

Item 1 – Cover Page



Northern Capital Management, Inc.

2700 S. Southeast Blvd. Ste. 205
Spokane, WA 99223
(509) 456-2526
www.ncm-inc.com

March 13, 2013

This Brochure provides information about the qualifications and business practices of Northern Capital Management, Inc. (herein referred to as “NCM”).

Please note 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. Northern Capital Management, Inc. is a registered investment adviser and registration does not imply any level of skill or training.

For more information about Northern Capital Management, Inc., visit the SEC’s website:
www.adviserinfo.sec.gov

If you have any questions about the contents of this Brochure, please contact Sarah Miller, Chief Compliance Officer, at (509) 456-2526 or (800) 826-9803 extension 21 or via email to sarah@ncm-inc.com.

Item 2 – Summary of Material Changes

Northern Capital Management, Inc. updates this document annually or, in the event of material changes, more frequently. This section summarizes changes made since the previous brochure dated ***October 2, 2012***:

Organizational Changes:

- Northern Capital Management, Inc. has been affiliated with the broker-dealer W.F.C.G. Securities, Inc. since 1993. Both companies are under common ownership and control. This broker-dealer will be changing its name to NCM Securities, Inc. in March 2013.
- James K. Wilson incorporated an affiliated Registered Investment Advisor named Capital Retirement Plan Services, Inc. in January 2012. This new company, under common ownership and control, will specialize in services offered to our retirement plans and participants starting in March 2013. Northern Capital Management, Inc. will focus on services offered to individual clients and corporations.

Our firm will deliver a copy of this section to its clients within 120 days of the close of its fiscal year to make sure clients are aware of any material changes to the firm’s business philosophies and practices. A complete copy of this Brochure is also available on our website at www.ncm-inc.com. To view the Brochure online, enter our website as a guest and click the “ADV II” link at the bottom of the webpage. Clients may request a full copy of the latest version at any time by contacting Sarah Miller, Chief Compliance Officer.

Item 3 – Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Summary of Material Changes.....	1
Item 3 – Table of Contents	2
Item 4 – Advisory Business	2
Item 5 – Fees and Compensation.....	5
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 - Types of Clients.....	8
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 - Disciplinary Information	10
Item 10 - Other Financial Industry Activities and Affiliations.....	11
Item 11 - Code of Ethics	12
Item 12 - Brokerage Practices.....	14
Item 13 - Review of Accounts.....	17
Item 14 - Client Referrals and Other Compensation	19
Item 15 – Custody	19
Item 16 - Investment Discretion.....	19
Item 17 - Voting Client Securities.....	20
Item 18 - Financial Information	20
Item 19 - Requirements for State-Registered Advisers	20
Brochure Supplement(s).....	20
Professional Designations Explained	20

Item 4 – Advisory Business

Company History

Northern Capital Management, Inc. (“NCM”) has been in business since 1992. NCM is incorporated and owned solely by James K. Wilson. The name, originally Bergeron & Wilson, Inc., has changed throughout the years. James has retained majority ownership since the start of the firm. The name Northern Capital Management, Inc. was established in 2003.

Services Offered

NCM offers investment management services to individual investors and entities along with retirement plans. Management services may be discretionary or non discretionary. See Item 16 (Investment Discretion) for more information.

Services established under the advisory contract commonly include [financial planning](#), [wealth management](#) and [investment advice](#). These services must be suitable for the client's stated investment objectives, tolerance for risk and income needs. [Administrative services](#) and [non-investment related services](#) are provided under the advisory contract for no additional charge. Each service is further described below:

Financial Planning:

NCM provides assistance with topics like these:

- Understanding and implementing basic budgeting principles includes cash flow reviews.
- Planning for retirement, *including*:
 - Helping clients anticipate when they can retire.
 - Anticipating income needs in retirement.
 - Creating investment and withdrawal strategies for retirement.
 - Helping clients decide when to take Social Security benefits.
- Planning for college expenses and other financial goals.
- Legacy planning including reviews of current estate plans and documents.

- Personal liability planning including reviews of current life, health, disability, long-term care, home and auto insurance.

Wealth Management:

NCM provides assistance with the following:

- Ongoing monitoring of investments.
- Portfolio reallocations, as we deem appropriate.
- Recommendations to buy and sell investments.
- Account reviews with clients, offered annually but available upon request.
- Educational materials, publications and/or webinars, as we deem appropriate.
- Professional monitoring of economic and market conditions on a continuous basis.

Investment Advice:

NCM tailors advisory services to the individual needs of our clients through the use of assigned Investment Objectives (“IOs”). Representatives meet with clients to discuss financial planning topics, tolerance for risk, long-term plans and goals. Based on the detailed information collected, representatives help clients select a suitable Investment Objective (“IO”). Client portfolios are coded by the IO selected and investments are purchased and sold by NCM according to the IO and the relationship established in the advisory contract.

The Investment Objective approach to managing client assets allows our Investment Committee the ability to make specific trade recommendations, across all client accounts, in an efficient manner. This allows our representatives more time to meet with clients, research investments, and monitor economic indicators.

Investment Objectives:

NCM has an Investment Committee that meets regularly to review Investment Objectives (“IOs”) available to clients. IOs range from the most aggressive investors to highly risk adverse investors. The Committee creates target allocations for each IO. The target allocations created by the Committee for each IO are called Allocation Models (“models”). Further, each IO has a Base and Plus model. The *Plus* model allows the Committee the latitude to increase stock exposure above the Base model for clients slightly more aggressive than others with the same IO.

The IO approach to managing client assets allows our Investment Committee the ability to make specific trade recommendations, across many client accounts, in an efficient manner. This creates more time to meet with clients, research investments and monitor economic indicators.

Selecting an Investment Objective (“IO”):

Each client must approve in writing the IO being used to manage assets. The advisor may select a Base or Plus model (within the framework of the Investment Objective selected in writing by the client) without written client consent.

Administrative Services:

All clients are provided:

- Monthly or quarterly account statements from custodians;
- Unlimited consultations via email, telephone or meetings in our office;
- Access to our website: www.ncm-inc.com. This includes access to educational materials at no additional cost, including our “Week In Review” newsletter and periodic Webinars presented by the Investment Committee;
- Access to our professional referral network. (See Item 14)

Non-Investment Related Services:

We offer:

- Tax data sufficiency checks, upon request.
- Required Minimum Distribution assistance (for clients over 70 ½ years old).
- Completion of Class Action Proof of Claim and Release Forms, upon request. However, NCM does not advise or act for the client in legal proceedings. This includes class actions or bankruptcies involving securities purchased for or held in client accounts. Upon client request, we will help complete a claim form, gather documentation required as part of the litigation and will submit the claim form (electronically or by mailing the form to the claims administrator) on the client's behalf. By requesting assistance, the client is allowing NCM to assist with the claim form and access to the client's attorney in any matter relating to the claim.

Menu Retirement Plans

Menu Retirement Plans, if they so choose, receive the following services in addition to those referenced above (Administrative Services) for all clients:

- Recommendations for the selection of Designated Investment Alternatives and Qualified Default Investment Alternatives commonly referred to as "the menu of investment options."
- Ongoing monitoring of the menu of investment options.
- Employee benefits booklets, upon request.
- Account reviews offered annually but available upon request to plan trustees, finance committee members and plan participants.
- Decision making and educational materials, publications, and/or webinars, as we deem appropriate.

Services Not Offered:

We do not:

- Offer Wrap Fee Programs.
- Sell insurance, commissioned variable or commissioned fixed annuities.
- Provide legal or tax advice outside the scope of Certified Financial Planner Designations. (See Brochure Supplements)

Types of Investments

NCM does not invest client funds in proprietary products. We do not directly manage the mutual funds or private money managers we recommend. This gives us the ability to select from thousands of mutual funds and money managers in existence. This also minimizes potential conflicts of interest when making recommendations.

NCM considers mutual fund selection to be our primary area of expertise. The majority of our advice to retirement plans is regarding no-load open-end mutual funds. However, our advice can also include close-end mutual funds, exchange-listed securities, corporate, municipal and governmental securities including debt other than commercial paper, certificates of deposit, variable life insurance, variable and fixed annuities and interests in partnerships investing in real estate. See Item 5 (Additional Fees and Expenses) for more information regarding sales loads and transaction fees.

Investment Restrictions

NCM allows two levels of restrictions to clients. Restrictions can apply to specific accounts or specific securities. Restrictions are limited.

Trading Restrictions: Clients can request a non-discretionary management arrangement in writing for specific accounts. The two types of non-discretionary arrangements are "Contact First" and "No Trading."

- The **Contact First Arrangement** is used for clients that want to be managed but want to be contacted prior to NCM placing trades in a specific account within a portfolio. Accounts coded as “Contact First” are not reviewed or traded as quickly as discretionarily managed assets.
- The **No Trading Arrangement** is used for clients that want to direct all trades within an account. Some discretionarily managed clients have one or two specific accounts within a discretionarily managed portfolio that they have restricted NCM from trading. If an entire portfolio is to be considered “No Trading” a Non Monitoring arrangement is established for the portfolio. See Item 16 for more information.

Investment Restrictions: **Allowed**

- **Contact First Securities** – A security coded as “Contact First” by client written request requires the firm to contact the client prior to trading the security. The security is commonly included in the client’s portfolio allocations. The advisor reviews and monitors the security and makes recommendations, but the client must pre-approve each trade. Investments coded as “Contact First” are not reviewed or traded as quickly as discretionarily managed assets.
- **Hold Securities** – A security on “Hold” by client written request is considered a client-directed asset. The security is *included* in the client’s portfolio allocations and the advisor will review and rebalance the client’s managed portfolio *around* the asset. Unless requested in writing, the advisor does not review, monitor or make recommendations for securities on hold. The security is included when calculating the management fee for the client because the advisor is accommodating the position within the managed portfolio and adjusting other managed investments to accommodate the position.
- **Unmanaged Securities** – A security that is “Unmanaged” by client written request is considered to be a client-directed asset. The security is *excluded* in the client’s portfolio allocations. The advisor does not review, monitor or make recommendations for the security. The client directs all trades for unmanaged assets. The security is *excluded* when calculating the management fee.

Investment Restrictions: **Prohibited**

- Clients are not permitted to impose restrictions against specific companies, industries or sectors. Examples include:
 - Specific individual stocks or bonds like Coca Cola, McDonald’s, etc.
 - “Sin” industries like gambling or tobacco.
 - Specific sectors like foreign stocks, precious metals, commodities, etc.

Assets Under Management

As of December 31, 2012, the values of assets under management were as follows:

Discretionarily Managed: \$ 228.5 Million
 Non Discretionary Managed: \$ 188 Million
 Total Managed: \$416.5 Million

See Item 16 (Investment Discretion) for more information about Discretionary and Non Discretionary management arrangements.

Item 5 – Fees and Compensation

Compensation

NCM is compensated for all services by charging a fee that is a fixed percentage of total assets under management. This is referred to as our “management fee.” The annual management fee rate is listed on the client’s Financial Advisory Agreement. Our fee is calculated every six months and is based upon the assets in the portfolio on the billing date without regard to additions or withdrawals during the prior six month period. Fees are payable on a six month lagging basis.

Management fees are negotiable.

Fee structures are determined by the account size and intensity of the management responsibilities. Most commonly, NCM charges a fixed percentage of assets under management, but our firm can also elect to charge fixed fees (not including subscription fees) or commissions under the broker-dealer relationship with NCM Securities, Inc. See Item 10 (Investment Companies – Commissions, Sales Charges and Loads) and Item 12 for more information. Our firm may also elect to charge a flat annual fee, combine a fixed percentage of assets under management with a flat minimum fee, or create graduating scales where the fixed percentage drops at specified breakpoints as assets under management increase.

Fee Schedule

Our standard annual fee structure is 1% on assets under \$1,000,000 and .5% thereafter. The minimum annual fee is \$1,000. Management fees are negotiable and therefore clients should consult their Financial Advisory Agreement for detailed information regarding their specific fee arrangement and any minimum fees that apply.

Calculating Your Bill

Management fees are based upon the assets under management at the billing date, without regard to deposits and withdrawals. Clients can request to pay fees on a lagging annual basis, without paying every 6 months, but this is not an arrangement preferred by NCM. When calculating the management fee, limited partnerships and other thinly traded securities are generally valued at \$0 due to a lack of marketability and the difficulty associated with verifying a price with outside third parties. Illiquid securities are valued at \$0.

Paying Your Bill

Our standard billing procedure is to send each client an itemized bill. This bill includes a description of how the fees were calculated and the total amount due. Standard procedure for new clients is to arrange an automatic fee deduction process as part of the new financial advisory agreement. Clients must also grant the custodian(s) authorization prior to allowing NCM to auto deduct fees. This is done on the new account application with the custodian. Clients may request to pay by check at any time.

Automatic Fee Deduction: Once authorization is established to allow NCM to automatically deduct management fees, NCM deducts the fee at each billing cycle until authorization is revoked in writing. Clients will continue to receive an itemized bill each cycle indicating the amount auto deducted from the client's account(s). Fee deductions can be confirmed by the client using independent brokerage statements provided by the custodian.

Pay by Check: Clients electing to pay by check will receive an itemized bill on each billing cycle. Checks must be made payable to Northern Capital Management, Inc.

Pre-Paying Management Fees

NCM does not allow for the pre-payment of management fees.

Refunding Management Fees

NCM does not have a termination penalty. In the event a client wishes to terminate our services, the client is liable for fees charged for the services rendered through the termination date. Our contract allows termination by either party to take effect 30 days after the request has been provided in writing by the client or advisor.

In the event the client elects to terminate within the first 30 days of the advisor-client relationship, NCM will not charge management fees. The advisor-client relationship is considered to be established on the date the financial advisory agreement is signed by both the client and advisor representative. Please note additional fees incurred during the account integration process or the implementation of trades is non refundable.

Additional Fees and Expenses

In addition to our management fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers. Please refer to the Brokerage Practices section (Item 12) for additional information.

Fees and expenses take many forms, but the most commonly include:

- **Transaction fees charged by the broker-dealer:** Examples include any transaction fees imposed by a broker dealer that NCM trades through on behalf of the client.
- **Mutual fund fees:** NCM primarily uses load-waived mutual funds, but mutual funds can still have Operating Expense fees that are separate from transaction fees. The Operating Expense Ratio (“OER”) reflects a percentage paid to the manager of the mutual fund. Mutual Funds can also have 12b1 fees that are charged to investors to pay for the fund’s sales and advertising expenses. OERs and 12b-1 fees are charged on an ongoing basis for as long as the mutual fund is owned.
- **Custody fees:** These are charged by some custodians for housing certain assets and/or real estate. Some custodians do not charge custody fees, but are compensated in other ways (like transaction fees). See Item 12 (Broker-dealer Arrangements – In Detail) for more information.

ERISA Accounts: NCM is deemed to be a fiduciary to some advisory clients regulated under the Employee Retirement Income and Securities Act (“ERISA”). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code. This code includes restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, NCM may only charge management fees for investment advice about products for which NCM and/or our related persons do not also receive commissions or 12b-1 fees. If NCM receives commissions or 12b-1 fees in addition to management fees, the commissions and 12b-1 fees are used to offset NCM fees. **Revenue Sharing Arrangements:** Revenue sharing arrangements may exist in retirement plans where a structured menu of investment options is used for the plan. In these agreements, a portion of the mutual fund’s OER is paid to our firm or the Third Party Administrator. These fees are used to pay the management fee or to offset costs for the retirement plan. These fees are 12b-1 fees and Sub TA fees. Sub TA fees are intended to offset TPA fees and 12b-1s are used to offset the management fee from NCM.

Additional Compensation for Retirement plans: NCM manages menu retirement plans with a structured menu of funds that pay trailing commissions to NCM Securities, Inc. from the American Funds Mutual Fund group. Examples include larger asset retirement plans utilizing loaded A shares and smaller asset plans. For this reason, plans that pay trailing commissions are not charged a separate management fee by NCM. See the Supervised Persons Receive Commissions section below and Item 12 (*NCM Securities, Inc.*) to understand the relationship between Northern Capital Management, Inc. (“NCM”) and NCM Securities, Inc.

Supervised Persons Receive Commissions

Compensation can be provided to employees of NCM who are also registered with the broker-dealer NCM Securities, Inc. (“NCM Securities”) In order for supervised persons to receive commissions, either by sales charges or trailing commissions, the arrangement must be disclosed to the client in writing. The client must receive a prospectus for the investment and disclosure of breakpoints. Once initial disclosure is made, future trades resulting in commissions must receive client consent or be part of a pre-determined and agreed upon portfolio allocation. Compensation agreements may exist between NCM Securities, Inc. and various mutual funds and variable insurance companies. NCM Securities, Inc. is more commonly used for new retirement plans. See the ERISA Accounts section and Item 10 more information. It is rare NCM Securities, Inc. is used for new individual clients.

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

Northern Capital Management, Inc. does not charge performance-based fees.

Item 7 - Types of Clients

Types of Clients

NCM generally provides investment advice to:

- Individuals
- Trusts, Estates and Charitable Organizations
- Corporations and business entities
- Pooled Retirement Plans, Menu Retirement Plans, Defined Benefit Plans and Profit Sharing Plans

Minimum Account Size

The minimum size for new assets under management is \$300,000.

NCM will accept a limited number of engagements below the minimum account size for referrals of family or friends from existing clients. The minimum account size may be waived at our sole discretion. Extenuating circumstances in the past have included the source of the referral, family legacy accounts, and potential future funding. If an account falls below the minimum account size, NCM reserves the right to terminate the advisory relationship. This seldom occurs unless NCM or the client determines the minimum fee is too significant, given the size of the account.

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

Method of Analysis:

The Investment Committee utilizes fundamental investment analysis in determining the types of investments to be recommended to clients. The main sources of information used in our research include financial newspapers, magazines and websites (both paid and non-paid subscriptions), research material prepared by outside entities including custodians and earnings analysts, corporate rating services, annual reports, prospectuses and filings with the Securities & Exchange Commission, company Press Releases, investment company sales and advertising literature and discussions with individuals deemed to have expert or specialized knowledge.

Fundamental research requires the Investment Committee to evaluate economic, political and monetary factors including industry trends and business cycles, production, inventories and demand across different industries and sectors, and underlying financial health of a particular company or asset. This includes revenues, earnings, future growth potential, return on equity, profit margins, earnings per share, and so on, to determine an asset's underlying value and potential for future growth.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market, regardless of factors considered when evaluating the investment.

Investment Strategies

The investment strategies we use to implement investment advice to clients include:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)

Long-Term Investing is the core component of NCM's overall trading practices. The decisions of the Investment Committee are primarily long-term in nature and are not contingent upon day-to-day market fluctuations. The performances of investments we recommend are measured relative to

comparable peers and indices in the same segment of the market rather than broad based stock market indices such as the S&P 500 or the Dow Jones Industrial Average.

Short term Investing is not a prominent part of NCM's core trading practices. However, in certain circumstances, when a short term trade is suitable and the Investment Committee is able to trade fairly across all suitable accounts, the Committee will make recommendations for short term trades. Examples include market distortion opportunities in individual corporate stocks and bonds, tax loss harvesting strategies at year-end and short term opportunistic trades for our more aggressive clients. In general, as a firm, we do not attempt to "time the market" with short market movements or intraday trading and we prefer longer-term investing strategies.

Risk of Loss

Securities investments are not guaranteed. Investing in securities involves risk of loss that clients should be prepared to bear.

Other Risks and Considerations

General Economic Conditions and Market Disruptions: Client portfolios are invested into securities subject to market conditions. All investments may become volatile as a result of changes to economic conditions and market movements both in the US and abroad. Market movements are difficult to predict and are influenced by many factors. These factors can negatively impact investments in value, quality and liquidity.

Mutual Fund Liquidity: The Investment Committee primarily recommends open-end mutual funds. These investments fluctuate in value based on supply and demand. If a mutual fund receives distribution requests from a large percentage of shareholders at one time, the fund manager may be forced to sell underlying investments at lower prices in order to fulfill distribution requests. This can negatively impact the value and/or returns of the investment for shareholders that remain in the mutual fund. Some mutual funds have the ability to prohibit distributions under certain market conditions which can also prevent an investor's ability to sell.

Inaccurate Data: The Investment Committee is aware the data from third parties we rely upon for making investment decisions may be incorrect. We do our best to identify reliable and non-bias information when making investment decisions. Even so, we acknowledge there is always a risk that our analysis may be compromised due to inaccurate or misleading information.

Tax Considerations: The Investment Committee directs trades with the primary focus of generating positive returns for client portfolios. Minimizing taxable events is a concern for the Investment Committee, but it is secondary to returns. Clients should be aware that trading in taxable accounts may create taxable capital gains that reduce the after-tax returns once the taxes are paid.

Equity Securities: Investments into stocks and other equity securities can create more risk than other non-stock oriented investments. Stocks historically carry high degrees of volatility (sometimes extreme volatility) creating potential for long-term gains, but also great loss. To manage these risks, the Committee recommends diversification of equity securities. This can be in the form of buying diversified stock oriented mutual funds or a mix of individual stock positions.

Debt Securities: Investments into bonds and other debt or fixed income securities are subject to interest-rate risk and credit risk. Interest-rate risk is the likelihood that bond prices will decline if interest rates rise. Credit risk is the possibility that the issuer of a bond will default on all or part of the principal or interest obligations.

Inverse Securities: Inverse securities, as indicated by the name, seek investment results that are opposite to that of an assigned benchmark or index. Risk factors associated with these securities

include liquidity risk and deviations from anticipated returns. Liquidity: Some inverse securities have low investor demand. This can hinder an investor's ability to sell the investment. Deviations from expected rates of return are another concern. Many inverse securities have underlying investments in derivatives which use complex trading strategies to generate returns. The nature of these derivatives can lead to inaccurately-priced positions in the fund and lead to returns that are not opposite to the assigned benchmark as expected.

Index Funds: An index mutual fund (open, closed or exchange listed) aims to replicate the movements of an index of a specified financial market. Risk factors associated with index funds include muted returns and tracking errors. Muted Returns: Index funds can be attractive due to lower expenses. Expenses are lower because management of the fund is not as complex. Because the investments in an index fund are not actively managed, only selected to mirror the specific index, there is a risk the index fund will underperform other non-index mutual funds in the same category. Tracking Error: By nature, index funds cannot be 100% accurate. It is impossible to precisely track the specified financial market index and deviations will exist.

Leveraged Mutual Funds: Leveraged Mutual Funds often seek investment results that are amplified or multiples of the performance of an index or benchmark they track. Risk factors associated with these securities include higher volatility, trading restrictions, deviations from anticipated returns and the potential for higher fees and OERs. High Volatility: The use of leverage means an investor's returns may be significantly worse than the decline in the value of an underlying index or benchmark. Borrowing or other forms of leverage also provides the potential for greater gains and losses than those of the underlying index. Trading Restrictions: Investors should be aware that these funds often do not allow for intraday orders such as stops or limits. Deviations from expected rates of return are another concern. Due to the effect of compounding, operating expenses and daily resets, the performance of Leveraged and Inverse funds over longer periods of time can differ significantly from the performance of their underlying index or benchmark. Fees and OERs: Managers who invest in leveraged funds often do so as part of active trading or asset allocation strategies. These strategies often call for frequent trading to take advantage of anticipated changes in market conditions, which can increase portfolio turnover. Leveraged and inverse funds also generally have higher operating expenses as a percentage of assets than other funds.

Investing for Dividends and Interest Only: Clients utilizing the Investment Objectives Pure Equity Income and/or Long Term Income will receive a separate disclosure called "Investing for Dividends and Interest" that explains associated risks. At a minimum, this disclosure is provided when the Investment Objective is initially selected. Clients utilizing one of these investment objectives should read the disclosure carefully. A copy of the disclosure is available at any time, upon request.

Fund of Funds: The Investment Committee has limited the use of Fund of Funds to those using Open-End Mutual Funds only. Our firm does not recommend fund of funds with underlying investments in hedge fund or private equity funds. It is important to highlight Funds of Funds are typically higher other traditional open end mutual funds because they include management fees charged by all the underlying funds instead of a fee for a single manager. Higher fees lower returns for investors.

Item 9 - Disciplinary Information

NCM has no disciplinary history to report. NCM is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and personnel have no reportable disciplinary events to disclose at the present date.

Item 10 - Other Financial Industry Activities and Affiliations

Culture of Compliance

NCM strives at all times to put the interest of our clients before our own. We have a fiduciary responsibility to make recommendations suitable and in the best interest of our clients. In this Brochure, you will find disclosure of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to the management fees clients pay.

Outside Business Activity

Employees must seek prior approval of outside employment activity to ensure any material conflicts of interests in such activities are properly addressed and disclosed. Management monitors outside employment activities to verify.

Registered Management Persons

The following employees of NCM, in alphabetical order, are also registered with NCM Securities, Inc., a broker-dealer:

- Molly Chase
- Laura E. “Elizabeth” Hail-Stutzke
- David Holloway
- Fern A. “Rose” Martin
- Joshua McLaughlin
- Sarah Miller
- Michelle Warner
- James Wilson

These individuals, in their capacity as a registered representative of NCM Securities, Inc. may collect commissions (sales charges, loads, 12b-1 fees) from the sale of mutual funds or variable annuities. This income may be in addition to the management fee collected by NCM for advising the client. These recommendations that result in commissions do not apply to all clients. Situations arise with some clients and must be disclosed. Commissions most commonly apply when a client purchases investments from the American Funds Investment Company directly (direct-way basis) or custody plan assets with Wilmington Trust Company.

Direct-Way Investing with American Funds

The investment advice clients receive from NCM may include recommendations to purchase products from the American Funds Investment Company on a direct-way basis. When clients purchase shares directly from the American Funds, NCM Securities, Inc., or the registered person making the recommendation, may receive additional compensation, in the form of commissions, from the transaction. This creates a monetary incentive for the representative to recommend buying American Funds shares on a direct-way basis instead of purchasing load-waived shares of the same investment through an alternative custodian. Buying direct-way has the potential to create a sales charge in addition to the management fee the client has paid to NCM. To address this conflict of interest, NCM has adopted a policy for retirement plan and individual clients as follows:

ERISA Plans – ERISA prohibits a plan fiduciary from engaging in conflicts of interest with retirement plan clients. For Plan Sponsors who have hired NCM to act as a plan fiduciary or co-fiduciary, NCM representatives are prohibited from providing recommendations that will result in commissions paid to the advisor representative. However, there are a limited number of exceptions:

1. **Client-Driven Recommendation:** If a plan’s situation prevents use of alternative broker-dealers, the plan can be established on a direct-way basis with the American Funds. Contributions made by participants in this case will result in commissions paid to the advisor.

2. **Billing Arrangement:** If commissions are paid to the advisor, commissions must be the sole source of revenue to the advisor from the plan. The advisor may not charge a management fee and recommend a plan structure that results in additional commissions paid to the advisor representatives. In short, the type of payment for services must be fair and reasonable.
3. **Annual Plan review:** A review for best execution and share classes used by the plan (and corresponding commission schedules) must be completed annually by an advisor representative.

Commissions paid can be viewed as a conflict of interest by ERISA and, for this reason the steps above are taken to ensure NCM honors our fiduciary duties. Common examples of plans using direct-way American Funds for the menu of investment options include small retirement plans unable to afford custodian platforms or third party administrators and large plans already established at American Funds prior to the engagement with NCM. These plans may be set up on a direct-way basis with the American Funds mutual fund group because it is in the best interest of the plan and it is approved by the plan sponsor and management of Northern Capital Management, Inc.

Individual Clients – NCM recommends the load-waived F series share class of American Funds mutual funds (available through Charles Schwab and other broker-dealers) to avoid sales charges. Please note exceptions to this policy apply if a client's situation prevents them from using another broker-dealer or the client does not meet the minimum account size requirement for NCM (See Item 7). The client may agree to invest direct-way through NCM Securities, Inc. (paying sales charges and trailing commissions to NCM Securities, Inc. but not paying a management fee to NCM). In this case, the individual is a customer of NCM Securities, Inc. and not a client of Northern Capital Management, Inc. Transactions are monitored to identify inconsistencies.

Commissions and Conflicts of Interest:

Commissions paid can be viewed as a conflict of interest and for this reason other steps are taken to ensure NCM honors our fiduciary duty. In order to manage conflicts of interest, NCM has created the following procedures:

- Registered persons must disclose to clients in writing all fees to be paid to affiliated persons at the time the recommendation is made to purchase such investments;
- Clients must be told they are not obligated to purchase investment products from our employees or affiliated companies that involve sales charges, commissions, trails or 12b-1 fees;
- Registered persons with NCM Securities, Inc. must provide clients with a fund prospectus that explains fees and other forms of compensation when the initial trade is executed;
- Management will review information about clients to verify the Investment Objective selected is suitable for the client's needs and circumstances;
- Education for NCM employees will occur regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11 - Code of Ethics

Code of Ethics

A Code of Ethics (Code) has been adopted by NCM and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (Advisers Act). The Code is based upon the principle that NCM and its employees owe a fiduciary duty to our clients. The Code is designed to ensure this high ethical standard continues to be applied. The excellent name and reputation of our firm is a reflection of the ethical conduct of each employee. NCM has created Compliance Policies and Procedures. The Code is created as a result of these Policies and Procedures. **NCM will provide a copy of our Code of Ethics to any current or prospective client upon request.**

Policy on Employee Personal Trading

The Code establishes rules of conduct for all employees of NCM. It is designed to, among other things, govern personal securities trading activities in employee accounts. According to the Code,

employees agree to conduct their affairs, including their personal securities transactions, in such a manner as to avoid:

- Serving their personal interests ahead of clients.
- Taking inappropriate advantage of their position with the firm.
- Any actual or potential conflicts of interest.
- Any abuse of their position of trust and responsibility.

The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

Participation or Interest in Client Transactions

The Investment Committee manages portfolios for many of our employees. Therefore, investments and trading strategies recommended by the Committee for client accounts may also be recommended for employee accounts. Purchases or sales of mutual funds and variable annuities that are recommended to clients are commonly placed in employee accounts also. Currently, there are no policies or procedures in place to prevent this from occurring. However, the execution of mutual fund and variable annuity transactions must be made in such a way to honor the Code and not put an employee's personal interests ahead of our clients. Employee transactions into other types of investments including individual stock, individual bonds and exchange traded funds require prior approval from a supervisor. Registered Principals complete these reviews to ensure transactions are not violating our Code and trades are not placed ahead of pending client orders for the same security.

Employees are prohibited from:

- Buying and selling directly to or from a client account.
- Participating in client trades by way of aggregation or allocation.

Duplicate statements for employee transactions are reviewed by the Chief Compliance Officer to ensure compliance with these policies.

Trade Error Policy

It is the policy of NCM to exercise the utmost care when handling client orders and correcting orders when a trade error occurs. When an employee of NCM is notified or discovers a trade error, the Chief Compliance Officer is notified immediately for review and correction of the order. Depending on the situation, the type of error and the custodian involved, the correction of trade error will be facilitated differently. Regardless of the method, NCM's philosophy stays the same:

- Employees are not allowed to correct their own trade errors due to the conflict of interest that arises.
- The party responsible for the error will bear the cost of correcting the error. If an employee of NCM is responsible for the error, NCM will bear the cost.
- NCM will arrange for the reversing of an erroneous trade as allowed by the custodian.
- Gains in client accounts caused by trade errors, discovered after settlement, will generally be credited to the affected client account with one exception: If the client's account is prohibited from making the transaction necessary to correct the trade error, the position will be moved to NCM's trade error account where it will be sold at a gain, which NCM will keep as long as the client's account was not negatively impacted by the error in any way. If the client bears any negative impact (including opportunity cost associated with missing out on other investment opportunities while money is tied up in the wrong asset) the gain will be forwarded to the client as remuneration.
- Losses in client accounts caused by trade errors will be reversed or reimbursed. If the custodian will not allow NCM to reverse the erroneous trade, NCM will fully reimburse the client in another way. Options will be presented to the client. Options include:
 - Restorative payments: This is when a deposit of funds is made into the client account to fully reimburse them for the error. In an IRA account, the deposit is coded so it will not be considered a contribution by the IRS.

- Management fee offset – NCM may offset management fees for the client until the loss is fully reimbursed.

Item 12 - Brokerage Practices

Selecting Broker-dealers

NCM has discretion regarding the selection of broker-dealers for client accounts. In seeking best execution through broker-dealers (“BDs”) on behalf of our clients, NCM does not use the lowest possible cost as the main determining factor. Final broker-dealer selections are based on a comprehensive review of fees, services, historical professional relationships, reputation, financial strength, custody capabilities, order entry and execution systems, commission rates, transaction fees, execution capability, reporting features, technology, research, customer service, and tools provided to the Investment Committee and Compliance Department. NCM also considers “Soft Dollar” arrangements. Final selections are based on a comprehensive review of fees and services provided.

Soft Dollar Arrangements

The Securities Exchange Act of 1934 allows NCM to direct clients to pay higher commissions or transaction fees to broker-dealers (“BDs”) in exchange for research and services provided to NCM by the broker-dealer *provided* NCM has made a good faith determination that the value of the research and brokerage services received *enhances the quality of investment advice provided to clients*. This arrangement is known as a “soft dollar” arrangement.

NCM receives research and brokerage services that enhance the investment advice provided to clients, but this is due to assets held in custody with the BD and the benefits are not received in connection with client securities transactions. As a result, we do not believe “soft dollar” arrangements exist. NCM does not believe clients pay higher fees or commissions as a result of working with our recommended BDs. We do, however, believe material conflicts of interest exist with the BDs providing NCM with research and brokerage services in exchange for custody business. Please read the next section regarding conflicts of interest carefully. Please also review full descriptions of the research and services provided to NCM by our BDs below.

Conflicts of Interest

As a fiduciary, NCM endeavors to act in the best interest of its clients. The NCM requirements for clients to use specific broker-dealers for transactions are largely due to the fact the broker-dealer is also the custodian for the client’s accounts (the accounts where the investments are held). These custodians/broker-dealers are selected in large part based upon the products and services provided to NCM. Because the cost or quality of services provided to clients is not the only determining factor in NCM’s selection of the broker-dealer, material conflicts of interest exist. In order to address this conflict of interest, NCM monitors the cost structures of various custodians in a bid to minimize trading costs for clients *while* maximizing other benefits to NCM *and* clients. A review of custodians is completed annually by the Chief Compliance Officer.

Current Broker-dealer Arrangements

Formal agreements have been established between NCM and the following BDs for various client relationships:

- Charles Schwab & Company, including the affiliate Great West Annuities.
- TD Ameritrade
- TIAA CREF
- Fidelity Investments
- NCM Securities, Inc. (for execution at the American Funds Mutual Fund Group)
- Charles Schwab Trust Company
- Wilmington Trust Company
- Mountain West
- Pensco

To the extent the client is able to transfer or rollover assets to these custodians, NCM will require the use of the custodians and the BD services they provide. See “Further Details” below for specific information regarding each BD arrangement.

Broker-dealer Arrangements – In Detail

Charles Schwab & Company (Schwab), Great West, TD Ameritrade, Fidelity, Charles Schwab Trust Company and Wilmington Trust Company serve as BDs and custodians for clients of NCM. NCM Securities, Inc. is a BD, but is not a qualified custodian. Any assets invested through NCM Securities, Inc. are custodied with Capital Bank & Trust for the American Funds Mutual Fund Group or another qualified custodian. See Item 15 for more information regarding custody.

Most of NCM’s assets consist of investments in mutual funds, ETFs, exchange-traded securities and similar vehicles and instruments. If a client holds an alternative asset, NCM may request bids from a variety of broker-dealers to attempt to “find a market.” NCM primarily recommends our clients establish brokerage accounts with Charles Schwab.

Charles Schwab & Company (“Schwab”)

Schwab provides NCM with access to Schwab’s institutional trading and custody services. This includes access to brokerage, custody and research services. Typically the same kinds of services are not available to Schwab retail clients. For example, institutional clients have access to some investments, including mutual funds, at lower initial minimum requirements than retail investors. The services provided are available to most independent investment advisors at no additional cost contingent upon an advisor committing a specific amount of business (assets in custody or trading) to the custodian.

Custody Fees: This custodian does not charge a separate fee for custody but is compensated through transaction related fees for trades executed through the broker-dealer or trades that settle into accounts custodied with the broker-dealer. NCM attempts to use non-transaction fee funds as much as we are able without compromising our investment strategies or taking undue investment risk.

Benefits to Clients: Schwab makes available products and services that benefit NCM clients. These services include providing NCM with software and other technology to access client account data process trades for clients, provide research, pricing information and other market data to clients. Schwab also provides a platform for deducting fees from client accounts and assisting with other back-office functions related to record keeping and client reporting. These services are used for a substantial number of NCMs accounts, including accounts not maintained at Schwab.

NCM Business Development: Schwab makes available services intended to help NCM manage and develop its business including consulting, publications and conferences that focus on practice management, information technology, business succession, regulatory compliance and marketing. Schwab may also pay independent third parties to provide these services to NCM. Schwab makes additional products and services available that benefit NCM’s business but may not necessarily benefit client accounts.

Discounts: Schwab may discount or waive fees it would otherwise charge for some of the services provided to NCM. Schwab may also pay all or a part of the fees for a third-party to provide these services. Discounts received in the last year and discounts NCM expects to receive this year, include:

1. Ongoing – Discount for subscription to Morningstar.com (Research)
2. 2011 – Waived Schwab IMPACT Event Registration Fee (Business Development)
3. 2011 – Discount for a new Portfolio Center User Interface (Client Reporting)

TD Ameritrade (“TDA”)

TDA provides NCM with access to institutional trading and custody services. This includes access to brokerage, custody and research services. Typically the same kinds of services are not available to retail platform clients. For example, institutional clients have access to some investments, including mutual funds, at lower initial minimum requirements than retail investors. The services provided are

available to most independent investment advisors at no additional cost contingent upon an advisor committing a specific amount of business (assets in custody or trading) to the custodian.

Recommendations: NCM does not actively recommend TDA as the broker-dealers for client accounts. NCM maintains relationships with this BD in order to accommodate existing client accounts, new client accounts already custodied at TDA and provide a BD option in addition to Schwab.

Custody Fees: This custodian does not charge a separate fee for custody but is compensated through transaction related fees for trades executed through the broker-dealer or trades that settle into accounts custodied with the broker-dealer. NCM attempts to use non-transaction fee funds as much as we are able without compromising our investment strategies or taking undue investment risk.

NCM Securities, Inc.

NCM Securities, Inc. (“NCM Securities”) has been in business since 1993. NCM Securities is incorporated and owned solely by James K. Wilson. The name, originally Bergeron & Wilson Securities, Inc., has changed throughout the years. James has retained majority ownership since the start of the firm.

Commissions: Recommendations from NCM to be executed through NCM Securities will result in compensation being paid to the representative both on an initial and ongoing basis. See Item 10 (Registered Management Persons) for a list of NCM employees that are also registered representatives of NCM Securities. See Item 10 (Existing Conflicts of Interest – in detail: Investment Companies - Commissions, Sales Charges and Loads) for more information regarding the relationship between NCM and NCM Securities. Item 10 details the circumstances in which NCM will recommend NCM Securities as the broker-dealer for client and retirement plan accounts. You will also find information related to the conflict of interest associated with using this broker-dealer under Item 5 (Supervised Persons Receive Commissions).

Agreements: NCM Securities does not currently have any agreement or responsibility to provide NCM with any research, products or services. The client does not pay higher or lower sales charges or trailing commissions as a result of using NCM Securities versus other direct-way mutual fund broker-dealers. However, the amount of the commissions paid by the client to representatives of NCM Securities are likely to be higher than what the client would pay if they bought the no-load share class of the same mutual fund through another broker-dealer like Charles Schwab.

Custody Fee: Not applicable. NCM Securities is not a custodian. Assets traded by NCM Securities are custodied elsewhere. For example Capital Bank & Trust is the custodian for American Funds Mutual Funds Group.

TIAA CREF (“TIAA”)

Fidelity Investments (“Fidelity”)

Charles Schwab Trust Company (“CSTC”)

Wilmington Trust Company (“Wilmington”)

TIAA, Fidelity, CSTC and Wilmington provide NCM with access to trading and custody services for retirement plan related accounts.

TIAA and Fidelity are used when a client has a retirement plan account that must remain on the TIAA or Fidelity platform and the client has requested a discretionary management arrangement for the account. These accounts are bound to a menu of investment options selected by the employer for the retirement plan. NCM can agree to manage the client’s assets at TIAA or Fidelity directly. This arrangement requires a Financial Advisory Agreement with the participant.

CSTC and Wilmington are used to custody structured menu retirement plans. These custodians can pay commissions, more concisely revenue sharing fees, when used as a platform for these retirement plans. See Item 5 (Additional Fees and Expenses) for more information regarding revenue sharing. These plans have a single account at CSTC or Wilmington for the retirement plan. The retirement plan hires a Third Party Administrator (“TPA”) to keep track of the assets that belong to each participant within the plan account. Trades are submitted to the TPA. The TPA records the transactions for each participant and forwards the trades to CSTC or Wilmington for execution.

NCM does not place trades through CSTC and Wilmington directly. All trades, whether placed by the

Northern Capital Management, Inc.

participant or NCM are initiated through the TPA. NCM can agree to discretionarily manage a participant's assets, through the TPA, at CSTC or Wilmington. This arrangement requires a Financial Advisory Agreement with the participant.

Custody Fees: TIAA and Fidelity custody fees vary depending on the retirement plan. NCM is not involved in the fee deduction process. CSTC and Wilmington charge annual custody fees, at comparable rates, to retirement plans. Custody fees can be a fixed dollar amount or a combination of a fixed fee and percentage of assets under management, depending on the client arrangement. Custody fees are invoiced to the plan quarterly. Plan trustees can elect for the plan to pay the custody fees or pass the fees through to the retirement plan participants. CSTC and Wilmington work with the TPA to process these fees, including fee deductions, for the plan. NCM is not involved in this fee deduction process.

Mountain West ("Mountain West")

Pensco Trust Company ("Pensco")

Mountain West and Pensco provide NCM with access to custody services for hard asset real estate held within an IRA account. Our other custodians do not offer this service. NCM may be linked as the advisor on the client's account and charge a management fee for assisting the client with services related to the account. An example would be facilitating property tax payments for the property held within the IRA. NCM only recommends Mountain West or Pensco on an "as needed" basis.

Custody Fees: Mountain West and Pensco charge annual custody fees, at comparable rates. Custody fees are a fixed dollar amount. Custody fees are paid to the custodian and are not included in NCM's separate management fee.

Brokerage for Client Referrals

NCM has no formal arrangement regarding referrals to be received from broker-dealers. When a referral is made to or from a BD no compensation is received or paid as a result. NCM has no obligation to maintain any specific amount of business (including assets under custody or trading activity) in response to client referrals. To date, Schwab and CSTC have a history of referring clients to NCM. Other BDs listed do not.

Directed Brokerage

NCM does not allow directed brokerage. NCM will not accept client instructions to direct brokerage transactions to a particular broker-dealer.

Item 13 - Review of Accounts

Reviewers

Portfolios and mutual funds are reviewed by supervised licensed individuals. Reviewers must have a bachelor's degree, a minimum of two years relevant investment industry experience, and maintain a national securities license Series 6 or 7 and Series 66 (Series 63 and Series 65 equivalent).

Reviewers must also be in good standing with FINRA and the Securities Exchange Commission. See Item 10 (Registered Management Persons) for a list of the current individuals considered to be qualified reviewers. See the Brochure Supplements for more details.

Fund Manager Reviews

As previously mentioned, a large part of NCM's managed assets are mutual funds. These mutual funds are reviewed on an ongoing basis by the Investment Committee.

Initial Reviews: Mutual funds are selected by the Investment Committee through a vetting process. The initial review of a mutual fund includes but is not limited to reviews of the fund's management tenure, risk rating and performance relative to other funds considered peers.

Ongoing: Reviews occur as information regarding the various mutual funds becomes available through subscriptions, articles, newspapers and conversations with fund sponsors.

Quarterly: Mutual fund manager performance is evaluated upon receipt of research data provided by Principia (a product of Morningstar). The Investment Committee compares the performance of

selected mutual funds compared to other funds considered peers. The Committee also looks for fundamental changes to the fund's management or portfolio. In these reviews, the Investment Committee determines when fundamental changes and/or portfolio underperformance is great enough to warrant the recommendation for the fund to be removed from client portfolios. Mutual fund reviews do not necessarily result in trades.

Please Note: During times of extreme movements in the investment markets, when a mutual fund manager's capability to mitigate losses becomes unachievable given the magnitude of forced redemptions from the mutual fund, quarterly testing may be suspended until such time as the Investment Committee determines conditions have adequately changed.

Review of Accounts

Over time, client portfolios will deviate from the Investment Objective model assigned. Performance of investments, deposits and withdrawals, and other things can cause a portfolio to deviate from the assigned model rather quickly. In order to keep the investments in portfolios compliant with the assigned IO models, reviews and rebalances must periodically occur. Review Item 4 for more information regarding the Investment Committee and the services NCM provides to clients.

Client Specific Reviews

Reviews of account allocations and financial plans with clients are provided upon request. Most commonly this review occurs during account review meetings with an advisor representative. This review could also occur in response to an unscheduled meeting, telephone call or email communication with the client.

Life changing events may also prompt a review of your Investment Objective and financial plans. We ask clients to keep our office informed of all life-changing events that may affect the client's financial profile. Examples include changes to health (including illness or disability), changes to marriage status (including divorce or marriage), death or severe illness of a close family member (spouse or dependents) and any other changes that may affect how your investments should be managed. Account reviews will lead to portfolio rebalances as advisor representatives deem necessary.

Client Wide Reviews

In addition to client specific reviews described above, Investment Committee members also complete account reviews in various ways:

Annually: At a minimum, reviews of all discretionarily managed accounts occur annually. These reviews are commonly incidental to client-wide trades directed by the Investment Committee.

Semi-Annually: Portfolio Managers review each discretionarily managed client account to confirm trade restrictions, trade notes and trade settings are complete and accurate. Portfolio Managers also review outstanding trade related items.

Monthly: Portfolio Managers review all discretionarily managed portfolios. The report, created via our Tamarac trading system, includes each client's Investment Objective model and broad based allocation targets (most commonly, stock/bond ratio) for each client. Portfolio allocations that deviate from the model by greater than 8% are reviewed and, if needed, trades are placed to bring the account closer to the model. Ongoing deviations deemed acceptable by the Portfolio Manager must be justified and documented.

Ongoing: The Investment Committee makes recommendations to purchase or sell investments throughout the year. These client-wide recommendations are implemented for all clients, generally within a short time frame. Client-wide trades are called "trading projects." Trading projects are consistently in progress. Examples include selling out of a particular investment/market sector and funding a new investment/market sector with the proceeds. While processing trading projects, Portfolio Managers complete account reviews that focus on the trading project being completed and the accounts affected by the project. This review ensures all client accounts participate in the project if they are eligible and remain in compliance with the model they are assigned.

Item 14 - Client Referrals and Other Compensation

From time to time, various professionals and firms introduce clients to NCM. There are no quid pro quo arrangements and NCM does not receive referral fees. NCM may recommend to our clients those professionals with a history of referring clients to our firm, however. We recommend professionals in many areas such as banking, accounting, legal, insurance, real estate, elder care, estate planning, Third Party Administration and recordkeeping. The freedom to recommend professionals to our clients is not based on any agreement, either written or verbal. NCM does not engage in solicitor arrangements and compensation is not received or paid as a result of referrals. Rather, we build working relationships with other professionals and firms and introduce our clients to the professionals our firm has grown to trust. These professionals may introduce clients to our firm as well.

In the past, professionals have sent NCM or our affiliates a gift in thanks for a referral (such as a gift basket, gift certificate, or provided a discount on a service). Additionally, existing clients and non-client entities have periodically received gifts from our affiliates in thanks for a referral (such as a gift basket or gift certificate). These gifts are not obligatory or part of any formal referral arrangement and we anticipate a similar situation arising for NCM in the future.

We do not recommend professionals in the following areas:

- Sponsor or syndicators of limited partnerships;
- Futures Commission Merchant, Commodity Pool or commodity trading advisors.

Item 15 – Custody

NCM does not take possession of client money or securities, although NCM generally has the authority to deduct its advisory fees from client accounts. NCM works with a number of custodians/broker-dealers. Charles Schwab serves as NCM's primary custodian for client accounts, except annuities, which are custodied at Great West Insurance Group. At least quarterly, clients receive account statements from the custodian. Trade confirmations are also provided by the custodian to the client after trades are executed. Clients are responsible for reviewing custodial statements and trade confirmations and comparing them to reports provided by NCM. Our reports may vary slightly from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities, but clients should contact Chief Operations Officer, Michelle Warner, immediately if any significant discrepancies or errors are discovered.

Item 16 - Investment Discretion

NCM maintains discretionary trading relationships with most clients.

Discretionary Management: Discretionarily managed clients delegate all investment decisions to the advisor. The advisor, without obtaining specific client consent, can make all investment related decisions including the securities to be bought or sold, the amount of the securities to be bought or sold, the broker-dealer used to execute the trade and any commission rates or fees paid. These clients can be individuals, corporate entities, trusts or pooled retirement plans. These clients receive the following services in addition to those referenced in Item 4 (Administrative Services) for all clients:

- Discretionary Trading
- Ongoing Investment Advice and Financial Planning
- Ongoing Wealth Management Services
- Non-Investment Related services
- Full and secure access to the NCM website: www.ncm-inc.com

Exception: Transactions resulting in commissions paid to representatives of NCM Securities, Inc. require disclosure to the client. See Item 5 (Supervised Persons Receive Commissions) for more information about this disclosure.

Non-Discretionary Management: NCM has a small number of clients who would be considered non-discretionary. See Item 4 (Investment Restrictions Allowed to Clients). Clients who have requested the “Contact First” arrangement on all accounts within their portfolio have effectively requested a non-discretionary arrangement. However, the Financial Advisory Agreement signed by the client details a discretionary management agreement. NCM does not offer a Non-Discretionary agreement, but clients who have requested, in writing, that NCM contact them prior to placing trades are considered non-discretionary clients.

Participants of structured menu retirement plans are considered non-discretionary managed assets unless the participant completes a Financial Advisory Agreement to create a discretionary management relationship with NCM. The participant is considered non-discretionary, but managed, because NCM still manages the investment options at the plan level.

Unmanaged Accounts

Unmanaged accounts are not monitored or managed. Most commonly called “Non-Monitoring clients,” unmanaged accounts do not allow the advisor to make recommendations or trade on their behalf. The advisor does not review, supervise or monitor investments, except upon periodic client request. Non-Monitoring clients receive basic services offered to all clients, as detailed in Item 4 (Administrative Services). These clients are linked to NCM for reporting and informational purposes only.

Item 17 - Voting Client Securities

NCM has no authority to vote proxies on behalf of advisory clients. Upon client request, NCM may offer assistance regarding proxy matters. However, clients always retain proxy voting responsibilities.

Item 18 - Financial Information

NCM is not required to provide a Schedule G balance sheet.

Item 19 - Requirements for State-Registered Advisers

NCM is a federally registered investment advisor.

Brochure Supplement(s)

NCM is required to prepare a brochure supplement for each of the following supervised persons:

- Any supervised person who formulates investment advice for a client and has direct client contact; and
- Any supervised person who has discretionary authority over a client’s assets, even if the supervised person has no direct contact with the client.

Supplements are attached and employees listed in alphabetical order by last name.

Professional Designations Explained

Professional Designations Explained

Educational background and business experience is highlighted on each brochure supplement. To help clients understand the values of these designations, the following summary for each designation is provided. The goal is to explain the minimum qualifications required for each designation.

Additional information can be found through FINRA’s website at:

<http://apps.finra.org/DataDirectory/1/prodesignations.aspx>

Certified Financial Planner® (CFP®)

The Certified Financial Planner® (or CFP®) is a professional designation from the Certified Financial Planner Board of Standards, Inc.

Purpose: To obtain expertise in the following areas: 1) General Principles of Finance and Financial Planning, 2) Insurance Planning, 3) Employee Benefits Planning, 4) Investment and Securities Planning, 5) State and Federal Income Tax Planning, 6) Estate Tax, Gift Tax, and Transfer Tax Planning, 7) Asset Protection Planning, 8) Retirement Planning, 10) Estate Planning

Minimum qualifications:

- Prerequisite: Minimum education and industry experience standards apply.
 - Education: Candidates must have a bachelor's degree (or higher), or its equivalent, in any discipline, from an accredited college or university.
 - Experience: The CFP Board requires a CFP® to have three years of full-time relevant personal financial planning experience.

For more information: <http://www.cfp.net/>

Accredited Investment Fiduciary® (AIF®)

The Accredited Investment Fiduciary® (or AIF®) is a professional designation from Fiduciary360.

Purpose: To obtain a thorough knowledge of and ability to apply fiduciary practices as well as being able to assist others in implementing proper policies and procedures with regard to fiduciary standards.

For more information: <http://www.fi360.com/main/designations.jsp>

Insurance Licenses (Washington and Idaho)

Purpose: Provides an individual with the qualifications necessary to sell insurance policies and products under a NCM Securities, Inc.

Minimum qualifications vary by state.

FINRA Registrations Explained

FINRA is the largest independent regulator for all securities firms doing business in the United States. Certain designations are required of employees conducting business under a registered investment advisor (NCM) and other designations are required of employees conducting business under a broker dealer (NCM's affiliate NCM Securities, Inc.) All of these examinations are created by the North American Securities Administrators Association (NASAA) and are administered by FINRA.

Registrations for Employees (Registered Reps and Investment Advisor Representatives):

Series 6 - Investment Company Products/Variable Contracts Limited Representative

Purpose: Provides an individual with the qualifications necessary to act as a registered representative and process transactions exclusive to mutual funds, unit investment trusts, variable annuities, and variable life insurance policies under the broker dealer (NCM).

Series 7 - General Securities Representative

Purpose: Provides an individual with the qualifications necessary to act as a registered representative and process transactions in all types of corporate securities, excluding commodities and futures, under a broker dealer (NCM).

Series 63 (Uniform Securities Agent Law)

Series 65 (Uniform Investment Advisors Law)

Series 66 (Uniform Combined State Law)

Purpose: The Series 66, along with successful completion of the Series 7 or Series 6, provides an individual with the qualifications necessary to act as an investment professional able to register as a securities agent and investment advisor. Individuals may take 2 tests for the Series 63 and Series 65 licenses separately or, alternatively, obtain both licenses at one time by passing the Series 66 exam. *Series 63 + Series 65 = Series 66*

Registrations for Supervisors and Compliance Professionals:

Series 99 – Operations Professional

Purpose: Provides an individual with the qualifications necessary to complete work that is essentially supervisory in nature over client-facing back office functions, including persons who design and implement back-office operations and control systems, while not being required to complete the Series 66 and Series 7 exam.

Series 24 – General Securities Principal

Purpose: Provides an individual with the qualifications necessary to manage or supervise representatives of a broker dealer (NCM) in investment banking, training, solicitation, as well as the general conduct of business operations as required by FINRA.

Series 27 – Financial Operations Principal

Purpose: Provides an individual with the qualifications necessary to prepare and maintains the books and records of the member as required under securities industry rules and regulations. The designation also requires an understanding of the broker-dealer's minimum net capital requirement. This is a required designation of a Chief Financial Officer for a broker dealer (NCM).

Item 1 - Cover Page



Molly J. Chase **Portfolio Manager**

Northern Capital Management, Inc.
2700 S. Southeast Blvd. Ste 205
Spokane, WA 99223
(509) 456-2526

March 13, 2013

This brochure supplement provides information about Molly J. Chase.

If you did not receive a complete copy of NCM's ADV brochure with this supplement or if you have any questions about the contents of the ADV brochure or supplements, please contact Sarah Miller (509) 456-2526 ext. 21

Additional information about Molly J. Chase is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Year of Birth: 1980

Educational background includes a Bachelor of Arts degree in Business Administration from Eastern Washington University. Molly holds the following licenses and designations:

- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66
- Licensed to sell Life and Disability Insurance in Washington State

Employment History:

- January 2012-Present (Portfolio Manager) Capital Retirement Plan Services, Inc. – Spokane, WA
- May 2008-Present (Portfolio Manager) Northern Capital Management, Inc. – Spokane, WA
- May 2008-Present (Portfolio Manager) NCM Securities, Inc. – Spokane, WA
- September 2003-May 2008 (Financial Advisory) MetLife Financial Advisors – Spokane, WA

Item 3 – Disciplinary Information

NCM is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Molly Chase. No events have occurred that are applicable to this item.

Item 4 – Other Business Activity

NCM is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Molly Chase is not actively engaged in any such activities.

Item 5 – Additional Compensation

Molly Chase does not receive economic benefits for providing advisory services, other than the regular salary paid by NCM.

Item 6 – Supervision

As a member of the Investment Committee, Molly Chase indirectly provides financial advice to clients by helping research and select the investments recommended for client portfolios. Molly Chase is authorized to give investment advice directly to clients. Molly is supervised by Michelle Warner, Chief Operations Officer, who can be reached at (509) 456-2526 ext. 17.

Item 1 - Cover Page



Laura E. “Elizabeth” Hail-Stutzke **Portfolio Manager**

Northern Capital Management, Inc.
2700 S. Southeast Blvd. Ste 205
Spokane, WA 99223
(509) 456-2526

March 13, 2013

This brochure supplement provides information about Laura E. “Elizabeth” Hail-Stutzke.

If you did not receive a complete copy of NCM’s ADV brochure with this supplement or if you have any questions about the contents of the ADV brochure or supplements, please contact Sarah Miller (509) 456-2526 ext. 21

Additional information about Laura E. Hail-Stutzke is available on the SEC’s website at www.adviserinfo.sec.gov

Item 2 – Educational Background and Business Experience

Year of Birth: 1983

Educational background includes a Bachelor of Arts degree in Finance from the Eastern Washington University. Elizabeth holds the following licenses and designations:

- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66

Employment History:

- January 2012-Present (Portfolio Manager) Capital Retirement Plan Services, Inc. – Spokane, WA
- June 2010-Present (Portfolio Manager) Northern Capital Management, Inc. – Spokane, WA
- June 2010-Present (Portfolio Manager) NCM Securities, Inc. – Spokane, WA
- July 2008-May 2010 (Account Executive) Hagadone Directories, Inc. – Coeur d’Alene, ID
- October 2006-June 2008 (Senior Portfolio Analyst) Hammond Associates – St. Louis, MO

Item 3 – Disciplinary Information

NCM is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client’s evaluation of Elizabeth Hail-Stutzke. No events have occurred that are applicable to this item.

Item 4 – Other Business Activity

NCM is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Elizabeth Hail-Stutzke is not actively engaged in any such activities.

Item 5 – Additional Compensation

Elizabeth Hail-Stutzke does not receive economic benefits for providing advisory services, other than the regular salary paid by NCM.

Item 6 – Supervision

Elizabeth Hail-Stutzke is not a voting member of the Investment Committee and therefore is not responsible for investment selections. Elizabeth Hail-Stutzke is authorized to provide investment advice directly to clients. Elizabeth is supervised by Michelle Warner, Chief Operations Officer, who can be reached at (509) 456-2526 ext. 17.

Item 1 - Cover Page



David B. Holloway **Advisor Representative**

Northern Capital Management, Inc.
2700 S. Southeast Blvd. Ste 205
Spokane, WA 99223
(509) 456-2526

March 13, 2013

This brochure supplement provides information about David B. Holloway.

If you did not receive a complete copy of NCM's ADV brochure with this supplement or if you have any questions about the contents of the ADV brochure or supplements, please contact Sarah Miller (509) 456-2526 ext. 21

Additional information about David B. Holloway is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Year of Birth: 1961

Educational background includes a Bachelor of Arts degree in Economics from University of Washington and a Master of Business Administration from University of Idaho. David holds the following licenses and designations:

- Certified Financial Planner®
- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66
- FINRA General Securities Principal Series 24
- FINRA Operations Professional Day-One Series 99
- Licensed to sell Life and Disability Insurance in Washington and Idaho State

Employment History:

- January 2012-Present (Investment Advisor Rep) Capital Retirement Plan Services, Inc. – Spokane, WA
- June 2003-Present (Investment Advisor Rep) Northern Capital Management, Inc. – Spokane, WA
- May 2003-Present (Registered Rep) NCM Securities, Inc. – Spokane, WA
- May 2003-June 2003 (Investment Advisor Rep) Wilson, Miller & Associates – Spokane, WA
- June 2001-May 2003 (Registered Rep) Linsco/Private Ledger – Spokane, WA
- January 2001-June 2001 (New Investment Counselor) Financial Forum – Spokane, WA

Item 3 – Disciplinary Information

NCM is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of David Holloway. No events have occurred that are applicable to this item.

Item 4 – Other Business Activity

NCM is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. David Holloway is not actively engaged in any such activities.

Item 5 – Additional Compensation

David Holloway, in addition to the regular salary paid by NCM, receives up front and ongoing commissions for American Funds mutual funds purchased on a direct-way basis. See NCM's Brochure, Item 10 (Investment Companies – Commissions, Sales Charges and Loads) for more details.

Item 6 – Supervision

As a member of the Investment Committee, David Holloway indirectly provides financial advice to clients by helping research and select the investments recommended for client portfolios. David Holloway is authorized to provide investment advice directly to clients. David is supervised by Michelle Warner, Chief Operations Officer, who can be contacted at (509) 456-2526 ext. 17.

Item 1 - Cover Page



Fern A. “Rose” Martin Retirement Plan Specialist

Northern Capital Management, Inc.
2700 S. Southeast Blvd. Ste 205
Spokane, WA 99223
(509) 456-2526

March 13, 2013

This brochure supplement provides information about Fern A. “Rose” Martin.

If you did not receive a complete copy of NCM’s ADV brochure with this supplement or if you have any questions about the contents of the ADV brochure or supplements, please contact Sarah Miller (509) 456-2526 ext. 21

Additional information about Fern A. Martin is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Year of Birth: 1985

Educational background includes a Bachelor of Arts degree in Speech Communication from Whitworth University. Rose holds the following licenses and designations:

- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66

Employment History:

- January 2012-Present (Retirement Plan Specialist) Capital Retirement Plan Services, Inc. – Spokane, WA
- August 2007-Present (Retirement Plan Specialist) Northern Capital Management, Inc. – Spokane, WA
- August 2007-Present (Retirement Plan Specialist) NCM Securities, Inc. – Spokane, WA
- September 2006-August 2007 (Server) Spokane Athletic Club – Spokane, WA
- January 2006-February 2006 (Intern) Transitions Women’s Health – Spokane, WA

Item 3 – Disciplinary Information

NCM is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client’s evaluation of Rose Martin. No events have occurred that are applicable to this item.

Item 4 – Other Business Activity

NCM is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Rose Martin is not actively engaged in any such activities.

Item 5 – Additional Compensation

Rose Martin does not receive economic benefits for providing advisory services, other than the regular salary paid by NCM.

Item 6 – Supervision

As a member of the Investment Committee, Rose Martin indirectly provides financial advice to clients by helping research and select the investments recommended for client portfolios. Rose Martin is authorized to provide investment advice directly to clients. Rose is supervised by Michelle Warner, Chief Operations Officer, who can be contacted at (509) 456-2526 ext. 17.

Item 1 - Cover Page



Joshua H. McLaughlin **Retirement Plan Specialist**

Northern Capital Management, Inc.
2700 S. Southeast Blvd. Ste 205
Spokane, WA 99223
(509) 456-2526

March 13, 2013

This brochure supplement provides information about Joshua H. McLaughlin.

If you did not receive a complete copy of NCM's ADV brochure with this supplement or if you have any questions about the contents of the ADV brochure or supplements, please contact Sarah Miller (509) 456-2526 ext. 21

Additional information about Joshua McLaughlin is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 – Educational Background and Business Experience

Year of Birth: 1981

Educational background includes a Bachelor of Arts degree in Political Science from the University of Arizona. Josh holds the following licenses and designations:

- FINRA Investment Company Products/Variable Contracts Limited Representative Series 6
- FINRA Uniform Securities Agent Law Series 63
- FINRA Uniform Investment Advisors Law Series 65

Employment History:

- January 2012-Present (Retirement Plan Specialist) Capital Retirement Plan Services, Inc. – Spokane, WA
- May 2009-Present (Retirement Plan Specialist) Northern Capital Management, Inc. – Spokane, WA
- May 2009-Present (Retirement Plan Specialist) NCM Securities, Inc. – Spokane, WA
- March 2006-March 2009 (Registered Rep) Re Investment Corporation – Arlington, VA
- March 2006-March 2009 (Senior Investment Associate) NRECA – Arlington, VA

Item 3 – Disciplinary Information

NCM is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Joshua McLaughlin. No events have occurred that are applicable to this item.

Item 4 – Other Business Activity

NCM is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Joshua McLaughlin is not actively engaged in any such activities.

Item 5 – Additional Compensation

Joshua McLaughlin does not receive economic benefits for providing advisory services, other than the regular salary paid by NCM.

Item 6 – Supervision

As a member of the Investment Committee, Joshua McLaughlin indirectly provides financial advice to clients by helping research the investments recommended for client portfolios. Josh is not a voting member of the Investment Committee and therefore is not responsible for investment selections. Josh McLaughlin is authorized to provide investment advice directly to clients. Josh is supervised by Michelle Warner, Chief Operations Officer, who can be reached at (509) 456-2526 ext. 17.

Item 1 - Cover Page



Sarah J. Miller **Chief Compliance Officer**

Northern Capital Management, Inc.
2700 S. Southeast Blvd. Ste 205
Spokane, WA 99223
(509) 456-2526

March 13, 2013

This brochure supplement provides information about Sarah J. Miller.

If you did not receive a complete copy of NCM's ADV brochure with this supplement or if you have any questions about the contents of the ADV brochure or supplements, please contact Sarah Miller (509) 456-2526 ext. 21

Additional information about Sarah J. Miller is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Year of Birth: 1980

Educational background includes a Bachelor of Science degree in Organizational Communications from Eastern Washington University. Sarah holds the following licenses and designations:

- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66
- FINRA General Securities Principal Series 24
- FINRA Operations Professional Day-One Series 99

Employment History:

- January 2012-Present (Chief Compliance Officer) Capital Retirement Plan Services, Inc. – Spokane, WA
- August 2004-Present (Chief Compliance Officer) Northern Capital Management, Inc. – Spokane, WA
- August 2004-Present (Chief Compliance Officer) NCM Securities, Inc. – Spokane, WA

Item 3 – Disciplinary Information

NCM is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Sarah Miller. No events have occurred that are applicable to this item.

Item 4 – Other Business Activity

NCM is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Sarah Miller is not actively engaged in any such activities.

Item 5 – Additional Compensation

Sarah Miller does not receive economic benefits for providing advisory services, other than the regular salary paid by NCM.

Item 6 – Supervision

As a member of the Investment Committee, Sarah Miller indirectly provides financial advice to clients by helping research and select the investments recommended for client portfolios. Sarah Miller is authorized to provide investment advice directly to clients. Sarah is supervised by Michelle Warner, Chief Operations Officer, who can be contacted at (509) 456-2526 ext. 17.

Item 1 - Cover Page



Michelle L. Warner **Chief Operations Officer**

Northern Capital Management, Inc.
2700 S. Southeast Blvd. Ste 205
Spokane, WA 99223
(509) 456-2526

March 13, 2013

This brochure supplement provides information about Michelle L. Warner.

If you did not receive a complete copy of NCM's ADV brochure with this supplement or if you have any questions about the contents of the ADV brochure or supplements, please contact Sarah Miller (509) 456-2526 ext. 21

Additional information about Michelle L. Warner is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Year of Birth: 1977

Educational background includes a Bachelor of Arts degree in Business Administration from Eastern Washington University. Michelle holds the following licenses and designations:

- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66
- FINRA General Securities Principal Series 24
- FINRA Operations Professional Day-One Series 99
- Licensed to sell Life and Disability Insurance in Washington State

Employment History:

- January 2012-Present (Chief Operations Officer) Capital Retirement Plan Services, Inc. – Spokane, WA
- May 1997--Present (Chief Operations Officer) Northern Capital Management, Inc. – Spokane, WA
- May 1997-Present (Chief Operations Officer) NCM Securities, Inc. – Spokane, WA

Item 3 – Disciplinary Information

NCM is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Michelle Warner. No events have occurred that are applicable to this item.

Item 4 – Other Business Activity

NCM is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Michelle Warner is not actively engaged in any such activities.

Item 5 – Additional Compensation

Michelle Warner does not receive economic benefits for providing advisory services, other than the regular salary paid by NCM.

Item 6 – Supervision

As a member of the Investment Committee, Michelle Warner indirectly provides financial advice to clients by helping research and select the investments recommended for client portfolios. Michelle Warner is authorized to provide investment advice directly to clients. Michelle is supervised by James Wilson, Chief Executive Officer, who can be contacted at (509) 456-2526 ext. 13.

Item 1 - Cover Page



James K. Wilson **President, CEO and Advisor Representative**

Northern Capital Management, Inc.
2700 S. Southeast Blvd. Ste 205
Spokane, WA 99223
(509) 456-2526

March 13, 2013

*This brochure supplement provides information about James K. Wilson.
If you did not receive a complete copy of NCM's ADV brochure with this supplement or if you have any questions
about the contents of the ADV brochure or supplements, please contact Sarah Miller (509) 456-2526 ext. 21*

Additional information about James K. Wilson is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Year of Birth: 1963

Educational background includes a Bachelor degree in Accounting and a Bachelor degree in Business Management, both from Whitworth University. Jim holds the following licenses and designations:

- Certified Financial Planner®
- Accredited Investment Fiduciary®
- FINRA General Securities Representative Series 7
- FINRA Uniform Securities Agent Law Series 63
- FINRA Uniform Investment Advisors Law Series 65
- FINRA General Securities Principal Series 24
- FINRA Financial Operations Principal Series 27
- FINRA Operations Professional Day-One Series 99

Employment History:

- January 2012-Present (CEO/Financial Advisor Rep) Capital Retirement Plan Services, Inc. – Spokane, WA
- February 1992-Present (CEO/Financial Advisor Rep) Northern Capital Management, Inc. – Spokane, WA
- September 1993-Present (CEO/Registered Rep) NCM Securities, Inc. – Spokane, WA

Item 3 – Disciplinary Information

NCM is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of James K. Wilson. No events have occurred that are applicable to this item.

Item 4 – Other Business Activity

NCM is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. James K. Wilson is not actively engaged in any such activities.

Item 5 – Additional Compensation

James K. Wilson, in addition to the regular salary and profits paid by NCM, receives up front and ongoing commissions for American Funds mutual funds purchased on a direct-way basis. See NCM's Brochure, Item 10 (Investment Companies – Commissions, Sales Charges and Loads) for more details.

Item 6 – Supervision

As a member of the Investment Committee, James K. Wilson indirectly provides financial advice to clients by helping research and select the investments recommended for client portfolios. James K. Wilson is authorized to provide investment advice directly to clients. James is supervised by Michelle Warner, Chief Operations Officer, who can be contacted at (509) 456-2526 ext. 17.