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**Item 1 – Cover Page**

**Kellogg Asset Management, LLC  
200 North Adams Street  
Green Bay, WI 54301  
800-236-0082**

**March 30, 2015**

This brochure provides information about the qualifications and business practices of Kellogg Asset Management, LLC (Kellogg). If you have any questions about the contents of this brochure, please contact us at 800-236-0082. 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.

Kellogg Asset Management, LLC is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Kellogg Asset Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2 – Material Changes**

This brochure is being amended to reflect the following changes that occurred since the last annual update:

Kellogg Asset Management, LLC (Kellogg) has entered into an arrangement with Envestnet Asset Management, Inc. and its legal affiliates (Envestnet), pursuant to which Kellogg, through its Associated Investment Management operating division, will license the Associated Select Advisor Portfolio (ASAP) model to Envestnet for inclusion on Envestnet's Third Party Models Program, beginning in September 2014. In the future, Kellogg may enter into similar arrangements with other third party platform providers (Third Party Platforms). As a result, advisors and other financial institutions may engage Third Party Platforms to directly trade their assets pursuant to the ASAP model. Additional information regarding this change can be found below under Items 4, 5, 7, 8, 10, 13, 15, and 16. Kellogg also updated its disclosure of assets under management as of June 30, 2014. There have been no other material changes to Kellogg since the last annual update of March 28, 2014.

In the past, Kellogg has offered or delivered information about its qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, Kellogg will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of its business' fiscal year along with an offer to deliver the new brochure. Kellogg may further provide other ongoing disclosure information about material changes as necessary.

Kellogg will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, Kellogg's brochure may be requested by contacting John P. Thayer, Chief Investment Officer at 800-236-0082 or [John.Thayer@AssociatedBank.com](mailto:John.Thayer@AssociatedBank.com).

Additional information about Kellogg is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Kellogg who are registered, or are required to be registered, as investment adviser representatives of Kellogg.

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## **Item 4 – Advisory Business**

Kellogg Asset Management, LLC (Kellogg) has been an investment adviser registered with the Securities and Exchange Commission since 2009. Kellogg is a wholly owned subsidiary of Associated Banc-Corp (AB-C) organized to focus on the unique needs of institutional clients. Kellogg provides advisory services to third parties as well as the Associated Trust Company, N.A. (ATC), an affiliated banking institution with trust powers.

### **Fixed Income Management Services**

Kellogg provides fixed income investment management solutions to serve the financial needs of institutional investors. Kellogg's goal is to deliver competitive investment performance in a risk-controlled framework to a variety of clients, such as, corporations, foundations, insurance companies, municipalities, as well as high net worth individuals. Kellogg provides investment analysis, security selection and trade execution for each portfolio it manages. Regular meetings are held with client or client advisors to review client objectives and constraints.

Kellogg's philosophy in managing bonds is simple: protect principal. Safety, liquidity and yield are Kellogg's primary considerations when making investments in bonds. Yield curve positioning, duration management, and sector rotation are tools Kellogg utilizes to minimize risk while seeking to maximize return. The relative attractiveness of various sectors and a bottom-up analysis of specific securities are key factors in portfolio construction.

Kellogg uses the following types of investments in carrying out its various fixed income investment strategies: corporate debt securities, United States government securities, mortgage-backed securities, asset-backed securities, municipal securities, and other types of investment grade securities. Clients are responsible for informing Kellogg, in advance and in writing, of any restrictions on investing in certain securities or types of securities.

Kellogg may implement other strategies and invest in other types of investments than those listed above for client accounts, depending on a particular client's investment objectives and financial needs.

### **Actively Managed Outside Manager Investment Services**

Associated Investment Management (AIM) is an operating division of Kellogg responsible for the actively managed outside manager investment services of Kellogg, including the Associated Select Advisor Portfolio (ASAP) program and Associated LifeStage collective funds.

#### **Associated Select Advisor Portfolio Program**

Through the ASAP program, AIM uses third-party mutual funds to build diversified portfolios that can meet a wide variety of investment objectives and risk tolerances. AIM's

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ASAP program offers six investment strategies that range from aggressive growth to conservative balanced, each of which is described in more detail herein. AIM uses third party mutual funds when investing in these strategies.

Kellogg has entered into a license agreement with Envestnet Asset Management, Inc. and its legal affiliates (Envestnet), pursuant to which Kellogg, through AIM, will license the ASAP model to Envestnet for inclusion on Envestnet's Third Party Models Program, beginning in September 2014. In the future, Kellogg may enter into similar arrangements with other third party platform providers (Third Party Platforms). As a result, advisors and other financial institutions (Third Party Advisors) may engage Third Party Platforms to directly trade their assets pursuant to the ASAP model. AIM will act as a manager of the ASAP program, and will be responsible for providing the ASAP model, including periodic updates, to the Third Party Platforms. Clients with ASAP program accounts will be advisory clients of those Third Party Advisors who access the ASAP model through a Third Party Platform.

Commencing on September 22, 2014, Associated Investment Services (AIS), an affiliated registered investment adviser and wholly owned subsidiary of AB-C, will begin to provide certain of its advisory clients access to the ASAP program through Envestnet's Third Party Models Program as a Third Party Advisor.

In addition to providing the ASAP program through Third Party Platforms, the ASAP program is also available to clients of ATC directly.

### **Associated LifeStage Collective Funds**

AIM is the manager of the Associated LifeStage collective funds of Associated Trust Company, N.A. (ATC), an affiliated banking institution with trust powers. Associated LifeStage collective funds are available solely to clients of ATC. LifeStage collective funds sponsored by ATC are only used in ATC products.

### **Asset Allocation and Portfolio/Model Management Services**

AIM also offers custom asset allocation strategies. These strategies use a diversified portfolio of bond and/or stock mutual funds to create a mix of assets targeted to a specific risk tolerance. Each strategy varies in its degree of risk and potential return. To maintain a particular asset allocation strategy, portfolios must be periodically rebalanced.

The services offered by AIM include the selection, analysis and monitoring of outside investment managers used in various model portfolios and recommended lists. Selection of third party mutual funds is based in part, but not limited to: management style, manager experience, consistent application of a philosophy, and long-term performance.

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In addition to providing various asset classes (stocks, bonds, cash) and market capitalization (large, mid, and small company stock funds), the strategies also provide diversification by blending growth and value investment styles.

### **Assets Under Management**

As of December 31, 2014, Kellogg had discretionary assets under management of \$1,576,943,947. As of December 31, 2014 Kellogg did not have any non-discretionary assets under management.

### **Item 5 – Fees and Compensation**

#### **Fixed Income Management Services**

The fees for Kellogg's fixed income investment management services are invoiced and payable following each calendar quarter based upon the market value of assets under management as of the last day of such calendar quarter; provided, however, that additions to or withdrawals from the account during a calendar quarter shall be prorated for purposes of determining the management fee. In computing the market value of any investment in an account, each security listed on any national securities exchange or quoted on NASDAQ shall be valued at the last quoted sale price on the valuation date on the principal exchange on which such security is traded or on NASDAQ, as the case may be. Any security or assets shall be valued in a manner determined in good faith by the custodian of the assets to reflect its fair market value.

A client may terminate its relationship with Kellogg with 30 days' written notice and as provided in the applicable investment management agreement.

The fee schedule for Kellogg's fixed income management services is listed below. Aside from the published schedule, fees may be negotiable based on the amount of assets managed and nature of the account.

#### **Fixed Income Fee Schedule**

Under \$5,000,000	.50%
\$5,000,001 to \$15,000,000	.45%
\$15,000,001 to \$25,000,000	.40%
\$25,000,001 to \$50,000,000	.35%
\$50,000,001 to \$100,000,000	.25%
\$100,000,001 to \$150,000,000	.20%
\$150,000,001 to \$250,000,000	.15%
Greater than \$250,000,000	.10%

Kellogg also provides investment advisory services to ATC, an affiliated banking institution with trust powers, for ATC's clients, pursuant to an agreement with ATC containing terms and fee levels, which may be different from those stated above.

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## **ASAP Program and Asset Allocation and Portfolio/Model Management Services**

The fee structure for the ASAP program, as well as asset allocation and portfolio/model management services, is listed below. Aside from the published schedule, fees may be negotiable based on the amount of assets managed and nature of the account.

### **ASAP and Asset Allocation and Portfolio/Model Management Services Fee Schedule**

Under \$5,000,000	.50%
\$5,000,001 to \$15,000,000	.45%
\$15,000,001 to \$25,000,000	.40%
\$25,000,001 to \$50,000,000	.35%
\$50,000,001 to \$100,000,000	.25%
\$100,000,001 to \$150,000,000	.20%
\$150,000,001 to \$250,000,000	.15%
Greater than \$250,000,000	.10%

## **LifeStage Collective Funds**

The LifeStage collective funds are only available to clients of ATC, and the fees payable by such clients are described in separate materials provided to clients by ATC.

## **Other Fee Information**

Kellogg's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment advisers and other third parties such as deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds and collective funds charge advisory and other fees, and some charge marketing and distribution fees. Each of these mutual and collective funds incur other administrative and trading expenses. Such fees and expenses of the funds are charged to shareholders of the funds and are therefore borne by clients whose portfolios are invested in such funds. Such fees and expenses are separate from and are not included in the fee schedules described in this brochure.

Such charges, fees and commissions are exclusive of and in addition to Kellogg's fees, and Kellogg shall not receive any portion of these commissions, fees and costs. See Item 12 for additional information related to Brokerage Practices.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Kellogg does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).



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## **Item 7 – Types of Clients**

Kellogg provides investment management services to ATC for ATC's clients, and also manages the ASAP program, which is available to Third Party Advisors' clients. Kellogg also provides services to institutional investors, including banks, thrift institutions, insurance companies, municipalities, collective funds, pension accounts, trusts, and charitable organizations, as well as individual investors. Associated LifeStage collective funds are available solely to clients of ATC.

The required minimum for opening a fixed income investment management account is \$5,000,000. This required minimum is subject to waiver at Kellogg's sole discretion.

The ASAP model is available to clients of Third Party Advisors through Envestnet's Third Party Models Program, and may in the future be available through other Third Party Platforms. The clients of these Third Party Advisors will not be clients of Kellogg. The account minimums for clients of Third Party Advisors to participate in the ASAP program are determined by the applicable Third Party Advisor.

To the extent Kellogg provides advice to municipal entities pursuant to Rule 15Ba1-1(d)(2)(ii) under the Securities Exchange Act of 1934 ("Exchange Act"), such advice will not include advice concerning (i) whether and how to issue municipal securities, (ii) the structure, timing and terms of issuances of municipal securities and other similar matters, (iii) municipal derivatives and/or (iv) a solicitation of a municipal entity or obligated person.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Overall Fixed Income Investment Management Philosophy**

Kellogg's overall goal with regard to its fixed income investment management services is to deliver competitive investment performance in a risk-controlled framework. Kellogg is a bottom-up style manager with a consistent, well-defined process to maintain style integrity. Kellogg manages risk to preserve capital. To ensure assets are strategically but prudently invested, Kellogg continuously evaluates holdings.

### **Fixed Income Research Philosophy**

Kellogg's research team conducts analysis of client fixed income holdings. Kellogg's analyst team monitors credit and economic trends to protect its clients from loss of principal. Kellogg believes that the inefficiencies in the fixed income markets provide opportunities to add value through active research, analysis and management. Yield curve positioning, duration management, and sector rotation are tools Kellogg utilizes to minimize risk while seeking to maximize return. The relative attractiveness of various sectors and a bottom-up analysis of specific securities are key factors in portfolio construction. There is a risk of loss if actual credit and economic trends differ from Kellogg's analysis.

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### **Core Fixed Income Bond Strategy**

The objective for the Core Bond strategy is to generate returns that are greater than the Barclays Capital U.S. Government/Credit Bond Index while maintaining similar risk characteristics. This strategy focuses on diversification and primarily invests in U.S. Treasury notes, U.S. government agencies, investment grade corporate bonds, and mortgage backed securities. There is a risk of loss if actual credit and economic trends differ from Kellogg's analysis.

### **Intermediate-Term Bond Strategy**

The objective for the Intermediate-Term Bond strategy is to generate returns that are greater than the Barclays Capital U.S. Intermediate Government/Credit Bond Index while maintaining similar risk characteristics. This strategy focuses on diversification and primarily invests in U.S. Treasury notes, U.S. government agencies, investment grade corporate bonds, and mortgage backed securities. There is a risk of loss if actual credit and economic trends differ from Kellogg's analysis.

### **Short-Term Bond Strategy**

The objective for the Short-Term Bond strategy is to generate returns that are greater than the Barclays Capital 1-3 Government Index while maintaining similar risk characteristics. This strategy focuses on diversification and primarily invests in U.S. Treasury notes, U.S. government agencies, investment grade corporate bonds, and mortgage backed securities. There is a risk of loss if actual credit and economic trends differ from Kellogg's analysis.

### **Tax Exempt Bond Strategy**

The objective for the Tax Exempt Bond strategy is to generate returns that are greater than the Barclays 3-Year General Obligation Index while maintaining similar risk characteristics. This strategy invests in high quality municipal bonds with income that is exempt from federal taxes. This strategy focuses on diversification and quality. There is a risk of loss if actual credit and economic trends differ from Kellogg's analysis.

### **Overall Asset Allocation and Portfolio/Model Management Investment Philosophy**

AIM's overall goal with regard to its ASAP program and asset allocation and portfolio/model management services is to deliver competitive investment performance in a risk-controlled framework. AIM is a prudent manager with a consistent, well-defined process to maintain style integrity. AIM strives to ensure that assets are strategically invested to meet client objectives. AIM continuously evaluates holdings and rebalances its asset allocation strategies as needed. The decision to hire or replace a manager is based in part on a

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manager's tenure, changes in ownership structure, changes made to investment process, and performance not comparable with expectations.

### **Asset Allocation Research Philosophy**

AIM's asset allocation strategy strives to select world class managers in each asset class. It has been AIM's strategy to eliminate potential conflicts of interest by having the independence to select managers from the entire universe of funds. It is also AIM's goal to utilize institutional share classes when possible in order to keep internal management fees low.

Selection of third party mutual funds is based in part, but not limited to: management style, manager experience, consistent application of a philosophy, and long-term performance.

AIM's focus is on both quantitative and qualitative aspects of the investment process. The AIM asset allocation managers understand that a period of short-term underperformance is inevitable. It is the goal of AIM to understand the market environment and how/why a manager has outperformed or underperformed.

Investing in securities involves risk of loss that clients should be prepared to bear. There is no guarantee that the asset allocation strategies or models will meet their objectives and may underperform their respective benchmarks. Investment products are not FDIC insured, have no bank guarantee and may lose value.

### **ASAP Asset Allocation Strategies**

AIM's ASAP program offers six investment strategies that range from aggressive growth to conservative growth, as described below.

#### Aggressive Growth

The Aggressive Growth Strategy is designed to pursue the potential for above-average growth of capital through investments in an aggressively diversified portfolio of common stocks. A significant percentage of the portfolio is invested in mid- and small-sized common stock funds as well as foreign and large capitalized stock funds. The objective for this strategy is long-term with no concern for current income. The benchmark used for this strategy consists of 85% Russell 3000 and 15% MSCI EAFE.

#### Growth

The Growth Strategy is designed to achieve growth of capital through investment in a broadly diversified portfolio of common stocks. The objective is long-term growth; current income is incidental. The strategy has an emphasis on large-company stock funds but will also include allocations to mid- and small company stock funds as well as foreign stock

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funds. The benchmark used for this strategy consists of 90% Russell 3000 and 10% MSCI EAFE.

#### Conservative Growth

The Conservative Growth Strategy is designed to provide growth of capital at a level of risk that is less than a portfolio fully invested in common stock. Approximately 20% of the strategy will be allocated to investment-grade fixed income mutual funds. The majority of the strategy will consist of a diversified portfolio of large capitalized stock mutual funds, but will also include smaller allocations to mid- and small sized common stock funds as well as foreign stock funds. The benchmark used for this strategy consists of 72% Russell 3000, 8% MSCI EAFE, and 20% Barclay's US Gov./Credit Intermediate.

#### Growth Balanced

The Growth Balanced Strategy is designed to seek both long-term growth of capital and a modest amount of income stability through a mixture of stocks and bonds. A larger emphasis is placed on the capital growth through investments in common stock funds but will also include smaller allocations to mid- and small company stock funds as well as foreign stock funds. The remainder of the allocation will consist of investment grade bond funds. The benchmark used for this strategy consists of 58% Russell 3000, 35% Barclay's U.S. Intermediate Gov./ Credit, and 7% MSCI EAFE.

#### Balanced

The Balanced Strategy is designed to put equal emphasis on the pursuit of capital growth and income generation. Approximately one-half of the strategy will consist of investment grade bonds with a focus on a short to Intermediate-Term maturity profile. The remainder of the allocation will consist of a diversified mix of stock funds with an emphasis on large-company stocks but will include smaller allocations to mid- and small stock funds as well as foreign stock funds. The benchmark used for this strategy consists of 45% Russell 3000, 50% Barclay's U.S. Intermediate Gov./ Credit, and 5% MSCI EAFE.

#### Conservative Balanced

The Conservative Balanced Strategy is designed to emphasize stability of principal and income generation through investments in fixed income mutual funds, with a smaller emphasis on the pursuit of capital growth through investment in common stock mutual funds. The majority of the strategy will consist of investment grade fixed income mutual funds with a focus on short-Intermediate-Term maturities. The remainder of the strategy will consist of large company common stock funds encompassing a broad array of sectors and industries. The benchmark used for this strategy consists of 32% Russell 3000, 3% MSCI EAFE, and 65% Barclays US Gov./Credit Intermediate.

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## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Kellogg or the integrity of Kellogg's management. Kellogg has no such legal or disciplinary events.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Kellogg, a federally registered investment adviser, was formed in 2009, with the initial goal of providing investment advisory services to ATC.

Kellogg commenced managing client accounts in January 2010 pursuant to ATC's transfer of investment management responsibilities for a significant portion of ATC's institutional client accounts to Kellogg. Such accounts had previously been managed by their affiliate, AIM. Kellogg's reported assets under management are those ATC client assets previously managed by AIM and now managed by Kellogg. The employees of Kellogg were responsible for AIM's asset management and securities analysis services and were substantially responsible for AIM's historical performance. References in this presentation to consistency, tenure or experience refer to the individuals providing investment management services on behalf of Kellogg and not Kellogg itself. Such references regarding these individuals refer to their historical services provided on behalf of AIM and/or ATC. On December 31, 2012, AIM was merged into its affiliate, Kellogg. As of December 31, 2012, AIM ceased to exist as a separate legal entity and is no longer registered with the SEC as an investment adviser.

Certain employees of ATC are also deemed to be associated persons of Kellogg. All such persons are subject to the policies, procedures and supervision of Kellogg with respect to advisory services provided on behalf of Kellogg. The Managers of Kellogg are also officers of ATC. The Managers of Kellogg each perform investment management services for ATC; Manager Fry spends the majority of his time performing investment management services for Kellogg, while Managers Thayer, Hilgendorf, Walker, and Hochholzer spend the majority of their time performing investment management services for ATC.

As noted above, Kellogg is an affiliate of ATC, which is also a wholly owned subsidiary of AB-C. Kellogg receives record keeping, trade processing and operational support services from ATC, pursuant to a service agreement executed between the entities and relies upon units of AB-C for finance, accounting, audit and legal services. ATC currently acts as custodian of its client assets that are managed by Kellogg. If asked, Kellogg may in the future recommend ATC as a custodian. Kellogg also uses an affiliated banking institution, Associated Bank, N.A., for traditional banking services, overhead, equipment and facilities in the conduct of its advisory business.

Kellogg also intends to offer clients of Third Party Advisors access to its ASAP program through Third Party Platforms. One such Third Party Advisor is AIS. Kellogg, AIS and ATC are wholly owned subsidiaries of AB-C.

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## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Kellogg has adopted a Code of Ethics reasonably designed to ensure compliance of its personnel with applicable law and regulations and adherence to ethical standards appropriate for an investment adviser pursuant to SEC rule 204A-1. A copy of the Code of Ethics will be provided to any client or prospective client upon request. Kellogg's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting John P. Thayer, Chief Investment Officer at 800-236-0082 or John.Thayer@AssociatedBank.com.

Kellogg does not trade for its own account, but does manage the accounts of certain of its affiliates, including ATC. The management of affiliated accounts may create an indirect financial incentive for Kellogg to favor the affiliated accounts over unaffiliated accounts. Kellogg has adopted policies and procedures designed to address this potential conflict of interest. Trade allocation and other trading related policies are discussed under Item 12.

Personnel under Kellogg's supervision who have access to nonpublic information regarding any client's purchase or sale of securities, or who are involved in making securities recommendations to clients or have access to such recommendations that are not public, may acquire securities recommended to or acquired for clients of Kellogg, subject to the Kellogg Code of Ethics. The Code of Ethics, in summary, requires the following of Kellogg and its Access Persons (including certain employees of ATC): annual reporting of securities holdings; quarterly reporting of securities transactions; disclosure of brokerage accounts; restrictions on trading and pre-clearance of trades in initial public offerings and limited offerings (such as private placements); prohibitions against trading on material non-public information or other "insider" trading; prohibitions against trading in securities on Kellogg's list of "currently restricted securities"; prohibitions against short-term trading; reviews of activity; certifications of compliance; and the requirement to report any violations of the Code of Ethics to senior management.

It is Kellogg's policy that Kellogg will not effect any principal or agency cross securities transactions for client accounts. Kellogg will also not cross trades between client accounts.

## **Item 12 – Brokerage Practices**

### **Research and Other Soft Dollar Benefits**

Kellogg fixed income managed accounts do not receive research or other investment related products and services other than trade execution from various broker-dealers and third parties in connection with client securities transactions (soft dollar benefits). Kellogg has chosen not to participate in soft dollar relationships for the management of fixed income securities in order to ensure best execution of price on trading activity; however, Kellogg may participate in such relationships with respect to the management of equity securities.

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Soft dollar relationships may lead to an incentive to select or recommend a broker-dealer based on Kellogg receiving research or other soft dollar benefits, rather than Kellogg's clients' interest in receiving most favorable order execution. Kellogg has adopted policies and procedures, which are discussed below, which are designed to address these potential conflicts of interest. Kellogg has committees to oversee these policies and procedures and to monitor and insure best execution.

### **Use of Client Commissions**

Kellogg fixed income managed accounts are fee based. Commissions or mark-ups are not collected on transactions. Broker trades are allocated on the basis of prompt and accurate execution; pricing; and, if applicable, the quality of the investment research and assistance that can be obtained.

Every effort is made to obtain a competitive institutional price. Research products obtained from brokers may include economic, market, and earnings forecasts; asset allocation and portfolio strategies; financial databases; electronic quotation and historical pricing information; industry statistics; and investment information on individual companies. All such research and information, to the extent obtained, is used in the investment decision making process and is beneficial to all clients.

The potential for conflicts of interest between soft dollar brokers and Kellogg employees is reviewed periodically. Annually, Kellogg employees are required to report any conflicts of interest with brokers or third-party providers of research services used or intended to be used in the coming year by Kellogg.

Kellogg currently does not participate in any soft dollar relationships in the management of fixed income or equity securities. However, opportunities to participate in these types of arrangements may be present in the future.

### **Broker Selection**

Brokerage selections are determined as to reasonableness of price and are based upon Kellogg's policies as to best execution, research and information.

### **Trading Practices**

Trading securities is oriented toward achieving the best possible price. Where these criteria can be met, trading securities may be done with those firms providing investment research information that is beneficial to Kellogg's clients. A Best Execution Committee is responsible for reviewing, monitoring and setting trading practices.

It is Kellogg's policy to seek best execution when it places orders for client trades with broker-dealers. Kellogg will attempt to achieve best execution for a given client so that the



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client's total cost or proceeds in a transaction are the most favorable under the circumstances. Where multiple competing markets exist, Kellogg takes reasonable steps to ensure that the security is executed at the best price given the circumstances of a particular trade. Circumstances would include but are not limited to the size of the order, liquidity and timeliness of the trade.

### **Other Trading Related Policies**

**Trade Allocation:** Kellogg will determine if a client's investment objective and suitability requirements qualify the client for participation in purchasing a specific security and whether the allocation is of sufficient size for liquidity purposes. Kellogg will allocate trades based upon cash balance, duration, position size, sector, maturity, and other needs.

**Block Trading:** (aggregation of transactions) is permitted where the following conditions are met:

1. Orders of two or more clients may be aggregated only if Kellogg has determined, on an individual basis, that the security order is:
  - a. In the best interest of each client participating in the order;
  - b. Consistent with Kellogg's duty to obtain best execution; and,
  - c. Consistent with the terms of the investment advisory agreement with each participating client, if applicable.
2. Any investment by one client shall not be dependent or contingent upon the willingness or ability of another client to participate in such transaction.
3. Separate documentation relating to the transaction shall be generated and maintained for each client participating in the aggregated trade.
4. The terms negotiated for the aggregated transaction should apply equally to each participating client.
5. The allocation of securities obtained or sold in an aggregated trade must be made in accordance with Kellogg's allocation procedures.
6. The price of the security purchased or sold in an aggregated transaction shall be at the average share price for all transactions of the clients in that security on a given day, with all transaction costs shared on a pro-rata basis.
7. The books and records of Kellogg will separately reflect, for each client for whom an order is aggregated, the securities held by, bought and sold for that client.



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**Trade Errors:** Kellogg will absorb any loss incurred as a result of a trade error, while any gains received as a result of a trade error will be paid to the client.

### **Item 13 – Review of Accounts**

Fixed income investment accounts are monitored on a continuing basis by a senior portfolio manager. At least annually, the Chief Investment Officer or a senior portfolio manager reviews all accounts for which Kellogg provides investment supervisory or management services. The review includes but is not limited to a review of current holdings, asset allocation with respect to investment objective, transactions, cash flows and investment performance.

Investment management reports for fixed income investment accounts will be sent by the custodian on a frequency as specified by the client, but not less frequently than quarterly. The investment management report will include account assets and activities during the preceding quarter, including transactions, positions, income, gains/losses and expenses.

Kellogg and AIM do not perform monitoring of ASAP accounts, as those accounts are subject to the applicable Third Party Advisor's monitoring procedures.

### **Item 14 – Client Referrals and Other Compensation**

Under a written incentive compensation plan, employees of Kellogg, its parent company or its affiliates, may receive a cash referral fee as a percentage of the first year's fees when a new account is funded. As required by applicable law, such employees are required to disclose employee and affiliate relationships to the prospective client, as well as the fact that such employee may receive compensation as the result of the referral and the terms of such compensation. Kellogg and affiliated entities do not pay referral or other fees to any third parties.

### **Item 15 – Custody**

While Kellogg does not have direct custody of client funds or securities, ATC, a related person, does maintain custody of client funds or securities with respect to (a) Kellogg's fixed income investment management solutions, (b) assets in ASAP accounts held by clients of ATC, and (c) assets in LifeStage collective fund accounts. Kellogg has adopted policies and procedures to comply with the amendments to the custody and recordkeeping rules under Section 275.206(4)-2 "Custody of funds or securities of clients by investment advisers" of the Investment Advisers Act of 1940 effective March 12, 2010 (Custody Rule). Fixed income investment management clients and ATC's clients in the ASAP program and LifeStage collective funds will receive statements from ATC, as Kellogg does not send out statements. Those clients should carefully review statements they receive from ATC.

Each Third Party Platform that offers the ASAP program will enter into a contractual relationship with a custodian that will serve as the qualified custodian for all ASAP accounts

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offered to clients of Third Party Advisors. Each qualified custodian will retain custody of all assets in the accounts of Third Party Advisors' advisory clients. To the extent clients receive custody from a third party, they should carefully review statements received from those custodians also.

## **Item 16 – Investment Discretion**

### **Fixed Income Investment Management**

For its fixed income investment management solutions accounts, Kellogg is generally authorized in the investment management agreement that it signs with the client to make the following determinations, consistent with each client's investment goals and policies, without consultation or consent before a transaction is effected:

1. Which securities to be bought or sold;
2. The amount of securities to be bought or sold;
3. The broker or dealer to be used;
4. The commission rates paid;
5. The price at which securities or other investments are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs; and
6. The voting of proxies.

Investment guidelines and restrictions must be provided to Kellogg in writing. As a result, Kellogg is deemed to have investment discretion with respect to these accounts.

### **ASAP Program**

AIM does not exercise discretionary authority with respect to ASAP accounts. Rather, the applicable Third Party Platform provider and/or Third Party Advisor will exercise discretion with respect to Third Party Advisors' client accounts.

AIM exercises investment discretion with respect to ATC client accounts that are directly invested in the ASAP program, which are not invested through a Third Party Platform.

### **Asset Allocation and Portfolio/Model Management Services**

Whether Kellogg exercises discretionary authority with respect to asset allocation and portfolio/model management accounts will depend upon the contractual relationship with the client.

### **LifeStage Collective Funds**

AIM exercises discretionary authority with respect to its management of the LifeStage collective funds.

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### **Item 17 – Voting Client Securities**

Kellogg has adopted policies and procedures concerning its role as a fiduciary pursuant to SEC rule 206(4)-6 in the voting or non-voting of proxies on behalf of Kellogg's clients when authorized to do so. Kellogg will vote proxies when authorized, and will do so in the best interests of the clients. Kellogg has established a Proxy Committee to take reasonable steps to implement that broad policy, including the following: use of Glass Lewis and Co. or its successors' proxy research as its guide; procedures to review proposals and generally to follow pre-established guidelines as to various categories of proposals; maintenance of records related to voting and non-voting; and, procedures to identify and address potential conflicts of interest related to proxy voting. Where potential conflicts are identified, Kellogg will defer to Glass Lewis as its guide in voting.

If a client wishes to direct the vote in a particular solicitation, the client should contact Kellogg in writing at the following address. Clients may obtain Kellogg's complete Proxy Voting Policies and Procedures and/or information as to how Kellogg voted proxies with respect to their securities by requesting such information in writing, addressed to: Kellogg Asset Management, LLC, 200 North Adams Street, Green Bay, WI 54301.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Kellogg's financial condition. Kellogg has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

END OF BROCHURE