



**Wisconsin Capital Management, LLC**  
Investments, Research and Mutual Funds

## **Disclosure Brochure**

April 25, 2014

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This Disclosure Brochure provides information about the qualifications and business practices of Wisconsin Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (608) 824-8800. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Wisconsin Capital Management, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## **Item 2 – Material Changes**

There have been no material changes made to our Brochure (Form ADV Part 2A) since our last summary of material changes in our annual update dated August 23, 2013.

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## Item 4 – Advisory Business

### Services to Clients

Wisconsin Capital Management, LLC (“WisCap”) was established in 1984 and provides investment management services on a discretionary basis for the portfolios of primarily individuals, employee benefits, corporations, and foundation clients. WisCap also provides management services to the Plumb Balanced and the Plumb Equity Funds (the “Plumb Funds”). SVA Plumb Wealth Management, LLC (“SVAP WM”) has a 100% non-voting equity interest in WisCap. In turn, SVAP WM is owned by SVA Plumb Financial, LLC (“SVAPF”). SVAPF is owned by Diversified Services of Wisconsin, Inc. (“DSW”) and TGP, Inc. DSW is owned by numerous partners of SVA Certified Public Accountants, S.C. (“SVACPA”) or an affiliated subsidiary, and TGP, Inc. is owned by Thomas G. Plumb. See Item 10 for additional ownership and business affiliates’ information.

At the time of engagement, a representative of WisCap reviews each client’s financial assets, investment needs, tolerance for risk, and investment objectives. From this initial overview, WisCap’s representative and the client develop specific objectives and guidelines for WisCap to follow while managing the client’s portfolio. Clients may impose restrictions on certain assets or certain types of assets and those restrictions are duly noted during the investment process.

WisCap then exercises discretion to select the securities, amount of securities to buy or sell, and when to buy and sell them. The portfolios may consist of managed mutual funds, exchange-traded funds (ETFs), variable annuities, and individual securities including equities, options, and /or debt securities. Our Investment Committee is an in-house team of portfolio managers that constructs and monitors investment models. The investment models are diversified across various investment vehicles, styles and strategies, and may consist of any combination of securities, including mutual funds, exchange-traded funds, individual equity and fixed income securities, and/or other investments. Based on the client’s investment objectives, risk tolerance, investment time horizon, and restrictions, the WisCap representative may construct a customized investment portfolio, utilize one of the models constructed and managed by the Investment Committee, or implement any combination of the two aforementioned strategies. Clients receive information about their accounts from WisCap no less than quarterly, unless otherwise directed.

WisCap may also provide advice in the form of a financial plan. Clients requesting this service will receive a written financial plan designed to help them achieve their stated financial goals and objectives. In general, the financial plan may address the following areas: personal cash flow, taxes, education funding, retirement and investments.

WisCap does not offer any products or services that guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices, or investment products.

### “Wrap” Account Advisory Services

WisCap provides advisory services for customers of broker-dealers who have been referred as potential investment management clients to WisCap by those broker-dealers. Typically, clients sign an agreement with the broker-dealer for investment management and transaction execution services. The client’s account is managed by WisCap, and securities transactions are executed by the broker-dealer. WisCap’s fee is paid and all transaction commissions are absorbed by the broker-dealer from the single asset-based “wrap” fee the broker-dealer charges for the service.

### Mutual Fund Services

WisCap is the investment adviser to the Plumb Funds. Like other managed accounts, the Plumb Funds have granted discretionary authority to WisCap to effect securities transactions as it deems necessary to achieve the capital appreciation objective of the Plumb Balanced Fund and the long-term capital appreciation objectives of the Plumb Equity Fund. In addition, WisCap provides administrative services to the Plumb Funds. WisCap may invest some or all of clients’ accounts in the Funds. WisCap has managed each Fund since its inception, subject to the oversight of the Funds’ Board of Directors/ Trustees. See Item 10 for additional information on WisCap’s role in managing the Funds.

### Other Information about Managed Accounts

From time to time, WisCap may make available to third parties current or historical information regarding portfolio holdings of a separate account client, including a registered mutual fund. These third parties may include rating agencies, industry trade groups, consultants, and financial publications. In compliance with applicable law and consistent with its fiduciary duties, WisCap will generally only release such information (a) when it is otherwise publicly available, (b) when there is a validly executed agreement covering the use of the information and imposing a duty of confidentiality, or (c) when WisCap reasonably believes that the release will not be detrimental to the best interests of the applicable client.

### Assets Under Management Information

As of 06/30/2013

WisCap Discretionary	\$379,294,807
WisCap Non-Discretionary	\$226,625

## **Item 5 – Fees and Compensation**

### Fees Related to Investment Management Services

The fees shown are negotiable and thus vary from client to client. Factors considered by the firm in negotiating fees are the type of account, type of securities subject to management

services, value of securities, whether the securities are subject to another manager's supervision, anticipated nature and volume of trading, special service requests by the client, and number of managers required to service the account. Since the inception of business, WisCap has had other fee schedules in effect which may provide for fees lower or higher, as the case may be, than those disclosed below. Therefore, some clients are paying higher or lower fees than those disclosed below. WisCap maintains investment, trade allocation and account valuation policies and procedures designed to address potential conflicts of interest related to the fact that different clients may pay different fee schedules. All fees are payable quarterly, in advance, based upon the market value of assets under management as of the last business day of the previous quarter and are subject to change at WisCap's discretion. Clients may elect to be billed directly for fees or to authorize WisCap to directly debit fees from client accounts.

In the event that a client's portfolio includes shares of the Plumb Funds, it creates a conflict of interest for WisCap. The value of such shares of the Plumb Funds is not included in the fee calculation. Those assets are subject only to the mutual funds' expenses and fees applicable to all shareholders in the Plumb Funds, as set forth in the Funds' Prospectus. However, the Plumb Funds pay WisCap an advisory fee (considered a fund expense). Depending upon in which fund the account is invested, the fees may be more or less than the separate account advisory fee otherwise applicable to the account. For ERISA accounts, WisCap may recommend or purchase the Plumb Funds; however, no investment advisory fees will be paid based on the value of the account invested in the Plumb Funds in order to comply with the requirements of the Employee Retirement Income Security Act of 1974.

Either the client or WisCap can terminate the Advisory Agreement with a 30-day advance written notice to the other party, unless otherwise dictated by the terms of the Advisory Agreement. All fees paid in advance but not earned are prorated to the date of termination and returned to the client. Termination of an advisory agreement by a client will not affect transactions that WisCap initiated on the client's behalf prior to the effective date of such termination.

Clients have the option to purchase the Plumb Funds through other brokers or agents not affiliated with WisCap.

WisCap's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses charged by other third parties which shall be incurred by the client. Mutual funds and exchange-traded funds also charge internal management fees, which may reduce the net asset value of fund shares. These expenses include advisory fees, which are deducted from the fund's reported performance. Depending on the fund and their share class offering, a client may be able to invest directly in a fund without incurring any sales or advisory fees. A complete explanation of expenses charged by the fund is contained in each fund prospectus. Such charges, fees and commissions are exclusive of and in addition to WisCap's fee, and WisCap shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that WisCap considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

#### Standard Fee Schedule

WisCap generally charges clients a fee based on the value of assets under management. Please see Item 7 for a discussion of minimum account size.

##### Individually Managed Accounts

1.00% on the first \$1,000,000
0.90% on the next \$1,000,000
0.80% on the next \$2,000,000
0.70% on the next \$1,000,000
0.60% Over \$5,000,000

#### Fees Related to Mutual Fund Services

As investment adviser to the Plumb Funds, WisCap receives a monthly fee in an amount calculated at the annual rate of 0.65% of the value of each Fund's assets and payable in arrears, less any fees waived or expenses reimbursed by WisCap as a result of any expense limitation in effect on Fund assets. In addition, WisCap receives an asset-based administrative fee payable monthly. A complete description of all operating expenses of each Fund may be found in the Plumb Funds' Prospectus, a copy of which is available by calling 1-866-987-7888.

#### Fees Related to Wrap Account Management Services

WisCap's fee for wrap account management services generally ranges from 0.50% to 1.00% per year and is payable in accordance with the agreement entered into by the client and wrap fee program sponsor.

#### Fees Related to Class Action Processing

Clients of WisCap have the option to process class action notices themselves, or to utilize a third-party provider, recommended by WisCap, to handle their class action paperwork. If the client decides to utilize the third-party provider recommended by WisCap, the client may incur processing fees charged by the provider. WisCap is not affiliated with the third party provider.

#### Fees for Additional Services

Advisory accounts that do not utilize recommended custodians for custody of their assets may have their fee schedule increased by 0.10%. Special services requested by the client will be charged a fee based on the time, complexity, and responsibility involved. WisCap does not charge a termination fee for advisory accounts.

### Fees for Services by Affiliates

WisCap's annual asset-based fee charged to SVA Plumb Trust Company is currently under 0.50%, is based on asset value and is payable monthly in arrears.

When clients also use the accounting services of SVA Certified Public Accountants, S.C., an accounting firm affiliate, and have WisCap pay for such services, annual asset-based fees for both investment management and accounting services (including personal income tax preparation services) will vary from the fee schedule shown above and will generally range from 0.50% to 1.50% of the value of the assets under management per annum. This combined service fee is negotiable and thus may vary from client to client.

The fees paid to WisCap and SVA Certified Public Accountants, S.C. are asset-based. From this asset based fee, WisCap pays SVA Certified Public Accountants, S.C. an annual fee, which ranges from 0% to 100% for its services, depending upon the size of the account and the scope of services needed. A client may pay a higher or lower total annual fee than the client would have paid, if billed separately for management and the accounting services relationship. The client(s) are also free to terminate the investment management services of WisCap and continue with the accounting services relationship of SVA Certified Public Accountants, S.C.

Clients should be aware that when the accounting services of SVA Certified Public Accountants, S.C. are recommended, WisCap and other individuals associated with WisCap do not evaluate similar accounting or other services which may be available to the client from other providers, nor does WisCap supervise, evaluate, or monitor those services on behalf of the client.

To the extent that accounting or trust services are provided by affiliates, WisCap will communicate financial or other information about the client directly to those affiliates to the extent that such information is available to WisCap. The affiliated service providers also may contact the client directly to obtain initial and follow-up information from the client. There is no restriction on the ability of any client to contact or consult with affiliates performing accounting or trustee services.

### Valuation Procedures

WisCap uses pricing information provided by client custodians (WisCap's "Primary Pricing Source") for purposes of valuing client portfolios for investment performance and fee calculation purposes. In cases where the Primary Pricing Source does not provide a price for a security, WisCap will generally use a price provided by an outside pricing service ("Secondary Pricing Source").

In the rare instance where the Primary Pricing Source or Secondary Pricing Source is unable to obtain a price, where WisCap Portfolio Managers strongly believe the Primary Pricing Source or Secondary Pricing Source is not pricing a security fairly, or where a security has halted trading, WisCap's Valuation Committee will determine a fair value for the security based on the firm's knowledge of the security, current market conditions, and any other considerations deemed appropriate. No single factor or approach will be implemented by WisCap in every case of



determining a fair value for a security as each individual case is unique in nature. WisCap's objective in determining a fair value price will be to determine a price WisCap believes it could reasonably receive upon a current sale.

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

WisCap 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**

WisCap provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, foundations, corporations, family partnerships, and registered mutual funds. WisCap usually requires assets of at least \$1,000,000 before accepting a new account, although under certain circumstances it may accept a lesser amount. WisCap will usually reject or terminate a client if substantial investment restrictions imposed by a client prevent implementation of a consistent, long-term investment program.

WisCap manages accounts for WisCap employees and families of employees. These accounts are considered client accounts, pay an investment management fee, trade along with other client accounts, and receive standard client reporting. WisCap maintains trading policies and procedures designed to address conflicts of interest associated with these accounts and ensure that all client accounts are treated fairly over time. Please see Item 12 for further disclosure of WisCap's trading practices.

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

WisCap strives to provide solid long-term investment returns through a combination of capital appreciation and current income. Clients rely on WisCap to manage their assets and minimize portfolio volatility through market fluctuations.

In its selection process, WisCap seeks diversification through investment instrument diversification, as well as by asset class, geography, capitalization, and industry. WisCap asset allocations may be based on a proprietary methodology, including model portfolios recommended by our Investment Committee, and customized based on the clients' investment restrictions and risk tolerance. WisCap works closely with clients to develop and tailor individual portfolios to the clients' financial objectives and risk profile.

Portfolios managed by WisCap may consist of managed mutual funds, index or exchange-traded funds (ETFs), individual equity and fixed income securities, and proprietary mutual funds

managed by WisCap to diversify exposure to particular market segments when appropriate. The aforementioned securities serve as core holdings around which WisCap may add complementary assets, depending on client objectives.

WisCap looks for growing companies and those that demonstrate a competitive advantage among industry peers that fall into predetermined investable themes. WisCap strives to purchase securities at reasonable prices with an emphasis on identifying market inefficiencies and a goal of outperforming over entire business cycles. WisCap believes analyzing and taking advantage of long-term investable themes, including organizations with sustained revenue and profit growth, produces an attractive risk-adjusted return for its clients.

WisCap may from time to time utilize outside advisers, including sub-advisers, to assist in managing all or a portion of its clients' assets. WisCap does not currently anticipate utilizing sub-advisers to assist in the management of new client accounts, but does utilize the services of a sub-adviser for certain legacy accounts. WisCap routinely reviews the sub-adviser's activities in managing its clients' accounts.

The WisCap Portfolio Manager will design a portfolio suitable for the client based upon an understanding of the client's current circumstances. In determining suitability of the investments, guidelines or directives given by the client, questionnaires completed by the client, correspondence or other documentation provided to WisCap by the client are considered.

### Investment Process

The WisCap Investment Committee meets routinely to research, develop and monitor the overall investment strategies and models implemented in client portfolios. The Investment Committee also monitors data to review the custodial and brokerage firms we recommend to our clients. In addition, the WisCap Portfolio Management Committee assists the Investment Committee in the implementation of recommended model changes, and provides oversight of individual client accounts, by regularly reviewing performance variances, asset class exposures, and risk tolerance parameters.

Clients consult with their WisCap Portfolio Manager, who will work through WisCap's investment process to form and maintain investment portfolios, developing portfolios best suited to meet the clients' objectives. Together, the client and Portfolio Manager define goals and objectives as well as determine the client's comfort with various levels of market volatility and asset quality.

Once the basic investment objective is determined, the Portfolio Manager will formalize it, generally in an investment policy statement or similar document. The Portfolio Manager then designs an individualized portfolio to fit that client's goals. The Portfolio Manager has the benefit of drawing upon the resources provided by the Investment Committee, including developed investment philosophies and a disciplined due diligence process, to select portfolio recommendations. The Portfolio Manager will continue to monitor the investments, in

conjunction with the Portfolio Management Committee, and meet with clients to review the portfolio and to determine whether changes are necessary or advisable.

#### Investment Strategy For Mutual Fund Models

Models are created to achieve diversification and constructed so individual components of the model will complement the overall model's objective. WisCap chooses funds from a wide assortment available via institutional trading platforms. Mutual fund and exchange-traded fund selection criteria generally include: consistency of performance vs. peer group; risk adjusted performance; consistency and longevity of management team; consistency of management style and avoidance of style drift; tax efficiency; and fund expenses. The proprietary mutual funds managed by WisCap, the Plumb Funds, may be included in WisCap models when appropriate as a way of obtaining diversification and selecting cost-effective investments. Please see Item 10 for additional information regarding WisCap's role in managing the proprietary mutual funds, the Plumb Funds.

WisCap uses various quantitative tools to research investment options. Members of the Investment Committee also monitor various academic and industry publications to identify trends and new products.

Subsequent to selecting mutual funds for inclusion in a model, WisCap performs ongoing due diligence of the selected funds with the objective of ensuring the funds selected remain the most appropriate to achieve the investment strategy, replacing such funds as necessary.

#### Investment Strategies for Individual Securities

WisCap seeks to invest in a diversified portfolio of companies that meet its investment criteria. WisCap uses a value-oriented investment strategy, seeking to identify companies whose stocks are trading at a discount to WisCap's estimates of the companies' underlying value. WisCap estimates price targets based on rigorous fundamental analysis that includes analysis of the firm's balance sheet, cash flow and income statements, and beliefs about the competitive environment, product sustainability, market power, and the quality of firm's management. WisCap couples its fundamental work with an analysis of the structural trends faced by the industry at both a micro and macro level. This is because WisCap's Portfolio Managers believe even the best companies are influenced by strong macro-economic trends. WisCap typically invests in the securities of US companies, but may also invest in foreign companies, usually through the purchase of American Depositary Receipts (ADR's) and foreign companies that are dual listed on US stock exchanges.

Depending on the client's investment objectives, risk tolerance, and market opportunities, WisCap supplements its equity investments with fixed income investments and other securities suitable for the client. Fixed income investments typically include investment grade bonds and government securities. In WisCap's experience, fixed income securities and other investments purchased with a similar research-focused approach as used in our equity selection can augment an investor's returns and reduce portfolio volatility. WisCap offers model portfolios that

vary in the amount allocated to equities, fixed income investments, cash, and specialty or hybrid investments, and may consist of a diversified mix of individual securities, managed institutional mutual funds, and/or ETFs. Investments in client accounts may include the following:

- Equities / stocks
- Fixed income / bonds
- Cash equivalents / money market funds
- Preferred stocks, convertible bonds, and convertible preferred stocks
- Real estate investment trusts (REITs), publicly traded master limited partnerships (MLPs), royalty trusts
- American depository receipts (ADRs)
- Index funds/ exchange-traded funds (ETFs)
- Non-proprietary managed mutual funds
- Proprietary mutual funds (the Plumb Funds)
- Private placements, including hedge funds formed as partnerships or limited liability companies which invest in securities
- Options and warrants

WisCap does not manage an unregistered (“hedge”) fund and does not short securities.

As part of the client’s asset management plan, WisCap strategizes to lessen the potential tax exposure through asset allocation and selection. Client’s specific investments depend on such factors as the client’s particular tax situation, risk tolerance, time horizon, and account size. WisCap generally seeks to purchase securities with a long-term investment horizon.

Our selection strategies for individual securities include:

Buy strategy indicators:

- Favorable market/economic conditions for industry
- Strong balance sheets with high cash flows which can be an indicator of a company’s ability to self fund new projects
- Experienced and capable management team
- Market at discount to our proprietary estimates of value

Sell strategy indicators:

- Market value exceeds WisCap’s price target
- Potential catalyst for recovery is no longer evident
- Deterioration of fundamentals not yet reflected in market price
- More compelling alternatives exist with better quality or larger discount to value

### Risk of Loss

WisCap’s approach to asset management emphasizes global diversification to mitigate and manage risk. Diversification includes geographic concentration, investment style, capitalization

of underlying investments, investment vehicle, as well as the maturity credit quality and geographic exposure to income funds. While all investments involve some risk, including loss of capital and purchasing power, WisCap endeavors to diversify not only asset classes and sectors, but philosophies and strategies as well, to broaden participation in advancing markets and reduce portfolio volatility.

Model due diligence generally encompasses fundamental, technical, quantitative and qualitative input. Each component of these research inputs have weaknesses and risks associated with them, outside of the risks posed by specific asset classes or sectors in general. By accentuating global diversification of assets and multi-faceted models, WisCap hopes to reduce risk in a manner that still produces positive returns over the long term.

From time to time, WisCap may invest in defensive positions or securities that are inconsistent with a portfolio's main investment strategy in an attempt to respond to adverse market, economic, political, or other conditions in the macro environment. Variations in investment strategy may impact the portfolio's ability to achieve its stated investment objective.

WisCap selected investments are subject to risks involved with investing that clients should be prepared to bear, including the possible loss of some or the entire principal amount invested. There is no guarantee that the investments will appreciate during the time that you hold them and some or all may depreciate in price. Past performance is not necessarily indicative of future results. The risks for each investment will vary depending on the investment objective and underlying investments of each mutual fund or ETF. There can be no assurance that WisCap will be successful in meeting its investment objective. WisCap's investments are also subject to the following additional risks:

*Market Risk.* The market value of a security may decline due to general market conditions that are not specifically related to a particular company or because of factors that affect general economic conditions of the market as a whole.

*Individual Security Selection Risk.* Securities selected as portfolio investments for clients may decline due to events unique to the individual security. Such events include, but are not limited to, changes in a company's business or credit outlook, its geographic exposure, events at competitor companies, and changes in government policy or regulatory environment.

*Sector Risk.* Sector risk is the possibility that securities within the same industry will decline in price due to sector-specific market or economic developments. Government regulation or technological changes often influence specific industry characteristics and profitability. Although WisCap seeks to invest in a diversified portfolio of securities, it is often the case that the company finds numerous attractive investments within a particular industry sector. In such cases, WisCap may choose to overweight a particular sector, relative to the weightings in the S&P 500 Index. Such overweighting exposes the portfolios to risks specific to that industry that may not be correlated with the overall market.

*Foreign Securities.* Although WisCap invests primarily in the securities of U.S. issuers, it may from time to time invest in foreign securities. To the extent WisCap invests in foreign securities, such investments will be subject to special risks, including exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability, and differing auditing and legal standards.

*Credit Risk.* The value of a client's investments in fixed income securities is dependent upon WisCap's analysis of a number of factors, including the underlying credit worthiness of the issuer. A reduction in the credit worthiness of the fixed income instrument's issuer or negative perception of the issuer's ability to pay may result in a reduced price of the security and greater risk of principal loss, and bankruptcy of the issuer may result in a total loss of principal.

## **Item 9 – Disciplinary Information**

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

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

SVAP WM has a 100% non-voting equity interest in WisCap. In turn, SVAP WM is owned by SVA Plumb Financial, LLC ("SVAPF"). SVAPF is owned by Diversified Services of Wisconsin, Inc. ("DSW"), and TGP, Inc. DSW is owned by numerous partners of SVA Certified Public Accountants, S.C. ("SVACPA") or an affiliated subsidiary, and TGP, Inc. is owned by Thomas G. Plumb.

WisCap has a number of affiliates, including:

- SVA Certified Public Accountants, S.C.
- SVA Consulting, LLC
- SVA Healthcare Services, LLC
- SVA MedCode Specialists, LLC
- SVA Financial Services, LLC
- SVA Franchise Services, LLC
- SVA Technology Services, LLC
- SVA Staffing Solutions, LLC
- SVA Plumb Trust Company, LLC
- SVA Plumb Wealth Management, LLC

On an individual basis and based on our good faith judgment of a client's specific needs, WisCap may recommend a client utilize an affiliate's services. Unless otherwise disclosed to

the client, services provided by an affiliate are separate and distinct from the investment advisory services provided by WisCap. Fees for such services are generally separate and distinct from the advisory fee charged by WisCap, with the exception of the joint billing situations disclosed in Item 5 and other exceptions which may be communicated to clients from time to time. In recommending an affiliate's services, WisCap experiences conflicts of interest as a client utilizing an affiliate's services based upon WisCap's recommendation will generate revenue for the affiliated subsidiary and, indirectly, benefit WisCap as an affiliate. Further, as an affiliate, WisCap's employees may receive referral fees from any or all of its affiliates related to WisCap clients who use affiliated services. This scenario results in additional conflicts, as WisCap's employees may have a direct financial incentive to refer clients to its affiliates.

Clients may be able to obtain comparable services from unaffiliated individuals and organizations at fees which may be higher or lower than the fees charged by WisCap's affiliate. No client is obligated to utilize WisCap's affiliates for any other services and clients can terminate their services with the affiliate at any time in accordance with their service agreement. Termination of the use of a WisCap affiliated provider will not, as a matter of practice, have an impact on the level of service WisCap provides its clients.

WisCap does not have employees but rather utilizes employees of SVAP WM as necessary to carry out its business through a service agreement. Any references to WisCap or WisCap employees throughout this Disclosure Brochure are references to work performed on behalf of WisCap by SVAP WM employees through this service agreement.

WisCap is the investment adviser to the Plumb Funds. WisCap may invest some or all of clients' accounts in the Plumb Funds. Because WisCap earns investment advisory fees for its services to the Plumb Funds based upon the value of the funds it manages, a conflict of interest exists when WisCap effects such purchases for client accounts. WisCap does not charge clients directly any investment advisory fees for that portion of an account invested in the Plumb Funds. WisCap has an incentive to recommend the Plumb Funds for its client accounts in order to grow the Plumb Funds. WisCap recommends Plumb Funds to clients when it determines the investment is appropriate for the client's account. See specific disclosure for Plumb Fund shares purchased in ERISA accounts in Item 5 of this brochure.

The Plumb Funds shares are distributed by Quasar Distributors, LLC ("Quasar"). When WisCap representatives make Plumb Fund purchase recommendations to WisCap clients, they have a conflict of interest since WisCap receives internal Plumb Fund management fees based upon the value of Plumb Fund assets.

Clients and prospective clients are encouraged to carefully consider the affiliations and conflicts of interest described above. Questions regarding the service of affiliates, the relationship between affiliates and the revenues earned may be directed to WisCap by calling (608) 824-8800.

## Item 11 – Code of Ethics

WisCap has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons (generally, employees of WisCap's affiliate, SVAP WM, who perform services for WisCap) at WisCap must acknowledge the terms of the Code of Ethics annually, or as amended.

WisCap's Code of Ethics governs personal securities trading activity. Supervised persons are permitted to buy and sell securities WisCap also recommends to clients. The Code of Ethics is designed to provide reasonable assurance that the personal securities transactions, activities and interests of the supervised persons of WisCap 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 supervised persons to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of WisCap's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit supervised persons to invest in the same securities as clients, there is a possibility that supervised persons might benefit from market activity by a client in a security held by a supervised person. Personal trading is monitored by WisCap to address the conflicts arising from allowing its supervised persons to invest in the same securities as clients.

WisCap may recommend to client and invest some or all of clients' accounts in the Plumb Funds, which are managed by WisCap. Because WisCap earns investment advisory fees for its services to the Plumb Funds based upon the value of the funds it manages, a conflict of interest exists when WisCap makes such purchases for client accounts. Refer to Item 10 for further details on conflicts arising related to the Plumb Funds and how they are addressed.

WisCap supervised persons are permitted to invest in the Plumb Funds. This may create an incentive for WisCap to put the interests of these affiliated mutual funds ahead of other clients. However, the Code requires staff members to place clients' interests ahead of their own and to report personal transactions and holdings in mutual funds managed by WisCap or WisCap's affiliates in accordance with the reporting requirements described above.

Certain affiliated accounts, including the Plumb Funds and other mutual funds that may be managed by WisCap, may trade in the same securities with client accounts on an aggregated basis when consistent with WisCap's obligation of best execution. In such circumstances, the affiliated and client accounts will receive securities at a total average price. WisCap 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. Please see Item 12 for an overview of WisCap's trade aggregation and allocation practices.

WisCap's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Connie Redman, Chief Compliance Officer, at 608-824-8800.

When deemed appropriate or advisable by WisCap, client accounts, including registered mutual funds managed by WisCap, may purchase from or sell to any other client account a security that is consistent with the account's investment objectives, policies, and limitations. The participating clients may both be clients of WisCap or one may be a client of SVAP WM (WisCap's affiliated adviser). Please see Item 12 for additional information, including potential conflicts involved, with these "cross trades."

## **Item 12 – Brokerage Practices**

In the ordinary course of managing accounts for clients, the primary consideration in WisCap's selection of brokers and dealers is prompt and efficient execution of orders so that WisCap clients' total cost in each transaction is the most favorable and equitable under the circumstances. WisCap will usually select the broker-dealer to be used with the objective of negotiating a combination of the most favorable commission and the best price obtainable given the market conditions and the nature of the specific account. The specific factors considered in selecting a broker-dealer to effect client transactions include: WisCap's knowledge of commission structure; broker-dealer knowledge of and dominance in specific markets, securities, and industries including investment idea generation; quality of execution including best price under the circumstances; the broker-dealer's ability to locate liquidity; the overall relationship of the broker-dealer with WisCap including responsiveness and dependability; whether or not the broker-dealer has acceptable record keeping, administrative and settlement functions; and research services provided by the broker-dealer (as described in further detail below).

When placing orders for securities traded in a negotiated market, particularly government bonds and over-the-counter stocks, WisCap may use the services of a broker ("introducing broker") rather than the primary dealers ("market makers") in the specific security. These introducing brokers process transaction orders from WisCap by buying or selling securities through market makers in the securities. The introducing brokerage firms receive a commission. Although WisCap has the ability to go directly to market makers for transaction executions and avoid the introducing broker-dealers' commission, WisCap sometimes finds that use of introducing brokerage firms, particularly the broker associated with the client's account, is a convenient means to obtain efficient executions for client accounts. It is generally WisCap's practice not to place orders directly with a market maker when the size of the order is small, when clients have directed WisCap to use a particular broker-dealer, or when WisCap believes security delivery

delays could occur by use of a particular market maker brokerage firm. Use of brokerage firms other than the market maker may not result in best price to clients on a trade-by-trade basis.

WisCap may recommend that clients establish brokerage accounts with the Schwab Advisor Services (formerly called Schwab Institutional) division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer to maintain custody of clients' assets and to effect trades for their accounts. WisCap is not affiliated with Schwab. Schwab provides WisCap with access to its institutional trading and custody services which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional, and are not otherwise contingent upon Advisor committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

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

Schwab also makes available other products and services that benefit WisCap but may not specifically benefit its clients' accounts. Some of these other products and services assist WisCap in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of WisCap's fees from its clients' accounts; and assist with back-office functions, recordkeeping, and client reporting. Many of these services generally may be used to service all or a substantial number of WisCap's accounts, including accounts not maintained at Schwab.

Schwab also makes available to WisCap other services intended to help WisCap manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to WisCap by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to WisCap. WisCap endeavors to act in its clients' best interests. WisCap's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to WisCap of the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. While WisCap encourages clients to consider the use of Schwab's services as we are able to manage

an account at Schwab in an efficient manner, the decision of which custodian to choose rests with the client.

### Soft Dollar Practices

WisCap also considers the value of proprietary and third party research services received in return for the client brokerage WisCap directs to various broker-dealers. This research is used by WisCap to manage its clients' accounts. WisCap may pay brokerage commissions ("soft dollars") in excess of the commissions another broker-dealer or trading platform may have charged for executing similar transactions without providing such research. Some of these research products and services might otherwise be available to WisCap for a cash payment. When WisCap receives research or other services through client commissions, it receives a benefit because it does not have to produce or pay for the research or services. Research services provided by broker-dealers may be used in servicing any or all WisCap clients and such research products or services may not necessarily be used by WisCap in connection with the accounts that paid commissions to the broker-dealer providing the products or services. WisCap does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. WisCap's Brokerage & Soft Dollar Committee (the "Committee") evaluates the price and quality of execution of WisCap trades, including the value of research products and services obtained by WisCap with client brokerage commissions. Research obtained includes sell side research (including access to broker-dealers' research analysts), access to company management, invitations to investment conferences, electronic research services, best execution evaluation services, and market data services. WisCap has an incentive to continue to use selected research broker-dealers to execute transactions so WisCap may continue to receive research products and services.

WisCap also uses its soft dollar research credits to pay for products and services relating to investment research. In addition to receiving research, WisCap utilizes a selection of services for comparison of client portfolio information to various indices and may analyze graphs and other data available to prepare for client meetings. Additionally, WisCap uses features of the research products and services to evaluate clients' relative exposure to geographic, style and capitalization strategies. Thus, WisCap makes a good faith allocation between the research and non-research portion of these "mixed-use" items and pays for the non-research portions with its own funds. WisCap determines the payment due by the percentage it uses the service. Because WisCap derives a benefit itself from its soft dollar arrangements in the use and optimization of research products, it has a conflict of interest in using soft dollar credits for the services because it may not have derived the benefit absent its relationships with its clients. In addition, the allocation process performed by WisCap in determining research and non-research use also creates a conflict of interest, as WisCap has an incentive to assign a greater percentage of the mixed-use item as a research service.

WisCap may from time to time receive the benefits from soft dollar services obtained via commissions generated by clients of SVAP WM (WisCap's affiliated investment adviser). Similarly, SVAP WM may receive certain benefits from soft dollar services obtained via

commissions generated by WisCap clients. SVAP WM and WisCap essentially function in tandem, overseen by a single management team, utilizing a joint oversight structure (including a single Brokerage and Soft Dollar Committee), and operating under a joint compliance program. In addition, certain members of WisCap's investment management team are employees of SVAP WM. As a practical matter, research services obtained are used to service clients of both entities. WisCap's Brokerage and Soft Dollar Committee routinely monitor its soft dollar arrangements.

To mitigate WisCap's soft dollar conflicts, WisCap maintains policies and procedures designed to ensure it selects brokers based on its fiduciary obligations, and not based on this conflict. The Committee also routinely reviews allocation of commissions to brokers and soft dollar matters including evaluating whether the value of soft dollar services received are reasonably equitable to the commissions paid.

At times, non-research services or benefits may be provided to WisCap by broker-dealers in consideration of a long-standing, effective relationship rather than in exchange for client commissions. WisCap's Brokerage and Soft Dollar Committee does not consider these services to be soft dollar services or benefits and does not factor the receipt of these services or benefits into its periodic evaluation of broker-dealers, including its allocation of commission dollars to the broker-dealer.

#### Client Directed Brokerage

Client-directed accounts ("Directed Accounts") are by their nature subordinate in the trade rotation to Free Accounts (those accounts where WisCap has full discretion to choose the broker-dealer to be used for execution of trades) and Schwab Accounts because Directed Accounts: (i) must have their trades directed to multiple brokers and trading desks by phone or web portal; (ii) generate benefits from commissions that accrue primarily to the particular Directed Account(s) and not to clients generally; and (iii) do not generate commissions which provide substantial research to support WisCap's investment research process. Further detail related to client account trade rotation is included below.

WisCap strives to get prompt and efficient execution of orders for clients who direct WisCap to execute securities transactions through a particular broker-dealer, including a "wrap fee" arrangements. However, by directing brokerage to a specific broker-dealer the client is essentially waiving WisCap's duty to obtain best execution because it limits WisCap's ability to block the client's orders with those of other clients to receive an average price for securities bought or sold or otherwise obtain best price and execution. When a client elects to direct its brokerage, the client may incur transaction costs and commissions that are higher, particularly if the client selects a full-service broker rather than a discount broker. The costs and commissions of a full-service brokerage account may be higher than other available brokerage arrangements, even after the brokerage firm's rates have been discounted.

An instruction to use a specific brokerage firm also creates a potential conflict of interest for WisCap in those instances where the client was referred to WisCap by a brokerage firm

representative. In these circumstances, the broker representative stands to benefit from providing custody and execution services while WisCap earns fees from the accounts being referred by the broker representative. WisCap has an incentive to maintain accounts with that broker-dealer if the broker representative continues to refer clients to WisCap. To mitigate WisCap's client-directed account conflicts, WisCap maintains policies and procedures designed to ensure it selects brokers based on its fiduciary obligations and client's directions, including a requirement to disclose this conflict on this Form ADV Part 2A.

A client may have reasons unrelated to best execution, for selecting a particular broker-dealer over another. For example, the client may have a personal relationship with the broker representative that the client wants to maintain, the broker-dealer offers unique services to the client that are unavailable at other broker dealers, or the client has independently negotiated a favorable brokerage rate. The client may also want an "independent eye" evaluating WisCap's management of the account. Clients should carefully consider the factors described in this section.

#### Aggregation and Allocation of Trade Orders

WisCap may, when appropriate, aggregate trade orders and allocate trades among two or more clients. WisCap may be able to decrease brokerage and transaction costs to its clients through volume discounts and lower commissions that are not available to smaller volume transactions. Aggregating trades or "blocking orders" also permits WisCap to enter and exit securities markets on behalf of clients in a more efficient and organized manner and attempt to obtain the best market pricing given the market conditions. WisCap may block trades for WisCap client accounts with trades of its affiliated adviser, SVAP WM, subject to the practices disclosed below.

In order to provide for the fair treatment of all clients while recognizing the need for flexibility, WisCap will strive to allocate investment opportunities among clients in a fair and equitable manner based on the characteristics and needs of the clients and the market conditions.

When a block order is filled (full or partial fill) at several prices through multiple trades, WisCap calculates an average price for all trades executed, and all participants in the block trade receive the average price. Only trades executed within the block on the single day are generally combined for purposes of calculating the average price. For each block trade, WisCap creates pre-allocation schedules of shares for each client account based upon the account value, target weight and current price. Once the aggregated trade is executed the shares are allocated in-line with the pre-allocation schedule.

WisCap generally allocates shares of partial fill equity trades to client accounts on a *pro-rata* basis based on the pre-allocation schedule. WisCap considers shares to be allocated pro rata if any difference from the exact proportion results from:

1. Rounding off the number of securities allocated to any client to the next higher or lower round-lot figure; or
2. Not allocating securities to one or more clients because:

- a. The number of securities to be allocated is considered to be relatively small in relation to the ordinary size or volume of transactions for that client;
- b. A trade in a particular security would, in the judgment of WisCap, be too small in relation to the size of the account to warrant an allocation ; or
- c. A trade in a particular security would result in unnecessary or unusual expense (including trade-away costs) to the client.

When trading fixed income securities in block orders, securities will be allocated to client accounts in accordance with the pre-allocation schedule when adequate volume is available. In the case where there is not enough volume to fill all fixed income client accounts participating in the block trade, WisCap allocates fixed income securities to client accounts based on need; specifically, those accounts with excess cash and those accounts whose current investment allocation is out of line with the account's desired strategy.

WisCap may apply common sense deviations to its standard allocation process, including the following circumstances:

1. Pro-rata allocation results in a de minimis number of shares;
2. Client account is charged per trade transaction fees by its custodian, creating undue costs by executing trades over several days;
3. Extreme market volatility;
4. Cash limitations or excess cash;
5. Client specific investment restrictions;
6. Client's tax status;
7. Client direction or requirement to raise cash in the account; and
8. Common sense and equitable adjustments.

#### Limitations on the Ability to Aggregate Trades

Limitations on WisCap's ability to aggregate trades exist. WisCap has the most flexibility to aggregate Free Accounts, which are defined below. WisCap is not as readily able to include Directed Accounts or Restricted Accounts, as defined below, in block trades. These accounts direct trades to a specific broker-dealer or otherwise may have economic or operational considerations that may prevent WisCap from freely selecting the executing broker-dealer or placing a trade within the account at the same time as the other accounts making up the block.

#### Categorization of Client Accounts

The client accounts of WisCap and its affiliated companies can be broadly categorized as:

*Free Accounts.* Free Accounts include Plumb Funds portfolios, SVA Plumb Trust Company or other trust company clients, institutional clients, and certain bank custody accounts. These accounts provide the most flexibility and opportunity for aggregation.

*Schwab Accounts.* A substantial number of WisCap's separate account clients maintain their accounts at Schwab. Schwab offers WisCap clients attractive brokerage rates and professional execution and services but will charge additional settlement fees when trades are executed by

another broker. In most instances it is in the best interest of an account held in custody with Schwab to aggregate its trades with other Schwab accounts and execute substantially all its brokerage with Schwab.

*Directed Accounts.* These are accounts of clients who have directed their brokerage to a specific broker-dealer, including wrap accounts. Directed Accounts have limited opportunities for aggregation.

*Restricted Accounts.* These are accounts that have unique economical or operational considerations that must be addressed prior to making a trade in that account. WisCap strives to aggregate these accounts with their corresponding block (Schwab or Free), but often their circumstances do not allow for this. Accounts may be considered restricted for various reasons, including an account may have special tax or cash flow situations which require specific consideration prior to transacting a trade.

### General Trading Hierarchy

WisCap generally maintains a trade rotation that treats the Free Accounts and the Schwab Accounts in parity, considering their respective account characteristics and commission structures, as well as the relative sizes of these blocks of accounts trading in the same security in the same time frame. WisCap generally executes Free Accounts and Schwab Accounts in parity by aggregating trades in the same security into two blocks (a Free Account block and a Schwab Account block) and then alternating the initiation of the block trades on the trading desk. Trades for Directed Accounts are subordinated in the trade rotation. Directed Account trades will be initiated on a random basis using a random order generator containing the names of the directed brokers through which the firm is directed to trade. Trades are placed for Restricted Accounts as soon as practically possible after the unique characteristic of that account has been considered or overcome.

### Departures From the General Trading Hierarchy

WisCap's trading department is authorized by the Investment Committee to depart from the General Trading Hierarchy when in the WisCap Trader's good-faith determination departing from the hierarchy will benefit one client without causing disadvantage to another client account. WisCap may deviate from the General Trading Hierarchy if market conditions warrant a deviation. For example, two members of the trading department may simultaneously enter trades for Free and Schwab accounts if the market is liquid and the effect or risk of "working against yourself" is low. Liquid large cap markets may also permit the WisCap Trader to consider execution of smaller Directed trades in a manner not likely to significantly affect the market for Free or Schwab blocks. Directed trades may be initiated before other trades if doing so will enhance the efficiency of WisCap's overall trading strategy and management of the trading queue if the likelihood of conflict with other clients is low.

### Initial Public Offering and Private Placement Allocations

WisCap does not frequently invest its clients in initial public offerings (“IPOs”) or private placement securities. To the extent WisCap does invest its clients in IPO or private placement securities, WisCap uses the following procedures when allocating securities sold in initial public offerings and private placements. WisCap considers a variety of factors, including the investment objective and risk posture of the client’s account, cash available in an account, the current diversification in the client’s portfolio, the number of IPO or private placement securities available to allocate, and whether available IPO or private placement securities would be a material position for a client’s account.

When a broker-dealer selling securities in an IPO or private placement indicates that it will allocate securities only to client accounts which maintain custody at the broker-dealer, WisCap will allocate available securities to those client accounts maintained at the broker-dealer, once it has determined that the securities are appropriate for the account(s). The use by a client of one brokerage firm rather than another often results in a client obtaining an IPO or private placement allocation advantage over other accounts because of the client’s relationship with the selling or underwriting broker-dealer.

A mutual fund or other substantial client account that generates commissions which result in an allocation of IPO or private placement securities from a broker-dealer should have the benefit of receiving those securities, taking precedence over other accounts where allocations of these securities is limited.

### Cross Transactions

WisCap may effect a purchase and sale transaction between two affiliated accounts (a “cross” trade) where it determines a cross trade is in the best interest of each participating client and no client is deemed to be disadvantaged by the transaction. The participating clients may both be clients of WisCap or one may be a client of SVAP WM (WisCap’s affiliated adviser). If a broker-dealer is used to facilitate settlement, the client may incur a customary, nominal fee to be paid to the broker-dealer. WisCap applies an independent market price in each cross transaction, and does not receive any fee or other compensation, other than their advisory fees, for effecting a cross transaction. ERISA accounts managed by WisCap are generally not eligible to participate in cross transactions.

### **Item 13 – Review of Accounts**

Each client is assigned a Portfolio Manager; it is important that you discuss with him or her any changes in your financial objectives, circumstances, or risk profile. Your Portfolio Manager is responsible for periodic reviews of your accounts, including holdings to determine that recommended transactions continue to be suitable based on general guidelines set up at the inception of the adviser-client relationship; written agreements; correspondence; or changes in life circumstances. Reviews are also performed at the client’s request, when changes in the



market or economic trends warrant it, after a client communicates a change in objective, and at the discretion of the Portfolio Manager.

In conjunction with your Portfolio Manager, the Portfolio Management Committee conducts reviews of client account objectives, performance variances, asset class exposures, and risk tolerance parameters on a continuous basis. Final decisions regarding investments in each account are left to the judgment of your Portfolio Manager.

Unless otherwise requested by the client, WisCap provides reports at least quarterly showing the securities held, the reported cost and current market value of the securities and detail describing the performance of the account. Clients using an affiliated Trust Company receive account statements no less than quarterly from the Trust Company, unless otherwise requested by the client.

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

WisCap pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. WisCap and Schwab do not maintain a current referral arrangement; rather, all referral arrangements described with Schwab herein apply to legacy WisCap clients, for which WisCap pays Schwab a fee as outlined within this Item 14 disclosure.

The Participation Fee paid by WisCap is a percentage of the fees the client owes to WisCap or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. WisCap pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to WisCap quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by WisCap and not by the client. WisCap has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs WisCap charges clients with similar portfolios who were not referred through the Service.

WisCap generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a onetime payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees WisCap generally would pay in a single year. Thus, WisCap will have an incentive to recommend that client accounts be held in custody at Schwab. The Participation and Non-Schwab Custody Fees will be based on assets in accounts of WisCap's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, WisCap will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute

transactions at Schwab and to instruct Schwab to debit WisCap's fees directly from the accounts. For accounts of WisCap's clients in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from WisCap's clients in the form of commissions or other transaction related compensation on securities trades executed through Schwab.

Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers' fees. Thus, WisCap may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. WisCap nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for WisCap's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

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

Employees of WisCap, affiliates of WisCap or employees of WisCap's affiliates may receive compensation for referring client accounts to WisCap. This creates a conflict of interest as individuals may have a direct financial incentive to refer prospects to WisCap. Prospects are under no obligation to utilize WisCap for investment management services.

## **Item 15 – Custody**

WisCap only maintains custody over client funds or securities by virtue of the fact that client assets are custodied at SVA Plumb Trust Company, LLC, an affiliate of WisCap, or to the extent advisory fees are deducted from a client's account. As a result, client assets held by the Trust Company are verified via an annual surprise exam by an independent public accountant registered with the Public Company Accounting Oversight Board ("PCAOB"). In addition, WisCap annually obtains a written internal control report from the Trust Company prepared by an independent public accountant registered with PCAOB, stating: 1) the accountant's opinion as to whether controls in place at the Trust Company are suitably designed to meet control objectives related to custodial services; and 2) the accountant verified the funds and securities are reconciled by the Trust Company to a custodian other than the Trust Company (e.g., the Depository Trust Corporation).

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. WisCap encourages clients to review WisCap statements carefully. Client account information contained within these statements is derived from sources WisCap deems to be accurate, but WisCap cannot guarantee its accuracy as statements provided by the clients' custodian represent the true record of account holdings and activity. Performance information contained within WisCap statements is presented net of WisCap management fees, and past performance shown is not indicative of future results. WisCap encourages clients to compare information contained in our reports to reports provided by clients' custodians. Further, WisCap clients should not rely on information contained within WisCap's statements for tax or legal purposes; rather, WisCap recommends clients rely upon information provided by their custodian for these purposes. Clients are encouraged to contact WisCap with any questions regarding their account statements.

#### **Item 16 – Investment Discretion**

Clients generally provide discretionary authority to WisCap via the Advisory Agreement to select the identity and amount of securities to be bought or sold and determine when securities should be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, WisCap observes the investment policies, limitations and restrictions of the clients for which it advises, which may limit WisCap's investment discretion. An example is where the client directs transactions to be effected through a specific broker-dealer which may limit WisCap's ability to obtain best execution. For registered investment companies managed by WisCap, WisCap's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

As part of its internal policies and procedures, WisCap adopted a Trade Error Correction Policy to address a trade error that may occur in a client account. WisCap considers a trade error to be an unintentional mistake, such as purchasing instead of selling a security, purchasing (or selling) an incorrect amount of a security, or purchasing (or selling) a security contrary to an applicable client guideline. WisCap strives to correct all trade errors within a reasonable period of time following discovery of the error by reversing the original action that caused the error. WisCap shall not use commissions from other client accounts to correct trade errors.

It is WisCap's policy for clients to be made whole following a trade error. WisCap will pay as appropriate to make the client account whole, unless the executing broker's policy is to absorb de minimis (e.g., under \$100) losses. To the extent an executing broker independently determines to absorb a de minimis loss arising from a trade error caused by WisCap, the broker will not be compensated for the loss with brokerage business. If the trade error results in a gain,

WisCap will strive to ensure proceeds of the error are donated to charity. These efforts could include: (1) requesting return of the gain from the executing broker and donating that gain to charity; or (2) obtaining assurances from the executing broker that the gain will be donated to charity.

Addressing trade errors presents a true conflict to all advisers, including WisCap, as advisers have a financial incentive to minimize a trade error resulting in a loss and to maximize a trade error resulting in a gain. To mitigate this conflict, WisCap maintains policies and procedures designed to provide reasonable assurance trade errors are properly addressed. In addition, WisCap routinely monitors trade errors.

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

The following information summarizes WisCap's Policy and Procedures regarding proxy voting when providing advisory services to its clients.

### **Proxy Voting**

In instances where the client authorizes WisCap to vote its proxies, WisCap strives to vote all proxies in the best economic interests of its clients. The Policies and Procedures do not apply to those situations where the client has retained voting discretion. WisCap shall vote proxies for clients pursuant to the authority granted in the investment management agreement between WisCap and its client, or as granted by written direction from each client. WisCap's Proxy Review Committee is responsible for ensuring that proxies are voted in accordance with WisCap's policies.

In general, proxies will be voted in a manner designed to maximize the value of client investments. In evaluating a particular proxy proposal, WisCap takes into consideration, among other things, management's assertions regarding the proxy proposal, WisCap's determination of how the proxy proposal will impact its clients and WisCap's determination of whether the proxy proposal will create dilution for shareholders.

Generally, it is WisCap's policy to vote in support of management's recommendations on proxy issues related to business operations matters since management's ability is a key factor WisCap considers in selecting equity securities for client portfolios. WisCap believes a company's management should generally have the latitude to make decisions related to the company's business operations. However, when WisCap believes the company's management is acting in an inconsistent manner with its clients' best interests WisCap will vote against management's recommendations.

WisCap has a duty to recognize a material conflict and to resolve the conflict before voting the proxy. For purposes of proxy voting, material conflicts of interest are defined as those conflicts that, in the opinion of the Proxy Review Committee, a reasonable investor would view as important in making a decision as to how to vote a proxy. Upon identification of a material

conflict of interest relating to a specific proxy vote, the Proxy Review Committee will take one of any action deemed appropriate to ensure the proxy voting decision is based on the client's best interests and is not a result of the conflict, including:

1. Refer the proxy to a client or to a representative of the client for voting purposes;  
or
2. Disclose the conflict to the affected clients and seek their consent to vote the proxy prior to casting the vote.

The Proxy Review Committee has established base guidelines for voting proxies. The Proxy Review Committee reviews the firm's base guidelines on a periodic basis. From time to time, the Portfolio Manager responsible to review a specific proxy proposal may desire to vote contrary to the firm's base guidelines. Under such circumstances the Portfolio Manager will consult with the Proxy Review Committee, who will review relevant information and determine whether to deviate from the applicable base proxy voting guideline.

Clients may obtain a copy of WisCap's complete proxy voting policies and procedures upon request. Clients may also obtain information from WisCap regarding how it voted proxies on behalf of their account(s) by calling (608) 824-8800.

## **Item 18 – Financial Information**

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

## Exhibit A – Privacy Notice

### ***Our Promise to You***

As a client of SVAPF<sup>\*</sup>, you share both personal and financial information with us. Please read this notice carefully to understand what we do with your information, and know your privacy is important to us; we are dedicated to safeguarding your personal and financial information.

### ***Information Provided by Clients***

In the normal course of doing business and depending on the product or service you have with us, we may obtain non-public personal information about you. This information can include:

- Name, address, social security number, and date of birth;
- Information regarding securities transactions effected by us;
- Financial information such as net-worth, assets, income, bank account information, personal income tax information, and account balances;
- Information we receive from custodians with respect to your account(s); and
- Information received from service bureaus or other third parties.

### ***How We Manage and Protect Your Personal Information***

SVAPF shares personal information for our everyday business purposes, such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus. Also, we may share information with outside companies that perform administrative duties for us. However, our arrangements with these service providers require them to treat your information as confidential. Personal information, such as information about your transactions and experiences, is also shared with our affiliates<sup>1</sup> for everyday business purposes. SVAPF does not share your personal information about your creditworthiness with our affiliates.

SVAPF believes that our ability to provide information about services offered by us and our affiliates enables us to more effectively serve our customers. Therefore, with your prior authorization, SVAPF may send you marketing materials about us or any SVAPF affiliate. SVAPF does not share your personal information for non-affiliates to market to you.

In order to protect your personal information, we maintain physical, electronic, and procedural safeguards to protect your personal information.

### ***Client Notifications***

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy. Thank you for allowing us to serve you. We value your business and are committed to protecting your privacy. We hope you view our firm as your most trusted adviser, and we will work to continue earning your trust. Please do not hesitate to contact us with questions about this notice.

<sup>\*</sup>For the purpose of this privacy notice, SVAPF refers to SVA Plumb Wealth Management, LLC and Wisconsin Capital Management, LLC.

<sup>1</sup>For the purpose of this privacy notice, affiliates of SVAPF are SVA Plumb Trust Company, LLC (South Dakota) and SVA Certified Public Accounts, S.C. and its related entities: SVA Consulting, LLC; SVA Financial Services, LLC; SVA Healthcare Services, LLC; and SVA MedCode Specialists, LLC.