
Item 1 – Cover Page



Gemmer Asset Management LLC

1655 North Main Street, Suite 360

Walnut Creek, CA 94596

(925) 933-3786

www.gemmerllc.com

March 24, 2017

This Brochure provides information about the qualifications and business practices of Gemmer Asset Management LLC. If clients have any questions about the contents of this Brochure, they should contact us at (925) 933-3786. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission.

Gemmer Asset Management LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide clients with information about which they determine to hire or retain an Adviser.

Additional information about Gemmer Asset Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

We are required by the SEC to provide clients with any material changes that occurred this last year. Our previous brochure was updated as of September 2, 2016. Following are the changes:

Item 5 – Updated administration fee maximum to \$70 per year.

Item 15 – Added procedure for transfers between client accounts and bank accounts and third-parties.

We will further provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Mario Hernandez, Chief Compliance Officer at (925) 933-3786 or mario@gemmerllc.com.

Additional information about Gemmer Asset Management LLC is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Gemmer Asset Management LLC who are registered, or are required to be registered, as investment adviser representatives of Gemmer Asset Management LLC.

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Item 4 – Advisory Business

Gemmer Asset Management LLC has been in business since 1992. David L. Gemmer, Trustee of the Gemmer Family Trust dated June 17, 2015 is the primary owner. David Gemmer controls the trust. David Gemmer has been in the investment management business for over 40 years. We manage over \$900 million in client discretionary assets as of December 31, 2016.

Portfolio Management Services

Our firm provides portfolio management services for individual clients and small businesses. Following are strategies we offer for managing individual portfolios:

- Gemmer Select
- Gemmer Premier
- Gemmer Unconstrained

These portfolios incorporate an asset allocation strategy consisting primarily of no-load mutual funds, individual stocks and/or exchange traded funds (ETFs). Our investment portfolios are generally limited to only these types of investment vehicles. For all strategies, we hold a limited power-of-attorney to manage such assets on a discretionary basis. We have terminated our offering of Global Opportunity. Global Opportunity accounts are being converted to the Gemmer Unconstrained portfolio.

We use the services of the following types of financial representatives to introduce our investment management services to prospective clients:

- independent contractors;
- financial planners;
- investment advisors and/or;
- registered representatives of registered broker-dealers

We pay these financial representatives a percentage of the fees collected in accordance with the investment advisory agreement between our firm and clients. Any such referral fee shall be paid solely from our investment advisory fee and may result in additional charges to the client. If a financial representative introduces a client to our firm, they are required to disclose the nature of our relationship and provide each prospective client a copy of our

written disclosure statement as set forth in this Form ADV Part 2. They must also provide a copy of the written disclosure statement from the financial representative to the client disclosing the terms of the solicitation agreement between our firm and the financial representative, including the compensation we pay them.

SUB-ADVISORY SERVICE: We may also serve as a sub-advisor to unaffiliated registered investment advisors. With respect to its sub-advisory services, the unaffiliated investment advisors that engage our sub-advisory services maintains both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for our designated investment strategies and/or programs. Our obligation shall be to manage the client's account consistent with the unaffiliated investment advisor's direction..

Client Services

Our mission is to assist a client by providing:

- unbiased, professional advice
- a disciplined management strategy
- the appropriate investments to meet their goals

Following are the ways we manage accounts based on the individual needs of each client:

- 1) Consultation Available –we are available to consult about the status of a client's account;
- 2) Monthly Statement – the custodian will provide each client with a monthly statement containing a description of all activity in the their account during the preceding period;
- 3) Ability to Impose Restrictions – each client has the ability to impose reasonable restrictions on the management of their account, including the ability to instruct our firm not to purchase certain mutual funds or exchange traded funds;
- 4) No Pooling – each client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;
- 5) Separate Account – a separate account is maintained at a custodian for each client;
- 6) Ownership – each client retains ownership of their account (e.g., right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Miscellaneous Items

No Financial Planning/Consulting Services. Except for an occasional retirement analysis incidental to the investment management process, we **do not** hold ourselves out as providing, nor do we provide, any financial planning or related consulting services. No employees, nor any of our affiliated advisors, serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same.

Introduction by Solicitor. The vast majority of clients are introduced to our firm by an unaffiliated investment professional (the “Solicitor”). If the client is introduced to our firm by a Solicitor, Gemmer shall pay a portion of its fee to the Solicitor for Solicitor’s initial and/or ongoing services. At all times, the Solicitor shall be exclusively responsible for: (1) assisting the client in determining the initial and ongoing suitability for our investment strategies; and (2) for receiving/ascertaining the client’s directions, notices and instructions, and forwarding them to us, in writing. Correspondingly, the client shall be responsible for communicating any such directions or instructions directly to Solicitor. We shall be entitled to rely upon any such direction, notice, or instruction (including any information or documentation regarding **client’s** investment objectives, risk tolerances and/or investment restrictions) until it has been duly advised of changes therein. We shall have no responsibility to the client for the failure of the Solicitor and/or the client to timely receive/ascertain/forward/communicate any and all such directions, notices and instructions.

Client Obligations. In performing our services, we shall not be required to verify any information received from the client or from the client’s other professionals, including the Solicitor, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Solicitor if there is ever any change in his/her/its financial situation or investment objectives.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by our firm) will be profitable or equal any specific performance level(s).

Please Note: Retirement Rollovers-No Obligation/Conflict of Interest: A client leaving an employer typically has four options (and may engage in a combination of these options): i) leave the money in his former employer’s plan, if permitted, ii) roll over the assets to his new employer’s plan, if one is available and rollovers are permitted, iii) rollover to an IRA, or iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). We may recommend an investor roll over plan assets to an Individual

Retirement Account (IRA) managed by our firm. As a result, we and our representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his or her plan assets with his or her old employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to Gemmer (unless you engage our firm to monitor and/or manage the account while maintained at your employer). We have an economic incentive to encourage an investor to roll plan assets into an IRA that we will manage or to engage our firm to monitor and/or manage the account while maintained at your employer. There are various factors that we may consider before recommending a rollover, including but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus ours, iv) protection of assets from creditors and legal judgments, v) required minimum distributions and age considerations, and vi) employer stock tax consequences, if any. No client is under any obligation to rollover plan assets to an IRA managed by our firm or to engage our firm to monitor and/or manage the account while maintained at your employer. **ANY QUESTIONS:** Our Chief Compliance Officer, Mario Hernandez, remains available to address any questions that a client may have regarding the above and the corresponding conflict of interest presented by such engagement.

Please Note-Use of Mutual Funds: Many mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by our firm independent of engaging us as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Gemmer's initial and ongoing investment advisory services.

Item 5 – Fees and Compensation

We charge a fee to manage investment accounts. The fee charged depends on which service a client has agreed to have our firm manage. We may group related accounts for the purpose of applying the fee schedule. Following is the standard fee schedule that applies to each of our investment services. The fee schedule is negotiable and is based on various factors including asset size and the degree of customization:

Market Value of Portfolio	Annual Fee
First \$500,000 or fraction thereof	2.0%
Next \$500,000 or fraction thereof	1.5%
Sums exceeding \$1,000,000	1.0%

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1. Gemmer Select generally has a minimum account size of \$25,000 and utilizes a flat or tiered fee schedule that ranges up to 2% (on an annual basis) depending on account size.
 2. Gemmer Premier generally has a minimum account size of \$250,000 and incorporates a tiered fee schedule that ranges up to 2% (on an annual basis).

There are exceptions to the account size minimum and are reviewed on a case by case basis. Exceptions can be made due to related family accounts or other extenuating circumstances that have been approved.

3. Gemmer Unconstrained does not have a minimum account size and has a flat or tiered schedule that ranges up to 2% on an annual basis, depending on account size. . We use Charles Schwab to custody these accounts. Charles Schwab charges an asset based fee (in lieu of transaction fees) of 25 basis points or \$300 minimum annually, whichever is greater.

Administration Fee

For certain accounts, we charge an administration fee of up to \$70 annually. The administration fee is to reimburse our firm for the cost of using a specific platform to manage the client account. The administration fee is disclosed in the investment advisory agreement the client signs.

We believe that our annual fees are reasonable in relation to the fees charged by other investment advisors offering similar services/programs. However, our annual investment advisory fees may be higher than charged by other investment advisors offering similar services/programs.

We provide a reporting service for certain financial representatives where the financial representative has access to a reporting platform. We charge the financial representative a fee for this service. The fee is to reimburse our firm for the cost of using the reporting platform. The reporting platform we use is called Orion Advisor Services. We also manage client accounts for these financial representatives.

We have an agreement with Concert Capital Management, Inc. (Concert) whereby we provide our portfolio models and any model change signals. Concert is an SEC registered advisor and provides investment management and back office services to financial planners and investment advisors. Concert will market our portfolio models to their affiliated planners

and investment advisors. Concert will manage the accounts and make the trades in the portfolio models we provide. We provide Concert marketing materials related to the portfolio models. In consideration of this service, Concert will pay our firm an annual fee of 0.25% of the value of the clients' assets invested in the portfolio models.

Fee Billing Policy

We calculate the market value of security shares held in a client's account based on values each custodian, mutual fund company, variable annuity company or broker-dealer provides our firm. The management fee charged shall be pro-rated and paid quarterly, in advance, based upon the market value of the assets in a client's account(s) at the beginning of each billing quarter or portion thereof, including any balances held in money market funds and accrued interest from individual bonds managed. For fee calculation purposes, we use the internal portfolio value which has been reconciled with custodial information. In isolated cases, there may be a discrepancy between our portfolio value and the custodian's portfolio value reported to clients that is due to timing differences or other factors.

The specific manner in which we charge management fees is established in a client's advisory agreement. We will generally bill fees on a quarterly basis. Clients may elect to be billed directly for fees or to authorize Gemmer Asset Management LLC to directly debit fees from their investment account(s). Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. No additional fees will be charged or credits made to their account unless the amount is at least \$50. Any amounts below this threshold will not be charged or credited. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, we will promptly refund any prepaid, unearned fees, and charge for any earned, unpaid fees.

Our advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur the following charges imposed by custodians, brokers, third party investment and other third parties on brokerage accounts and securities transactions:

- fees charged by managers;
- custodial fees;
- deferred sales charges;
- transfer taxes;
- wire transfer and electronic fund fees;
- other fees and taxes.

Trade costs may vary depending on the size of household assets. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our advisory fee. We do not receive any portion of these commissions, fees, and costs. Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with our firm. For further information regarding our brokerage arrangements with custodians refer to Item 12.

For unsupervised assets that are not charged a management fee, we provide a value for the asset based on the best information available. We do not guarantee the accuracy of the value of these unsupervised assets. As a courtesy, we allow clients to consolidate these assets with other positions we manage on a clients' quarterly report.

Trade Error Policy

We have a policy in place to protect clients from any trade errors. Our policy stipulates that any trade error executed in a client account will be corrected and the client will not sustain any loss on the error. In addition, any transaction costs incurred, interest charged or any other costs incurred in connection with the transaction will be refunded to the client's account. We also annually test trade errors to confirm that procedures were followed and that the client was fully reimbursed for the trade error committed. All employees involved in the execution of trades are continually educated regarding the importance of reducing trade errors. In addition, employees also understand the necessity of reporting any trade errors immediately.

When a trade error occurs in a client account custodied at Charles Schwab and the corrected trade error results in an investment gain, the gain will remain in the client's account unless the same error involved other client accounts that should have received the gain. In addition, if not permissible to retain the gain in the account or if the client decides to forego the gain, Charles Schwab will donate the amount of any gain over \$100 to charity. If there is a loss greater than \$100, we will pay for the loss. Charles Schwab will maintain the loss or gain (if such gain is not retained in the client account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trades errors resulted in both gains and losses in the client account, they may be netted.

For accounts custodied at TD Ameritrade, any corrected trades that results in a gain will be donated to charity by TD Ameritrade. Any trade error losses in an account will be paid by

Gemmer Asset Management LLC. Any trade errors on the same day which resulted in gains and losses will be netted.

For accounts custodied at Fidelity, any corrected trades that results in a gain will be credited to client's account. Any trade error losses in an account will be paid by Gemmer Asset Management LLC. Any trade errors on the same day which resulted in gains and losses will be netted.

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

We do not charge any performance-based fees. These are fees based on a share of capital gains or capital appreciation of a client's assets.

Item 7 – Types of Clients

We provide investment management services to the following clients:

- Individuals, including high net worth individuals
- Trusts, estates and charitable organizations
- Corporations or other business entities
- Not for profit entities
- Retirement plans

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

We manage portfolios using an asset allocation approach. Asset Allocation describes the manner in which a client's portfolio will be diversified among various types of asset classes such as stocks, bonds, and cash. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

We may invest a client's account in mutual funds, individual stocks or exchange traded funds (ETFs) which are likely to have differing degrees of risk. None of the investments are "risk-free". We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period

of time and in different economic conditions. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable in a client's portfolio.

We generally purchase mutual funds, individual stocks and/or ETFs with the idea of holding them in the client accounts for a year or longer. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our strategies are incorrect, a security may decline sharply in value before we make the decision to sell.

Investing in securities involves risk of loss that clients should be prepared to bear. Securities investments are not guaranteed and clients may lose money on their investments.

Our investment programs may also involve above-average portfolio turnover which could negatively impact the net after-tax gain experienced by a client in a taxable account such as a trust or joint account.

Item 9 – Disciplinary Information

We do not have any legal, financial or other disciplinary items to report at this point. We are obligated to disclose any disciplinary event that would be material our clients when evaluating us to initiate a client relationship, or to continue a client relationship with our firm.

Item 10 – Other Financial Industry Activities and Affiliations

We have a minority ownership interest in National Advisors Holdings, Inc.(NAH), a Delaware corporation, that has formed a federally chartered trust company, “National Advisors Trust Company” (NATC). NATC is in the business of providing personal trust, employee benefit services, IRA and custodial services to clients on a national basis. NATC is currently supervised by the Office of the Comptroller of the Currency and the Federal

Deposit Insurance Corporation. We use NATC for custody of client accounts that have trust service needs. No clients are obligated to use the services of NAH. While we may recommend their services, we do not receive any fees for recommending them..

We have a relationship with Concert Capital Management, Inc. whereby we provide our model portfolio changes to them for a fee. For more details, look at Item 5.

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

Code of Ethics

We have adopted a Code of Ethics for all of the firm's supervised persons describing our high standard of business conduct, and fiduciary duty to our clients. We define all employees and independent contractors affiliated with our firm as supervised persons. The Code of Ethics includes the following provisions:

- confidentiality of client information;
- a prohibition on insider trading;
- reporting of political contributions;
- a prohibition of rumor mongering;
- protection of employees who report any violations of this code and securities laws;
- the reporting of certain gifts and business entertainment items; and,
- personal securities trading procedures, among other things.
- monitoring of contributions made to politicians
- reporting of outside employment by employees and affiliates

All supervised persons at our firm must acknowledge the terms of the Code of Ethics annually. A copy of the Code of Ethics is made available to clients or prospective clients upon request by contacting Mario Hernandez at (925) 933-3786.

Personal Trading Policy

We anticipate that, in appropriate circumstances, consistent with clients' investment objectives, we will recommend for clients and prospective clients to purchase or sell mutual funds, exchange traded funds and individual stocks in which our employees or associated persons have a position. Our employees and persons associated with our firm are required to follow our Code of Ethics. The Code of Ethics is designed to insure that the personal securities transactions, activities and interests of our firm's employees and associated persons will not interfere with:

- making decisions in the best interest of advisory clients; and,
- implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

In addition, the Code requires pre-clearance of certain transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between our firm and our clients.

With regard to employee or affiliate trading in exchange traded funds and individual stocks, we execute trades in an equitable manner for all clients. We execute these trades on an account by account basis and not on a mass basis. Employees' trades are done in conjunction with client trades or secondary to client trades.

Item 12 – Brokerage Practices

We do not maintain custody of client assets that we manage. However, we may be deemed to have custody of client assets if authority is given to deduct management fees from client account(s). Client assets must be maintained in an account at a "qualified custodian" generally a broker-dealer or bank. In all cases, we determine the custodian to be used to effect transactions in client accounts without limitation.

Soft Dollar Policy

We do not have any formal soft dollar arrangements and we do not contract with custodians to receive soft dollar benefits. This means we do not receive or have access to research or conferences in return for paying higher commissions for client transactions for a particular custodian.

We endeavor to select custodians that will provide the best services at the lowest prices and commissions possible. We consider a wide range of factors, including, among others:

- Combination of transaction execution and asset custody services;
- Capability to buy and sell securities for client account;
- Capability to facilitate transfers and payments to and from accounts;
- Breadth of available investment products and managers;
- Quality of services;
- Competitiveness of the price of those services;
- Reputation, financial strength, and stability;
- Their prior service to us and our other clients;
- Availability of other products and services that benefit us.

We are not affiliated with any of the custodians we use to custody client accounts. Following are our brokerage practices with each custodian:

1) Charles Schwab

Charles Schwab & Co charges a transaction fee for some mutual fund trades in client accounts. We recommend to clients that they establish an account with Charles Schwab & Co who provides custodial services for client assets. Although we may suggest that clients establish accounts at Charles Schwab & Co., it is the client's decision to custody assets with Schwab. We do not open accounts for clients, although we may assist them in doing this.

Schwab provides our firm access to its institutional trading and operations services, which are not typically available to Schwab retail investors. These services are generally available to independent investment advisors at no charge to them so long as a total of \$10 million of the advisor's clients account assets are maintained at Schwab and is not otherwise contingent upon Gemmer Asset Management LLC committing to Schwab any specific amount of business. We do not believe that maintaining at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents material conflicts of interest. Schwab services include:

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- research;
 - brokerage;
 - custody;
 - access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available other products and services that benefit our firm but may not benefit our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of clients' accounts, including accounts not maintained at Schwab. Some of these other products and services assist our firm in managing and administering clients' accounts.

These include:

- software and other technology that provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts);
- provide pricing information and other market data;
- facilitate payment of advisory fees from our clients' accounts; and,
- assist with back-office support, recordkeeping and client reporting.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. Many of these services generally may be used to service all or a substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab may also provide our firm with other services intended to help manage and further develop our business enterprise. These services may include:

- 1) technology, compliance, legal and business needs consulting;
- 2) publications and conferences on practice management and business succession;
- 3) access to employee benefits providers, human capital consultants and insurance providers and,
- 4) Education conference and events

Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to us. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab may also provide other benefits such as occasional business entertainment to our personnel. As a fiduciary we endeavor to act in our clients' best interests at all times. However, our recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and not solely on the nature, costs or quality of custody and brokerage services provided by Schwab. This may create a potential conflict of interest. We believe, however, that our selection of Schwab as a custodian is in the best interests of our clients. Our use of Schwab is primarily supported by the scope, quality and price of Schwab's services.

Charles Schwab Referred Clients Only

For those clients who were referred to our firm by Charles Schwab (through Schwab Advisor Network Referral Program – a program we no longer participate), we pay Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee is a percentage of the value of the assets in the client's account. We pay Schwab the Participation Fee for as long as the referred client's account remains custodied at Schwab. The Participation Fee is billed to our firm quarterly and maybe increased, decreased or waived by Schwab from time to time. We pay the Participation Fee and is not charged to the client. We do not charge clients referred through the Service fees costs greater than the fees or costs we charge clients with similar portfolios who were not referred through the Service. We have the discretion to change the minimum annual fee charged or to not have a minimum fee arrangement.

We generally pay Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, we will have an incentive to recommend that client accounts be held in custody at Schwab.

Schwab charges the Participation and Non-Schwab Custody Fees to clients who were referred by Schwab and those referred clients' family members living in the same household and are based on assets in these accounts. Thus, we will have incentives

to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit our management fees directly from the accounts.

Schwab will not charge clients separately for custody, but will receive compensation from our clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, we may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Nevertheless, we acknowledge our duty to seek best execution of trades for client accounts. Schwab may execute trades for client accounts held in custody at Schwab through a different broker-dealer than trades for our other clients. Therefore, Schwab may execute trades for accounts at different times and different prices than trades for other accounts that are executed at other broker-dealers.

We may use variable annuities offered by Great West Life and Annuity Company, who is owned by Charles Schwab & Co, Nationwide Life Insurance Company and Transamerica Life Insurance for client accounts. We do not receive any commissions or referral fees from Great West, Transamerica Life Insurance or Nationwide Life Insurance Company.

2) Fidelity

In specific instances, we use Fidelity Brokerage Services LLC to execute client trades. We are a participant in the Fidelity Institutional Service Group program and receive certain services because of our participation in the program. Fidelity has been found to be competitive regarding transaction costs and services compared with other brokerage firms. We have an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides our firm with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist our firm in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. Fidelity also offers other services intended to help our firm manage and further develop our advisory practice. Such services include, but are not limited to, access to educational conferences, roundtables and webinars, practice management

resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom our firm may contract directly.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

3) National Advisors Trust Corp.

We use National Advisors Trust Corporation (NATCO) for certain client accounts. NATCO provides an on-line website and trading platform. NATCO may also provide educational events to our firm. The fiduciary costs, access to investment products, technology support or other service features offered by NATCO are deemed to be advantageous to clients when compared with other trustee or custodial services. NATCO charges service fees to client accounts. We do not share in any fees charged to clients.

4) Wells Fargo Advisors LLC

We have a custodial relationship with Wells Fargo Advisors LLC for certain client accounts. Wells Fargo Advisors provides an on-line website and trading platform. The trading costs and services are comparable to other custodians in the industry.

5) TD Ameritrade

We use TD Ameritrade as a custodian, in specific instances, for client accounts. We are a participant in TD Ameritrade's Institutional Program and receive services that include custody of securities and financial products, trade execution and clearance and settlement of transactions. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC/NFA. TD Ameritrade is an independent SEC-registered broker-dealer. The commissions, rates and fees applicable to client accounts may be based on scope and nature of our business that we transact with TD Ameritrade. We receive certain economic benefits as a participant in this program. These benefits include various technological tools, items and products that assist our firm in managing and servicing our client accounts. In addition, we may be provided with discounts on products or services such as compliance, marketing, technology and practice management products or services provided by third-party vendors. The receipt of these program benefits is not dependent on the amount of brokerage transactions incurred on client account(s). The receipt of these benefits may indirectly influence our recommendation of

TD Ameritrade for custodial and brokerage services. However, if we recommend clients to open an account at TD Ameritrade as a custodian it is in the best interests of our clients.

TD Ameritrade may also offer additional benefits to our firm as a participant in this program. The additional benefits may include reimbursement or waiver of fees or expenses related to our business or the provision of services or other things of value for use in connection with our business. The receipt of additional benefits raises potential conflicts of interest. To be eligible to receive these additional benefits, we may have an incentive to recommend that client assets be custodied at TD Ameritrade.

In choosing a custodian we are not obligated to seek competitive bids or the lowest commission cost to our clients, but we determine that the commission rates charged by the custodian are reasonable based on the quality of the different services available to our clients.

Item 13 – Review of Accounts

We review each client account at least quarterly. The reviewers analyze each portfolio to determine if the performance is in line with the target allocation. They also focus on confirming the proper allocation of the portfolio and performance of each account with rebalancing, as needed. In addition, the reviewers evaluate economic and market variables combined with fundamental data on individual funds on an ongoing basis. These reviews are primarily performed by David Gemmer, Charles Blankley, Brian Gemmer and Scott Gemmer. David is the Managing Member of Gemmer Asset Management LLC, Charles is Chief Investment Officer and Scott and Brian are Portfolio Managers.

At the beginning of each calendar quarter, we provide clients (via the client's financial representative) a detailed written report which reflects account performance, portfolio holdings and balances. We also include a newsletter that reviews the market environment and mutual fund investment performance. The account custodian provides clients transaction confirmations within three days of any trade and detailed account statements at least quarterly. The account custodian also provides clients with required year-end tax information.

Item 14 – Client Referrals and Other Compensation

We market our investment management services to financial representatives who refer their clients for our services. For more detailed disclosures, refer to Item 4.

If an unaffiliated or affiliated solicitor introduces our firm to their client, we may pay that financial representative a referral fee in accordance with the requirements of Rule 206(4) – 3 of the Investment Advisers Act of 1940. We receive an economic benefit from our custodians in the form of the support products and services they make available to our firm to maintain client accounts. These products and services, how they benefit our firm, and the related conflicts of interest are described in Item 12.

We work with a number of financial planners and advisors who are affiliated with American Investors Corporation (AIC) as registered representatives. AIC is a FINRA registered broker-dealer. We pay AIC directly the amount of the referral fee earned by registered representatives. AIC pays the registered representatives a portion of the referral fee. AIC is an independently operated business and is not affiliated with our firm.

We receive an economic benefit from Schwab, in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12 above. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

As disclosed under Item 12, above, our firm participates in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm. Some of the products and services made available by TD Ameritrade through the program may benefit

our firm but may not benefit our client accounts. These products or services may assist our firm in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help our firm manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

We provide a reporting service to certain financial representatives who refer clients for our investment management services. We charge the financial representative for the online reporting system that provides the reporting service. No additional fees are charged client accounts that are part of this service.

We provide a model portfolio signal service to certain firms who use our model portfolios to service their financial advisors' clients. We charge an annual fee for the value of assets employed in the model portfolios we provide. This fee will be paid quarterly to our firm. We do not service these accounts or execute any trades for these accounts. We may also provide model portfolios marketing materials for distribution to their clients.

Item 15 – Custody

Under government regulations, we are deemed to have custody of client assets if authorization is given to us to instruct the custodian to deduct management fees directly from client accounts. Each custodian we work with maintains actual custody of client assets. Each client will receive at least quarterly, statements from the qualified custodian that holds and maintains their investment assets. Statements will be sent to the email or mailing address clients provide to the custodian. We urge clients to carefully review such statements and compare such official custodial records to the account statements that we provide them. Our statements may vary from custodial statements due to timing differences or other factors.

In the event that clients request that we transfer money between custodial accounts and their bank account or to a third-party, we require verbal verification with the client regarding the request. We will verify (or through their advisor representative) the bank or third-party information and amount to be transferred.

Item 16 – Investment Discretion

We receive discretionary authority from the client upon receipt of a signed investment advisory agreement to select the identity and amount of securities to be bought or sold, without limitation.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, we do not vote proxies on behalf of advisory clients. Clients retain the exclusive responsibility for:

- 1) Directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted;
- 2) Making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to their investment assets.

Upon opening an account, we communicate to the custodian to forward copies of all proxies and shareholder communications relating to the investment assets in client account(s). Clients may contact us regarding any questions they have regarding any specific proxy or shareholder communication they receive.

Item 18 – Financial Information

Under no circumstances will we earn fees in excess of \$1,200 and billed 6 months or more in advance. Therefore, we are not required to include a financial statement in this document. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.

ANY QUESTIONS: Gemmer's Chief Compliance Officer, Mario Hernandez, remains available to address any questions regarding this Part 2A.