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This brochure provides information about the qualification and business practices of Ancora Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 216-825-4000, or by email at joe@ancora.net. 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.

Additional information about Ancora Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Ancora Advisors LLC is a registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training.

July 16, 2014

Material Changes

Material Changes Since the Last Update

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October 2010. The newly revised Part 2 consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update of the Brochure must now include a summary of all material changes since the last annual update.

Additional Compensation (Page 11)

Ancora Advisors does not receive any additional direct compensation from managed account clients other than the management fee. The firm may, however, receive indirect compensation or benefits from executing brokers and custodians for aggregating business with their firm. These benefits may include, but are not limited to, access to research, technology, and invitations to special events including conferences.

Some staff members are registered with Ancora Securities, but do not receive commissions on any trades executed with Ancora Securities. However, as part of the separation agreement, these registered representatives may continue to earn 12b-1 fees if mutual funds within your account should pay them. This conflict is mitigated because these registered representatives have no input over the specific investments that are purchased and sold for managed accounts. The discretion is that of the portfolio manager and each decision is solely based on relative performance. In addition, Ancora Advisors will place clients into the lowest expense fee class for which the client is eligible. Typically, these classes have little or no a 12b-1 fees.

Employees of Ancora Advisors that are also Registered Representatives of broker dealers may earn additional compensation for sales of securities and investment products.

Employees of Ancora Advisors that are registered with the Ohio Department of Insurance may earn additional compensation for sales and referrals of insurance products through Source Insurance.

Sharing of Capital Gains or Capital Appreciation (Page 11)

As a general rule Ancora Advisors does not receive performance based fees – that is fees based on a share of the capital gains or appreciation of the assets of the client.

The only exception to this policy is that Ancora Advisors can receive performance based fees for the performance of Merlin Partners LP, the Ancora Greater China Fund LP, AAMAF LP and Birchwald Partners LP. These are investment partnerships (hedge fund investments) that are purchased on a subscription basis and are only offered to prequalified investors. Typically, there are no side by side conflicts of interest because Ancora does not manage these strategies in any other non-performance based manner. Performance based fees may give investment managers incentive to make more speculative or riskier investments than accounts without performance based fees. The performance based fees for these investments are disclosed in the Confidential Private Offering Memorandum that each investor receives and should read carefully prior to investing.

Broker-Dealer or Registered Representatives (Pages 16-17)

On December 31, 2012, The Ancora Group, the parent company of Ancora Advisors, sold its stake in Ancora Securities, Inc., Ancora Capital, Ancora Insurance, Ancora Foundation and Arbor Court Capital. The Ancora Group, Inc. sold its stake in all 5 entities to the existing management team of those business units. Many of our employees remain registered representatives of Ancora Securities. Our staff members registered with Ancora Securities do not receive commissions on any trades executed with Ancora Securities for accounts managed by Ancora Advisors. However, as part of the separation agreement, these registered representatives may continue to earn 12b-1 fees if mutual funds within a managed account should pay them. These registered representatives have no input over the specific investments that are purchased and sold for managed accounts. The discretion is that of the portfolio manager and each decision is solely based on relative performance. In addition, Ancora Advisors will place clients into the lowest expense fee class for which the client is eligible. Typically, these classes have little or no 12b-1 fees. Ancora Securities is still defined as affiliated to Ancora Advisors due to Richard Barone acting as Chairman of both firms. Ancora Securities' fully disclosed clearing agreement with Pershing LLC does not allow clients to trade securities away from Ancora Securities. As such, Ancora Advisors is unable to aggregate orders and negotiate commission on client's behalf for accounts held at Ancora Securities. In addition, Ancora Advisors has agreed not to solicit clients to terminate their brokerage relationship with Ancora Securities as part of the separation agreement. However, clients are always free to move their accounts at anytime.

Material Relationships or Affiliations within the Financial Industry (Pages 17-18)

Frederick DiSanto is a director on the board of LNB Bancorp Inc. (symbol: LNBB). Please see the "Recommend Securities with Material Financial Interest" section of this document for more detail.

Recommend Securities with Material Financial Interest (Page 19)

Frederick DiSanto was elected to the Board of Directors of LNB Bancorp Inc., a public company that trades on NASDAQ under trading symbol "LNBB". At the time of Mr. DiSanto's election to the Board of Directors, accounts managed by Ancora Advisors LLC owned shares of LNB Bancorp Inc. A conflict of interest may exist because; 1) Mr. DiSanto in his capacity as a Chief Executive Officer for Ancora Advisors LLC has a fiduciary obligation to advisory clients and 2) as a Director for this company, Mr. DiSanto has an obligation to take action in the best interest of the company and their shareholders. In addition, there may be instances where Mr. DiSanto in his position as a Director could become knowledgeable of material non-public information. If this situation occurs, Ancora Advisors would be unable to purchase or sell securities related to LNB Bancorp Inc. until that information would become public information (information that is available to the general public). These self imposed black-out periods could cause Ancora Advisors to miss market opportunities in LNB Bancorp Inc. perceived to be available to investors of the general public.

Invest in Same Securities as Clients (Page 19)

On occasion, Ancora Advisor employees may decide to transact in securities that are also transacted in client accounts or may transact in securities in which a related person may have some financial

interest. This practice could create a conflict of interest if the transactions are structured to impact the market after the employee has transacted in the security. Our Code of Ethics and Personal Securities Trading Policy stipulates that our employees may not transact in securities the same day that the firm is transacting in such securities for its clients. Additionally, personal securities transactions for common stocks, ETFs, preferred stocks, ADRs, closed-end funds, IPOs, private placements and mutual funds for which Ancora serves as the investment adviser or sub-adviser must be preapproved. Employee transactions are reviewed daily for compliance with firm policy.

Personal Trading Policies (Pages 19-20)

Ancora Advisors has a formal Personal Securities Trading Policy. As part of this policy Ancora requires that our employees and affiliated persons submit all personal trading requests through our compliance software for approval prior to placing their personal transactions. Further, employees must also submit a Personal Securities Transaction Report quarterly and an Annual Holdings Report to the compliance department to affirm that no trades were done outside of the firm's supervision.

Proxy Voting (Pages 23-24)

Proxies are an asset of our client's accounts and Ancora takes voting very seriously. As such, Ancora Advisors has retained ISS proxy voting service. ISS thoroughly researches each topic on a proxy and recommends voting proxies in a manner they feel is in the best interest of clients. They also recommend voting in the best interest of specialty accounts such as Taft-Hartley Plans. Typically, Ancora will vote its proxies with ISS's recommendation. There may be certain times where Ancora feels it would be in the best interest of our clients to vote against ISS's recommendation.

This Brochure, dated July 16, 2014 replaces our Form ADV Part 2A dated January 1, 2014.

Full Brochure Availability

The Firm Brochure for Ancora Advisors LLC is available by contacting Joseph Spidalieri at (216) 825-4000 or by e-mail at joe@ancora.net or by visiting our web site at www.ancora.net/adv

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Advisory Business

Firm Description

Ancora Advisors, LLC is an investment advisor registered with the SEC. We specialize in customized portfolio management for individual investors, high net worth investors, investment companies (mutual funds), pooled investments (hedge funds/investment limited partnerships), and institutions such as pension/profit sharing plans, corporations, charitable & "Not-for Profit" organizations, and unions.

Principal Owners

Ancora Advisors LLC is wholly owned by The Ancora Group, Inc. The Ancora Group Inc. is an employee owned company. No employee owns over 25% of The Ancora Group, Inc.

Types of Advisory Services

At Ancora Advisors, LLC, our objective is to develop customized portfolios that meet your goals; we implement strategies for asset allocation and selection of specific investments. We provide customized portfolio recommendations based on your investment parameters, time horizon, risk tolerance, and return objectives. We offer personal consultations where you may want advice on a particular issue in the area of finance and investments. We are available to consult on other matters, such as mergers acquisitions and other types of corporate finance. Our services may include both separately managed accounts (SMA) and selective allocations to our privately managed funds for qualified investors. Clients may impose reasonable restrictions on their SMAs.

If one or more of your accounts is a plan subject to ERISA we ask that you appoint Ancora Advisors, LLC as investment advisor for the purpose of ERISA. We will need to have copies of the trust agreement and any amendments governing the operation and administration of plan assets. We do not provide advice for assets outside the plan and will not vote proxies for securities held outside Ancora's portion of the plan. We ask that you take steps to name Ancora Advisors LLC as a fiduciary in the plan's ERISA fidelity bond covering the account. Ancora may also participate in class action suits on our client's behalf.

Tailored Relationships

Ancora Advisors, LLC will work with clients to make customized portfolios and provide advice for special situations and needs.

Client Assets

We manage accounts primarily on a discretionary basis, but will advise on accounts on a non-discretionary basis under certain arrangements. As of December, 31, 2013, we managed \$1,833,339,260 in client assets on a discretionary basis and \$1,282,884,387 on a non-discretionary basis.

Fees and Compensation

Management fees are based on the value of assets managed and fees are calculated as a percentage of assets under management. Ancora Advisors reserves the right to waive fees and minimums in certain instances.

Ancora Advisors is eligible to receive performance based fees for our hedge funds. Please see the “Sharing of Capital Gains or Capital Appreciation” section of this document for more details.

Description

Fees are based upon the client's total relationship with Ancora Advisors. Holdings of the Ancora Family of Mutual Funds and Ancora's hedge funds are excluded from client's separately managed account's quarterly billing values. Advisory fees are negotiable in certain instances. Some client's may pay higher or lower fees than shown below.

Institutional Managed Strategies

Covered Styles:

Small-Mid Cap Core (SMID)

Small Cap Core

Mid Cap Core

Micro Cap Value

Assets Under Management

Annual Advisory Fee

Under 10 million	1.00%
10 million to 20 million	0.90%
20 million to 50 million	0.80%
Over \$50 million	0.70%

Fixed Income Managed Strategies

Covered Styles:

Short Term - Taxable

Intermediate Term - Taxable

Aggregate - Taxable

Intermediate Term – Tax Exempt

Assets Under Management

Annual Advisory Fee

On the first 1 million	0.75%
On the next 2 million	0.50%
On the next 2 million	0.40%
On the next 5 million	0.30%
On the next 10 million	0.20%
Over \$20 million	Negotiable

Equity Managed Strategies

Covered Styles:

Private Client

High-Yield Dividend

Assets Under Management

Annual Advisory Fee

On the first 1 million	1.00%
On the next 2 million	0.70%
On the next 2 million	0.60%
On the next 5 million	0.50%
On the next 10 million	0.40%
Over \$20 million	Negotiable

Ancora may reduce or waive its fees for organizations qualifying under 501C(3) of the IRS Code.

Minimum Fee \$1,000.00 per quarter

Fee Billing and Fees Paid in Advance

Fees are charged quarterly (1/4 of annual fee) in advance based upon the value of assets managed based valuations done by the client's custodian or other pricing services at the end of each calendar quarter.

When you sign your management agreement you may authorize Ancora Advisors to invoice your custodian or broker dealer to deduct your management fees. By signing this "Letter of Authorization" or similar document, you authorize your custodian to automatically deduct the management fees from your account and send them to Ancora Advisors. If your account does not have sufficient cash to or money market funds balance to cover the fees, you may deposit additional funds (subject to certain restrictions for IRA account and qualified retirement plan accounts) or make payment in an alternative method acceptable to Ancora Advisors. If you do not deposit additional funds into your account or make the payment in another manner, securities in your account will be sold in an amount sufficient to cover the fees due. Your account custodian or broker dealer statement will reflect the date and the amount deducted from your account.

If you elect to pay Ancora Advisors from an account outside of our management services, you will receive a quarterly invoice with instructions on where to mail your payment.

Clients that open accounts after the beginning of a quarter will be charged in arrears at the end of the quarter. This means you will receive two bills at the next quarter end. One bill for the portion of the quarter your money has been invested and a second bill for the quarter for their quarterly management fee consistent with all other customers.

Ancora Advisors does not typically charge prorated fees for funds that are deposited to an existing account during the quarter. Ancora Advisors, however, does reserve the right to charge prorated fees for funds deposited during the quarter.

Other Fees and Charges

Our management fees are separate from charges assessed by third parties such as broker dealers, custodians and mutual fund companies. Brokerage and other transaction costs charged by broker dealers executing transactions and custodians maintaining your assets are in addition to the management fees and are not negotiable. Mutual funds, variable annuities and or other platforms may assess other fees and expenses such as 12B-1 fees or commissions in connection with the placement of your funds.

Terminating Advisory Services

Clients may terminate their advisory contract with Ancora Advisors in writing at any time. We recommend you use a mail service where a signed receipt is required. Fees will be refunded from the date written notice has been received through the end of the calendar quarter. Ancora Advisors may terminate relationships with clients, in writing, upon 30 days notice and will refund fees through the end of the calendar quarter. Your death will not terminate the Investment Management Agreement or authority granted to Ancora Advisors until we have received actual written notification of your death nor will a transfer in ownership in Ancora Advisors (e.g. Ancora Advisors is sold).

Additional Compensation

Ancora Advisors does not receive any additional direct compensation from managed account clients other than the management fee. The firm may, however, receive indirect compensation or benefits from executing brokers and custodians for aggregating business with their firm. These benefits may include, but are not limited to, access to research, technology, and invitations to special events including conferences.

Some staff members are registered with Ancora Securities, but do not receive commissions on any trades executed with Ancora Securities. However, as part of the separation agreement, these registered representatives may continue to earn 12b-1 fees if mutual funds within your account should pay them. This conflict is mitigated because these registered representatives have no input over the specific investments that are purchased and sold for managed accounts. The discretion is that of the portfolio manager and each decision is solely based on relative performance. In addition, Ancora Advisors will place clients into the lowest expense fee class for which the client is eligible. Typically, these classes have little or no 12b-1 fees.

Employees of Ancora Advisors that are also Registered Representatives of broker dealers may earn additional compensation for sales of securities and investment products.

Employees of Ancora Advisors that are registered with the Ohio Department of Insurance may earn additional compensation for sales and referrals of insurance products through Source Insurance.

Performance-Based Fees & Side-by-Side Management

Sharing of Capital Gains or Capital Appreciation

As a general rule Ancora Advisors does not receive performance based fees – that is fees based on a share of the capital gains or appreciation of the assets of the client.

The only exception to this policy is that Ancora Advisors can receive performance based fees for the performance of Merlin Partners LP, the Ancora Greater China Fund LP, AAMAF LP and Birchwald Partners LP. These are investment partnerships (hedge fund investments) that are purchased on a subscription basis and are only offered to prequalified investors. Typically, there are no side by side conflicts of interest because Ancora does not manage these strategies in any other non-performance based manner. Performance based fees may give investment managers incentive to make more speculative or riskier investments than accounts without performance based fees. The performance based fees for these investments are disclosed in the Confidential Private Offering Memorandum that each investor receives and should read carefully prior to investing.

Types of Clients

Description

Ancora Advisors, LLC provides investment advisor services for individual investors, high net worth investors, investment companies (mutual funds), pooled investments (hedge funds/investment limited partnerships), and institutions such as pension/profit sharing plans, corporations, charitable & "Not-for Profit" organizations, unions and other investment advisers.

Account Minimums

Each client account must be a minimum of \$1 million unless related to other accounts which together total \$1 million. Ancora Advisors reserves the right to waive this minimum at its discretion.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Equity Methods of Analysis

Ancora's valuation screening focuses on two situations:

1. Companies trading at a significant discount to their liquidation or going-concern value. Certain issues may trade below tangible book value. This can occur in times of broad market pessimism or wall street concentration with a company's near-term outlook. Other companies have hidden assets that are not reflected in the company's financial statements, such as investments in private companies or understated real estate values, which, if properly valued on the balance sheet, would result in the company trading at a discount to tangible book value. Ancora works to understand catalysts that will unlock the value of the target company's assets, although Ancora will also buy based on a company being too cheap to ignore.

2. Companies trading sufficiently below the calculation of intrinsic value based on Ancora's "Normalized Return" analysis to provide potential total return of 50% or more over a three year time horizon.

Sell decisions are based on valuation, risk and portfolio guidelines. As individual stocks approach their intrinsic value and decline in their relative attractiveness, they become candidates for sale. Other sell decisions may occur because of deterioration in the fundamentals that supported the initial investment. Automatic sales are initiated as position exposures approach diversification guidelines. Proceeds from sales are reinvested in companies that are more attractively valued based on the purchase disciplines.

Fixed Income Methods of Analysis

Our Fixed Income strategy employs a top down approach with emphasis on sector allocation as our primary value added tool. We are primarily an up in quality manager emphasizing higher rated corporate issues and higher classes of structured products. We attempt to add value in security selection by emphasizing either smaller issues or less liquid issues which tend to not trade as efficiently as do benchmarked/index eligible holdings. Our research efforts in these names are internally generated and rely on various research sources including street generated research and other sources.

Our taxable fixed income approach utilizes all the investment grade debt market sectors. We do not utilize non-investment grade securities in any of our managed accounts. In addition, because of the risk adverse nature of our firm and the majority of the clients we represent, we restrict our fixed income buying to bonds rated A- or higher by one or more of the major rating agencies. By not buying BBB rated bonds we believe we have a “buffer zone” for potential downgrades of an issue before we would face a non-investment grade issue in our portfolios. If a bond is ultimately downgraded to non-investment grade (i.e. BB+/Ba1) a sale is not required. However, we do tend to error on the conservative side and will often sell while BBB if possible.

Ancora typically holds 30 to 80 positions and limits individual corporate issuers to no more than 3% of the portfolio and our typical duration profile is no more than or less than 20% above or below the duration of the applicable index.

Private Client Group Methods of Analysis

Ancora Advisors, LLC has several models within their Private Client Group asset allocation strategy. The strategies make use of ETFs with low index tracking error, mutual funds (including the Ancora Family of mutual funds), bond and common stock to achieve true asset diversification across multiple asset classes including; Cash, Fixed Income, U.S. Equities, Non U.S. Equities, Real Assets and Liquid Alternatives. The various models are allocated a percentage to each asset class based on the client's need of Capital Preservation, Income or Capital Appreciation or the need to balance between these objectives. As Ancora clients, you will have full transparency to see how we carefully select and monitor securities for your portfolio. We adjust client portfolios relative to the original models based on market conditions but work to ensure that the portfolio remains consistent with client goals and objectives.

Investment Strategies

Ancora Advisors manages portfolios for clients in 13 separate categories; 1) Small-Mid Cap Core (SMID) 2) Small Cap Core 3) Mid Cap Core 4) Micro Cap Value 5) Short Term – Taxable 6) Intermediate Term – Taxable 7) Aggregate – Taxable 8) Intermediate Term – Tax Exempt 9) Private Client 10) High-Yield Dividend 11) Hybrid Income 12) Large Cap Value 13) All Cap Value

Small-Mid Cap Core (SMID) - The Small-Mid Cap (SMID) strategy emphasizes equity investments in companies with market capitalizations between \$100 million and \$10 billion. This translates to approximately 3,000 listed stocks. The manager refines this universe to a portfolio of approximately

40-60 holdings focusing on companies that have strong franchise value but that may currently be out of favor, underfollowed companies that receive little Wall Street research attention and special situation investments that are frequently misunderstood by the market such as spinoffs and corporate restructurings. The objective of the fund is long term capital appreciation. *Risks include investment in smaller companies which are subject to larger price fluctuations and are typically less liquid.*

Small Cap Core - The Small Cap Core strategy emphasizes equity investments in companies with market capitalizations between \$100 million and \$2 billion, consistent with the companies within the Russell 2000 Index. This translates to approximately 2,500 listed stocks. The manager refines this universe to a portfolio of approximately 40-60 holdings focusing on companies that have strong franchise value but that may currently be out of favor, underfollowed companies that receive little Wall Street research attention and special situation investments that are frequently misunderstood by the market such as spinoffs and corporate restructurings. The objective of the fund is long term capital appreciation. *Risks include investment in smaller companies which are subject to larger price fluctuations and are typically less liquid.*

Mid Cap Core - The Mid Cap Core strategy emphasizes equity investments in companies with market capitalizations between \$2 billion and \$15 billion, consistent with the companies within the Russell Midcap Index. This translates to approximately 2,500 listed stocks. The manager refines this universe to a portfolio of approximately 40-60 holdings focusing on companies that have strong franchise value but that may currently be out of favor, underfollowed companies that receive little Wall Street research attention and special situation investments that are frequently misunderstood by the market such as spinoffs and corporate restructurings. The objective of the fund is long term capital appreciation. *Risks include investment in smaller companies which are subject to larger price fluctuations and are typically less liquid.*

Micro Cap Value – The Micro Cap Strategy contains U.S. traded equities, which offer substantial returns with corresponding greater risks. Securities will tend to be of companies with "micro" and capitalizations typically less than \$500 million. *Risks include investment in smaller companies which are subject to larger price fluctuations and are typically less liquid.*

Short Term - Taxable – The Short Term - Taxable Strategy seeks to provide a real return over a long period of time commensurate with the risk profile of the portfolio. The Short Term - Taxable Strategy pursues these objectives by investing primarily in income producing securities with a shorter duration profile with a maximum duration of 2.5 years. Securities held in this strategy should be investment grade credits with average credit quality ratings of single A or better. *Potential risks include declining prices due to rising interest rates and default by issuers*

Intermediate Term – Taxable – The Intermediate Term – Taxable Strategy seeks to provide a real return over a long period of time to commensurate with the risk profile of the portfolio. The Intermediate Term – Taxable Strategy pursues these objectives by investing primarily in income-producing securities across all sectors of the taxable investment grade markets. Securities held in this strategy should have an average credit quality rating of at least "A". The duration of these accounts should be somewhat in line with the duration of the Barclay's Intermediate Bond Index. *Potential risks include declining prices due to rising interest rates and default by issuers*

Aggregate – Taxable – The Aggregate – Taxable Strategy seeks to provide a real return over a long period of time to commensurate with the risk profile of the portfolio, and with a duration profile more in line with the Barclay's Aggregate Bond Index. The Aggregate – Taxable Strategy pursues these objectives by investing primarily in income-producing securities of primarily investment grade rated

credits with an average credit quality rating of at least “A”. *Potential risks include declining prices due to rising interest rates and default by issuers*

Intermediate Term – Tax Exempt – The Intermediate Term – Tax Exempt Strategy seeks to provide a real return over a long period of time to commensurate with the risk profile of the portfolio for tax-exempt portfolios. The Intermediate Term – Tax Exempt Strategy pursues these objectives by investing primarily in income-producing tax exempt municipal securities rated A or better by the major rating agencies. The duration profile of these accounts tend to be in line with the benchmark index which is the Merrill Lynch 1-10 year US municipal securities Index. *Potential risks include declining prices due to rising interest rates and default by issuers*

Private Client – This strategy is targeted toward helping high net-worth individuals preserve, protect and grow their assets by utilizing traditional assets classes (large cap equities, small cap equities, bonds) while also incorporating additional asset classes such as real assets (commodities, REITs and infrastructure assets such as oil and gas pipeline operators) and alternative investments (lower correlation, non long only/hedged strategies) into client portfolios when appropriate. The purpose of including these additional asset classes is to generate a potentially more diversified pool of return streams through the use of active (individual stocks and mutual funds) and passive (ETFs) management. *Potential Risks include a portfolio that may not keep pace with rising stock market indexes due to its vast diversification and ETFs may not keep pace with the index they are tracking due to fees within the fund and advisory fees.*

High-Yield Dividend – The High-Yield Dividend strategy contains primarily U.S. traded equities which offer an attractive dividend yield relative to the S&P 500. These companies tend to be well established with steady consistent earnings and dividend growth as well as stable cash flow. They also tend to have strong competitive positions in their key markets and typically have a market capitalization over \$2 billion. *Potential Risks include large companies with mature markets in very competitive industries and slow to adapt to competitive changes caused by technology and consumer preference.*

***Hybrid Income** – The Hybrid Income Strategy, the strategy of the Ancora Income Fund, has an investment objective of obtaining a high level of income, with a secondary objective of capital appreciation in the value of its holdings. The Hybrid Income Strategy pursues these objectives by investing primarily in income-producing securities, including securities of closed-end funds having portfolios consisting primarily of income-producing securities, and equity securities. *Potential risks include declining prices due to rising interest rates and default by issuers.*

***Large Cap Value** – The Large Cap Value Strategy, the strategy of the Ancora Equity Fund, contains U.S. traded equities, with superior long-term total return potential. Securities in this strategy tend to be well-established, recognizable leaders in their industry with typical market capitalizations in excess of \$500 million. *Potential Risks include large companies with mature markets in very competitive industries and slow to adapt to competitive changes caused by technology and consumer preference.*

***All Cap Value** – The All Cap Value Strategy consists of the combination of Large Cap Value and Small Cap Value Strategies as defined above. Depending upon the best opportunities available, as perceived by the Ancora portfolio manager, portfolios at various times will consist of a greater weight being placed on one category over the other and vice versa. *Potential Risks include large companies with mature markets in very competitive industries and slow to adapt to competitive changes caused by technology and consumer preference. Smaller companies are subject to larger price fluctuations and are typically less liquid.*

***Denotes a management strategy generally only available through investment in The Ancora Family of Funds. Investors should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. This and other information are contained in the fund's prospectus**

Depending upon market conditions and the availability of attractive investment opportunities, Ancora may hold cash or money market funds in lieu of, or as part of each category.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. Investment values will fluctuate both up and down, are subject to market volatility, and may be worth more or less than the original cost. All securities risk the loss of principal. In addition, while we believe our methodology and strategies will be profitable, there is no assurance this will always be the case.

While your brokerage account may allow margin transactions, we generally do not recommend the use of margin. We want you to understand the risks of margin transactions and recommend that you read your broker dealer's written disclosure document describing margin trading and its related risks. Some of our strategies may include option transactions. Here again, Ancora wants you to understand the risks involved when trading options and recommend that you read "Characteristics and Risks of Standardized Options" published by the Options Clearing Corporation. Ancora would be happy to answer any questions you may have related to you account, margin or options.

Disciplinary Information

Legal and Disciplinary

SEC Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Ancora Advisors, LLC and the integrity of our management of your assets.

We have no information that applies to this item.

Other Financial Industry Activities and Affiliations

Broker-dealer or Registered Representative

On December 31, 2012, The Ancora Group, the parent company of Ancora Advisors, sold its stake in Ancora Securities, Inc., Ancora Capital, Ancora Insurance, Ancora Foundation and Arbor Court Capital.

The Ancora Group, Inc. sold its stake in all 5 entities to the existing management team of those business units. Ancora Securities is still defined as affiliated to Ancora Advisors due to Richard Barone acting as Chairman of both firms. Many of our employees remain registered representatives of Ancora Securities. Our staff members registered with Ancora Securities do not receive commissions on any trades executed with Ancora Securities for accounts managed by Ancora Advisors. However, as part of the separation agreement, these registered representatives may continue to earn 12b-1 fees if mutual funds within a managed account should pay them. These registered representatives have no input over the specific investments that are purchased and sold for managed accounts. The discretion is that of the portfolio manager and each decision is solely based on relative performance. In addition, Ancora Advisors will place clients into the lowest expense fee class for which the client is eligible. Typically, these classes have little or no 12b-1 fees. Ancora Securities' fully disclosed clearing agreement with Pershing LLC does not allow clients to trade securities away from Ancora Securities. As such, Ancora Advisors is unable to aggregate orders and negotiate commission on client's behalf for accounts held at Ancora Securities. In addition, Ancora Advisors has agreed not to solicit clients to terminate their brokerage relationship with Ancora Securities as part of the separation agreement. However, clients are always free to move their accounts at anytime.

Ancora Advisors, LLC is affiliated with Safeguard Securities, Inc. as its owner. Safeguard Securities Inc is a dual registrant broker dealer and investment advisor. Safeguard Securities is a registered general securities broker dealer and Member of FINRA and SIPC. Safeguard Securities is also registered with the SEC as an investment advisor. Many of our representatives are registered representatives of Safeguard Securities as well. Ancora Advisors does not manage any accounts or direct any trades for managed accounts to Safeguard Securities. Ancora Advisors does manage portfolios for clients that are referred to the company by Safeguard Securities, Inc.

Material Relationships or Arrangements within Financial Industry

Ancora Advisors LLC serves as investment manager for the Ancora Trust (also known as the Ancora Family of Mutual Funds). Ancora Advisors LLC investment managers serve as portfolio managers for the Ancora Income Fund, Ancora Equity Fund, Ancora/Thelen Small-Mid Cap Fund (as of 1/1/13), Ancora MicroCap Fund and the Ancora Special Opportunities Fund. In addition, Ancora Advisors' staff members serve as officers and/or provide services to the Ancora Trust.

Ancora Advisors serves as the advisor to Merlin Partners LP, Ancora Greater China Fund LP, AAMAF LP and Birchwald Partners LP. These entities are investment partnerships. In addition, Ancora Advisors is the general partner of Merlin Partners LP, Ancora Greater China Fund LP, AAMAF LP and Birchwald Partners LP.

Ancora Advisors is the majority owner of Safeguard Securities a dual registrant broker dealer and investment advisor.

Ancora Advisors is the majority owner of Source Insurance.

Frederick DiSanto is a minority owner in Fairway Sport Management, LLC (FSM) an SEC Registered Investment Advisor. FSM does retain Ancora Advisors to sub-advise on a portion of their assets.

Frederick DiSanto is a director on the board of LNB Bancorp Inc. (symbol: LNBB). Please see the "Recommend Securities with Material Financial Interest" section of this document for more detail.

Richard Barone is a principal owner of Ancora Securities, Arbor Court Capital, Ancora Capital, and Ancora Insurance. He, along with others, purchased these entities from The Ancora Group on December 31, 2012.

Recommend or Select Other Investment Advisers

Ancora Advisors does not direct management services to outside advisers.

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

Code of Ethics

Ancora Advisors LLC has adopted a formal Code of Ethics. This Code of Ethics includes requirements to make sure that we meet our fiduciary responsibilities which include the following subjects:

- The adviser's fiduciary duty to its clients;
- Compliance with all applicable Federal Securities Laws;
- Reporting and review of personal Securities transactions and holdings;
- Reporting of violations of the code; and
- The provision of the code to all supervised persons.

Ancora Advisors will provide a copy of our Code of Ethics to clients and prospective clients upon request. To obtain a copy contact Joseph Spidalieri at (216) 825-4000 or by e-mail at joe@ancora.net. All Ancora Advisors' employees are required to affirm our Code of Ethics at least annually.

Recommend Securities with Material Financial Interest

Denis Amato was elected to the Board of Directors of Mace Security International, Inc. a public company that trades under trading symbol "MACE". At the time of Mr. Amato's election to this Board of Director positions, accounts managed by Ancora Advisors LLC owned shares of Mace Security International, Inc. A conflict of interest may exist because; 1) Mr. Amato in his capacity as a Portfolio Manager for Ancora Advisors LLC has a fiduciary obligation to advisory clients and 2) as a Director for this company, Mr. Amato has an obligation to take action in the best interest of the company and their shareholders. In addition, there may be instances where Mr. Amato in his position as a Director could become knowledgeable of material non-public information. If this situation occurs, Mr. Amato as a Portfolio Manager of Ancora Advisors would be unable to purchase or sell securities related to MACE until that information would become public information (information that is available to the general public). These

self imposed black-out periods could cause Ancora Advisors to miss market opportunities in MACE perceived to be available to investors of the general public.

Richard Barone was elected to the Board of Directors of The Stephan Company, a public company that trades under trading symbol "SPCO" and Mace Security International, Inc. a public company that trades under trading symbol "MACE". At the time of Mr. Barone's election to these Board of Director positions, accounts managed by Ancora Advisors LLC owned shares of The Stephan Company and Mace Security International, Inc. A conflict of interest may exist because; 1) Mr. Barone in his capacity as a Portfolio Manager for Ancora Advisors LLC has a fiduciary obligation to advisory clients and 2) as a Director for these companies, Mr. Barone has an obligation to take action in the best interest of the companies and their shareholders. In addition, there may be instances where Mr. Barone in his position as a Director could become knowledgeable of material non-public information. If this situation occurs, Mr. Barone as a Portfolio Manager of Ancora Advisors would be unable to purchase or sell securities related to MACE and/or SPCO until that information would become public information (information that is available to the general public). These self imposed black-out periods could cause Ancora Advisors to miss market opportunities in MACE and SPCO perceived to be available to investors of the general public.

Frederick DiSanto was elected to the Board of Directors of LNB Bancorp Inc., a public company that trades on NASDAQ under trading symbol "LNBB". At the time of Mr. DiSanto's election to the Board of Directors, accounts managed by Ancora Advisors LLC owned shares of LNB Bancorp Inc. A conflict of interest may exist because; 1) Mr. DiSanto in his capacity as a Chief Executive Officer for Ancora Advisors LLC has a fiduciary obligation to advisory clients and 2) as a Director for this company, Mr. DiSanto has an obligation to take action in the best interest of the company and their shareholders. In addition, there may be instances where Mr. DiSanto in his position as a Director could become knowledgeable of material non-public information. If this situation occurs, Ancora Advisors would be unable to purchase or sell securities related to LNB Bancorp Inc. until that information would become public information (information that is available to the general public). These self imposed black-out periods could cause Ancora Advisors to miss market opportunities in LNB Bancorp Inc. perceived to be available to investors of the general public.

Invest in Same Securities Recommended to Clients

On occasion, Ancora Advisor employees may decide to transact in securities that are also transacted in client accounts or may transacted in securities in which a related person may have some financial interest. This practice could create a conflict of interest if the transactions are structured to impact the market after the employee has transacted in the security. Our Code of Ethics and Personal Securities Trading Policy stipulates that our employees may not transact in securities the same day that the firm is transacting in such securities for its clients. Additionally, personal securities transactions for common stocks, ETFs, preferred stocks, ADRs, closed-end funds, IPOs, private placements and mutual funds for which Ancora serves as the investment adviser or sub-adviser must be preapproved. Employee transactions are reviewed daily for compliance with firm policy.

Personal Trading Policies

Ancora Advisors has a formal Personal Securities Trading Policy. As part of this policy Ancora requires that our employees and affiliated persons submit all personal trading requests through our compliance software for approval prior to placing their personal transactions. Further, employees must also submit a

Personal Securities Transaction Report quarterly and an Annual Holdings Report to the compliance department to affirm that no trades were done outside of the firm's supervision.

Brokerage Practices

Selecting Brokerage Firms

You are free to select any broker dealer for your brokerage account.

Ancora Advisors has established relationships with Pershing (through Ancora Securities), Charles Schwab, Fidelity and TD Ameritrade. Should you choose to place your assets at one of these brokerage firms, we will continue to be your primary source of contact for all account related needs.

If you choose a brokerage firm that we do not have a relationship with, Ancora Advisors will have limited capacity to service the account. Many services will have to be performed at the custodian directly.

Please refer back to the "Additional Compensation" section of this document for any potential conflicts when selecting your brokerage firm.

Research and Other Services

Ancora Advisors may direct brokerage for research in a "soft dollar" relationship for the Ancora Funds, Merlin Partners LP, Ancora Greater China Fund LP, AAMAF LP, and Birchwald Partners LP or any other account in which brokerage was not directed by the client. However, most research is done internally and the trades are directed based on the custodian or broker dealers known to be buying or selling particular securities.

Ancora Advisors does not currently receive any other material benefits for directing brokerage.

Brokerage for Client Referrals

Ancora Advisors may engage in the practice of directing brokerage trades to outside broker dealers for capital introduction to our private funds. Ancora Advisors does not engage in the practice of directing brokerage trades to outside broker dealers for separately managed account clients.

Directed Brokerage

In most cases Ancora Advisors directs trades based on each client's direction. Typically, our trades are placed directly with the client's custodian. In some cases, the client may direct us to trade the security with a certain brokerage firm and settle it with the client's custodian as part of a COD transaction.

It is important to note that if you do not give Ancora Advisors discretion to direct trades, you may limit our ability to negotiate favorable commissions and seek best execution for trades in your account. You may also be excluded from block trades and average price transactions.

The Ancora Funds, Merlin Partners LP, Ancora Greater China Fund LP, AAMAF LP, Birchwald Partners LP and many Institutional relationships have given Ancora Advisors discretion to direct brokerage as Ancora sees fit.

Order Aggregation

Most transactions for each client account are entered on a transaction-by-transaction basis. If we decide to purchase or sell the same securities for several clients at approximately the same time, we might combine (otherwise known as aggregating or batching transactions) for these orders. Ancora executes this through the use of an average price account. By aggregating orders of the same securities, we may be able to obtain a better overall execution price, reduce transaction fees, and allocate the shares in a fair and equitable manner.

Review of Accounts

Periodic Reviews

Portfolio Managers formally review each portfolio at least semi-annually. The frequency and level of review is determined by the complexity of your portfolio, changes in economic or market conditions, tax law and your individual situation. Portfolios are reviewed informally much more often.

It is recommended that Investment Advisors meet with clients at least twice a year to review and go over their account(s) with them in person. If it is discovered that a change in the client's situation has materially affected the way we are currently managing their portfolio(s), we will obtain a "Style Change Form" immediately and update our records and management process to correspond to the changes.

We will base our management process on the original management agreement unless we are notified in writing of changes.

Review Triggers

Portfolio managers informally review portfolios at least monthly. When any security held by clients should be sold, accounts are reviewed immediately; either just prior to or after the security is sold. When any security is bought for clients, accounts are reviewed immediately; either prior to or just after the security is purchased.

Regular Reports

The broker dealer handling your account or custodian typically sends you monthly, but at least quarterly account statements. These Account statements show money balances, securities held in the account, investment values and transactions made. Ancora Advisors also sends out quarterly reports that include the same information noted above and other information such as performance of your investments. We encourage you to review and compare the brokerage account statements with your Ancora Advisors quarterly reports. If you see a discrepancy, please contact your investment representative and bring it to their attention.

Client Referrals and Other Compensation

Economic Benefits

Ancora Advisors does not receive any economic benefits or compensation for referring business other than described in the “Additional Compensation” section of this document.

Third Party Solicitors

We may pay individuals or other organizations (solicitors) for client referrals and to introduce potential clients to Ancora Advisors, LLC if the individual or organizations meet qualifications and have entered into a solicitation agreement with Ancora Advisors. Solicitors, typically, will only be used for obtaining clients for the Merlin Partners LP (an investment limited partnership), Ancora Greater China Fund LP (an investment limited partnership) AAMAF LP (an investment limited partnership), and Birchwald Partners LP. Solicitors may solicit clients for any other products or services of Ancora Advisors, LLC.

Compensation to the solicitor is a percentage of our management fees. The individual solicitor is required to provide a written statement describing the compensation paid to him/her or the organization they represent. A solicitor is not permitted to offer investment advice on behalf of Ancora Advisors. Clients obtained through this referral process do not pay higher fees than clients not obtained through referrals. This means that no additional fees or charges will be charged to the client because of the solicitor relationship.

Custody

Asset Custody

Under SEC Rule 206(4)-2, Ancora Advisors may be viewed for regulatory purposes as having custody of certain client assets due to (i) Ancora Advisors’ ability to deduct fees directly from certain client accounts, and/or (ii) Ancora Advisors’ role as both investment advisor and general partner to Merlin Partners LP (an investment limited partnership), Ancora Greater China Fund LP (an investment limited partnership), AAMAF LP (an investment limited partnership) or Birchwald Partners LP (an investment limited partnership).

Account Statements

The broker dealer handling your account or custodian typically sends you monthly, but at least quarterly account statements. These Account statements show money balances, securities held in the account, investment values and transactions made. Ancora Advisors also sends out quarterly reports that include the same information noted above and other information such as performance of your investments. We encourage you to review and compare the brokerage account statements with your Ancora Advisors quarterly reports. If you see a discrepancy, please contact your investment representative and bring it to their attention.

Investment Discretion

Discretionary Authority for Trading

Most clients give Ancora Advisors LLC discretion over the selection, amount and timing of securities to be bought and sold. This means that the portfolio manager or advisor representative may purchase or sell securities consistent with your investment objectives without contacting you prior to entering the transaction.

We also do consulting on a non-discretionary basis. Typically, these clients are institutions that have an internal management team, but may need help developing strategies and specialized reporting that we can provide to supplement their efforts.

Limited Power of Attorney

Investment authority may be subject to specific investment objectives and guidelines and/or conditions imposed by you. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of your portfolio or you may have restriction or prohibitions of transactions in the securities of a specific company industry such as no tobacco stocks. Please detail any such specifications or exception in writing prior to engaging our services.

Voting Client Securities

Proxy Voting

As a general rule, most clients will enter into an agreement with or take actions to direct proxies to Ancora Advisors to be voted. We have adopted a proxy voting policy which is reasonably designed to ensure that proxies are voted in the best interests of our clients, consistent with stated investment objectives, in accordance with our fiduciary duties and in accordance with SEC Rule 206(4)-6 of the Investment Advisors Act of 1940. Clients are also free to vote their own proxies as they see fit.

Proxies are an asset of our client's accounts and Ancora takes voting very seriously. As such, Ancora Advisors has retained ISS proxy voting service. ISS thoroughly researches each topic on a proxy and recommends voting proxies in a manner they feel is in the best interest of clients. They also recommend voting in the best interest of specialty accounts such as Taft-Hartley Plans. Typically, Ancora will vote its proxies with ISS's recommendation. There may be certain times where Ancora feels it would be in the best interest of our clients to vote against ISS's recommendation.

The proxy voting policy is premised on the following principles:

- maximization of each investment's return is the primary component of the client's best interests;
- good corporate governance will help maximize investment returns;
- increasing shareholder involvement in corporate governance will help maximize investment returns;
- antitakeover defenses inhibit maximization of investment returns; and
- self-dealing by or conflicts of interest of company insiders are not in the client's best interests.

Unless the client provides specific written instructions to Ancora Advisors, the advisor will vote proxies according to its policy under the authority granted by the client.

A copy of the firm's proxy voting procedures are available upon request. Clients may obtain information on how their proxies were voted and/or proxy voting procedures by writing the firm or contacting Joseph Spidalieri at (216) 825-4000 or by e-mail at joe@ancora.net to request this information.

Financial Information

Prepayment of Fees

Fees for your investment advisor services are generally charged quarterly in advance based upon the value of assets managed, with valuations done by the client's custodian or other pricing services at the end of each calendar quarter. We do not require more than one quarter of pre-paid fees.

Financial Condition

Ancora Advisors LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

Bankruptcy

Ancora Advisors LLC has not been subject to a bankruptcy proceeding.

Requirements for State-Registered Advisers

This item does not apply to Ancora Advisors LLC.
