 10, Cleary Gull Advisors may recommend securities where its affiliate Cleary Gull has a financial interest due to the receipt of commissions and Rule 12b-1 fees. Related persons of Cleary Gull Advisors may buy or sell investments that are also recommended to clients. These investments may present a conflict of interest because Cleary Gull Advisors, its affiliates, or related persons may have an economic incentive in making recommendations to clients. Cleary Gull Advisors has adopted the Code of Ethics and policies and procedures to ensure that clients are treated fairly and equitably.

Personal Trading

Certain Officers, directors and employees of Cleary Gull Advisors may also be clients, in which case they are invested in the same strategies as clients, and as such, may buy and sell securities which Cleary Gull Advisors also recommends to clients. Cleary Gull Advisors has adopted the Code of Ethics which includes trading rules for personal/related accounts of its employees. These rules, among other restrictions, prohibit trading ahead of or in competition with client orders and prohibit certain principal trades with clients. Employees are also required to pre-clear certain trades and to report personal trades and personal holdings on a regular basis. Cleary Gull Advisors' compliance department reviews personal trades to help ensure that client interests are placed first.

Item 12 - Brokerage Practices

Broker/Dealer Selection

If so authorized by the client, Cleary Gull Advisors executes the purchase and/or sale of securities through brokers or dealers it selects. Cleary Gull Advisors uses its best efforts to have transactions executed at prices that are advantageous to clients and at commission rates that are reasonable in relation to the benefits received. Consistent with its best execution obligations, Cleary Gull Advisors or a Manager may use the execution services of Cleary Gull to effect transactions for the purchase or sale of securities or other assets for client accounts. This may occur when Cleary Gull Advisors or a Manager directs transactions to Cleary Gull with respect to client accounts custodied at Cleary Gull's clearing broker. Because Cleary Gull is an affiliate of Cleary Gull Advisors, the use of Cleary Gull's execution services may present a conflict of interest due to Cleary Gull's receipt of commissions. However, Cleary Gull Advisors reviews client trades for reasonableness and believes that Cleary Gull's execution services provides overall benefits to such clients.

Cleary Gull Advisors endeavors to obtain "best execution" as defined by securities regulations in transactions of securities for client accounts. In evaluating which broker or dealer will provide best execution, Cleary Gull Advisors may consider the full range and quality of broker's or dealer's services, including among other things, the value of research provided as well as execution capability, financial responsibility and responsiveness. Managers used in client accounts may decide upon brokers-dealers and commissions paid on trades they direct.

Certain broker-dealers who provide best execution may also furnish research and brokerage services to Cleary Gull Advisors or a Manager. Commission payments in exchange for research and brokerage services are commonly referred to as "soft dollars." Cleary Gull Advisors does not engage in any formal soft dollar arrangements; however, Managers may use soft dollars. In accordance with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, clients may pay higher than the lowest commission rates available in return for such services.

Prime Brokerage

Clients that hold individual bonds in their portfolios that are managed by Cleary Gull Advisors and custodied at Cleary Gull's clearing broker, RBC Correspondent Services, a division of RBC Capital Markets, LLC (RBC), may be asked to sign a prime brokerage agreement with RBC. This allows Cleary Gull Advisors, in its capacity as investment adviser, to efficiently aggregate and execute bond trades with other broker-dealers, and to better identify and trade bonds for clients. By using a prime brokerage account, it is not necessary to open an account for each client at each broker-dealer. There are no additional charges or fees related to establishing or trading of these prime brokerage accounts.

Aggregation and Allocation of Trades

From time to time, Cleary Gull Advisors may aggregate trades of clients, primarily in an attempt to gain greater leverage and obtain favorable execution. Cleary Gull Advisors will not aggregate transactions unless it believes that the aggregation is consistent with its duty to seek best execution. Each client that participates in an aggregated order participates at an average execution price. Clients participating in an aggregated order may, however, be charged different commission rates and/or transaction costs than other clients included in the order as a result of various factors, including the terms of their advisory agreements. Commissions and/or transaction costs for clients participating in aggregated orders are generally billed separately based on the client relationship and are not shared. Accounts of affiliated persons of Cleary Gull Advisors or Cleary Gull may be included in aggregated orders provided that they do not receive more favorable treatment than other clients participating in the order.

If an aggregated order is filled in its entirety, it will be allocated in accordance with written instructions prepared by Cleary Gull Advisors in advance of placing the order, which will specify the participating client accounts and how it intends to allocate the order among those clients. If an order is partially filled, it will be allocated on an equitable basis as determined by Cleary Gull Advisors. When Cleary Gull Advisors allocates a partially filled order, allocations will generally be made on a pro rata, random selection or "lottery" basis, or other similar means. At times it may not be possible to purchase or sell a sufficient quantity of a security at a particular time to allocate among all clients that have comparable investment objectives and positions due to market conditions, trading volume, minimum trade or position size, and/or other factors. In such a case, it may be desirable to

allocate trades to a particular client or group of clients in order to accumulate or dispose of a position and otherwise respond to market conditions. Affiliated persons of Cleary Gull Advisors participating in an aggregated order will not receive allocations in the case of a partially filled order.

Cross Transactions

Cleary Gull Advisors does not engage in agency cross transactions. However, in certain circumstances, Cleary Gull, the firm's affiliated broker-dealer, may arrange a securities transaction between different advisory clients or between a brokerage customer of Cleary Gull and an advisory client (i.e., a "cross" transaction) to the extent permitted by law. Cleary Gull will not charge a commission on these transactions and will follow relevant disclosure requirements. These transactions involve the potential for conflict of interest between Cleary Gull and such clients because Cleary Gull would be on both sides of the transaction. Cleary Gull maintains the Code of Ethics and other policies designed to address any such conflicts of interests. Cleary Gull may enter into cross transactions between client accounts when, in Cleary Gull's judgment, it is in the best interest of each client participating in the transaction, no client is disadvantaged by the transaction and Cleary Gull Advisors believes it can achieve best execution. Note, however, that Cleary Gull Advisors will not engage in cross trades with its ERISA clients.

Trade Errors

During the course of client transactions, trade errors may inadvertently occur. Cleary Gull Advisors takes steps to correct any such error as soon as practicable. If a trade error occurs in a client account as a fault of Cleary Gull Advisors, Cleary Gull Advisors will make the client account "whole," meaning that in correcting the error, the client's account will be restored to the position the account should have been in had the trade error not occurred and the client's account will not incur any losses or gains as a result of the trade error. Depending on the circumstances, in certain situations a gain resulting from a trade error may be retained by the client. If a trade error occurs in a client's account due to the action or failure to act by a third party, Cleary Gull Advisors generally facilitates in helping to ensure the client's account is made whole by such party and may seek, or assist in seeking, reimbursement or contribution from such party.

Directed Brokerage

Clients may direct Cleary Gull Advisors to effect transactions through particular brokers or dealers. In such cases, Cleary Gull Advisors may be

unable to achieve most favorable execution of client transactions. Directed brokerage clients may receive commission rates that are different from what might be attained through other brokers and may not receive volume discounts on bunched/aggregated orders, which could result in a less advantageous price and/or greater trading costs.

Item 13 - Review of Accounts

Client portfolios are reviewed by portfolio management and/or client advisory personnel at least quarterly for conformity to investment policy and guidelines. Client reviews are generally conducted by advisory representatives and are performed in conjunction with the preparation of quarterly client reports.

Account reviews may be triggered by the client's investment policy, market conditions, and changes in client circumstances and risk tolerance. All clients are encouraged to discuss their needs, goals and objectives with their Cleary Gull Advisors representative and to keep Cleary Gull Advisors informed of any changes.

For continuous relationships, clients receive a report from Cleary Gull Advisors on a periodic basis that may include relevant account and/or market-related information such as investment performance, statistical review, account analysis, and future strategy. Clients under a consulting relationship generally receive a written and/or oral presentation on a periodic basis as agreed to with the client or at the completion of the project.

Item 14 - Client Referrals and Other Compensation

Cleary Gull Advisors may pay compensation to solicitors for new business in accordance with Rule 206(4)-3 under the Advisers Act. Persons introducing new client accounts to Cleary Gull Advisors may receive a portion of fees earned by Cleary Gull Advisors or other compensation. From time to time, Cleary Gull Advisors may compensate employees of Cleary Gull Advisors or Cleary Gull who introduce clients to the firm.

Item 15 - Custody

Client accounts are held at a qualified custodian chosen by the client. The custodian maintains possession of all funds and securities in the account.

Cleary Gull Advisors is considered to have custody of client assets for purposes of the Advisers Act as a result of Cleary Gull Advisors' authority to deduct advisory fees from client accounts. In addition to receiving periodic reports from Cleary Gull Advisors, clients will receive account statements from the custodian that maintains their assets. Clients should carefully review the account statements they receive from the custodian. Cleary Gull Advisors strongly urges clients to compare the reports they receive from Cleary Gull Advisors to the account statements they receive from the custodian. Comparing statements will allow clients to confirm that account transactions, including deductions to pay advisory fees, are proper.

Item 16 - Investment Discretion

Cleary Gull Advisors manages client advisory accounts on either a discretionary or a non-discretionary basis. Each client enters into an advisory agreement with Cleary Gull Advisors whereby the client authorizes Cleary Gull Advisors to manage the client's investment account on a discretionary or non-discretionary basis. The advisory agreement with respect to discretionary advisory services includes a trading authorization giving Cleary Gull Advisors and each Manager authority to exercise discretion over the account.

Item 17 - Voting Client Securities

Unless otherwise agreed to in writing, Cleary Gull Advisors does not have authority to vote proxies. Clients (or the plan fiduciary in the case of an account subject to the provisions of ERISA) expressly retain the authority for voting proxies solicited by, or with respect to, securities held in client accounts that are recommended and advised on by Cleary Gull Advisors. In the event Cleary Gull Advisors receives written authority from the client to vote proxies, Cleary Gull Advisors follows two basic standards in its proxy voting policy: (i) decisions are based on the best interests of clients; and (ii)

decisions are based on the potential economic impact of a specific issue for a company or fund and its shareholders. Where applicable, a client may obtain a copy of Cleary Gull Advisors' proxy voting policies and procedures, or a copy of the specific voting record for the account, upon request to Cleary Gull Advisors.

Managers generally assume the responsibility for voting proxies solicited by, or with respect to, securities held in client accounts that are managed by Managers, unless the client expressly indicates in writing their preference to retain this responsibility.

Item 18 - Financial Information

Cleary Gull Advisors has no material financial condition that would reasonably impair its ability to meet contractual commitments to clients.