



## **Part 2A Appendix 1 of Form ADV:**

### **Wrap Fee Program Brochure**

**Packerland Brokerage Services, Inc.**

432 Security Blvd.

Green Bay, WI 54313-9709

Telephone: (920) 662-9500

Email: [aarond@pbshq.com](mailto:aarond@pbshq.com)

Web Address: <https://www.packerlandbrokerage.com>

March 21, 2024

This wrap fee program brochure provides information about the qualifications and business practices of Packerland Brokerage Services, Inc. If you have any questions about the contents of this brochure, please contact Packerland at (920) 662-9500 or [aarond@pbshq.com](mailto:aarond@pbshq.com). 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. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Packerland Brokerage Services, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The firm's CRD number is 37031.

## **Item 2. Material Changes**

The material changes since the March 29, 2023 annual update include:

1. While Packerland offers other advisory services programs through its relationship with Hilltop (and Hilltop's use of a third party platform, Envestnet), Packerland only sponsors the Asset Advisory Account services ("AAA") program. In Item 4, Packerland disclosed that it stopped accepting new accounts in the AAA program as of January 1, 2023 and will eliminate the AAA program on or about June 30, 2024. Packerland also disclosed that any assets remaining in the AAA Program after that date will be automatically converted into a brokerage account at Packerland on or about July 1, 2024. Finally, Packerland disclosed that once the account is converted into a brokerage account, Packerland will no longer be acting in a fiduciary capacity with respect to that account.

You may request a copy of this brochure by contacting us at (920) 662-9500, emailing us at [aarond@pbshq.com](mailto:aarond@pbshq.com), or download it from our website at [www.packerlandbrokerage.com](http://www.packerlandbrokerage.com) or the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

<b>Item 3. Table of Contents</b>	<b>Page</b>
Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Services, Fees and Compensation	4
Item 5. Account Requirements and Types of Clients	15
Item 6. Portfolio Manager Selection and Evaluation	16
Item 7. Client Information Provided to Portfolio Managers	23
Item 8. Client Contact with Portfolio Managers	23
Item 9. Additional Information	23

#### **Item 4. Services, Fees and Compensation**

##### **Services:**

A wrap fee program is an advisory program under which a specified fee or fees, not based directly on transactions in the client's account, is charged for advisory services, which may include portfolio management or advice concerning the selection of other investment advisers and the execution of the client's transactions. However, clients with accounts in a wrap fee program could be charged various clearing fees, exchange fees, platform fees, postage, handling, custodial fees and other charges on transactions involving the account.

This Wrap Fee Program Brochure is limited to describing the services, fees, and other necessary information the clients should consider prior to becoming a client within the Wrap Fee Program sponsored by Packerland Brokerage Services, Inc. ("Packerland" or the "Firm"). For a complete description of the other services and fees offered by Packerland, clients should refer to its Form ADV Part 2: Firm Brochure (the "Firm Brochure"), which is herein incorporated by reference. You may obtain a copy of the Firm Brochure by contacting Aaron A. Doelger, Chief Compliance Officer of Packerland, at (920) 662-9500 or via email at [aarond@pbshq.com](mailto:aarond@pbshq.com). Alternatively, you may download a copy of the Firm Brochure by accessing the Disclosures section in the footer of the company website at <https://www.packerlandbrokerage.com>

Please note that the Packerland Wrap Fee Program is distinct and different from Packerland's Solicitor's Program, wherein the Firm and its investment adviser representatives assist their clients in the selection of a third-party money manager as the registered investment adviser and investment manager for the clients' portfolios. If you would like to know more about the Solicitor's Program, please review the Firm Brochure.

You should also note that Packerland offers other advisory programs on a wrap fee basis that are sponsored by other registered investment advisers. For example, Packerland offers wrap fee programs sponsored by its custodian, Hilltop Securities, Inc. ("Hilltop"), a registered investment adviser. In these programs, Packerland will act as co-fiduciary, along with Hilltop, for all accounts using any of these advisory programs. These advisory programs also utilize the platform sponsored by Envestnet, Inc., another registered investment adviser (these advisory programs are hereinafter referred to as "Advisory Programs Using Envestnet through the Hilltop Platform"). These programs are generally described in the Firm Brochure, but are more specifically described in Hilltop's Form ADV, Part 2 and Hilltop's Appendix 1 to Form ADV (the "Hilltop Disclosure Documents"). Hilltop distributes the Hilltop Disclosure Documents to all participants that desire to enter into the Program. Clients should consult the Hilltop Disclosure Document if they are participants in the Hilltop Programs.

### Asset Advisory Account (AAA)

Packerland sponsors the Asset Advisory Account (the "AAA"), a wrap fee program of which Hilltop is the custodian. As discussed in Packerland's Firm Brochure, Packerland made the decision to terminate the AAA Program as of June 30, 2023 and has not accepted any new AAA accounts since January 1, 2023. While Packerland will no longer be accepting new accounts in 2024, clients currently in the AAA program had been notified and advised to determine whether it would be in their best interest to allocate the funds currently in the AAA Program to (i) a similar program using Envestnet through the Hilltop platform (as described below) or (ii) another Packerland program. Since this AAA program will be fully terminated on June 30, 2024, Clients currently in the AAA program should discuss this with their IARs (including the termination date) and allocate all assets currently in the AAA program to another Packerland advisory program or brokerage program before the AAA program is closed and no longer available. If Clients in the AAA program have not provided their IARs with a direction to move their assets to another Packerland advisory program, the assets in the AAA Program will be converted to a Packerland brokerage account as of July 1, 2024 and Packerland will no longer be acting as a fiduciary for the brokerage account.

Clients in the AAA Program, which is terminating on June 30, 2023, are aware that Packerland and its investment adviser representatives ("representative") provide investment advice, portfolio monitoring and performance reporting services for an annual fee, which is based on the value of the assets held in an account established under the AAA Program. After receiving advice or recommendations from Packerland and its representatives, clients who participate in the AAA Program will utilize the AAA Program to make his or her own determination regarding the investments that are best suited to meet the client's goals and objectives. All investment decisions are the sole responsibility of the client. The AAA Program is generally not discretionary in nature (unless otherwise indicated) and the Packerland representative will not make independent investment decisions without first consulting with the client and obtaining client approval to execute the investment advice being provided.

Packerland and/or Hilltop will also provide various administrative services which include determining, at least quarterly, the fair market value of assets held in the client's AAA Program account(s) and producing a quarterly portfolio performance report for the client. The quarterly performance report will detail account assets and summarize receipts and disbursements of funds, interest and dividends received and account gain or loss for the total account.

It is important to note that Packerland will not take possession of, or maintain custody of, the client's funds or securities, but shall simply monitor the holdings within the portfolio and make trades within the portfolio pursuant to the authorization granted by the client. Possession and custody of said funds and/or securities shall be maintained by Hilltop.

## ERISA Accounts

If the wrap fee account is established with respect to an individual retirement account or a retirement plan subject to the provisions of the Internal Revenue Code of 1986, as amended (the "IRC"), or the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, certain investments may be prohibited. For example, cross agency trades, principal trades or trades in which Packerland is acting as "agent for another" when dealing with the client's account are generally not permitted. No such transactions shall be permitted unless the client is separately notified of such transaction and gives consent prior to the completion of such transaction. In addition, Packerland shall comply with ERISA prohibited transactions or obtain any required ERISA prohibited transaction exemptions.

## Other Wrap Fee Programs

Packerland's Firm Brochure describes other wrap fee programs utilized by the Firm, which are sponsored by other parties. The Firm Brochure provides a general description of these wrap fee programs sponsored by other parties. If you would like further information about these wrap fee programs that are not sponsored by Packerland, please advise your representative and he or she will advise you about these programs and provide you with their wrap fee program brochures.

## **Fees:**

Packerland's fees for participation in its wrap fee programs are generally described in Item 5 of the Firm Brochure under *Investment Management Services* for the various advisory programs offered by Packerland, including wrap fee programs it sponsors.

## Asset Advisory Account

Participants in the AAA Program agree, via the Investment Advisory Services Agreement (the "Agreement") to pay Packerland an annual fee, assessed quarterly, for transaction execution, portfolio management and clearing services (the "Investment Management Services"). Packerland's annual fee for Investment Management Services (the "Fee") provided under this Agreement shall be a percentage of the net value of the assets under management in the AAA account (the "Account") in accordance with the negotiated fee between Packerland and the client. Notwithstanding the negotiable nature of the fee, the maximum annual fee for the AAA Program shall not exceed two and one-half percent (2.5%). No portion of Packerland's compensation shall be based on capital gains or capital appreciation of the assets except as provided for under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

As set forth in the Agreement, all AAA advisory fees are paid in advance. Thus, certain additions or withdrawals exceeding the threshold established by the custodian will cause the custodian to prorate the fees charged to the clients. Thus, the fees charged to the

clients will NOT be adjusted if there are additions or withdrawals that do NOT exceed the threshold. As of the date of this brochure, the threshold established by the custodian is \$10,000.00 for both additions and withdrawals. Clients are advised to discuss how additions or withdrawals may affect the calculation of the assets under management with their Packerland representative.

In addition to Packerland's Fee, the client shall also incur, relative to certain securities purchases, charges imposed directly at the securities level (e.g. mutual fund advisory fees and other fund expenses).

The client may also incur charges for other account services provided by Packerland or Hilltop. Please consult with your representative regarding specific charges that you would incur as a result of opening an Account with Packerland.

### How are Fees Charged?

#### *Accounts Initially Opened as a Brokerage Account*

It is important to note that the client accounts in a wrap fee program and its associated fees will not be in effect until after the account is approved as an advisory account, even if the originally intent was to open an advisory account. Packerland will open all client accounts initially as a brokerage account and fees associated with the establishment of that account will be consistent with the fees associated with a brokerage account until the account has been approved as an advisory account. Thus, until the account has been approved as an advisory account, with the Agreement signed by both Packerland and its custodian, normal brokerage fees, including transaction costs and commissions will be assessed to the account. This would include any sales of securities to meet eligible securities standards that may be imposed by certain portfolio managers to meet the guidelines set by the portfolios.

#### *Asset Advisory Account*

The annual fee for Investment Management Services shall be paid on a calendar quarterly basis, in advance, based upon the value of the client's account in the AAA Program (the "Account"), net of any AAA fee exempt investments, as determined by Hilltop. No increase in the annual fee shall be effective without prior written communication with the client.

The fees are debited, by Hilltop, from the client's AAA Account in accordance with the terms stated in the advisory agreement, and Hilltop will remit such fee to Packerland in accordance with required regulatory procedures.

Clients deciding to pay Packerland directly for its services should advise their representatives of this fact and arrange for direct billing. Clients paying Packerland's fee directly shall note that the Packerland fee is due and payable upon receipt of Packerland's billing invoice.

### What services are covered by the Program fees?

Packerland and its representatives will provide the client, upon acceptance of the client's wrap fee account, Investment Management Services, including portfolio reviews and recommendations. Packerland and/or the custodian will also provide various administrative services which include determining the fair market value of assets held in the client's account at least quarterly and producing a quarterly report for the client, detailing account assets and summarizing receipts and disbursements in the Account, interest and dividends received and account gain or loss for the Account. Packerland will not take possession of, or maintain custody of, the client's funds or securities but shall simply monitor the holdings and make trades within the portfolio pursuant to the authorization granted by the client. Possession and custody of said funds and/or securities shall be maintained by the custodian.

### What services are **not** covered by the Program fees?

#### *Asset Advisory Account*

The AAA fees do not cover brokerage fees to the extent that (i) trades were made prior to the Account being accepted by both Packerland and its custodian and (ii) trades are conducted through brokers or dealers other than Packerland or Hilltop (see discussion regarding Stepped-Out Trades in Item 5 of the Firm Brochure), and (iii) custody charges if the client uses an entity other than Hilltop as the custodian.

Clients should also note that, under its current fee schedule which is effect as of the date of this brochure, Packerland may charge additional clearing fees, exchange fees, postage, handling and other charges on transactions involving the Account in accordance with the schedule then in place at the time if the client goes over a 150% account turnover rate. Clients should consult their representative as to the current fee as the fee schedule may be subject to change at the sole discretion of Packerland.

The AAA fees do not include expenses of mutual funds and ETFs such as fund management fees, which are charged to each fund directly, with an impact on the net asset value to each of the fund's investors. Mutual funds contain internal expenses which are separate and apart from, and in addition to, AAA fees and are generally described in the respective funds' prospectuses. Generally, Packerland, in selecting the funds to purchase on behalf of the client, will select the best share class available for the clients, which generally would not pay any distribution fee, such as those assessed pursuant to SEC Rule 12b-1 of the Investment Company Act of 1940, as amended ("12b-1 fees"). In the AAA program, Hilltop, as custodian for Packerland, has an automated program which would refund these 12b-1 fees back to the client.



Clients should take note of the information contained in Item 5 of the Firm Brochure under Investment Management Services.

### Other Fees and Expenses

Clients may incur charges for other account services provided not directly related to the execution and clearing of transactions, including, but not limited to, Individual Retirement Account ("IRA") custodial fees, safekeeping fees, wire transfer fees, interest charges on margin loans, exchange fees, fees for transfers of securities, SEC fees and any and all fees other than commissions or advisory fees for the purchase and sale of securities, the fees of the custodian and reporting services.

### Advisory Fees in General

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees. Clients should also note the information contained in Item 5 of the Firm Brochure under General Information.

### Limited Prepayment of Fees

As a registered investment adviser, Packerland does not require or solicit payment of fees in excess of \$1,200.00 more than six months in advance of services rendered.

### Additional Information about Program fees

Once the participant's account has been approved as an account under the wrap fee programs, the participant receives investment advisory services, the execution of securities brokerage transactions through the custodial broker, and custody and reporting services for a single specified program fee. Clients are cautioned that, depending on the level of fees charged by the executing broker-dealer and the amount of portfolio activity in the clients' accounts, the value of the services provided under each program may exceed the total cost of such services had they been provided separately. In addition, the fees may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

### ***General Information:***

#### Termination of the Advisory Relationship

Packerland and/or the client may terminate the Agreement for the wrap fee programs at any time and for any reason, by providing written notice of such election to the other party. This agreement will also terminate automatically upon receipt by Packerland or Hilltop of legal notice of the death of the client. Termination of this agreement will not affect the client's liability or responsibility with regard to transactions for the client's account(s) in the

wrap fee programs and the client agrees to be responsible for any commissions, fees or expenses prior to or after such termination.

Transaction processing charges paid to Packerland are not subject to refund in the event of termination of the agreement because they will be incurred at the time a service is performed. Upon request, prior to transfer of assets, all fees due under the agreement at termination will be deducted from the client's account(s) in the wrap fee programs before assets are delivered from the account. The client may also terminate the agreement within five (5) business days of the effective date. If the client elects to terminate the agreement within the five (5) business days of the effective date, Packerland will make an adjustment to its fee process such that the client would not be paying a fee for Packerland's services.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded within 30 days. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

#### Grandfathering of Minimum Account Requirements

Advisory clients are subject to Packerland's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, Packerland's minimum account requirements may differ among clients.

#### ERISA Accounts

Packerland offers non-discretionary investment advisory services and administrative services (each a form of "Retirement Plan Services") that are designed to assist plan sponsors of employee benefit plans ("Sponsor(s)"). When providing any non-discretionary investment advisory service, Packerland will solely be making investment recommendations to the Sponsor and the Sponsor retains full discretionary authority or control over assets of the Plan. Packerland agrees to perform any non-discretionary investment advisory service to the Plan, as a fiduciary, as defined in ERISA Section 3(21)(A)(ii) and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances.

When providing any administrative service, Packerland may support the Sponsor with Plan governance and committee education, vendor management and service provider selection and review, investment education or provide Plan participant non-fiduciary education services. Packerland agrees to perform any administrative service solely in a capacity that would not be considered a fiduciary under ERISA or any other applicable law.

#### Custody

Clients should note that by signing the Agreement, they have directed the custodian to pay the advisory fee on a scheduled basis without any additional prior notice. All account assets, transactions, and advisory fees will be shown on the monthly or quarterly

statements provided by the custodian. As part of this billing process, the client's custodian is advised of the applicable fee schedule so the custodian can calculate the amount to be deducted from that client's account for the investment advisory fee. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian calculates the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact Packerland directly if they believe that there may be an error in their statement.

When performing retirement plan services, custody of all retirement plan assets will be maintained with a third-party custodian selected by the Sponsor, and the retirement plan recordkeeping will be provided by a third-party recordkeeper selected by the Sponsor. We will not serve as a custodian of a retirement plan for which we provide advisory or investment management services.

Packerland does not have actual or constructive custody of client accounts. To the extent that Packerland acts as Trustee for certain accounts, Packerland may have "inadvertent custody" of certain accounts. In those cases, an independent audit will be done.

### Investment Discretion

Clients may hire Packerland to provide discretionary asset management services, in which case it place trades on a client's behalf without contacting the client prior to each trade to obtain the client's permission. Packerland's discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell.

Clients give Packerland discretionary authority when they sign an investment advisory agreement and select the discretionary option. Clients may limit this authority by giving Packerland and its investment adviser representatives with written instructions. Clients may also change or amend such limitations by once again providing Packerland and its investment adviser representatives with written instructions.

### Brokerage Practices

Packerland does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

In addition to being a registered investment adviser, Packerland is also registered as a broker-dealer and is a member of the Financial Industry Regulatory Authority ("FINRA").

As a matter of policy and practice, Packerland does not generally execute client trades on a block trade basis and, therefore, implements client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisors who utilizes block trades for clients.

### ***Compensation:***

Packerland, in addition to being a registered investment adviser, is registered as a broker-dealer and is a member of FINRA. Since the investment adviser representative is also a registered representative of Packerland's broker-dealer, the investment adviser representative will receive compensation in the form of a portion of all advisory fees paid to Packerland pursuant to the Agreement. Further, the investment adviser representative may also be a registered securities representative affiliated with Packerland. In that capacity, the registered representative may provide securities brokerage services through Packerland which involve securities not transacted in the client's AAA account pursuant to the terms and conditions of this agreement. Such securities transactions may result in a commission to be paid to Packerland and, if so, the affiliated registered representative will receive a portion of said commission.

Unless specifically excluded by the terms of the Agreement, account balances in the money market funds are included as part of the account. Consequently, any asset-based fees owed under the Agreement will be based, in part, on the balances in these investments. In addition, the custodian may serve as adviser, distributor, or administrator to the money market funds and receive compensation for those services. The money market funds may also pay shareholder servicing, shareholder communication, sub-accounting, and 12b-1 fees and charges to the custodian, as well as fees for the execution of purchases of fund shares, or for trade clearance, settlement, custodial or other functions ancillary thereto. These fees and charges are expenses of the money market funds, which the client will bear, indirectly, as a fund shareholder. Some money market funds make a "Distribution Payment" to the clearing firm utilizing their funds as the investment vehicle for overnight cash sweep accounts. Some clearing firms will pay a portion of the Distribution Payments they receive to their participants. Packerland has advised its clearing firm that it does not want to be a recipient of any Distribution Payments and such Distribution Payments should be rebated back to the client. Similarly, Packerland has caused its clearing firm to establish an automated program which will capture any 12b-1 fees which would normally be payable to Packerland and rebate those 12b-1 fees back to its clients.

Packerland and the custodian are permitted to route, within the AAA Program, client orders for over-the-counter and listed equity securities to selected market makers or market centers for execution. While they have an obligation to provide best execution services to the client, the client should note that both entities may receive compensation in the form of a per-share cash payment for directing order flow to these market makers or market centers.

Some transactions executed for an AAA account may be effected in the secondary or third market. In this event, Packerland and/or Hilltop may receive other remuneration or compensation and will furnish the source and amount upon written request.

Depending on the fee percentage charged, the trading activity and types of securities utilized in the client's wrap fee account, the total costs to the client will be more or less than the client would incur if the client paid separately for investment advice, brokerage and other services provided by each program. Packerland may, therefore, have a financial incentive to recommend these programs over other services offered by Packerland.

Various vendors, product providers, distributors and others may provide non-monetary compensation by providing training, education and publications that may further Packerland's employees' skills and knowledge. Some vendors may occasionally provide Packerland with gifts, meals and entertainment of reasonable value consistent with industry rules and regulations. Packerland may, in accordance with its compliance policies and its code of ethics, accept reasonable lodging and/or travel expenses from third parties related to educational seminars (including those regarding products it recommends); reimbursement of its reasonable lodging, travel expenses and costs related to its due diligence investigations; and/or third-party payment of its conference fee costs or fees to attain professional designations. The existence of these gifts, meals and entertainment provided by these vendors and others, which are consistent with industry rules and regulations and Packerland's Code of Ethics, may create a conflict of interest that could influence Packerland and its representative to use these vendors that may have higher costs or less favorable services than other suitable alternatives which do not provide equivalent compensation to Packerland or its representatives.

### Mutual Funds

All fees paid to Packerland for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders (collectively referred to hereinafter as "mutual fund fees"). Clients should note that many mutual funds have different share classes, with some share classes paying a distribution fee to broker-dealers (a "12b-1 fee") and others that do not. Consequently, share classes that do not pay a 12b-1 fee are less expensive for clients.

The mutual fund fees and expenses, including those assessed by different mutual fund share classes, are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Packerland will generally not recommend a share class that pays a 12b-1 fee to Packerland or its broker-dealer when there is another share class with similar characteristics that does not pay a 12b-1 fee to the broker-dealer. However, in situations where the only share class that is available is a share class that pays a 12b-1 fee, Packerland and its representatives will disclose the fee to the clients and recommend that share class if that share class is in

the best interest of the client.

A client could invest in a mutual fund directly, without Packerland's services or the services of the third-party money manager. In that case, the client would not receive the services provided by Packerland which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. The client should review both the fees charged by the funds and Packerland's fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

All or a portion of the wrap fee accounts may be held in cash or cash equivalents issued by money market mutual funds. Packerland's custodian may receive fees (a "Distribution Payment") for the services provided as set forth in the prospectuses of these mutual funds. Packerland has advised its custodian that it does not want to participate in any Distribution Payments and, to the extent a Distribution Payment is made, Packerland has directed its custodian to rebate such Distribution Payment back to the client.

As part of the wrap fee programs, the client should receive of a copy of mutual fund prospectuses and the client should refer to each mutual fund prospectus for detailed information about any and all fees.

## General Fee Practices

### Asset Advisory Account

Transactions that have not settled prior to the last trading day of a calendar quarter may be included in either the current or the following calendar quarter, as determined by Packerland pursuant to its policies, procedures and practices. Fees are not charged on the basis of a share of capital gains or capital appreciation of assets in the advisory client's account (sometimes referred to as "performance-based fees"). Unless otherwise provided in the investment advisory agreement, Packerland will calculate fees on the basis of a 365-day year so that the amount payable each quarter will be based on the actual number of calendar days in that quarter. If a client terminates their account prior to the end of any quarter, they will receive a pro-rated refund, if any, of advisory fees paid in advance.

Unless otherwise limited by the custodian and subject to usual and customary securities settlement procedures, a client may make additions or withdrawals from their account at any time. Clients should understand that additions to or withdrawals from certain accounts may affect the fees for the accounts as the fees are calculated based upon the assets under management. For example, certain additions or withdrawals exceeding the threshold established by the custodian will cause the custodian to prorate the fees that are charged to the client. As of the date of this booklet, the established threshold is \$10,000.00 for both additions and withdrawals. Clients are advised to discuss how additions or withdrawals may affect the calculation of the assets under management with their Packerland representative. Additions and withdraws from certain accounts may also

create a tax liability which should be discussed with a qualified tax professional. No fee adjustment will be made for appreciation or depreciation in the value of any account during the fee calculation period. No refund or other adjustment of a fee already paid will be made as a result of a decline in value of the account (whether due to market losses or withdrawals). Adjustments to the fees are made by the custodian in the event that deposits or withdrawals exceed the established threshold set forth above for those accounts where the fees are collected in advance. In the event the investment advisory agreement is terminated within five days after its initial execution, all advisory fees will be refunded pursuant to the terms in the investment advisory agreement.

In order to seek best execution and minimize market impact, trades can be “stepped-out” in order to gain best execution and minimize market impact. In some instances, stepped-out trades are executed by the other firms without any additional commission or markup or markdown, but in other instances, the executing firm imposes a commission or a markup on the trade. If a client’s investment sub manager steps-out trade orders for the client’s account with a broker-dealer other than Packerland’s executing broker, and the other broker-dealer imposes a commission or equivalent fee on the trade (including a commission embedded in the price of the investment), the client will incur trading costs in addition to the Advisory Fee. See Item 12, Brokerage Services, below.

The client should note that by signing an investment advisory agreement, they have directed the custodian to pay the advisory fee as instructed by Packerland or any other third-party money manager on a scheduled basis without any additional prior notice. All account assets, transactions, and advisory fees will be shown on the monthly or quarterly statements provided by the custodian.

## **Item 5. Account Requirements and Types of Clients**

### ***Minimum Account Requirements:***

#### **Asset Advisory Accounts**

Participation in this program is subject to certain minimum account requirements. Generally, the minimum investment to participate in this program is \$25,000. Packerland, at its sole discretion, may allow “householding”, which utilizes the combination of various accounts within a household to meet the minimum account requirements of the AAA Program. Packerland reserves the right to amend or waive these requirements at any time. However, please note that failure to maintain certain account minimums may result in the termination of the Agreement.

AAA Program clients must use Packerland as the broker-dealer and Hilltop as the custodian in managing their account. As a condition for program participation, clients are required to direct Packerland to custody their assets with and to place trades through Hilltop. Hilltop is an unaffiliated FINRA-member broker-dealer and the clearing firm and custodian that Packerland uses for brokerage accounts. Packerland has negotiated an

arrangement with Hilltop to provide custodial and brokerage services as part of the AAA Program. As such, Packerland reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer/custodian other than Hilltop.

Please refer to the "Other Financial Industry Activities and Affiliations" section of Item 9 for additional information.

### ***Types of Clients:***

Packerland provides wrap fee program services to individuals, including high net worth individuals; trusts, estates, corporations or other businesses; charitable organizations; and Sponsors or other fiduciaries to retirement plans.

## **Item 6. Portfolio Manager Selection and Evaluation**

The Asset Advisory Account Program ("AAA Program") is a "wrap-fee" program sponsored through Packerland. This type of account acts like a simple brokerage account, where mutual funds and/or securities are held at Hilltop, Packerland's clearing firm. With this program, Packerland and its investment adviser representatives are fiduciaries and have an obligation to act in their client's best interest when providing investment advice regarding the management of client investments. As a wrap-fee arrangement, the clients pay a single fee for advisory, brokerage and custodial services. This Packerland fee, established by Packerland, will be allocated among Packerland, its representatives and any service providers, including Hilltop, in accordance with the agreement among Packerland and its service providers.

For this program, the representative interviews the client to determine the client's needs, risk tolerance, time horizon and additional suitability information, as applicable, to arrive at recommendations for the client. Under this program, Packerland will not take possession of, or maintain custody of, the client's funds or securities, but will simply monitor the holdings and make trades within the client's portfolio pursuant to the authorization granted by the client. Possession and custody of the said funds or securities will be maintained by each custodian. In this program, Packerland and its representatives provide investment advice and portfolio monitoring and performance reporting services. After receiving advice or recommendations from Packerland and its representatives, the clients who participate in these programs will utilize these programs to make his or her own determination regarding the investments that are best suited to meet the client's goals and objectives. Clients have the ability to place reasonable restrictions on the management of the account. All investment decisions are the sole responsibility of the client. These programs are generally not discretionary in nature (unless otherwise indicated) and the representative will not make independent investment decisions without first consulting with the client and obtaining agreement with the investment advice being provided.

Clients should be aware that the receipt of additional compensation by Packerland and its representatives creates a conflict of interest that may impair the objectivity of our firm and



these individuals when making advisory recommendations. Packerland endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser.

Additionally, Packerland and its representatives may have a financial incentive to recommend a wrap-fee program over other programs or services that might meet the needs of their clients at a lower cost (such as, mutual funds, ETFs, or fee plus commission arrangements). For example, clients that have a low trade volume may have less cost associated with a regular brokerage account rather than a wrap-fee advisory account. Clients should be aware that their advisers role is different, however, since the adviser has a fiduciary duty with respect to the advisory account and a lesser standard in brokerage accounts.

Please note that the amounts charged to the client's account for services, fees, expenses, or costs that Packerland has performed, incurred, advanced, or paid on the client's behalf (whether or not billed to the client, the account, or Packerland) will include a reasonable profit, unless prohibited under the investment advisory agreement or applicable laws, regulations, or rules. The existence of this profit may create a conflict of interest that could influence Packerland to recommend opening or maintaining accounts that may have higher costs or less favorable services than other suitable alternatives which do not provide equivalent compensation to Packerland or its representatives.

### Retirement Plan Accounts

Through the programs listed above, accounts for retirement plans may be established to provide non-discretionary or administrative services. Each of these services is designed to assist plan sponsors of employee benefit plans ("Sponsor" or "Sponsors" as the case may be).

When providing any non-discretionary investment advisory services, Packerland will solely be making investment recommendations to the Sponsor, and the Sponsor retains full discretionary authority or control over assets of the retirement plan. Packerland agrees to perform any non-discretionary investment advisory services to the retirement plan, as a fiduciary, as defined in ERISA Section 3(21)(A)(ii) and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances.

When providing any administrative services, Packerland may support the Sponsor with plan governance and committee education; vendor management and service provider selection and review; investment education; or provide plan participant non-fiduciary education services. Packerland agrees to perform any administrative services solely in a capacity that would not be considered a fiduciary under ERISA or any other applicable law.

### Advisory Services in General

For the programs discussed above, our investment recommendations may include advice regarding the following securities:

- Exchange-listed securities
- Securities traded in the over-the-counter markets
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Other alternative investments

Because some types of investments involve certain additional degrees of risk, they will only be recommended and/or implemented if and only if they are consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### Performance-Based Fees and Side-by-Side Management

Performance-based fees are fees in which representatives are compensated based on a share in capital gains or capital appreciation of assets in a client account. Packerland does not permit its representatives to charge performance-based fees and it does not charge performance-based fees.

## Methods of Analysis, Investment Strategies and Risk of Loss

Packerland's investment adviser representatives may use one or more the following methods of analysis in formulating its investment advice and/or managing client assets:

### *Charting*

In this type of technical analysis, Packerland reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

### *Fundamental Analysis*

Packerland attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

### *Technical Analysis*

Packerland analyzes past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

### *Cyclical Analysis*

In this type of technical analysis, Packerland measures the movements of a particular stock against the overall market in an attempt to predict the price movement of the security price or earnings per share and predict changes to that data. A risk in using cyclical analysis is that the models used may be based on assumptions that prove to be incorrect.

### *Qualitative Analysis*

Packerland subjectively evaluates non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

### *Asset Allocation*

Rather than focusing primarily on securities selection, Packerland attempts 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.

### *Mutual Fund and/or ETF Analysis*

Packerland looks 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. Packerland also looks at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. Packerland also monitors 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 Packerland does 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 holding(s) less suitable for the client's portfolio.

### *Third-Party Money Manager Analysis*

For wrap programs sponsored by parties other than Packerland, Packerland and its representatives examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers who is an approved investment manager within the Envestnet platform in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. Packerland's Representatives monitor the manager's performance as part of the Representatives' overall periodic risk assessment for suitability. Packerland will interview its Representatives and will discuss their findings with respect to the suitability of the third-party money manager. Packerland will also interview the Representatives to obtain the Representatives' impressions as to the quality of service provided by the third-party money managers and the performance of their strategy as measured against the benchmarks provided by the third-party money manager. Packerland also collects performance data of the third-party money manager and uses the data and interviews to determine whether the third-party money manager should remain on the approved platform. Packerland and its Representatives also advise their clients that the third-party money manager may not be able to replicate that success in the future.

In addition, as Packerland does not control the underlying investments in portfolios in certain programs using the Envestnet platform, there is a risk that a third-party money manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for Packerland clients. Moreover, as Packerland does not control the third-party money manager's daily business and compliance operations, it may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### *Risks for All Forms of Analysis*

Packerland's securities analysis methods rely on the assumption that the companies whose securities it purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While Packerland is alert to indications that data may be incorrect, there is always a risk that its analysis may be compromised by inaccurate or misleading information.

### Investment Strategies

Packerland uses the following strategy or strategies in managing client accounts, provided that such strategy or strategies are appropriate to the needs of the client and consistent with the client's investment. In certain strategies, increased brokerage and/or trading costs may affect investment returns.

### *Long Term Purchases*

When utilizing this strategy, Packerland purchases securities with the intent of holding them in the client's account for a year or longer. Typically, it employs this strategy when (i) it believes the securities to be currently undervalued, and/or (ii) it wants exposure to a particular asset class over time, regardless of the current projection for this class or (iii) the yield (income) of the investment is attractive and consistent with the investment objectives of our client. A risk in a long-term purchase strategy is that by holding the security for this length of time, Packerland may not take advantage of short-term gains that could be profitable to a client. Moreover, if Packerland's predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Finally, a security may at any time and without prior notice, decrease/suspend/terminate its payment of dividends, coupon payments, or returns on capital thereby decreasing the yield of stated investment.

### *Short Term Purchases*

When utilizing this strategy, Packerland purchases securities with the idea of selling them within a relatively short time (typically a year or less). Packerland does this in an attempt to take advantage of conditions that it believes will soon result in a price swing in the securities we purchase. A risk inherent in short-term purchase strategy is that if its

predictions are incorrect, a security may decline sharply in value before it makes the decision to sell. Additionally, this type of strategy may fail to realize any/all long-term price appreciation due to the high turnover rate of the securities being traded.

### *Options*

Packerland may use options as an investment strategy. Certain standardized options issued by the Options Clearing Corporation are securities, regulated by the SEC. An option is also considered a "derivative" because it derives its value from an underlying asset. The two types of options are calls and puts:

- A call gives the holder (the buyer of the call) the right to buy an asset at a certain price within a specific period of time. Packerland will buy a call if it has determined that the stock will increase substantially before the option expires.
- A put gives the holder (the buyer of the put) the right to sell an asset at a certain price within a specific period of time. Packerland will buy a put if it has determined that the price of the stock will fall before the option expires.

Packerland will use options to speculate on the possibility of a sharp price swing. Packerland will also use options to "hedge" a purchase of the underlying security; in other words, Packerland will use an option purchase to limit the potential upside and downside of a security it has purchased for a client's portfolio. Packerland uses "covered calls", in which it sells an option on a security the client owns. In this strategy, the client receives a premium for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price. Packerland uses a "spreading strategy", in which it purchases two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors.

### Risk of Loss

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal. Most securities investments are not guaranteed and the client may lose money on their investments. Packerland asks that their clients work with them to help it understand the clients' tolerance for risk.

### Voting Client Securities

As a matter of its firm policy, Packerland does not vote proxies on behalf of clients. Therefore, although Packerland may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be

voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Packerland does not offer any consulting assistance regarding proxy issues to clients.

#### **Item 7. Client Information Provided to Portfolio Managers**

Packerland's investment adviser representatives are responsible for developing an initial financial profile of the prospective client. Prior to opening an account, Packerland assists the investment adviser representative in determining a participant's profile for each wrap fee program by obtaining from the participant appropriate information (i.e., investment objectives, risk tolerance, time horizon, and any reasonable restrictions the client wishes to impose upon the management of the account). Initial investment strategy is discussed with the client based on an assessment of the information provided by the client and only implemented at the direction of the client.

While Packerland provides the client with periodic reminders, it remains the client's responsibility for the ongoing suitability of any prior determined investment strategies and/or objectives. When the Firm has knowledge of any changes in a client's suitability, Packerland will review the portfolio to determine whether the strategies remain suitable in light of those changes.

Packerland and its representatives are in regular contact with each wrap fee program client and will directly contact each wrap fee program client on a regular basis (in accordance with the client's needs and desire) to verify that there has been no change in the client's financial circumstances and/or investment objectives and determine whether the client wishes to impose any reasonable restrictions on the management of the account(s). Any such changes or requests shall be taken into consideration and appropriate adjustments to the client's portfolio will be made.

#### **Item 8. Client Contact with Portfolio Managers**

Packerland's investment adviser representatives, considered portfolio managers for the each of the program's accounts, assist in the implementation of the client's strategies and are in regular contact with the clients. There are no restrictions placed on the client's ability to meet and consult with their portfolio managers.

#### **Item 9. Additional Information**

##### ***Disciplinary Information:***

In December 2017, Packerland consented to the entry of a Cease and Desist Order ("Order") by the SEC in which Packerland was found to have violated Sections 206(2),

206(4) and 207 of the Investment Advisers Act and Rule 206(4)-7 promulgated thereunder. Packerland neither admitted nor denied the findings in the Order, in which the SEC found that Packerland failed to disclose to its advisory clients utilizing the Solicitors' Program, a financial conflict of interest that existed when Packerland's broker-dealer received 12b-1 fees in connection with the advisory clients' purchase of service class mutual fund shares when there was an investor class of the same mutual fund shares that did not pay a 12b-1 fee. Without admitting or denying the findings contained in the Order, Packerland agreed to: (i) cease and desists from committing or causing any future violations of Sections 206(2), 206(4) and 207 of the Advisers Act, as well as Rule 206(4)-7; (ii) a censure; (iii) pay an amount to each affected client which represents the full amount of the 12b-1 fees paid to the broker-dealer by the vendor for the clients' purchases at any time during the relevant period; and (iv) pay a civil penalty along with prejudgment interest.

### ***Firm Registrations:***

Broker-Dealer: In addition to Packerland Brokerage Services, Inc. being a registered investment adviser, it is also registered as a broker-dealer and a member of FINRA.

### ***Management Personnel Registrations:***

Since Packerland is dually registered as a broker-dealer and a Registered Investment Adviser, certain management personnel of the firm are also registered with its broker-dealer as registered representatives of Packerland Brokerage Services, Inc., a FINRA member broker-dealer. As registered representatives of the affiliated broker-dealer, certain individuals, in their separate capacity, can affect securities transactions for which they will receive separate, yet customary compensation. While Packerland and these individuals endeavor at all times to put the interest of the clients first as part of its fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

Packerland has established written policies and procedures for insider trading that prohibit its representatives, access persons and any other member, officer or employee of the firm, from buying, selling or recommending the securities of companies bought, sold or recommended where the decision is substantially derived, in whole or in part, by reason of access to material inside information.

Insurance Companies: Some management personnel of Packerland, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.



Third-party Party Money Managers: Packerland may recommend the services of various third-party money managers as registered investment advisers to clients who are suitable for the wrap fee program it sponsors or the wrap fee programs that are sponsored by other entities, including its clearing firm. Unless otherwise noted, the fees paid for this service (either to Packerland or its custodian) will include all fees payable to all third party vendors (but does not include fees assessed by the US Government, such as Section 31 fees).

With respect to its Solicitors Program which are managed by the third party money manager independent of Packerland, in exchange for this recommendation, Packerland receives a referral fee from these selected third-party money managers. Packerland does not charge the client any fees directly for these services, but it does receive a referral fee from the third-party money manager that is fully disclosed to the client. The fee paid to Packerland does not increase the total advisory fee paid to these third-party money managers by the client.

Currently available third-party money managers in the wrap-fee programs through the Envestnet Platform or the Solicitors Program are only those third-party money managers in which Packerland has entered into either a co-advisory agreement with Hilltop or a solicitors' agreement with the third party money manager. Packerland is aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940 in regard to Solicitor third-party money managers. As such, Packerland makes all appropriate disclosure and observed all applicable Federal and State laws regarding such referral fees.

### ***Other Information Regarding Conflicts of Interest:***

Some Packerland investment adviser representatives are dually registered with Packerland's broker-dealer. As a result, all programs offered by its representatives are conducted through Packerland's programs. Although Packerland and its representatives will recommend the best program for their clients, it is possible that the compensation received, directly or indirectly, by Packerland or its representatives for recommending a program may be more than the compensation Packerland or its representatives would receive if they recommended another program.

Some Packerland investment adviser representatives are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. As stated above, clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations, but should note that the investment adviser representatives may be recommending products or services in which they may receive additional compensation while the implementation of any or all recommendations is solely at the discretion of the client, clients should be aware that there may be other insurance products that are offered by other insurance agents at a lesser cost than those recommended by the Packerland investment adviser representative.

in his or her capacity as an independent insurance agent.

Clients should be aware that the receipt of additional compensation by Packerland and its management persons or employees creates a conflict of interest that may impair the objectivity of the Firm and these individuals when making advisory recommendations. Packerland endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser. Packerland take the following steps to address this conflict:

- Packerland has adopted and strictly adheres to a Code of Ethics, wherein, among other things, it mandates that our representatives put their clients' interests first at all times.
- Packerland discloses to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- Packerland advises its clients that they are not obligated to purchase recommended investment products from its employees or affiliated companies as that decision is entirely at their discretion;
- Packerland collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Packerland's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- Packerland requires that its employees seek prior approval of any outside employment activity so that it may ensure that any conflicts of interests in such activities are properly addressed;
- Packerland periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the firm;
- Packerland educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients; and
- Packerland conducts initial and periodic due diligence on the selected investment advisers to establish that the advisers are suitable to recommend to our clients.

## ***Code of Ethics, Participation or Interest in Client Transactions and Personal Trading:***

Packerland has adopted a Code of Ethics which sets forth high ethical standards of business conduct that it requires of its employees, including compliance with applicable federal securities laws. Packerland and its personnel owe a duty of loyalty, fairness and good faith towards its clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

Packerland's Code of Ethics includes policies and procedures for the review of ongoing transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's access persons. Among other things, Packerland's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Packerland's Code of Ethics also provides for oversight, enforcement and recordkeeping provisions.

Packerland's Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While Packerland does not believe that it has any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Packerland's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of its employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Packerland and/or individuals associated with the Firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in certain securities which may also be recommended to a client.

It is the expressed policy of Packerland that no person employed by it may purchase or sell any security immediately prior to an identical transaction(s) being implemented for an advisory account of that employee ("trading ahead"), thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. Packerland may aggregate its employee trades with client transactions where possible and when compliant with our duty to seek best execution for its clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro rata basis. In the instances where there is a partial fill of a particular batched order, Packerland will allocate all purchases pro rata, with each account paying the average price. Packerland's employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to Packerland clients, Packerland has established the following policies and procedures for implementing the Firm's Code of Ethics to ensure the Firm complies with its regulatory obligations and

provides its clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of the Firm may put his or her own interest above the interest of an advisory client;
- No principal or employee of the Firm may buy or sell securities for his or her personal portfolio(s) where his or her decision is a result of information received as a result of his or her employment unless the information is also available to the investing public;
- It is the expressed policy of the Firm that no person employed by Packerland may trade ahead of an advisory account of that employee, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts;
- The Firm currently prohibits the purchase of any initial public offering (an "IPO") or private placement investments by related persons of the Firm;
- Packerland maintains a list of all reportable securities holdings for the Firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by the Firm's Chief Compliance Officer or his/her designee;
- Packerland has established procedures for the maintenance of all required books and records;
- All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process;
- Clients can decline to implement any advice rendered, except in situations where the Firm is granted discretionary authority;
- All principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices;
- Packerland requires delivery and acknowledgement of the Code of Ethics by each supervised person of the Firm;
- Packerland has established policies requiring the reporting of Code of Ethics violations to its senior management; and

- Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of the Firm are separately registered as securities representatives of its broker-dealer, and/or are licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 and Packerland's IAR for a detailed explanation of these relationships and important conflict of interest disclosures.

A copy of the Firm's Code of Ethics may be obtained by contacting Aaron A. Doelger, Chief Compliance Officer, using the contact information provided on the cover page of this document.

### ***Review of Accounts:***

Packerland considers account reviews a continuous process, with the frequency and nature of the review dependent on various factors and situations, including, but not limited to:

- whether the account is managed on a discretionary basis,
- the buying and selling of a security,
- balancing gains/losses for tax planning,
- raising or lowering cash based on market conditions,
- investing new capital contributions, and
- adjusting overall portfolio composition to maximize returns given current market conditions.

At various times, depending on the nature and reason for the review, Packerland may review the suitability of these wrap fee programs, the securities held within the accounts and the client's particular financial resources and time horizon (Suitability Information). In addition to the compliance professionals in its home office, Packerland employs branch office managers, who are responsible for performing regular reviews of all Packerland accounts within their jurisdiction.

The number of accounts assigned to each branch office manager depends upon the size of the branch and its affiliated offices. Packerland's Compliance Department will periodically review this supervisory system and a sampling of the transactions it records to make certain that it continues to alert the branch office managers to possible procedural violations.

The representative will review the client's portfolio on a regular basis to ensure that the client remains suitable to remain a client of the selected program.

## Retirement Plan Accounts

**REVIEWS:** Packerland will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the retirement plan. Packerland will also review the investment options of the retirement plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly unless the client dictates otherwise. These accounts are reviewed by the Packerland investment adviser representative with the Sponsor, unless directed otherwise by the client. These accounts are also subject to review by Packerland's Compliance Department, as part of the Compliance Department's routine inspection of the Packerland's investment adviser representative's branch office, targeted examination of the Packerland investment adviser representative or a specific investment, routine or special surveillance program or random inspection of the Packerland investment adviser representative and/or the Packerland investment adviser representative's accounts.

**REPORTS:** Client accounts will receive reports as contracted for at the inception of the advisory relationship and in accordance with the terms set forth in the client's Investment Policy Statement.

### ***Client Referrals and Other Compensation:***

Packerland, as a matter of policy and practice, does not provide any cash compensation to any persons, *i.e.*, individuals or entities, for the referral of advisory clients to the Firm, unless the requirements of SEC Rule 206(4)-3 are met. Notwithstanding the above, Packerland may incur expenses associated with marketing potential clients, such as hosting seminars where food is served and costs associated with procuring the venue. In those cases, there are no direct payments to others for referring a client. In some cases, Packerland and its Representatives may purchase marketing lists, identifying qualified individuals for the Representatives to contact. In such cases, monetary payments are not derived from the commissions paid to Packerland or its IARs.

Packerland may derive monetary and other benefits from third parties, such as its custodian or other service providers. This would include payments from its custodian or other service providers that reflect a monetary difference between what the custodian or other service providers charges Packerland for their service and what it charges its clients (the "Packerland fee") to allow access to the services provided by the custodian or other service providers. Some of the other benefits are discussed in Packerland's Form ADV under Item 12. Brokerage Practices. Clients should discuss this with their representative.

### ***Financial Information:***

Under no circumstances will we collect fees in excess of \$500 more than six months in advance of services rendered, unless federal statutes preempt the state blue sky laws. In that case, we will not require or solicit payment of fees in excess of \$1200 more than six

months in advance of services rendered.

As an advisory firm that maintains discretionary authority for some client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Packerland has no such financial circumstances to report.

Packerland has not been the subject of a bankruptcy petition at any time during the past ten years.