



TrueNorth, Inc.

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This Brochure provides information about the qualifications and business practices of TrueNorth, Inc. ["TrueNorth" or "Adviser"]. If you have any questions about the contents of this Brochure, please contact Margaret E. Hornbeck, Senior Vice President and Chief Compliance Officer, by telephone at 316-266-6573 or by email at meh@truenorthcorp.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.

TrueNorth is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information that will help you determine whether to hire or retain the Adviser.

Additional information about TrueNorth also is available on the SEC's website at www.adviserinfo.sec.gov. You can locate our information on this site by using our unique identifying number, known as a CRD number. The CRD number for TrueNorth is **110198**.

ITEM 2 – MATERIAL CHANGES

Information provided to you in Item 2 discusses specific material changes that are made to the Brochure since it was last updated. It also provides you with a summary of such changes. The date of the last annual update of our Brochure was March 16, 2012.

The following change is effective August 22, 2012:

We have entered into an arrangement with Chicago Clearing Corporation (“CCC”) to provide you with a service that automatically files your forms for securities class-action lawsuits. CCC currently works with over 837 investment firms representing over \$618 billion in assets under management. You do not pay any fee to sign up for this service. You will not owe anything whatsoever to CCC until such time as CCC collects an award on your behalf. The fee for services provided by CCC is 20% of any amount collected. This service fee is paid by you, and it is deducted from the amount collected. The award is paid directly to you by CCC after they have deducted their 20% fee. The entire amount you pay for this service stays with CCC – we do not receive any share of the fee collected by CCC, nor do we receive revenue for making this service available to you. Clients are not required to use this service. You may instead choose to “opt-out” of this service, handle your own claims and retain 100% of any award paid to you. Existing clients were sent a letter about this service plus an “opt-out” form on August 15, 2012. New clients can authorize this service in writing when we enter into an investment advisory arrangement with you. We will then provide information to CCC about your account that is necessary to perform this service, such as holding reports. Please see Item 12 – Brokerage Practices in this Brochure for additional information about this service.

We have offered or delivered, in the past, information about our qualifications and business practices to clients on at least an annual basis. We will ensure that you receive a summary of any materials changes made to our Brochure each year. This information is sent to you within 120 days of the close of our business’ fiscal year. We may also provide other ongoing disclosure information to you about material changes, as may be applicable.

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

Our Brochure may be requested, at no cost to you, by contacting Margaret E. Hornbeck, Senior Vice President and Chief Compliance Officer, at 316-266-6573 or via email at meh@truenorthcorp.com. Our free Brochure is also available on our website at www.truenorthcorp.com.

Additional information about TrueNorth is also available to you at the SEC’s website: www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with TrueNorth who are registered, or are required to be registered, as investment adviser representatives of TrueNorth. You can search this site for information about our firm by using our CRD number: 110198.

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ITEM 4 – ADVISORY BUSINESS

OVERVIEW

TrueNorth is a registered investment advisor that specializes in providing:

- investment supervisory services (defined as giving continuous advice to a client or making investments for a client based upon his or her individual needs)
- investment consulting services (providing investment and/or financial advice on a limited basis)
- consulting services for employers on matters pertaining to qualified and non-qualified retirement plans

We provide our services to a broad range of clients including individuals, high net worth individuals, trusts, retirement plans, estates, pension and profit sharing plans, charitable organizations and corporations. Established in 1999, we are headquartered in Wichita, Kansas, with a second office in Denver, Colorado.

TrueNorth is a wholly owned subsidiary of The IMA Financial Group, Inc. ("IMA"). IMA is an employee-owned insurance brokerage/agency and employee benefits organization headquartered in Wichita, Kansas, with principal offices in Denver, Kansas City and Dallas.

ASSETS UNDER MANAGEMENT

INVESTMENT SUPERVISORY SERVICES CLIENTS ASSETS UNDER MANAGEMENT AS OF 7/31/12	
Discretionary Assets	\$ 324,323,629
Non-Discretionary Assets	\$ 55,934,644
Total Client Assets Managed by TrueNorth	\$ 380,258,791

SERVICES DESCRIBED IN THIS BROCHURE

We have developed two brochures that describe the services available through our firm. The information provided in this brochure focuses on our investment supervisory services and consulting services (other than qualified and non-qualified retirement plans). Our corporate consulting services provided to employers on matters pertaining to qualified and non-qualified retirement plans are described in a separate brochure. If you are interested in receiving the brochure that describes our retirement plan consulting services, please contact Margaret E. Hornbeck, Senior Vice President and Chief Compliance Officer by telephone at 316-266-6573 or by email at meh@truenorthcorp.com. It is also available free of charge on our website at www.truenorthcorp.com.

INVESTMENT SUPERVISORY SERVICES

"Investment Supervisory Services" is defined as giving continuous advice to a client or making investments for a client based on his or her individual needs. We typically provide these services on a discretionary basis, but we occasionally accept non-discretionary accounts. We allow clients to place reasonable restrictions on their discretionary accounts (see Item 16 for more information). We may also agree to design customized strategies for clients who have unique needs, investment objectives, risk tolerance, portfolio size and/or composition.

Investment Management Philosophy. Our team has extensive experience in the financial services industry. We are dedicated to providing superior service and innovative solutions to our clients. We strive to create and manage investment portfolios that are closely aligned with your long-term investment objectives and risk tolerance. We believe that asset allocation is the most critical element of any investment strategy. Asset allocation is a key component of our portfolio management decisions.

All similarly managed accounts will have individual portfolios constructed to meet similar investment goals. Our objective is to have client accounts conform in general to our universe of holdings. However, variations

in individual account holdings may exist within the same strategy. Exceptions may be made under certain circumstances on an account by account basis (see Item 16 for additional information).

TrueNorth seeks to add alpha¹ strategically through security selection and sector² decisions, as well as adding value tactically through asset allocation decisions. A **strategic target asset allocation** is identified for your account (e.g., 70% stocks and 30% bonds). However, your **actual asset allocation** may vary from these ranges given our market outlook. The actual asset allocation of your account may vary significantly from its target asset allocation during periods in which we consider market risk extreme or market opportunities great.

Investment Strategies - Equity Management Overview. Three of our equity management strategies are invested primarily through selection of individual securities. These strategies are typically recommended to clients with sufficient assets to invest the equity portfolio according to the chosen strategy. The potential impact of trading expenses is also taken into consideration. If you invest in a strategy with higher trading activity (turnover) you will pay higher expenses in the form of trade commissions. Smaller portfolios that invest in a strategy with high trade activity usually have higher trading expenses (as a percentage of the account value) than larger portfolios. Investments used in our other equity management strategies are comprised primarily of mutual funds and index products. These strategies are typically recommended to clients with smaller equity allocations which may otherwise lack adequate diversification, be adversely affected by trading expenses or have regular withdrawal needs better facilitated by the use of such products. These strategies are also recommended to clients who desire a strategy with lower turnover and/or broader portfolio diversification.

Our equity management strategies seek to add value through **tactical asset allocation**. Tactical asset allocation can vary from the strategic target allocation assigned to your account based upon our market outlook. During periods in which we anticipate excessive risk for equity values, we may make an allocation to securities with a low correlation³ to the equity markets. These investments may include, but are not limited to, cash equivalents, fixed income, and mutual funds or index products that seek investment results that inversely correlate to the price movements of certain market indices or benchmarks, such as the S&P 500 Index. We typically make fewer tactical asset allocation shifts in our equity management strategies that invest primarily with mutual funds. This is because the mutual fund managers also typically exercise authority for these decisions within their respective fund.

Investment Strategies – Fixed Income Management Overview. Our fixed income management strategies focus primarily on wealth preservation and income generation. Bond portfolios may be comprised of individual bonds, mutual funds, ETFs and/or cash or cash equivalents. These decisions are based upon account size with an overall objective of providing adequate diversification and avoidance of significant issue-specific concentrations. Individual bonds will be rated investment grade or higher by Moody's Investor's Service and/or Standard & Poor's at time of purchase, whereas mutual funds and ETFs may have a lower overall average credit rating. Eligible investments also include equity income securities.

Our fixed income management strategies also seek to add value tactically through asset allocation. Tactical asset allocation can vary from the strategic target allocation assigned to your account based upon our market outlook. This may result in a higher investment allocation to low-correlation assets, including equity income holdings, cash, and mutual funds or index products that seek investment results that inversely correlate to price movements of certain market indices or benchmarks, like the long U.S. Treasury Bond.

¹ Alpha is a measure of performance on a risk-adjusted basis. It is often considered to represent the value that the manager adds to or subtracts from the portfolio returns.

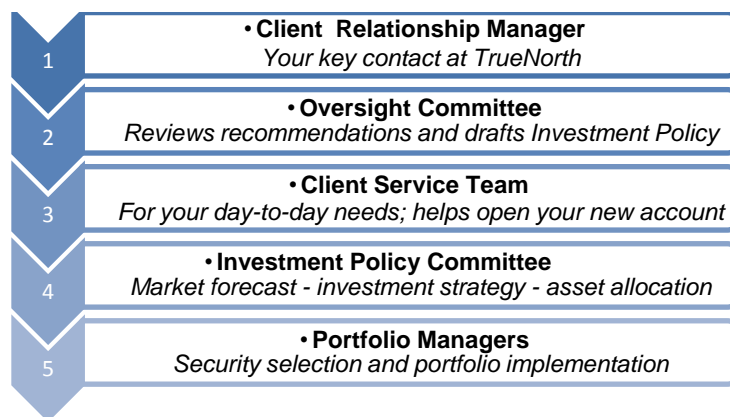
² Sectors are areas of the economy in which businesses share the same or a related product or service, such as "Energy", "Financial", or "Healthcare".

³ In statistics, correlation measures how strong the relationship is between two entities. In investing, low correlation means that different asset types have not performed in the same way: when returns on some asset types were declining, returns on others were declining less or even gaining.

A summary our standard portfolio strategies TrueNorth has developed for our Investment Supervisory Services clients is provided below for comparative purposes:

TrueNorth Portfolio Management Strategies				
EQUITY STRATEGY	OBJECTIVE	MINIMUM	PORTFOLIO STRATEGY	TYPICAL SECURITIES
Select Opportunities	Long-term growth and current income	\$250,000	Bias toward large-cap value. Portfolio comprised of “Core” and “Tactical” holdings. Core focuses on individual stocks that pay attractive dividends; Tactical holdings focus on broad market asset allocation.	Individual equities, mutual funds, Exchange-Traded Funds (“ETFs”).
Growth Appreciation	Growth	\$250,000	Bias toward large-cap growth. Selection process favors growth potential, profitability, quality, price momentum. High level of trading activity.	Individual securities, mutual funds, ETFs.
Long Term Appreciation	Long-term growth with relatively low turnover.	\$250,000	Large-cap growth bias. Typical investment time horizon of 3-5 years. Higher concentration of holdings than other TrueNorth equity strategies.	Individual equities, ETFs.
Capital Appreciation	Long-term growth and current income	\$50,000	Bias toward large-cap value. Strategic and tactical allocation to domestic and international equities; seeks adequate diversification across capitalization and industry sectors.	Mutual funds, ETFs.
Aggressive Appreciation	Growth	\$50,000	Bias toward large-cap growth. Strategic and tactical allocation to domestic and international equities; seeks adequate diversification across capitalization and industry sectors.	Mutual funds, ETFs.
Strategic Allocation	Long-term growth; capital preservation	N/A	Seeks long-term growth. Manages risk through tactical asset allocation to stocks, taxable bonds and cash. Actual asset allocation varies over time without limitation based on market conditions and outlook.	Mutual funds, ETFs.
Focused Income	Current taxable income, growth, capital preservation	\$250,000	Balanced (stocks and bonds)	Mutual funds, ETFs, individual issues of securities.
Master Limited Partnership	Income	\$100,000	80% or more of portfolio invested in Master Limited Partnerships	Individual securities, mutual funds, ETFs.
Intermediate Term Income	Current income	\$250,000	Seeks current income for business account balances in excess of those required for day-to-day operations and near-term planned expenses.	Mutual funds, ETFs.
Taxable Income Opportunities	Taxable income; capital preservation	\$200,000	Focuses on taxable bonds; may also hold equity income securities or other income-producing securities.	Individual bonds, bond mutual funds, ETFs.
Municipal Bond	Tax-exempt income; capital preservation	\$250,000	Invests with a focus on federal tax-free municipal securities.	Individual bonds, bond mutual funds, ETFs.

Getting Started. At TrueNorth, we work as a team to develop investment management strategies, execute portfolio management decisions, and meet your day-to-day needs. When you work with TrueNorth, you benefit from our collective experience and expertise. Each of our employees is directly accessible to you, and we work closely together on an ongoing basis to provide our services to you. The services we provide to you are coordinated by your Relationship Manager. This person serves as your key contact at TrueNorth. The following is an overview of how your relationship with TrueNorth begins:



Your goals and objectives are established through a comprehensive discussion with your Relationship Manager. Important discussion topics include determining your tolerance for risk and a review of your current investments. Your Relationship Manager works closely with our Oversight Committee to review these findings and discuss your needs in detail. The recommendations we make to you are finalized. An Investment Policy Statement is drafted for your review and approval. Your Investment Policy Statement is based upon your personal circumstances, risk tolerance and investment goals. It provides an overview of the investment strategy and target allocation we recommend for your portfolio. The portfolio management strategy and target allocation we recommend is guided by your stated objectives (e.g., growth, income, or a combination of growth and income).

For example, if your objective for a combination of growth and income, we can help you select both an equity strategy and bond strategy that aligns with your investment goals and risk tolerance. Your investment account would be given a strategic asset allocation that includes both the equity strategy and bond strategy. The strategic asset allocation we recommend would be based on your stated objectives. This allows us to include more equities for clients who want more potential for growth (such as 70% equities and 30% bonds). We could also include more bonds for clients who are more interested in capital preservation (for example, 30% equities and 70% bonds). Your allocation can also be changed if your investment objectives and risk tolerance change over time. Or, if you prefer, you can also open one or more accounts and choose a separate investment strategy and/or strategic asset allocation for each.

Our Client Service Team prepares new account paperwork for your signature, monitors the transfer of securities and/or account balances to your custodian (please see Item 12 for information about custodians recommended by TrueNorth). Our Service Team continues to work with you on an ongoing basis to help meet your day-to-day needs.

Your portfolio is reviewed to determine which of your existing holdings, if any, meet your new investment strategy. These assets would continue to be held in your account. Assets that do not meet the new investment strategy are replaced over time as market opportunities permit. Your account is normally brought into alignment with your new investment strategy within 90 days to 6 months, depending upon the strategy selected. This allows us the flexibility to consider current market conditions or other issues that may apply to specifically to you and your account (e.g., tax considerations).

Your Relationship Manager will schedule ongoing meetings with you at a frequency that best fits your needs (we recommend that we meet with you on at least an annual basis). Other members of our staff may participate in these meetings either as needed or at your request.

CONSULTING SERVICES

You can also arrange to receive investment and/or financial advice on a limited basis. This may include advice on an isolated area(s) of concern or specific financial needs identified by you. Consulting services are flexible to meet a variety of needs. Engagement periods range from a one-time project to comprehensive services provided on either a periodic or ongoing basis.

SEPARATE ACCOUNT MANAGERS

We help clients in selecting investment managers other than TrueNorth and monitor the managers' performance on an ongoing basis. These services are generally offered to clients who serve as trustees of foundations or not-for-profit organizations seeking a specific investment implementation strategy. This service may also be provided to clients who seek a highly specialized money management strategy that is narrower in focus than a typical TrueNorth portfolio (e.g., small cap value). We provide these services on either a *discretionary* or *non-discretionary* basis, depending upon your individual situation and preference:

- Investment discretion means that you grant us authority to select and terminate investment managers on your behalf. Our decisions would be based upon your investment objectives and the investment manager performance (compared to relative benchmark returns, results of other investment managers providing a similar investment strategy) as well as other considerations.
- When we provide these services on a non-discretionary basis, this generally means that we will recommend one or more separate money managers to you. Once you have made a selection, we monitor the managers' performance and periodically review results with you. We would also provide recommendations for a successor manager if and when needed. You would make any final decisions to hire and/or terminate the services of a separate money manager. We would take action only after receiving specific instructions from you.

ITEM 5 – FEES AND COMPENSATION

INVESTMENT SUPERVISORY SERVICES

We typically charge an annual fee for investment supervisory services as a percentage of assets under management. Account valuations utilize trade date accounting for fee calculation purposes and include accrued interest.

We occasionally agree to enter into a fee arrangement other than one based upon a percentage of assets under management. This decision is based on the amount of assets under management and the nature of the services to be provided.

TrueNorth's fees are subject to negotiation. Factors we consider in negotiating fees include the types of assets to be managed and whether the account will be managed on a discretionary or non-discretionary basis. We negotiate your fee with you, using the following schedule as a starting point:

EQUITY AND BALANCED ACCOUNTS		FIXED INCOME ACCOUNTS	
<u>Managed Assets</u>	<u>Annual Fee</u>	<u>Managed Assets</u>	<u>Annual Fee</u>
\$0 – \$500,000	1.50%	\$0 – \$500,000	1.25%
Plus Over \$500,000	0.90%	Plus Over \$500,000	0.75%

This fee schedule became effective on 3/29/07. Accounts of other TrueNorth clients may be subject to fee schedules which differ from this. We retain the right to provide services to related persons of TrueNorth and its affiliates at rates that are not made available to other clients. Lower fees for comparable services may be available from other sources.

The specific manner in which we bill for fees is established in our written agreement with you. We generally bill our fees in advance on a quarterly basis. We will provide you with an invoice that shows how your fee was calculated. You may either authorize us to deduct our fee from your account or choose to be billed directly for fees.

Our fees for investment supervisory services are prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of contributions and withdrawals of less than \$5,000). Clients who initiate or terminate our services during a calendar quarter will pay a prorated fee. You have the right to terminate an agreement with us without penalty at any time after entering into the agreement. Upon termination, we will have no obligation to recommend or take any further action with regard to the securities, cash or other investments in your account. If you terminate our services, any prepaid, unearned fees will be promptly refunded to you, and any earned, unpaid fees will be due and payable to us. We will provide you a written notification showing how the final bill or refund is calculated.

We utilize, to the fullest extent possible, recognized and independent pricing services for valuation of your securities. Generally, your independent custodian is our primary pricing source. When we compute the market value for any security listed on a national security exchange, the security is valued at the last sale price quoted by the principal exchange where the security trades on the valuation date. Any other security or asset shall be valued in a manner, we believe in good faith, to reflect its fair value. Fixed income securities that trade over the counter may be priced by one or more custodians, and each may use a different pricing service. Only one price per security can be retained on TrueNorth's price file for security valuation purposes. We will generally use the custodian where the majority of firm assets under management are held in custody as the default price to resolve this type of pricing issue.

Our fees for investment supervisory services are separate from, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses which are incurred by you. You may incur certain charges imposed by custodians, brokers, third party investment and other third parties. These charges may include custodial fees, transfer tax, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. There are also separate fees and expenses charged to shareholders by mutual funds, exchange traded funds and money market mutual funds (where available cash balances within a managed account may be swept). Certain mutual funds may impose early redemption fees for shares bought and sold within defined time periods, typically up to 90 days after purchase. Mutual funds and exchange traded funds also charge internal management fees and may have other related expenses. Fees and expenses are described in each fund's prospectus. TrueNorth does not receive any portion of these commissions, fees, and costs.

You could invest in a mutual fund and/or money market mutual fund directly, without the services of TNI. You would not, in that case, receive the services provided by TrueNorth which are designed, among other things, to assist in determining which mutual fund or funds are the most appropriate for your financial condition and objectives. Review both the fees charged by the funds and the fees charged by TrueNorth to fully understand the total amount of fees you have paid.

Item 12 of this Brochure describes factors that we consider in selecting or recommending broker-dealers for client transactions and how we determine whether their compensation (e.g., commissions) is reasonable.

CONSULTING SERVICES

Fees for consulting services are subject to negotiation. Each client's fee is separately negotiated, using the following schedule as a starting point. Factors we consider in negotiating fees are described below. Fees for specific consulting services are generally billed in one of two ways:

- **A minimum hourly rate of \$250**, based on the experience of the TNI person(s) providing the service and the nature and complexity of the work requested. We will present an hourly rate to you

prior to beginning any work and, if possible, an estimated number of hours for completion. Hourly fees are due and payable as earned.

- **A fixed fee** for a particular consulting project, based on the nature of the project and the amount of time needed to complete the project. We typically request half of the fee to be paid upon accepting the consulting project with the balance due and payable upon completion.

SEPARATE ACCOUNT MANAGEMENT

Fees for providing this service are “unbundled”. This means that each party involved in providing a separate service to the client bills the client directly for their individual fee. These fees are billed by each service provider on a fully disclosed basis. There are typically three components to the fees for this service:

1. **Advisory Fee:** This is the fee you will pay to TrueNorth. Our annual advisory fee for Separate Account Management services is charged as a percentage of assets under advisement. This percentage typically ranges from 0.25% to 1.50% of the advised assets, and is determined by the size and nature of the account. Your fee will be negotiated with you. Another factor we consider when negotiating our advisory fee is whether our services are provided on a discretionary or non-discretionary basis. We may also negotiate a fixed rate for Separate Account Management services based on the nature of the service to be provided and the assets to be monitored. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of contributions and withdrawals of less than \$5,000). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Upon termination of any account, we will promptly refund any prepaid, unearned fees, and any earned, unpaid fees will be due and payable to us. You have the right to terminate your advisory agreement with us without penalty at any time after entering into the agreement. Upon termination, we will have no obligation to recommend or take any further action with regard to your Separate Account(s).
2. **Management Fee:** This is the fee paid by you to the Separate Account Manager. The Separate Account Manager bills your account directly for their fee. You should review the disclosure document of the Separate Account Manager for a full description of their fees and services. TrueNorth does not receive any part of these fees.
3. **Brokerage Fees:** This is the charge that is paid by you to your custodian-broker for portfolio transaction commissions and other brokerage fees charged to your account. You may usually elect to pay brokerage fees on either a transactional basis or as a percentage of assets under management. Several factors should be taken into consideration when you make this choice, including the nature of your account, the management style selected, and trading frequency expected. We do not receive any part of these fees.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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

ITEM 7 – TYPES OF CLIENTS

We provide investment supervisory services to individuals, high net worth individuals, corporations, trusts, corporate pension and profit-sharing plans, charitable organizations and foundations. We generally request that clients place an account of at least \$250,000 with us for investment supervisory services. We may consider accepting portfolios of less than \$250,000 in certain circumstances, including, but not limited to:

- clients that have at least one account valued at least \$250,000 managed by us;
- employees and related parties of TrueNorth and its affiliates;

- referrals of family members or other parties by an existing TrueNorth client;
- accounts that have the capacity to grow to at least \$250,000 within a reasonable time period; or
- individuals who participate in company retirement plans for which we provide consulting services to the plan sponsor (or participants of company retirement plans for which our affiliate, TrueNorth Securities, Inc., serves as broker-of-record).

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investing in securities involves risk of loss that clients should be prepared to bear.

Our analysis methods include asset allocation analysis and portfolio modeling, in addition to individual security research. We incorporate both qualitative⁴ and quantitative securities⁵ analysis with respect to individual securities and mutual funds, as well as Separate Account Manager recommendations.

Resources include independent economic, market, sector, and individual securities analysis we purchase for client asset management. We also subscribe to services that provide a wide range of sell-side analyst reports on market sectors and individual securities. TrueNorth incorporates both independent and sell-side opinions with its own internal qualitative and quantitative analysis.

We may occasionally purchase mutual funds or index products that:

- seek investment results that inversely correlate to the price movements of certain market indices or benchmarks, such as the S&P 500 Index or the long U.S. Treasury Bond. The fund managers engage in short sales of securities and may also invest in leveraged instruments (including futures contracts, options on securities, and stock indices). The fund managers may also purchase equity securities, engage in equity index swaps, and enter into repurchase agreements. If the fund managers meet these objectives, the fund's shares will tend to increase during times when the value of the index or benchmark is decreasing. When the value of the index or benchmark increases, however, the fund's share value would decrease on a daily basis by approximately the same inversely proportionate amount.
- seek investment results that correspond to greater than 100% of the performance of a specific market index or benchmark on a daily basis. If the fund meets its objective, the fund's share value will tend to increase on a daily basis at a higher proportionate rate during times that the index or benchmark value is increasing. When the value of the index or benchmark decreases, however, the fund's share value should decrease on a daily basis by a higher proportionate amount.
- from time to time sell securities short. Short sales may be made by the fund manager when it is believed that the price of a particular security will decline. Short sales involve the sale of a security which the fund does not own in hope of purchasing the same security at a later date at a lower price. The fund must borrow the security to make delivery to the buyer, and the fund is obligated to return the security to the lender. This is accomplished by a later purchase of the security by the fund. The fund will incur a loss as a result of a short sale if the price of the security increases between the date of the short sale and the date on which the fund purchases the security to replace the borrowed security.

The investment strategies described above may cause the fund(s) to have higher expenses than those of other mutual funds. The use of these types of mutual funds (and indirectly the investment strategies within these funds) may be speculative and creates additional degrees of risk for you. Inverse funds are speculative transactions and involve special risk. Short sales are also speculative transactions and involve

⁴ Quantitative analysis focuses on mathematical and statistical research such as the debt-to-equity and price-to-equity ratios.

⁵ Qualitative analysis uses subjective judgment to evaluate information such as management expertise, industry cycles, labor relations, and other factors not generally identified through quantitative analysis.

special risks, including greater reliance on the fund manager's ability to accurately anticipate the future value of a security. We recommend these types of mutual funds when suitable to your investment needs, goals and risk tolerance. Nothing regarding the recommendations of these types of funds should be construed as a guarantee of future investment results or capital returns.

SEPARATE ACCOUNT MANAGEMENT

Separate Account Management clients should also refer to the independent registered investment adviser's disclosure document for information regarding the methods of analysis used by that independent money manager in servicing client accounts.

ITEM 9 – DISCIPLINARY INFORMATION

TrueNorth, as a registered investment adviser, is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of TrueNorth's management. TrueNorth has no information applicable to this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Our Financial Industry Affiliations

TrueNorth Securities, Inc. TrueNorth is a Registered Investment Advisor. Some of its principal executive officers are also engaged in the management of TrueNorth Securities, Inc. ("TNSI"), a FINRA limited securities broker-dealer and insurance agency. TNSI is a wholly-owned subsidiary of TrueNorth. These individuals spend as much as 25% of their time involved in TNSI business activities. TrueNorth's associated persons are typically employed by both TrueNorth and TNSI.

TNSI and its representatives make available products for non-qualified deferred compensation plans and defined contribution plans (such as 401(k) plans) as broker of record. Life insurance, disability insurance and long-term care insurance are also made available to TNSI customers.

Qualified and non-qualified defined contribution Plan Providers can usually choose the service arrangement they believe is best suited to the needs of the Plan. Plan Providers who wish to obtain retirement plan consulting services for a fee would enter into a consulting arrangement with TrueNorth. Those Plan Providers who wish to hire a broker for their company retirement plan and pay a brokerage commission to obtain these services would be referred to TNSI.

TrueNorth does not transact any investment purchases or sales through TNSI on your behalf. However, if you wish to purchase life, long-term care or disability insurance, or wish to hire a broker for a defined contribution plan or a deferred compensation plan, we will refer you to TNSI. If you purchase these products through the subsidiary, TrueNorth's associated persons who are also employees of TNSI may be eligible to receive a percentage of the commissions generated by these sales. You are not under any obligation to purchase any products from TNSI.

The IMA Financial Group, Inc. ("IMA") IMA is the parent company of TrueNorth. IMA has numerous subsidiary corporations which are engaged in retail and wholesale insurance operations. If you are in need of professional insurance services for yourself or your business, we will refer you to IMA and its subsidiaries. Should insurance products be purchased as a result of this referral, TrueNorth's associated persons may be eligible to receive a percentage of the commissions generated by these sales. You are not obligated in any way to use IMA and its subsidiaries to purchase insurance products.

Referrals made by TrueNorth's associated persons will be made in accordance with our privacy policy under SEC Regulation S-P. We will not disclose your personal information unless it is (1) required by law; (2) at your direction, or (3) permitted by law and necessary to provide you with our services.

Our Other Financial Industry Activities

One of the principal executive officers of TrueNorth serves as trustee to one separate charitable trust, and as a director of The IMA Financial Group, Inc., TrueNorth's parent company. This individual spends as much as 10% of their time with these activities.

ITEM 11 – CODE OF ETHICS

We have adopted a Code of Ethics ("the Code") for all of TrueNorth's supervised persons. The Code describes our high standard of business conduct and fiduciary duty to our clients. A summary of the Code has been provided in this section of our Brochure. You may obtain a copy of the Code by contacting Margaret Hornbeck, Chief Compliance Officer at 316-266-6573 or by email at meh@truenorthcorp.com.

The Code includes provisions for, among other things:

- the confidentiality of client information;
- a prohibition on insider trading;
- a prohibition of rumor mongering;
- restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items;
- personal securities trading procedures; and
- oversight, enforcement and recordkeeping

Any supervised person who violates the Code may be subject to disciplinary action, including possible termination. All of TrueNorth's supervised persons are required to:

- acknowledge in writing the terms of the Code annually, or as amended;
- follow the Code; and
- act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

TrueNorth and individuals associated with TrueNorth may buy or sell securities identical to, or different from, those recommended to customers for their personal accounts. Related persons may also have an interest or position in one or more securities which may also be recommended to a client. These situations represent a conflict of interest. The Code is designed to ensure that the personal securities transactions, activities and interests of our employees will not interfere with (1) making decisions in the best interest of our advisory clients and (2) implementation of these decisions while, at the same time, allowing our employees to invest for their own accounts.

Certain classes of securities have been designated as exempt transactions under the Code. These classes of securities were determined to pose little risk of material interference with the best interest of TrueNorth's clients. The security classes include open-end investment company shares, certificates of deposit, direct obligations of the U.S. Government, banker's acceptances, commercial paper and other high quality, short-term debt instruments.

The Code requires that all "access persons" (defined as an individual associated with TrueNorth having access to advisory recommendations) receive pre-clearance authorization from the President or Chief Compliance Officer of TrueNorth before purchasing or selling securities for their own accounts or the account of a household member. It is the expressed policy of TrueNorth that no access person is permitted to purchase or sell securities for their own account or the account of a household member in close proximity to trades placed for advisory clients in the same security transaction. This policy is intended to prevent access persons from personally benefiting from transactions placed on behalf of advisory accounts. Nonetheless, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading activity is continually monitored under The Code to reasonably prevent any such conflicts of interest between TrueNorth and our clients.

Accounts owned by TrueNorth and/or individuals affiliated with TrueNorth may trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances:

- the affiliated and client accounts will share commission costs equally and receive securities at a total average price;
- we will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order;
- completed orders will be allocated as specified in the initial trade order;
- partially filled orders will be allocated on a pro rata basis; and
- exceptions will be documented in writing.

PRINCIPAL AND AGENCY CROSS-TRANSACTIONS

A “*principal transaction*” is generally described as a transaction where an adviser buys for its own account (or for the account of an affiliated broker-dealer) or sells from its own account (or from the account of an affiliated broker-dealer) a security to one of its advisory clients. A principal transaction may also be deemed to have occurred if a security transaction is “crossed” between an affiliated hedge fund and an advisory client account. TrueNorth does not affect any principal securities transactions for client accounts. TrueNorth does not have an affiliated hedge fund, nor do we place securities trades through our affiliated broker-dealer on behalf of TrueNorth clients for any reason.

An “*agency cross transaction*” is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and the person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. TrueNorth does not affect any agency cross securities transactions for client accounts. Although TrueNorth has an affiliated broker-dealer, we do not place securities transactions through our broker-dealer as agent on behalf of TrueNorth clients.

ITEM 12 – BROKERAGE PRACTICES

BROKERAGE CONSIDERATIONS

We do not maintain custody of your assets. We may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We request that you use either Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC or Fidelity Investments (Fidelity), a registered broker-dealer, Member NYSE, SIPC, as your qualified custodian.

We are independently owned and operated and are not affiliated with either Schwab or Fidelity. Schwab or Fidelity will hold your assets in a brokerage account and buy and sell securities when we instruct them to do so. While we request that you use either Schwab or Fidelity as custodian/broker, you will decide whether to do so. Your account would be opened by entering into an account agreement directly with Schwab or Fidelity. We do not open the account for you, although we will assist you in doing so. Not all advisors request their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab or Fidelity, we can still use other brokers to execute trades for your account as described below (see “Brokerage Discretion – Prime Brokerage”).

HOW WE SELECT BROKER-CUSTODIANS

We seek to recommend a custodian/broker who will hold your assets and execute transactions that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- capacity to execute, clear and settle trades (buy and sell securities for your account)
- combination of transaction execution services and asset custody services (generally without a separate fee for custody services);
- capacity to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.)
- availability of investment research and tools that assist us in making investment decisions

- quality of services
- competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
- reputation, financial strength and stability
- prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab and Fidelity”).

We have evaluated both Schwab and Fidelity and have determined, based on our experience with them, they offer clients an excellent blend of services and reputation, competitive commission rates, and access to mutual funds otherwise not available to TrueNorth or our clients. These firms generally do not charge you separately for custody services but instead are compensated by charging you commissions or other fees on trades that they execute or settle into your account. For some accounts, you may be charged a percentage of the dollar amount of assets in your account in lieu of commissions.

Even though we recommend specific broker custodians, you should independently evaluate each broker to ensure that the broker you select will provide you with the best blend of service and cost.

Products and Services Available to Us Through Schwab and Fidelity. We participate in back office and support programs sponsored by both Schwab Advisor Services™ (“SAS”) and Fidelity Institutional Wealth Services (“FIWS”), as previously stated in this Brochure. We may not be able to accept clients who wish to utilize other broker-dealers. We receive an economic benefit from both firms in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at Schwab and/or Fidelity. They provide us and our clients with access to their institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab and/or Fidelity retail customers. They also make available various support services. Some of these services help us manage or administer our clients’ accounts. Others help us manage and grow our business.

Services That Benefit You. Institutional brokerage services available through SAS and FIWS include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through SAS and FIWS include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. The services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You. SAS and FIWS also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both from Schwab and Fidelity as well as third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab or Fidelity. In addition to investment research, SAS and FIWS also make available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations or account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping and client reporting

Services That Generally Benefit Only Us. SAS and FIWS also provide other services intended to help us manage and further develop our business enterprise. These services may include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management, business succession and marketing
- Access to employee benefits providers, human capital consultants, and insurance providers

SAS and FIWS may also make available, arrange and/or pay for these services to be provided by independent third parties to TrueNorth. SAS and FIWS may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. SAS and FIWS may also provide us with other benefits, such as occasional business entertainment of our personnel.

The availability of these services from SAS and FIWS benefits us because we do not have to produce or purchase them. These support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us as long as a total of at least \$10 million our clients' account assets are maintained with Schwab and Fidelity. Beyond that, these services are not contingent upon us committing to either SAS or FIWS any specific amount of business in trading commissions or assets in custody. If our clients collectively have less than \$10 million in assets at Schwab and Fidelity, we may be charged quarterly service fees. This minimum asset requirement may give us an incentive to request that you maintain your account with either Schwab or Fidelity, based on our interest in receiving services from Schwab and Fidelity that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our recommendation of Schwab and/or Fidelity as custodian and broker is in the best interest of our clients. Our recommendation is primarily supported by the scope, quality and price of these services and not the services that benefit only us. Given the amount of our client assets under management as shown in Item 4 of this Brochure, we do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at both Schwab and Fidelity in order to avoid paying quarterly service fees to Schwab and Fidelity presents a material conflict of interest.

Many clients, when entering an advisory relationship with TrueNorth, already have a pre-established relationship with a broker. Clients may ask TrueNorth to execute all transactions for their account(s) through that broker or dealer. However, if we believe the use of that broker-dealer would hinder us in meeting our fiduciary obligations, we will not be able to accept the account for investment supervisory services. It should be understood that, if you direct TrueNorth to use a particular broker or dealer, under those circumstances:

- we will not have authority to negotiate commissions or obtain volume discounts;
- best execution may not be achieved;
- the accounts may not be able to be included in aggregated orders and
- our other clients may pay lower commission charges.

TrueNorth has contracted with a third party provider for services that will provide balance and transaction information for custodian accounts for whom such data links are not available by other means. We do this primarily to provide account reporting services to our clients and up-to-date portfolio information to our staff. TrueNorth will pay all related expenses associated with this service. You will be asked to provide this written authorization to your custodian, if applicable. This authorization is at your discretion.

BROKERAGE CONSIDERATIONS – PRIME BROKERAGE

Our clients typically grant us discretionary authority to pick a broker other than the client's custodian to execute a trade. "Prime Brokerage Service" is provided by many custodians and is designed to give account holders (with an authorized Advisor to trade for their account and who meets other requirements) the ability to execute trades of certain assets through broker-dealers other than their custodian. Your account must qualify to participate in prime brokerage transactions. Clients are required to maintain in their account a minimum net equity value as established by their custodian. This amount is equal to or greater than the minimum net equity value required by the Securities and Exchange Commission for prime brokerage participation (currently set at \$100,000).

We request that you provide written authority for us to determine the broker-dealer to use for your stock and bond transactions and the commission costs that you will pay for these transactions. Any limitations you wish to place on this authority shall be provided to TrueNorth in writing. You may change or amend these limitations. Such amendments shall be submitted in writing.

We limit the number of brokers that may be used for prime brokerage transactions. The current list of approved prime brokers is available upon request.

If your account does not qualify for prime brokerage, we will not have the ability to place trades with any broker other than your broker custodian. In effect, absent prime brokerage, we will direct all transactions for your account to your designated broker custodian. We will therefore not have authority to negotiate commissions among various brokers or obtain volume discounts. Best execution may not be achieved.

If you apply for Prime Brokerage Services with your selected broker and your account qualifies for Prime Brokerage Services, TrueNorth has the ability and authority to determine the broker to use for securities transactions. We will not, have the ability to negotiate your commissions on a trade by trade basis. This is also applicable to commissions charged to TrueNorth clients who use the brokers that we recommend.

If we utilize a broker other than your custodian broker, your account may be subject to a “prime broker fee” for each transaction executed. This prime broker fee is typically charged by your broker custodian to help offset their costs in processing Prime Brokerage Service trades. This prime broker fee is charged in addition to commissions paid by you to the executing broker.

These additional costs are taken into consideration by TrueNorth in evaluating the total commission expense of prime broker transactions. As a result, we generally have your broker custodian execute most trades for your account in order to minimize your trading fees. We have determined that having your broker custodian (either Schwab or Fidelity) execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How We Select Brokers/Custodians”). Other advisors may utilize brokers other than their clients’ custodian broker on a regular basis.

TRADE AGGREGATION AND ALLOCATION

TrueNorth typically aggregates together purchases or sales of the same security for multiple accounts. We are not, however, obligated to aggregate purchases and sales. When we do aggregate orders, all accounts included in the block trade will participate at the average share price. Each account participating in a block trade will share in transaction costs equally and on a pro-rated basis. Block trading allows TrueNorth to execute transactions in a more timely and equitable manner, as detailed below. Clients participating in block transactions do not receive the benefit of negotiated commissions, as we do not have that authority on an account-by-account or transaction-by-transaction basis. Due to the nature of TrueNorth’s business, we generally place “mini-block” transactions. Mini blocks are block trades segregated by broker custodian and/or by TrueNorth portfolio manager or investment management strategy.

Priority of orders between unrestricted accounts and directed brokerage accounts will be handled on a rotation basis to provide impartial treatment of client transactions. Clients who establish non-discretionary accounts or who place certain restrictions on discretionary account may experience delays in order execution as compared to clients with unrestricted discretionary accounts. They also may be excluded from aggregated transactions and may not have their orders filled in the priority order described herein.

TrueNorth may aggregate trades for itself or for its associated persons with non-affiliated client trades, providing that the following conditions are met:

1. Our policies for aggregation of transactions is fully disclosed in this Brochure and separately to our existing clients (if any) and the broker-dealer(s) through which these transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (including our duty to seek best price) for our clients and is consistent with the terms of our investment advisory agreement for each client for whom trades are being aggregated.
3. No advisory client will be favored over any other client. Each client that participates in a block trade order will participate at the average share price obtained for the block order participants in a given security on a given business day. Depending upon the broker used, transaction costs will either be shared on a pro-rated basis or calculated based on the number of shares traded for each client.
4. We will prepare, before entering an aggregated order, a written statement (“Allocation Statement”) specifying the participating client accounts and how we intend to allocate the order among those clients.
5. If the aggregated order is filled in its entirety, it is allocated among clients in accordance with the Allocation Statement. If it is partially filled, the order is allocated pro-rata based on the Allocation Statement.

6. The order may be allocated on a basis different from that specified in the Allocation Statement (as described in 5, above) if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by our Chief Compliance Officer no later than one hour after the market open on the trading day following the day the order was executed.
7. Our books and records will separately reflect, for each client account, the orders of which are allocated, the securities held by, and the securities bought and sold for that account.
8. Funds and securities of clients whose orders are aggregated are deposited with one or more banks or broker-dealers. Neither the clients' cash nor the securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis. Cash or securities held collectively for clients will be delivered to custodian bank or broker-dealer as soon as practicable following settlement.
9. We will not receive any additional compensation or remuneration of any kind as a result of the proposed aggregation.
10. Individual advice and treatment will be accorded to each TrueNorth client.

TRADE ERRORS

From time to time we may make an error in submitting a trade order on your behalf. When this happens, we typically place a correcting trade for your account. TrueNorth is responsible for losses that are the result of TrueNorth trade errors. If an investment gain results from the correcting trade, it is our intent to leave the profit in your account unless:

- the same error involved other client account(s) that should have received the gain;
- it is not permissible for you to retain the gain; or
- after consulting with you, you decide to forego the gain (e.g., due to tax reasons).

Charles Schwab & Co., Inc. has its own trade error policy for clients who choose Schwab as their custodian. If the gain does not remain in your account and Schwab is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. Schwab will retain the loss or gain (if the gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. If a loss occurs greater than \$100, TrueNorth will pay for the loss. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

SOFT DOLLAR ARRANGEMENTS

TrueNorth does not participate in any soft dollar arrangements. A "*soft dollar arrangement*" is one in which the investment manager directs the commission generated by a transaction to a third party or in-house party in exchange for services that are for the benefit of the investment manager's clients, but are not client directed. Soft dollars, in contrast to hard dollars (actual cash which has to be reported), are incorporated into brokerage fees and paid expenses, and may not be reported directly.

SECURITIES CLASS ACTION LAWSUIT FILINGS

We have entered into an arrangement with Chicago Clearing Corporation ("CCC") to provide you with a service that automatically files your forms for securities class-action lawsuits. CCC currently works with over 837 investment firms representing over \$618 billion in assets under management. You do not pay any fee to sign up for this service. You will not owe anything whatsoever to CCC until such time as CCC collects an award on your behalf. The fee you would pay for services provided by CCC is 20% of any amount collected. The service fee is paid entirely by you, and it is deducted from the amount collected by CCC on your behalf. The award is paid directly to you by CCC after they have deducted their 20% fee. The entire amount you pay for this service stays with CCC – we do not receive any share of the fee collected by CCC, nor do we receive any revenue in exchange for making this service available to you.

This service is available for each account you own that is "linked" to TrueNorth. CCC is able to provide claims processing for those securities we have purchased on your behalf, as well as other securities that have been held in these accounts for which you have provided us with cost basis and purchase history. You do not need to supply any copies of trade confirmations, nor do you need to sign or submit claim forms. TrueNorth will furnish to CCC the holding information for clients who choose to use this service.

You are not required to participate in this service. You may handle your own securities class action claims and receive 100% of any awards payable to you. Clients who “opt-out” of this service agree to research, document and submit their own class action lawsuit claims. New clients can “opt-in” by signing an authorization form at the time that we enter into an investment advisory arrangement with you. You may opt-out of this service at a later date by contacting Christine Mies, Senior Vice President and Operations Manager, at 316-266-6579, toll free at 877-305-1864, or by email at christine.mies@truenorthcorp.com.

ITEM 13 – REVIEW OF ACCOUNTS

INVESTMENT SUPERVISORY SERVICES

Review of accounts. Securities held in the accounts of Investment Supervisory Services clients are reviewed continuously by members of the Investment Policy Committee (“IPC”). Each client account is also individually reviewed by one or more IPC members on a regular basis. More frequent reviews may be required for accounts comprised of individual securities (as opposed to those accounts invested primarily in mutual funds), accounts with periodic cash flows (either additions or withdrawals), balanced accounts (accounts that hold both stocks and bonds), or changes in a client’s individual circumstances or risk tolerance. Additional reviews may also be triggered by material market, economic or political events. IPC members evaluate the portfolio’s asset allocation, compare equity holdings to the portfolio’s designated equity strategy, and consider the fixed income portfolio’s overall structure, credit quality, duration, and potential for issue concentrations. Asset allocation is an ongoing process. Portfolio managers, as part of their ongoing responsibilities, review client portfolios and adjust asset allocation and individual holdings to conform to guidelines established by the IPC.

Reports. TrueNorth provides Investment Supervisory Services clients with written reports containing, at a minimum, the client’s current holdings and investment performance results. You may also arrange to have additional periodic reports provided. Periodic account statements are also provided to our clients by their independent broker custodian.

- Reports are provided on a quarterly basis for each individual account with a market value in excess of \$50,000. Delivery of your quarterly reports will begin at the end of the first full calendar quarter in which these services are provided for your account.
- Reports are provided on an annual basis for each individual account with a market value of less than \$50,000. We begin delivering annual reports at the end of the first year in which Investment Supervisory Services were provided to you for at least one full calendar quarter. We may provide some of our clients with quarterly reports for individual accounts of under \$50,000, based either upon a previously written agreement or in consideration of the client’s total assets under management in all related accounts.

Account values are initially reviewed as of the end of the first full quarter for which Investment Supervisory Services were provided to determine whether the account value(s) meet quarterly or annual report guidelines. Account values are reviewed as of January 1 of each year thereafter.

CONSULTING SERVICES

Review of accounts. Consulting clients may arrange for reviews of their accounts for a separate fee.

Reports. Consulting clients that use the services of a broker custodian will receive periodic account statements prepared by their broker custodian. These account statements will be delivered directly to the consulting client by the broker custodian. Consulting clients may also arrange to receive customized written reports from TrueNorth. The nature and frequency of any custom reports will be determined based upon individual client needs and circumstances. A separate fee for custom reports may be required, depending upon the complexity, frequency, and nature of the reports.

SEPARATE ACCOUNT MANAGEMENT

Review of accounts. Clients utilizing independent separate account management services should refer to the disclosure document prepared by the independent investment manager for information regarding the nature and frequency of reviews provided by their firm. TrueNorth will provide reviews as contracted for by you at the inception of our advisory relationship. You may choose whether you want to provide us with discretion to engage and terminate separate account managers on your behalf.

Reports. Clients utilizing independent separate account management services should refer to the disclosure document prepared by the independent investment manager for information regarding the nature and frequency of reports provided by their firm. TrueNorth will provide additional written reports containing, at a minimum, the client's current holdings and investment performance results. These reports are provided on a quarterly basis or at a frequency contracted for by you at the inception of our advisory relationship.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

We request that our clients use either Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC or Fidelity Investments (Fidelity), a registered broker-dealer, Member NYSE, SIPC, as your qualified custodian. We participate in back office and support programs sponsored by each of these brokers. They are the Schwab Advisor Services™ (SAS) program and Fidelity Institutional Wealth Services (FIWS) program. Descriptions of these products and services, how they benefit us, and the related conflicts of interest are described in Item 12 of this Brochure.

TrueNorth is a wholly owned subsidiary of The IMA Financial Group, Inc. ("IMA"). TrueNorth has entered into a solicitation agreement with IMA. TrueNorth will, under the terms of this agreement, compensate IMA for providing qualified referrals to TrueNorth when the referral results in a new TrueNorth client relationship. These solicitation services include making any introductions and providing information and material about the advisory services and programs of TrueNorth. If you are referred to TrueNorth through this solicitation agreement, you will receive a separate written disclosure furnished by the solicitor, along with a copy of this Brochure. The disclosure information explains the terms of this arrangement, including a description of the compensation paid or to be paid to the solicitor as a result of the client doing business with TrueNorth. The compensation for these services is paid completely by TrueNorth from the investment advisory fees earned. These fees are not increased or passed along to a client in any way. Therefore, there is no additional cost to clients who are introduced to TrueNorth as the result of a referral by IMA.

Because compensation is paid to a solicitor for referrals that produce new clients for TrueNorth, this may incent referrals to be made based on the potential fee income opportunity and not on the client's needs.

Some of our affiliated individuals also earn compensation based in whole or in part on (1) acquisition and retention of investment advisory client assets under management and (2) consulting fees paid to TrueNorth.

ITEM 15 – CUSTODY

Your broker custodian (usually Schwab or Fidelity) maintains actual custody of your assets. You should understand that, under government regulations, TrueNorth is deemed to have custody of your assets if, for example, you authorize us to instruct your custodian to deduct our advisory fees directly from your account.

You should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains your investment assets. These statements are the official records of your account. They will be sent to the email or postal mailing address provided by you. We urge you to carefully review such statements and compare your official custodial records to the periodic account statements that we may provide to you. Our statements may vary from your custodial statements based on accounting procedures, reporting dates, inclusion of accrued interest, or valuation methodologies of certain securities.

ITEM 16 – INVESTMENT DISCRETION

Investment guidelines and restrictions must be provided to TrueNorth in writing. We usually receive discretionary authority from our clients at the beginning of an advisory relationship. Clients sign a limited

power of attorney directing their custodian to accept instructions from TrueNorth to purchase and sell securities in the client's account. This discretionary authority includes selection of the securities as well as determining the amount of securities to be bought or sold. This discretionary authority is to be exercised by TrueNorth in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for whom this advice is provided.

Clients may change or amend these limitations as required, subject to our willingness to accept or retain accounts subject to such restrictions. Amendments must be provided to us in writing.

We will also allow clients to place reasonable restrictions on their discretionary accounts. Typical restrictions include, but are not limited to:

- restriction on the sale of specific low-basis holdings held in client's account; and
- prohibition on investment in one or more specific securities.

We prefer to manage advisory accounts on a discretionary basis, but will occasionally accept non-discretionary accounts. Clients who establish non-discretionary accounts or who place certain restrictions on discretionary accounts may experience delays in order execution as compared to clients with unrestricted discretionary accounts.

ITEM 17 – VOTING CLIENT SECURITIES

We typically agree to vote proxies for portfolio securities as a courtesy to our clients. TrueNorth has adopted policies and procedures designed to ensure that proxies are voted in the client's best interest. We vote proxies related to securities held by investment supervisory services clients who provide us with specific, written authority to do so. This written authority is provided in our investment advisory agreement and through written instruction to your broker-custodian.

We have established an Investment Policy Committee ("IPC"). One role of the IPC is to make proxy voting decisions. Broadridge Financial Solutions ("Broadridge"), an independent third party, has been retained to act as an independent voting agent. Broadridge's role is to develop a Proxy Voting Policy, approved by our IPC, and to ensure that the mechanical voting procedures are completed and documented.

Final voting decisions are based on a pre-established set of policy guidelines and on the recommendations of Broadridge, based on its independent, objective analysis. This process helps ensure that proxies are voted in the best interest of our clients (defined as in the best economic interest of the shareholders of a company). The process also insulates, as much as possible, voting decisions from conflicts of interest. Although our IPC relies on the recommendations of Broadridge, our IPC ultimately retains responsibility for the votes. The IPC has the ability to override Broadridge vote recommendations, but we will only do this if we believe that a different vote is in the best interest of our client(s). If a material conflict of interest is presented that may affect our IPC's ability to vote proxies in the client's best interest, we will follow (and not override) Broadridge's specific voting recommendations.

If Broadridge itself has a material conflict of interest present, they will not issue a vote recommendation. Instead, our IPC will be asked by Broadridge to vote the ballots on the Broadridge system.

Please contact our Chief Compliance Officer to receive a report of how your proxies were voted or a copy of our complete proxy voting policies and procedures. See the cover of this Brochure for contact information.

If you choose to vote your own proxies, the solicitation materials will be delivered directly to you by your custodian (or by a third party agent through an arrangement with your custodian).

ITEM 18 – FINANCIAL INFORMATION

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