

Aviance Capital Management, LLC
Part 2A of Form ADV
The Brochure

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This Brochure provides information about the qualifications and business practices of Aviance Capital Management, LLC (the “Registrant”). If you have any questions about the contents of this Brochure, or if you would like to request a copy of the Brochure free of charge, please contact Aviance’s Chief Compliance Officer (“CCO”) at tkoncick@aviancecapital.com or 941-724-8667. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Aviance is a registered investment adviser. Registration of an investment adviser does not imply any certain level of skill or training. Additional information about Aviance is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This ADV Part 2A Brochure is materially amended to reflect:

Aviance Capital Management, LLC is now 100% owned by Edward Bertelsen, Managing Member and CEO, and Christian Bertelsen, Member and President. Michael Dixon is no longer an owner or Aviance's Principal Managing Member, and Global Financial Private Capital, LLC is no longer an owner.

Aviance is no longer affiliated with G.F. Investment Services, LLC, a registered broker-dealer, nor any affiliated with any registered investment adviser.

Aviance continues to be a sub-adviser to Global Financial Private Capital, LLC, and Aviance is managing assets of \$2,324,399,289 as of December 1, 2016.

The Other than Annual Updating Amendment filing on June 21, 2016, was materially amended as follows:

Aviance has appointed Teresa Koncick as Chief Compliance Officer.

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Item 4 - Advisory Business

- A. Aviance Capital Management, LLC (the “Registrant”) is a limited liability company formed on November 3, 2006 in the State of Florida. Aviance became registered as an investment adviser firm in January 2007. Aviance Capital Management, LLC is equally owned by Edward Bertelsen, Managing Member and CEO, and Christian Bertelsen, Member and President.
- B. As discussed below, Aviance offers to its clients (other investment advisers, trusts, estates, and charitable organizations, etc.) investment advisory services on a discretionary basis. Aviance does not provide financial planning or any related consulting services.

INSTITUTIONAL DISCRETIONARY INVESTMENT MANAGEMENT

Aviance’s investment advisory services are currently limited to institutional discretionary investment management, primarily for institutional equity and fixed-income assets. Through rigorous stock selection, effective risk control and cost efficient trading, Aviance offers innovative equity and fixed-income products utilizing domestic (U.S.), international and global investment strategies. In so doing, Aviance endeavors to understand and anticipate its clients’ needs and to develop flexible ways to meet those needs. To the extent that Registrant is engaged to provide discretionary investment management services on a fee-only basis, the Registrant shall charge an annual investment management fee that shall be based upon a percentage (%) of the market value of the assets placed under Aviance’s management.

MISCELLANEOUS

No Financial Planning or Non-Investment Consulting/Implementation Services. Aviance does not provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Aviance does not serve as an attorney, accountant, or insurance agency, and no portion of its services should be construed as legal, accounting, or insurance brokerage services. Accordingly, Aviance does not prepare estate planning documents, tax returns or sell insurance products.

Please Note: Inverse/Enhanced Market Strategies. Aviance may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Aviance, in writing, not to employ any or all such strategies for their accounts.

Please Note: Limitations of Sub-Advisory Services. Aviance serves as a sub- adviser to registered investment advisers according to the terms and conditions of a written SubAdvisory Agreement. With respect to its sub-advisory services, the investment advisers that engage the Firm’s sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for Aviance’s designated investment strategies and/or programs. If the custodian/broker-dealer is determined by the investment adviser, Aviance will be

unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Registrant. Higher transaction costs adversely impact account performance. Aviance's Chief Compliance Officer, Teresa Koncick, remains available to address any questions concerning Aviance's sub-advisory arrangements.

Trade Error Policy. Registrant shall reimburse accounts for losses resulting from Aviance's trade errors. Gains and losses from trade errors not resulting from Aviance are subject to the trade error policy of the custodian.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Aviance if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of Aviance's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement.

- C. Aviance shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Aviance shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Aviance's services.
- D. Aviance does not participate in a wrap fee program.
- E. As of December 1, 2016, the Registrant had \$2,324,399, 289 in assets under management on a discretionary basis.

Item 5 - Fees and Compensation

A.

INSTITUTIONAL DISCRETIONARY INVESTMENT MANAGEMENT

If a client determines to engage Aviance to provide discretionary investment advisory services on a fee-only basis, Aviance's annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under Aviance's management. Registrant's fee shall generally be 30 basis points on fixed- income securities and 65 basis points on equity securities.

SUB-INVESTMENT MANAGER

Clients may elect to have Aviance's advisory fees deducted from their custodial account. Both Registrant's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Aviance's investment

advisory fee and to directly remit that management fee to Aviance in compliance with regulatory procedures. In the limited event that Aviance bills the client directly, payment is due upon receipt of the Registrant's invoice. Aviance shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter or quarterly in arrears.

As discussed below, Aviance does not recommend broker-dealers or custodians. However, the client should note that broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed-income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Tradeaway Fees. When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by the account custodian.

In addition to tradeaway transactions, Aviance utilizes various broker-dealer counterparties to assist with trade execution, with the objective of obtaining best/better execution (i.e., enhanced liquidity/complete fills vs. fills over various days, better overall price/cost of execution). In such an event, both the broker-dealer counterparty and the account custodian will be compensated.

Asset-Based Fees versus Transaction-Based Fees: Custodians are compensated for their services which include, but are not limited to execution, custody and reporting. Custodians can charge a fixed percentage fee for their services based upon the dollar amount of the assets placed in their custody and/or on their platform (for example: if Schwab was to charge an annual 0.10% of the market value of the client assets in its custody, the fee would include the execution of all account transactions). This is referred to as an "AssetBased Fee." In the alternative, rather than a fixed percentage fee based upon the market value of the assets in its custody, Custodians could charge a separate fee for the execution of each transaction. This is referred to as a "Transaction-Based Fee." Under a Transaction Based fee, the amount of total fees charged to the client account for trade execution will vary depending upon the number of transactions that are placed for the account. To the extent that a client engages a custodian utilizing Asset-Based pricing, Aviance will periodically conduct a review of total costs incurred to confirm that Asset-Based pricing continues to be beneficial for the client. Prior to engaging a custodian, regardless of pricing (Asset-Based versus Transaction-Based), the client will be required to execute a separate agreement with the custodian agreeing to such pricing/fees. The fees charged by custodians are separate and in addition to the advisory fee payable by the client to Registrant. Aviance's Chief

Compliance Officer, Teresa Koncick, remains available to address any questions that a client or prospective client may have regarding Asset-Based versus Transaction- Based pricing.

Aviance's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter or quarterly in arrears.

For institutional clients, a minimum of \$1,000,000.00 of assets under management is required for services.

Clients for which Aviance provides sub-advisory services are required to maintain a minimum of \$25,000 of assets under management with Aviance.

Aviance, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum asset requirements based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The Investment Advisory Agreement between Aviance and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, Aviance shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

Neither Aviance, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 - Performance-Based Fees and Side-by-Side Management

Neither Aviance nor any supervised person of Aviance accepts performance- based fees.

Item 7 - Types of Clients

Aviance's clients shall generally include other investment advisers on a sub-adviser basis, investment companies, trusts, estates, and charitable organizations.

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

A. Aviance shall utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Aviance shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. 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 Aviance) will be profitable or equal any specific performance level(s).

- B. Aviance's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Aviance must have access to current/new market information. Aviance has no control over the dissemination rate of market information; therefore, unbeknownst to Aviance, certain analyses may be compiled with outdated market information, severely limiting the value of Aviance's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Aviance's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter -term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by Aviance in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Aviance may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential ***conflict of interest*** whereby the client's decision to employ margin may correspondingly increase the management fee payable to Aviance. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Aviance shall be with the intent of offsetting/ "hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by Aviance is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Aviance, in writing, not to employ any or *all such strategies* for his/her/their/its accounts.

- C. Currently, Aviance allocates client investment assets primarily among various individual equity and fixed-income securities, mutual funds and/or ETFs (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary basis in accordance with the client's designated investment objective(s).

Item 9 - Disciplinary Information

Aviance has not been the subject of any disciplinary actions.

Item 10 - Other Financial Industry Activities and Affiliations

- A. Neither Aviance, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

- B. Neither Aviance, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Aviance has no other relationship or arrangement with a related person that is material to its advisory business.
- D. Other than an investment management fee, Aviance does not receive, directly or indirectly, compensation from investment advisers that it recommends or selects for its clients.

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

- A. Aviance maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Aviance also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Aviance or any person associated with Aviance.

- B. Neither Aviance nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which Aviance or any related person of Registrant has a material financial interest.
- C. Aviance and/or representatives of Aviance may buy or sell securities that are also recommended to clients. This practice may create a situation where Aviance and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Aviance did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Aviance's clients) and other potentially abusive practices.

Aviance has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." Aviance's securities transaction policy requires that Access Person of Aviance must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with an annual written report of the

Access Person's securities holdings and a quarterly report of transactions within 30 days of the end of the calendar quarter.

- D. Aviance and/or representatives of Aviance may buy or sell securities, at or around the same time (but not prior to client trades) as those securities are recommended to clients. This practice creates a situation where Aviance and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, Aviance has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 -Brokerage Practices

- A. Aviance does not generally recommend a particular broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Aviance to use a specific broker-dealer/custodian). Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

The factors that Aviance considers in recommending any broker-dealer/custodian to clients include historical relationship with Aviance, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with Aviance's duty to obtain best execution, a client may pay a commission that is higher than another qualified brokerdealer might charge to effect the same transaction where Aviance determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated brokerdealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. Aviance's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Soft Dollar Arrangement

Factors that Aviance considers in recommending a particular broker- dealer/custodian to clients include historical relationship with Aviance, financial strength, reputation, execution, pricing, research, and service.

In return for effecting securities transactions through a designated broker- dealer/custodian, Registrant may receive certain investment research products or services which assist Aviance in its investment decision making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934 (generally referred to as a “soft-dollar” arrangement). Investment research products or services received by Registrant may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications, portfolio management systems, and statistical and pricing services. Although the commissions paid by Registrant’s clients shall comply with Aviance’s duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Aviance determines, in good faith, that the commission is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products or services that may be obtained by Registrant will generally be used to service all of Registrant’s clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client’s account. With respect to investment research products or services obtained by Aviance that have a mixed use of both a research and non-research (i.e., administrative, etc.) function, Registrant shall make a reasonable allocation of the cost of the product or service according to its use - the percentage of the product or service that provides assistance to Aviance’s investment decision-making process will be paid for with soft dollars while that portion which provides administrative or other non-research assistance will be paid for by Aviance with hard dollars. The brokerage commissions or transaction fees charged by the designated brokerdealer/custodian are exclusive of, and in addition to, Registrant’s investment management fee.

Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from a broker-dealer/custodian, investment platform, unaffiliated investment manager, and/or mutual fund sponsor, without cost (and/or at a discount), support services and/or products, certain of which assist Aviance to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Aviance may be investment-related research, pricing information and market data,

software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist Aviance in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Aviance to manage and further develop its business enterprise.

Registrant's clients will not pay more for investment transactions effected and/or assets maintained at the broker-dealer/custodian as a result of any such arrangement. There is no corresponding commitment made by Aviance to any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

2. Aviance does not receive referrals from broker-dealers.
3. Aviance does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. Aviance's Chief Compliance Officer, Teresa Koncick, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that Aviance provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Aviance decides to purchase or sell the same securities for several clients at approximately the same time. Aviance may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Aviance's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Aviance shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. Aviance conducts account reviews on an on-going weekly basis to ensure that they are consistent with model portfolios. For those clients to whom Registrant provides subadviser investment supervisory services, account reviews of underlying accounts are conducted on an ongoing basis by a third party investment adviser and/or its representatives. All investment supervisory clients are advised that it remains their responsibility to advise Aviance of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with Aviance on an annual basis.
- B. Aviance may conduct account reviews on another than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Aviance may also provide a written periodic report or factsheets that focus on asset allocation and portfolio performance for each of the portfolios run by Aviance.
- D. Members of the portfolio management group review model portfolios to measure how each sector or sub-set of the portfolio is performing relative to its benchmark(s). Particular attention is given to continued suitability of securities in relation to portfolios' investment objectives, performance of individual investments and changes in company fundamentals, industry outlook, market outlook, price levels, and asset allocation policy changes.

Item 14 - Client Referrals and Other Compensation

- A. As referenced in Item 12.1 above, Aviance may receive an indirect economic benefit from broker-dealers and/or custodians. Aviance, without cost (and/or at a discount), may receive support services and/or products from broker-dealers and/or custodians.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained with broker-dealers and/or custodians as result of this arrangement. There is no corresponding commitment made by Aviance to broker-dealers and/or custodians or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement. Aviance's Chief Compliance Officer, Teresa Koncick, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. Aviance does not compensate, directly or indirectly, any person, other than its representatives for client referrals.

Item 15 - Custody

Aviance shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Aviance may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that Aviance provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Aviance with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of Aviance's advisory fee calculation.

Item 16 - Investment Discretion

The client can determine to engage Aviance to provide investment advisory services on a discretionary basis only. Prior to Aviance assuming discretionary authority over a client's account, client shall be required to execute Investment Advisory Agreement, naming Aviance as client's attorney and agent in fact, granting Aviance full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name for found in the discretionary account.

Clients who engage Aviance on a discretionary basis may, at any time, impose restrictions, in writing, on Aviance's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Aviance's use of margin, etc.).

Item 17 - Voting Client Securities

Aviance has retained the services of Institutional Shareholder Services ("ISS"), an independent proxy-voting service provider, to provide research, recommendations and other proxy voting services for client Proxies. Absent a determination by Aviance to override ISS's guidelines and/or recommendations, Aviance will vote all client Proxies in accordance with ISS guidelines and recommendations which, per their policies, vote all proxies in the best economic interest of our clients. Aviance also retains ISS for its turnkey voting agent service to administer its Proxy voting operation. As such, ISS is responsible for submitting all Proxies in a timely manner and for maintaining appropriate records of Proxy votes. Clients may elect not to engage Aviance to vote Proxies on their behalf. Clients may contact Aviance's Chief Compliance Officer with questions and information about how Aviance voted proxies.

Item 18 -Financial Information

- A. Aviance does not solicit fees of more than \$1,200, per client, six months or more in advance.

- B. Aviance is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Aviance has not been the subject of a bankruptcy petition.