



FORM ADV – PART 2A

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This Brochure provides information about the qualifications and business practices of Ziegler Capital Management, LLC ("ZCM"). If you have any question about the contents of this Brochure, please contact us at (312) 368-1442. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about ZCM, including a copy of its Form ADV Part 1, is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes to This Brochure

Ziegler Capital Management LLC ("ZCM") has updated its brochure as of December 5, 2015. ZCM's last update was on November 12, 2015. These changes may be considered material and could influence a client's evaluation of the services provided by ZCM. This brochure has been updated to reflect the following:

- On November 25, 2015, ZCM filed a Firm Withdrawal Request, Form 7W to withdraw its registration with the National Futures Associations and the Commodity Futures Trading Commission. This filing was made in light of decreased hedging activity resulting in de minimus activity which no longer requires registration.
- On November 30, 2015 the FAMCO Covered Call Fund was seeded by Stifel Financial Corporation ("Stifel") and was available for investment. Additional information about the new mutual fund can be found in ***Item 4 – Advisory Business***.
- On December 1, 2015, ZCM assumed certain of the assets and hired the fixed income investment team from its affiliate, Thomas Weisel Capital Management LLC ("TWCM"). As part of the transaction, TWCM assigned to ZCM its fixed income investment management agreements. The TWCM team continues to manage customized fixed income portfolios on the ZCM platform. Further information about these services can be found in ***Item 4 – Advisory Business***.
- On December 7, 2015, in connection with Stifel's acquisition of Barclays' Wealth and Investment Management, Americas ("Barclay's"), ZCM hired an equity and fixed income portfolio management team. Further information about these services can be found in ***Item 4 – Advisory Business***.

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Item 4 - Advisory Business

Ziegler Capital Management, LLC ("ZCM", "we", "us", "our"), provides discretionary investment supervisory services and other advisory services to a wide variety of clients.

In a transaction that closed November 30, 2013, ZCM became a wholly owned subsidiary of Stifel Financial Corporation ("Stifel"). Stifel is a financial services holding company whose stock is publicly-traded on the New York Stock Exchange under the symbol SF.

As of October 31, 2015, ZCM has statutory assets under discretionary management of \$8.7 billion and non-discretionary assets of \$49.8 million. ZCM also has assets under advisement, primarily through Unified Managed Account ("UMA") programs, of \$550 million.

The advisory services of ZCM are described in detail below.

Investment Management Services

ZCM provides investment management services to institutional and high net worth clients through separately managed accounts, open-end mutual funds, private commingled investment vehicles, and model-based accounts. The services involve managing each client's account on a continuous basis and purchasing and selling investments in the account as ZCM's professional staff deems necessary by using discretionary authority granted to ZCM by the client. Types of securities managed include stocks, bonds, options, mutual funds, and ETFs. Some of these positions generally are used for "hedging" purposes and are designed to reduce, but not necessarily eliminate, the risk in various client portfolios. Clients may impose restrictions on investing in certain securities or types of securities. We manage client portfolios in accordance with their investment policies and use reasonably available resources to comply with investment restrictions, when applicable. Clients are obtained by direct solicitation or referred by consultants.

ZCM manages portfolios not involving continuous investment supervisory services. These services are provided when ZCM is retained to perform a particular function not involving specific knowledge of other assets of the client. An example of such a service is the management of an institution's bond portfolio, but not other securities within the client's investment portfolio.

ZCM may also provide sub-advisory services to affiliated asset managers by furnishing its investment strategies to the affiliated asset manager's clients.

The initial investment and asset allocation recommendations are based on the financial information gathered from, or provided by, each client including a complete Investment Policy Statement, investment restrictions requested by the client, or overall financial condition. Based on this information, the client is provided with initial investment recommendations designed to provide an appropriate asset mix consistent with the client's objectives. The client's portfolio and its performance are then monitored by the client's ZCM Client Service Representative ("Client Service Rep"), consistent with the client's stated goals and objectives. The frequency of these reviews and transactions made for a client's accounts are determined by the Client Service Rep. Clients are free to contact their Client Service Rep at any time if they have questions about their accounts.

ZCM does not assure or guarantee the results of its Discretionary Supervisory Services. Thus, losses can occur from following ZCM's advice pertaining to any investment or investment approach, including using conservative investment strategies.

Additionally, we also design and construct specialized portfolios and provide consulting services tailored to meet specific client mandates. We also act as a "Qualified Professional Asset Manager" (QPAM) under the Employee Retirement Income Security Act of 1974 (ERISA), providing requested guidance on specific transactions related to particular assets of employee benefit plan investors.

Services to Mutual Funds

ZCM provides investment management and related services to the Ziegler Strategic Income Fund and the FAMCO Covered Call Fund (collectively, the "Funds"), each are mutual funds registered under the Investment Company Act of 1940.

Interested investors should refer to the respective Fund's prospectus and Statement of Additional Information ("SAI") for important information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures. These documents are available online at www.zcmfunds.com.

Prior to making any investment in the Fund, investors and prospective investors should carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment in the Fund.

ZCM also acts as an investment adviser to the following unaffiliated mutual funds within the Nationwide Family of Funds ("Nationwide Ziegler Funds"):

- Nationwide Ziegler Wisconsin Tax Exempt Fund
- Nationwide Ziegler NYSE Arca Tech 100 Index Fund
- Nationwide Ziegler Equity Income Fund

Interested investors should refer to the Nationwide Ziegler Funds' prospectus and SAI for important information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures for such Nationwide Ziegler Fund. These documents are available on-line at www.nationwidefunds.com.

ZCM acts as a sub-advisor to the Azzad Ethical Fund, part of the Azzad Financial family of funds. Interested investors should refer to the Azzad Ethical Fund's prospectus and SAI for important information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures. These documents are available on-line at www.azzadfunds.com.

In addition, ZCM acts as sub-advisor to the NexGen US Dividend Plus Fund offered by NexGen Financial, a Canadian mutual fund company. Interested investors should refer to the information available at www.nexgenfinancial.ca for important information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures.

Prior to making any investment in any mutual fund, investors and prospective investors should carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment in that fund.

Services to Variable Annuity Vehicles

ZCM serves as a sub-advisor to the Jackson Variable Series Trust, an open-end management investment company. Information about the fees and expenses associated with the Jackson Variable Series Trust can be found in its prospectus at www.Jackson.com.

Services to Pooled Investment Vehicles

ZCM serves as investment manager to the Fiduciary Partners Fund, LP (the "FPF Fund"), a commingled, privately placed hedge fund. Its employee, Charles D. Walbrandt, is the General Partner for the FPF Fund.

ZCM also provides sub-advisory services to CLOs backed by pools of leveraged loans. ZCM will review and provide overall portfolio analysis for securities contemplated for inclusion in the portfolio by the Collateral Manager. In this capacity, ZCM has been engaged by Valcour.

Additionally, ZCM has been appointed as the interim adviser to an anticipated CLO under a Credit Agreement with the CLO and Valcour, an unaffiliated investment adviser, which has been appointed as the sub-adviser to the CLO. Valcour shall perform the day-to-day advisory services for the CLO with ZCM's general oversight.

Advisory Services for Wrap Programs and Model Investment Portfolios

ZCM acts as a discretionary investment manager for one or more non-affiliated or affiliated broker-sponsored (the "Wrap Sponsors") wrap-fee programs ("Wrap Programs"). Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm.

ZCM provides asset management services to clients that select ZCM to manage their accounts through their respective Wrap Sponsor. We manage the program accounts in accordance with their investment policies and will use reasonably available resources to comply with investment restrictions, when applicable. There may be differences in the performance of wrap portfolios among ZCM clients and other institutional accounts invested in similar strategies we manage for other clients, resulting from differences in the number of securities held in the portfolio, cash availability, investment restrictions, account sizes, tax considerations, and other factors. The Wrap Sponsor generally pays ZCM a fee based on assets managed in connection with the program. The fees we receive in connection with Wrap Programs may vary from fees charged to other clients and between Wrap Programs. For our services, we receive a portion of the total wrap fee charged by the Wrap Sponsor.

We also provide model investment portfolios ("Models") to various outside financial institutions. The Models contain our current investment recommendations as to the composition of a portfolio that would be appropriately purchased for the account managed in accordance with the relevant investment strategy. The recommendations generally reflect the investment recommendations and security weightings simultaneously being made for our discretionary institutional and high-net worth clients within the same investment strategy. The financial institution may implement our Model recommendations on its own trading platform for the clients that have chosen to participate in the

program. The financial institution may choose to implement some or all of our recommendations in terms of both the securities and/or the weightings. As securities and weightings change in the Model, those modifications are communicated promptly to the financial institutions that are using our model program. There is no requirement that the Models be administered as they are provided, or at all, and we do not monitor or supervise the Model administered by the outside institutions. The performance of our discretionary accounts and those of the Models using the same investment strategy may differ for these and other reasons.

Other Advisory Services

ZCM also provides other advisory services to high net worth individuals, corporations, endowments/foundations, retirement plans, and retirement plan participants. These advisory and consulting services include: helping formulate client investment objectives; identifying risk tolerance characteristics; developing investment policy statements; creating asset allocation strategies driven by the client's policy or risk profile; searching for suitable investment managers, mutual funds and/or investment products (e.g., stocks and bonds) to implement these strategies; and continuous monitoring, evaluation and reporting on client accounts.

Investment managers of client accounts may also be investment advisers to mutual funds recommended to clients, and thus have a conflict of interest when recommending these funds to clients. ZCM intends to base recommendations on the best interests of its clients. Although ZCM believes its services are competitively priced, clients may be able to obtain similar advisory services at lower prices if purchased elsewhere.

Additionally, in cases where mutual fund shares are purchased, clients should be aware that they will pay both a direct management fee to ZCM for purposes of selecting, monitoring, and recommending the liquidation of mutual fund shares and indirect management and other fees through the mutual fund which pay an investment adviser for management of assets within the particular fund. See the respective fund's prospectus for a discussion of its fees and expenses, and refer to the Fees and Compensation section below for additional details.

Item 5 - Fees and Compensation

ZCM bases its investment management fees on a percentage of assets under management. Generally, we provide advisory services on an individualized basis, based on the particular needs of each client. Accordingly, fees will be negotiated with each individual client depending on the nature of services to be provided, the type of client, other assets the client may have invested with us, and other relevant factors.

We generally have established investment advisory fees in accordance with the schedules below. Fees are for advisory services only, unless otherwise indicated. We will directly invoice clients for investment management fees. Fees are generally payable quarterly in advance at the beginning of each calendar quarter and are based on the market value of the assets under management. For accounts beginning at

other times, pro-rata billing at the end of the initial quarter will be followed by regular quarterly billings. We may amend our fee schedule with our advisory contracts.

Investment Management Services Fees

Non-investment company clients compensate ZCM on a quarterly basis for account management services in accordance with the following fee schedule, which is based upon the types of securities managed and assets under management in their accounts:

| <i>Account Type</i> | <i>Maximum Annual Fee</i> |
|---------------------|---------------------------|
| Equity | 1.00% |
| Balanced | 1.00% |
| Fixed Income | 1.00% |
| Enhanced Cash | 0.50% |

These fees represent the maximum fees charged. Fees are negotiated on a relationship basis. While the fee schedules above represent the majority of the products and services offered to most of our clients, there are specialized products and/or services provided based on specific client mandates for which there is no set fee schedule. Fees for those accounts are not represented in this document and generally are negotiated with the client on a case-by-case basis.

Depending on the account, nature of investment strategy and/or the volatility in the size of the account based upon withdrawals or additions, ZCM will charge an advisory fee for its management services using one of the following three calculations:

1. In Advance. A quarterly fee will be billed in advance based on the account asset value on the last business day of the previous quarter and will become due the following business day. If additional cash or securities or other investments in excess of 20% of the prior quarter ending market value are accepted for management during the first two months of any quarter, an additional fee, pro-rated for the number of days remaining in the fee period and covering the total value of the accepted assets, will be charged and will become due on the date of such acceptance.

If the Agreement is terminated, a refund prorated from the date of termination through the end of the billing period will be made. No fee adjustment will be made during any fee period for appreciation or depreciation in account asset value during that period, and no adjustment or refund will be made for partial withdrawals of account assets during that period.

2. In Arrears. The quarterly renewal fee is billed in arrears for the previous quarter based upon the account asset value on the last business day of the previous quarter and is due the following business day. If the account terminates, the account is charged the pro-rata fee for the time services were provided during the quarter. If assets are withdrawn during the quarter, ZCM may prorate the fee for the time services were provided during the quarter prior to the withdrawal.

In Arrears for Legacy MVP Accounts. Fees are calculated on a quarterly basis, in arrears, based on the average of the market values reported by the Custodian for the last day of the prior billing period and for the last day of each month in the current billing period.

3. Averaging. Using this method, the management fee for the first calendar quarter is calculated on the average capital base of the assets placed under its supervision and determined as of the last day of the calendar quarter. The average capital base is calculated using the beginning of market value of the account and adding to this value the time-weighted net contributions and withdrawals of capital during the quarter in order to determine the billable asset value. Management fees charged by ZCM on subsequent calendar quarters will be calculated on the average capital base of the account as determined at the close of business on the last business day of each calendar quarter. Such fees shall be calculated using the prior quarter-end market value, and adding to this value the time-weighted net contributions and withdrawals of capital during the last quarter to determine the billable asset value.

Fees are charged on the billable asset value at the following annual rates, and one quarter (1/4) of the annual fee is payable as of the close of each calendar quarter. Termination of an advisory agreement can occur upon written notice by either party to the other and becomes effective in 30 business days after the notice date.

The fee schedules above do not apply to Wrap Programs or Models. More information about ZCM's billing practices is detailed in the investment management agreement. Clients should review the fees and billing practices with ZCM.

Mutual Funds

The investment advisory fees we receive as an advisor or sub-advisor to mutual funds are described in the registration statements and/or financial filings of those funds, including the funds' prospectuses, which are available as described herein.

Pooled Investment Vehicles

The fees relating to the FPF Fund are described in the investment management and investment advisory agreements between us and the FPF Fund. ZCM may waive all fees with respect to investments made by employees in the FPF Fund. Investments in the FPF Fund may only be made by qualified investors.

In its capacity as a sub-advisor to the CLO pools, ZCM does not earn fees directly from the CLO but rather, it is expected it will share in the revenues that Valcour, the adviser to the CLOs, earns over a certain threshold. ZCM shall be compensated by Valcour if that occurs. Investors in the CLOs will not pay additional fees for ZCM's service.

In its capacity as interim adviser to CLOs, pursuant to a credit agreement, ZCM will not earn fees on its activities until the CLO is issued.

Wrap Programs

We participate in several Wrap Programs and unified managed account programs in which we provide Models (collectively, the “Programs”), as described in **Item 4 – Advisory Business**, which are sponsored by affiliated or unaffiliated investment advisory and/or brokerage firms. As a client in such a Program, you should carefully review the Wrap Sponsor’s Form ADV for complete details regarding the Program. The minimum account size of such Programs is determined by the Wrap Sponsor and we reserve the right to waive or reduce the minimum account size at our discretion. As a client participating in these Programs, you may be charged various Program fees in addition to the advisory fee charged by us. All such fee disclosures will be provided in the Program Sponsor’s ADV Part 2A.

Other Advisory Services

Fees for these other advisory services are negotiated and depend upon the complexity and nature of the assignment. Asset based fees are typically billed quarterly, in advance, unless other arrangements are negotiated. The client and ZCM have the right to terminate the agreement upon 30 days written notice. Any unearned prepaid fees are prorated and returned to the client. The client pays agreed upon expenses due but not paid.

In instances where ZCM serves as a sub-adviser to an affiliated asset manager, ZCM’s fees shall be paid by the affiliated asset manager in arrears at a rate negotiated with that affiliated asset manager.

We also provide investment advisory services to an affiliated open-end mutual fund. We have arrangements with other advisory firms where we have discretionary authority over client assets, however, we are not the client’s primary adviser and instead act in a sub-advisory capacity. Fee arrangements with these accounts are generally negotiated individually based on the needs of the client, size of the account and services provided to such accounts.

Additional Fee and Expense Information

Clients may generally terminate their investment advisory agreement within five business days of signing the agreement. Thereafter, the advisory agreement typically will be cancelable on 30 days’ notice. Clients receive a refund of a portion of any fees paid in advance, prorated based on the number of days in any quarterly period after termination.

Clients may incur other expenses while having their investments managed by us including brokerage transactions costs, markups and markdowns, and custodial fees that are separate and distinct from our advisory fees. We do not reduce our advisory fees to offset such expenses, including, without limitation, commissions charged for brokerage services or fees charged by clients’ custodians.

We do not accept compensation for the sale of securities or any other investment products, including service fees from the sale of mutual funds. We strive to be an independent advisor at all times and always put clients’ interests first. Our brokerage practices are discussed in more detail in **Item 12, Brokerage Practices**. Clients with individually managed portfolios have the option of purchasing the investment products we recommend through other brokers and agents with no affiliation to us.

Each prospective and existing management client should carefully consider the following information about management services and contact their ZCM account manager if they have any questions.

1. Each mutual fund in which a client's assets may be invested also pays its own advisory fees and other expenses (including 12(b)-1 fees) which already have been deducted from the fund's reported performance and, depending on the fund, a client may be able to invest directly in the shares issued by a mutual fund with or without incurring any sales or advisory service fees. In addition, there are tax effects pertaining to fund share redemptions made by ZCM on behalf of clients. Redemptions are taxable events that may accelerate the recognition of capital gains, and frequent redemptions may result in short-term, rather than long-term capital gains.
2. The amount of fees paid by clients receiving management services will vary from client to client based on the type of account and investment needs of the client. Thus, clients receiving similar advisory services will pay different fees.
3. Although ZCM believes its management services are competitively priced, clients may be able to obtain similar services at lower prices if acquired elsewhere.

Item 6 - Performance Based Fees and Side-by-Side Management

We do not have an established performance-based fee schedule. Clients individually negotiate a performance based fee arrangement for management of their portfolios. Clients are generally charged two types of fees for services, an asset-based fee and a performance fee. A description of the asset-based fee and performance fees follows:

1. **Asset-Based Fee.** The annual asset-based fee is calculated as a pre-negotiated percentage of the assets under management. The fee, which does not include transactions costs, is generally deducted from the account quarterly. The base fee for any partial quarter is prorated based on the number of days services were provided during the quarter.
2. **Performance Fee.** In addition to the asset-based fee described above, clients agree to pay ZCM a performance fee which is generally based upon the total return of the portfolio compared to the performance of a stated benchmark over the same period. The performance fee for any partial period is prorated and a maximum annual performance fee may be established. Other performance fee limitations may also apply.

This performance fee arrangement may create an incentive for ZCM to make investments that are more risky or more speculative than might be the case in the absence of a fee based on performance. Clients should be aware that, by using this fee method, ZCM may receive increased compensation with regard to unrealized appreciation as well as realized gains in the account. Further, ZCM may be incentivized to favor accounts that bear performance fees over those that do not with respect to the attention of time spent on such accounts, allocations of investment opportunities, and the degree of risk used in the

account. To address these risks, ZCM utilizes Investment Committees that review the investment selections and target performance for each strategy.

Clients agreeing to a performance-based fee must represent to ZCM that they meet the definition of a qualified client. To do so, the client must assert they are (i) is a natural person or a company (as defined in paragraphs (b)(2) and (g)(1) of Rule 205-3 of the Investment Advisers Act of 1940), who immediately after entering into this Agreement has at least \$1 million under management of ZCM; or (ii) is a natural person or company whose net worth (exclusive of home) at the time the contract is entered into exceeds \$2 million (either alone or held jointly with such person's spouse).

All fees are negotiable and generally will not exceed amounts quoted in the preceding schedules, but may under certain circumstances. Employees (and relatives) of ZCM and affiliates typically receive a discount from the preceding schedules.

Item 7 - Types of Clients/Minimum Account Size

ZCM makes its advisory services available to a wide variety of clients including, but not limited to, individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities, employee benefit plans, foundations, trusts, high net worth individuals, wrap and model portfolio platforms, and investment companies. ZCM may also act as a sub-adviser to affiliated or unaffiliated open-end investment companies.

The minimum fee may be negotiated. In general, individually managed accounts are subject to a \$1,000,000 minimum. In Wrap Program accounts, minimum investment sizes range from \$50,000 to \$100,000. Outside of Wrap Programs, ZCM's minimum fee per account is \$10,000. ZCM may, in its sole discretion, waive its minimum account size and/or minimum fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

The minimums set forth above may be waived for mutual fund and variable annuity commission paying accounts. These guidelines apply only at the start-up of an account and may be waived or changed at the discretion of the firm during the life of the account. There are no restrictions placed on maintaining the account after start-up. All fees are subject to negotiation, but the minimum fee will not exceed the quoted amount. We may, at our discretion, accept accounts below the minimum investment provided certain conditions are satisfied.

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

ZCM has a long-term investment horizon. Investing in securities involves the risk of loss that clients should be prepared to bear. ZCM does not have a single strategy or program that is utilized for all advisory clients. Rather, strategies adopted for, or recommended to, particular clients are based on the individual needs and objectives of each client. Client portfolio parameters may vary due to the industry

in which the client is involved or the goals for the portfolio (e.g., maximizing current income, asset preservation, or attainment of a certain yield over a defined period of time). Despite this relative diversity in clients' needs and objectives, ZCM frequently utilizes common portfolio management strategies, where applicable, to manage similar portfolios with similar needs and objectives in similar ways. Neither ZCM, nor the third party managers it may secure, guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including conservative investments and strategies recommended or applied by ZCM.

Sources of information include all publicly available filings, financial periodicals, research materials prepared by others, data services and Wall Street analysts.

Equity Strategies

Core and Value Equity Strategies

ZCM's core and value equity strategies utilize a quantitative strategy to identify and exploit anomalies in behavioral finance. We seek to capture investor overreaction to past events by screening a broad (investable) universe of stocks and grouping the stocks into either "bargain," "glamour," or "neutral" categories. The strategy constructs portfolios that are more heavily allocated toward "bargain" stocks and away from "glamour" stocks. Neutral stocks are used to manage the risk of the portfolio relative to the benchmark index.

Bargain stocks are those stocks with the lowest historical growth in sales revenue and a high cash flow to price (CF/P) multiple and represent 20% of the investable universe. Glamour stocks are those stocks with the highest historical growth in sales revenue, and a low CF/P multiple and represent 20% of the investable universe. The remaining 60% of the stocks in the investable universe are categorized as neutral.

In some instances the strategy will be augmented with a CFROI (Cash Flow Return on Investment) basis and momentum analysis in managing select strategies.

Red Granite Large Cap Growth Strategy

Accounts managed by the Red Granite Growth Team generally follow a strategy of long term purchases (securities held at least one year) and short term purchases following the Red Granite large cap growth or large cap balanced strategy. The Red Granite strategy includes investing in typically high quality companies with persistent earnings growth. The Red Granite team uses bottom-up fundamental analysis, bolstered by technical analysis, charting, and cyclical analysis.

Red Granite's experienced research analysts also prepare original, proprietary research reports that are shared with this team's Investment Committee and the portfolio managers.

Missouri Valley Partners Strategies

Missouri Valley Partners equity strategies utilize a fundamentally driven, bottom-up research focused strategy. From the selected universe of stocks, each analyst has direct contact with the

companies and collects information from a wide variety of sources including direct visits with companies, their customers, suppliers and competitors. The analyst evaluates drivers of corporate performance and provides detailed projections of earnings, cash flow and return on investments. These inputs form the basis for the Price Discovery and Relative Value models from which the most attractive stocks are identified. The team manages risk by constructing well-diversified portfolios in regard to individual issues and economic sectors. The MVP equity team uses data and analytical tools that are necessary for the investment process and provide information for effective monitoring and managing portfolio risk.

FAMCO Strategies

FAMCO's equity strategies utilize top-down macroeconomic research and bottom-up fundamental research to create a diversified portfolio of large capitalization equity securities. All equity securities trade on US exchanges, with the universe typically restricted to the most liquid stocks. Because investment themes can change as the economic cycle progresses, FAMCO's investment process involves continuous review of data, including economic statistics, market events, and relative valuation. Data collected includes, but is not limited to, economic releases, Federal Reserve policy, interest rates, inflation, commodity pricing, credit markets, employment, consumer, sector, industry, stock-specific, and regulatory factors. Research sources include publically available data, third-party research, and internally generated studies. In certain accounts, the underlying equity portfolio is combined with an active covered call writing overlay strategy. Call options are typically sold on each individual equity holding in order to generate call premium income which can help stabilize returns by mitigating some of the losses during declining equity markets. The option overlay strategy is optimized for each equity position and dynamically managed in order to maximize income (theta and vega) while minimizing call away risk (delta). Over a market cycle, the objective of the covered call strategy is to produce less volatile returns that compound to excess returns and a higher Sharpe ratio versus the S&P 500 Index.

BGP Equity Strategies

BPG's equity strategies seek to provide current income and long-term capital appreciation with an acute focus on downside protection in dividend growing stocks. The BPG equity strategies intend to achieve a balance of dividend yield, growth of dividend income, long-term capital appreciation and lower volatility than the stated benchmark. The strategies are comprised of high quality businesses, which have a history of navigating through various market cycles and are able to maintain and grow their dividend distributions. BPG uses proprietary and third party tools to conduct bottom-up fundamental security analysis, coupled with rigorous valuation work to best identify attractive investment opportunities. BPG has specific sector, position and cash limits to manage risk in order to maintain a well diversified portfolio.

Fixed Income Strategies

Core and Fixed Income Strategies

The strategies' philosophy is to produce risk-controlled, consistent and predictable returns through all markets. Sector rotation, disciplined security selection with a focus on yield and controlled duration management are used to generate income, capital appreciation and excess returns over a full market cycle. The strategy's top down investment process utilizes macroeconomic assumptions to drive decisions on duration, yield curve, tactical or strategic allocations to TIPS, cyclical versus defensive industry allocations and the overall credit quality of the portfolio. Our fundamental macroeconomic outlook seeks to assess domestic growth prospects by looking at the actual drivers of growth, central bank policy, inflation expectations and the nature and likelihood of exogenous shocks. At the sector level, the attractiveness of trading levels relative to recent and past trading ranges and relative to alternative opportunities when adjusted for volatility will dictate favored sectors. A bottom up security selection process will focus on the tradeoff between credit quality and break -even credit spread levels. Contribution to key rate durations are closely monitored and actively managed for overall strategy risk management.

FAMCO Fixed Income Strategies

FAMCO's top-down strategies utilize a 3-step process which includes (1) seeking to identify economic cycle positioning, (2) establishing investment themes for portfolios and (3) constructing portfolios within prudent risk parameters. In this final step, the selection of fixed income securities begins with a quantitative screen that scores securities based on quality and liquidity. This screening process is important as it can eliminate sectors or subsectors considered to present undue risk (such as credit or prepayment) and to rank securities within sectors (such as within the investment grade corporate bond universe). Next, bottom-up qualitative research is produced on the bonds utilizing internal and external resources. Finally, pro forma modeling and scenario analysis is created in order to construct portfolios believed best positioned to perform well within the investment themes previously identified. Once the portfolio has been constructed, monthly performance attribution is produced to adjust and improve the portfolio construction.

BGP Fixed Income Group

BPG's fixed income strategies focus on the management of six key risk factors: 1) duration, 2) yield curve, 3) callability, 4) credit quality, 5) sector and 6) issuer. BPG evaluates fundamental macro/micro trends, credit drivers, quantitative and environment metrics across the six risk factors and sets strategy on this factor based model. Portfolio exposures are developed and maintained against comparative benchmarks to ensure alignment to client objectives and market risk metrics.

For duration based portfolios, BPG manages the contribution to duration of each factor weighting and dynamically shifts a portfolio's mix of securities to balance the tradeoff between

risk and return. For targeted portfolios, BPG manages a maturity based strategy which creates a ladder across a specific range of the yield curve based on investor objective. For each strategy, BPG manages and monitors ongoing factor exposure to rates and credit risk in client portfolios with dynamic in-depth surveillance.

TWCM Fixed Income Strategies

TWCM's fixed income strategies incorporate an active top-down management approach to identify securities. The strategies emphasize principal protection and stable coupon income while also seeking to maximize after-tax total returns. The strategies focus on appropriate duration targets, relative value on the yield curve and diligent credit (bond) selection while maintaining high credit quality for improved liquidity. TWCM seeks to find the best relative value among securities within a client's investment parameters net of all applicable taxes and select securities that TWCM's portfolio managers believe are attractively valued. Strategies may be repositioned when TWCM portfolio managers' views of the interest rate environment changes or a shift in the marketplace warrants a rebalancing. Additionally, TWCM may sell securities if credit quality concerns arise.

Asset Allocation Strategies

BPG ETF Strategies

The BPG ETF Strategies offer clients investment portfolios that use exchange traded funds ("ETFs") to follow the tactical asset allocations ("Tactical Asset Allocations") developed by the Stifel Investment Strategy Group. The Stifel Investment Strategy Group's asset allocation is derived from a long term strategic view of the investment universe coupled with tactical tilts based on market outlook over the medium term. BPG identifies the appropriate ETFs to follow each asset/sub-asset class in the asset allocation and selects these ETFs using various qualitative and quantitative measures, including tracking error, liquidity, trading volume and fees.

Risk of Loss

All investment programs have certain risks that are borne by the investor and there is no guarantee that any investment strategy will meet its objectives. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks, depending upon the strategies in which you invest:

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Credit Risk:** The risk that the issuer or guarantor of a fixed income security will be unable to make payments of interest or principal or default on its obligations.
- **Counterparty Risk:** The risk that the other party or parties to an agreement or a participant in a transaction, such as a broker, might default on a contract or fail to perform by failing to pay amounts due or failing to fulfill the obligations of the contract or transaction.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Economic and Market Events Risk:** Global economies and financial markets are becoming increasingly interconnected and conditions and events in one country, region, or financial market may adversely impact issues in a different country, region or financial market.
- **Extension Risk:** Rising or high interest rates may result in slower-than-expected principal payments which may tend to extend the duration of a debt instrument, making them more volatile and more sensitive to changes in interest rates.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Frequent Trading and Portfolio Turnover Risk:** Certain strategies may invest on the basis of short-term market considerations and will make frequent trades in securities, which can result in higher transaction costs. The turnover rate could be significant and could result in income or gains of these strategies.
- **High-yield Fixed-income Risk:** High-yielding, non-investment grade bonds (customarily referred to as "junk bonds") involve higher risk than investment grade bonds. Adverse conditions may affect the issuer's ability to make timely interest and principal payments on these securities.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors

independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Non-Diversification Risk:** Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility.
- **Option Risk:** Writing call options can reduce the risk of owning equity securities to the extent of the premium earned, but it limits the opportunity to profit from an increase in the market value of stocks. Unusual market conditions or the lack of a ready market for any particular option at a specific time may reduce the effectiveness of the option strategies, and for these reasons the option strategies may not reduce the funds' volatility to the extent desired. This may result in lower performance than if the strategies were not utilized.
- **Prepayment Risk:** Accounts that invest in income securities bear the risk that an issuer will exercise its right to pay principal on an obligation (such as an asset-based or mortgage-backed security) earlier than expected. This may happen during periods of declining interest rates. Under these circumstances, an account may receive a lower-than-expected yield and may be forced to reinvest in lower yielding securities.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Repurchase Agreement Risk:** The price paid for a particular Loan or Security in the SBA pool may be less than the Firm's purchase price because of interest rate movements, supply and demand, and other factors. Repo counterparties could fail to repurchase the loans and securities upon ZCM's demand and could result in the actual loans and securities being delivered to your account.
- **Small/Mid-cap Risk:** Stocks of small, emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.
- **Structured Product Risk:** These types of products are often based on derivatives and are intended to be "buy and hold" investments and are not liquid instruments.

The above list of risks is not intended to be an exhaustive list or an explanation of the risks involved in a particular investment strategy. Consult with your Client Service representative, legal counsel, or tax professional on an ongoing basis for additional insights.

Item 9 - Disciplinary Information

There is no material disciplinary information to report regarding itself or any of its associates or other related persons.

Item 10 - Other Financial Industry Activities and Affiliations

As set forth above, ZCM is a wholly-owned subsidiary of Stifel. Stifel is a financial services holding company whose stock is publicly-traded on the New York Stock Exchange under the symbol SF. The Stifel affiliated group of entities includes registered broker-dealers and/or other registered investment advisers. These affiliates include Stifel Nicolaus & Company, Incorporated (“Stifel Nicolaus”); Century Securities Associates, Inc.; Thomas Weisel Capital Management LLC; Thomas Weisel Global Growth Partners LLC; Choice Financial Partners, Inc.; 1919 Investment Counsel; Keefe, Bruyette & Woods, Inc. (“KBW”); KBW Asset Management, and Sterne Agee Group, Inc.

ZCM provides investment management services to accounts in Stifel Nicolaus Wrap Programs. Stifel Nicolaus’ wrap fees generally do not vary on the basis of the managers selected. As a result, when the end-wrap client selects ZCM out of all other available options under the Stifel Nicolaus wrap platform, the total portion of the wrap fees that is retained by the Stifel affiliated group will be higher than when the wrap client selects an unaffiliated adviser.

Stifel Nicolaus may act as a selling broker and/or placement agent for investment funds managed by ZCM, or may act as underwriter or placement agent in connection with the public or private sales of securities owned by a ZCM advisory client. In addition, from time to time, Stifel Nicolaus may separately provide other services to ZCM’s clients and/or to the issuers of securities held in ZCM’s portfolios. In such instances, Stifel Nicolaus generally will be paid customary fees for its services. In each such case, the client will receive appropriate disclosure of the affiliated relationship between Stifel Nicolaus and ZCM.

From time to time, ZCM may use research provided by our affiliates, including but not limited to Stifel Nicolaus and KBW, in formulating our Strategies. Clients are not charged separately for the value of such research.

As noted above in ***Item 4: Advisory Business***, ZCM is the investment adviser to the Ziegler Strategic Income Fund and the FAMCO Covered Call Fund (together the “Funds”), both are registered mutual funds trustee at US Bancorp. From time to time, ZCM may recommend that Clients buy or sell shares of the Funds, the Nationwide Ziegler Funds, the Azzad Ethical Fund, or the NexGen US Dividend Plus Fund. While ZCM endeavors at all times to put the interests of Clients first as part of its fiduciary duty, Clients should be aware that ZCM’s receipt of compensation for managing these funds creates a conflict of interest. When we invest in shares of a fund we advise or sub-advise, we do not charge an investment management fee. Instead, we exclude those mutual fund assets when we calculate the investment management fees charged to you.

ZCM has adopted policies and procedures designed to address conflicts, including policies restricting ZCM’s trading in a security when an affiliate notifies ZCM that the affiliate has material non-public information about the security and/or issuer. As a result, ZCM may not be able to dispose of a security at a favorable time or take advantage of investment opportunities that would be available to it but for its affiliation with such affiliates. As set forth above, ZCM generally does not use affiliated brokers for

execution and/or custody except with client consent and/or in the case of mutual funds, in compliance with the requirement of Rule 10f-3 of the Investment Company Act of 1940, as amended, (the "1940 Act"). In addition, a ZCM employee or an affiliate's employee can only invest or withdraw assets from an investment account or mutual fund managed by ZCM at a time when other unaffiliated customers could do the same.

ZCM personnel may provide administrative services, including trading services, to other affiliated investment advisors. In doing so, their time may be split between providing services to ZCM and the other affiliated entity. ZCM is paid service fees for these administrative services.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ZCM has adopted and enforces a Code of Ethics ("Code") in accordance with Rule 204A-1 of the Advisers Act of 1940 and Rule 17j-1 of the Investment Company Act of 1940. All employees are subject to the Code. The Code is designed to prevent the misuse of material, non-public information by ZCM or any of our employees. The Code sets forth specific provisions relating to personal and proprietary securities transactions, outside business activities, and confidentiality.

ZCM's employees are permitted to invest for their own accounts, which may include investment in our products. ZCM or our related persons may buy or sell securities for their own accounts that are bought or sold for client accounts. This creates a conflict of interest because the employees of the firm may have an incentive to execute their orders in front of our clients. To mitigate this conflict, the Code imposes restrictions (e.g., blackout periods, restricted securities, and watch lists) on trading in securities that are held or may be held in client accounts. Any exceptions to the above must be pre-approved by the Compliance Department. Such approval will be given only where it is clear that the proposed activity could not create a conflict of interest or harm, disadvantage, or deprive any client of an opportunity. In the event of a conflict of interest, the foremost consideration is what is in the best interest of the client.

Additionally, all employees are subject to mandatory quarterly transaction and annual holdings certifications. The Code also requires that all employees electronically certify on an annual basis that they have read and understand the Code and have disclosed all personal securities required to be reported.

Access persons of the registered mutual fund that we advise also are subject to the restrictions and reporting requirements of Rule 17j-1 of the Investment Company Act of 1940.

A copy of the ZCM Code of Ethics is available upon request by contacting the Chief Compliance Officer, at 312-368-1442 or by sending a written request to: Ziegler Capital Management, LLC, 70 W. Madison Street, Suite 2400, Chicago, IL 60602, Attention: Chief Compliance Officer.

Item 12 - Brokerage Practices

Account Funding

Once any Client account is initially funded, or additional assets are deposited into a Client account over which ZCM has investment discretion, ZCM will promptly begin trading to implement the intended strategy. The actual funding of the account will serve as explicit authorization that the account is active and should be traded. This is applicable for all accounts, including any wrap accounts.

Investment or Brokerage Discretion

ZCM generally has discretion over client accounts, which includes a determination of which positions are to be established; the total amount to be purchased or sold; which broker, dealer or futures commission merchant will effect such transactions; and the commission rate(s) at which the transactions will be effected.

Contracts with some clients, however, contain specific restrictions regarding, among other things, the size and type of individual stock investments relative to total assets; other restrictions regarding the type of securities in which the client may invest; the nature of the issuer of such securities; and credit and other quality standards. Each client is responsible for informing us in writing of the investment objectives and cash needs of the account and of any changes or modifications made to its investment objectives, as well as any specific investment restrictions applicable to its account. Unless such investment restrictions and guidelines are based on specific, objective criteria (e.g., prohibitions on purchasing a specific security identified by CUSIP number, ticker symbol or some other clear security identifier), we will be responsible only for using our commercially reasonable efforts to comply with the client's investment restrictions and guidelines. Except for violations of the duty of care stated in the client agreement, we are not responsible or liable for any good faith deviations from the investment objectives, restrictions and guidelines, especially where investment objectives, restrictions and guidelines involve non-specific or subjective criteria. The client must give prompt written notice if the client deems any investments made for the account to be in violation of the client's objectives or restrictions. Unless the client notifies us in writing of specific restrictions, the investments made on behalf of the client's account are deemed unrestricted.

For mutual fund clients, ZCM will seek lower commission rates for portfolio transactions given the need for regular trading to meet fund flows. However, when trades are aggregated with other client trades, as described below, similar commission rates will be used.

Directed Brokerage and Broker Selection

Our clients may provide us with written direction to affect all, or a portion, of their portfolio transactions through particular broker/dealers. We believe that our clients are more likely to receive the best results on transactions executed for their accounts where we are not limited in selecting the executing broker. Such a direction to utilize a particular executing entity may be conditioned by the client on the broker/dealer being competitive as to price and execution of each transaction, or may be subject to varying degrees of "restrictions" (i.e., an instruction to utilize the broker or dealer whether or not competitive, or at specified levels of commission or commission discounts which are less favorable than

we might otherwise attain). In the case of “restricted” designations, we generally will execute transactions in listed equity securities through the designated broker/dealer. On the other hand, unless the client has specifically directed that the designated broker be utilized for all transactions, without exception and regardless of the possible economic disadvantage to the client, we sometimes will not follow such general direction when, in our judgment, the designated broker/dealer will not afford the best price and execution. The following describes the manner in which transactions for Directed accounts will be handled, and it provides important information regarding Directed Brokerage arrangements in general:

- Clients that maintain Directed Brokerage arrangements, including Wrap Programs and other similarly situated clients, may in some instances, not participate in aggregated or bunched orders, and in such cases, the client’s order will generally trade after the aggregated or bunched order, and may trade last.
- We may or may not be able to achieve best execution when we are directed to use a client’s Directed Broker depending on the Directed Broker the client has instructed us to use, the proportion of brokerage the client has instructed us to direct, the securities that we are buying or selling for the client account, and/or the fees that client has agreed to pay to the Directed Broker.
- We will not negotiate commission rates with the client’s Directed Broker.
- Directed Brokerage accounts may not generate the same returns as similar, non-directed accounts in the same strategy due to the disadvantages discussed above.

In the event of non-directed brokerage arrangements, we will choose the broker/dealer through which transactions will be effected for customer accounts. Several factors are considered in selecting an executing entity, including but not limited to, particular expertise in the type of position or transaction; access to relevant markets and prior experience with such executing entity; and commission charge. We may also consider research and/or brokerage services available from the entity. After considering the factors we believe are relevant to the services, we may determine to pay a commission in excess of that which the executing entity might have charged for effecting the same transaction in recognition of the value of research or brokerage services provided. If securities orders are placed with broker/dealers that do not make a market in a particular security, such order subsequently may be executed with or through a market maker in that security. In such event, there may be a mark-up/down on the price of the security in addition to the commissions or other fees paid to the clients’ broker/dealers and custodians.

Soft Dollars

In determining whether to effect clients’ brokerage transactions through brokers/dealers who provide us with “brokerage or research products or service” as that term is used in Section 28(e) of the Securities and Exchange Act of 1934, we review (i) whether the product or service is an eligible product or service under Section 28(e); (ii) whether the product or service provides us with lawful and appropriate assistance; and (iii) whether, in good faith, the commission is reasonable in consideration of

the value received from the product or service. Furthermore, ZCM is also compliant with the CFA Institute's Soft Dollar Standards.

Although we will, whenever possible, allocate brokerage to broker/dealers providing both best execution and soft dollar credits, the commissions paid to such executing entities are expected to be comparable to those paid to other broker/dealers not providing ZCM with research or brokerage services. Moreover, we believe that soft dollar credits we receive from broker/dealers, viewed in terms of a particular transaction or our overall responsibility to all of our clients, are reasonable, although it is impossible to assign a precise monetary value to such research and execution services. Research services and other data received as a result of the soft dollar credits may relate to a specific transaction but, for the most part, will consist of a wide variety of information, products and services useful to our clients and us.

Generally, we seek to obtain proprietary research products and services, which include a broad variety of financial and related information and services. These products and services assist the portfolio managers in the decision-making process as it relates to client portfolios and may include research related to information concerning market, economic and financial data; a particular aspect of economics or on the economy in general; statistical information; data on pricing and availability of securities; financial publications; electronic market quotations; performance analytics; analyses concerning specific securities, companies, industries or sectors; and market, economic, financial studies and forecasts; and computer databases and quotation equipment.

We will not use client commissions to obtain brokerage products or services related to the connectivity between our trade order management system and our broker/dealers and various execution venues.

We may obtain benefits that assist us in rendering advice inuring to the overall benefit of all of our clients or to the benefit of certain of our clients. For example, it is possible that certain equity accounts may bear a disproportionate soft dollar "cost" for research primarily benefiting fixed income clients. We believe, however, that the soft dollar transactions we undertake are generally fair to our clients in terms of which clients benefit from the research and which clients bear the cost of such research.

ZCM utilizes a Client Commission Agreement (CCA), administered by Instinet, to pay for 28(e)-eligible services. There are no direct soft dollar arrangements in place at this time. All eligible services are paid for via the CCA program. The CCA program separates the considerations of broker selection from the process of payment for eligible services and thereby further allows the Adviser to seek best execution. As a part of this program, the Adviser negotiates the base execution rates with brokerage firm, separately. It then sets another "tack on" amount to the trades with the brokers for research. This amount is sent to the Instinet account for payment of eligible services. Bills for eligible services are sent to Instinet for payment.

Soft dollar credits received from accounts that do not permit soft dollar usage outside of the Section 28(e) safe harbor will not be used toward non-research services, although those accounts may benefit from the products or services purchased with soft dollars. Accounts that do not permit soft dollar credit outside of the Section 28(e) safe harbor are those managed on behalf of insurance companies, ERISA plans, and registered investment companies, including the funds in the Trust for Advised Portfolios.

Additionally, certain accounts that are not restricted by law may instruct ZCM that any soft dollar credits received can only be used for those items that fall within the Section 28(e) safe harbor.

Order Aggregation and Allocation

It is our practice, when feasible, to aggregate orders for a number of client accounts for execution as a single transaction in order to seek a more advantageous net price or more favorable overall execution. The benefit, if any, obtained as a result of such aggregation is generally allocated pro rata among the accounts of the clients that participated in the aggregated transaction.

Fixed income transactions are executed by portfolio management personnel for a particular strategy. Portfolio management personnel who manage similar fixed income strategies communicate with each other and may coordinate trading efforts in certain circumstances, but otherwise operate independently. In considering whether to aggregate a fixed income transaction contemplated by multiple fixed income portfolio management teams, they will consider factors such as: the time frame over which different portfolio management teams wish to build, reduce or eliminate a position; price limits and other instructions established by a portfolio management team for a specific order for a client account; client cash flows; the liquidity of the securities involved; and other relevant market information. One fixed income strategy may therefore be selling a given security at the same time that another, similar strategy is buying the security.

From time to time aggregation may not be possible because a security is thinly traded or otherwise not able to be aggregated and allocated among all accounts seeking the investment opportunity or a client may be limited in, or precluded from, participating in an aggregated trade as a result of an investment restriction, specific brokerage instructions, or other factors.

In the case of a client that has restricted us to a particular broker/dealer with respect to transactions for that client account and has specified a particular commission rate for such transactions, the client account generally will be unable to participate in aggregated orders. Further, where such client account does participate in an aggregate order executed with the client's designated broker, the client's specification of a particular commission rate will preclude that client from receiving the benefit, if any, of a lower net price resulting from the aggregation. In those circumstances, the accounts of other clients participating in the aggregated order may receive a correspondingly greater benefit.

When directed brokerage accounts or wrap accounts cannot be aggregated with transactions for our other clients, such client's orders will generally trade after the aggregated orders in a rotation with other similar orders and may trade last.

The fixed income teams may from time to time receive allocations of new securities issues that may be purchased for client accounts. In determining the allocation of these securities, the allocation of such new issues will occur on a pro-rata for all eligible participating accounts, consistent with the specific investment strategy.

Cross Transactions

Periodically, when it may be appropriate for one or more clients to purchase a security and for another client to sell the same security, we may, but are not required to, simultaneously place cross-trades with one or more broker/dealers or to effect the cross-trade through the applicable custodians in an attempt to seek the best execution for each client by obtaining reduced transaction or execution costs for each client.

ZCM may have a conflict of interest, particularly where a limited market exists for the security, because the client-buyer's or the client-seller's financial interests may differ at the time of the transaction. However, ZCM will not recommend any such transaction unless it believes it is suitable for both the client-buyer and client-seller. In determining the reasonableness of prices for cross transactions, ZCM will examine the market for the particular investment including, where available, obtaining current bid and ask information on the security from an unaffiliated broker, and ZCM will make a determination as to what it believes to be a fair price at the time based on the information so obtained. Because cross transactions often involve investments that are less liquid, current price information may not be readily available.

We will not effect cross-trades for client accounts that are subject to the Employee Retirement Income Security Act of 1974, as amended. If applicable, we will only place cross-trades for mutual funds for which we provide investment management services in accordance with Section 17(a) of the Investment Advisers Act of 1940.

Trade Errors

ZCM employs a standard of care in the placement, execution and settlement of trades for clients' accounts and generally considers any deviation from the standard a trade error. ZCM does not consider reckless or intentional misconduct or good faith errors in judgment in making investment decisions for clients to be trade errors.

When a trade error occurs, ZCM takes action to resolve the error with the objective to return the client's account to the position that it would have been in had there not been an error. ZCM shall pay to correct any such error and shall reimburse a client for any loss resulting from an error.

Item 13 - Review of Accounts and Reports

ZCM reviews all managed accounts on an ongoing basis. A complete performance monitoring report is furnished to most clients at least quarterly. Quarterly performance reports detail assets under management and performance analysis from current quarter, year-to-date and since inception. An appraisal report, which includes a list of all securities in the portfolio, is also provided. Client meetings are available upon request.

The portfolio management team reviews Client portfolios at multiple levels. Portfolios are continuously monitored to ensure they are positioned correctly versus the benchmark based on the current

investment strategy. Portfolio performance attribution is performed to understand the sources of return. A review of portfolio performance to composite performance is performed monthly to ensure that any deviations are explained. Compliance personnel also review Client portfolios on a routine basis in connection with the firm's policies and procedures. Finally, ZCM utilizes software programs to monitor Client portfolios in light of their investment guidelines.

The agreement between the client and ZCM for other consulting services defines the nature of reports and account reviews and their frequency. Normally, each report includes information regarding investment results, in the absolute and relative to appropriate peer groups and benchmarks over a variety of time periods.

Item 14 - Client Referrals and Other Compensation

ZCM may enter into agreements with and compensate firms and individuals that refer prospective clients to the firm. Typically, payments for referrals are a flat annual retainer, a percentage of the customary advisory fee received by ZCM from the referred client, or a combination of the two. Thus, a referred client pays no additional fee to ZCM. Each referred client is provided with details regarding the referral arrangement before the client signs an advisory agreement with the firm. Such arrangements create a conflict of interest for the person or firm making the referral because of the fee the person or firm will receive for making the referral.

Additionally, ZCM may enter into agreements and be compensated by other affiliated investment advisers for referring prospective clients to those firms. Payments are typically a fee based upon a percentage of the advisory fee received by the affiliated firm. As above, the client will not pay an additional fee for ZCM's services and each referred client will be provided with details regarding the referral arrangements before entering into an advisory agreement.

ZCM negotiates compensation on a case-by-case basis with non-related entities that refer clients. In all cases, such marketing arrangements comply with Rule 206(4)-3 under the Investment Advisers Act of 1940.

Item 15 - Custody

ZCM is deemed to have custody of funds or securities as it relates to the FPF Fund by virtue of a supervised person serving as the general partner to the limited partnership. As a result, the FPF Fund undertakes to complete a custody audit by a PCAOB firm on an annual basis. As it relates to the rest of ZCM's client accounts, it only provides investment management services. Client account assets must be held by a bank, trust company, broker-dealer, or other qualified entity designated and appointed by the client.

To the extent a client receives any account or other investment ownership or transaction statement from ZCM, ZCM recommends the client carefully compare the information in the report to that in the custodian's statements and alert ZCM of any discrepancy.

ZCM is a manager in a number of Wrap Programs for which there are qualified custodians. Further, ZCM participates as a manager in a wrap program sponsored by its affiliate, Stifel Nicolaus. As the wrap program sponsor, Stifel Nicolaus serves as custodian with respect to the wrap fee accounts managed by ZCM. Stifel Nicolaus undergoes an annual surprise examination of its accounts that it holds, and also obtains an internal control report from an independent public accounting firm that is registered and subject to regular inspection by the Public Company Accounting Oversight Board. ZCM receives a copy of the internal control report issued by such independent public accounting firm.

Item 16 - Investment Discretion

For most managed accounts, ZCM is granted discretionary authority by the client to buy and sell securities, including mutual funds, in the quantities and at the times it deems appropriate without obtaining the prior consent of the client before each transaction. The firm also offers such services on a nondiscretionary basis. Clients may place written limitations on the percentage of portfolio securities invested in each issuer and each industry segment.

ZCM currently serves as investment manager to a number of clients, including investment companies. The firm strives to cause purchase and sale transactions to be allocated among clients in such manner as it deems equitable. In making such allocations, the main factors considered are the respective investment objectives, the relative size of portfolio holdings of the same or comparable securities, the commitments generally held, and opinions of the persons responsible for managing client accounts.

ZCM does not have authority or responsibility to pursue, maintain, participate in or defend any claims, proceedings, cause of actions, suits or disputes on behalf of a client, the plan, the trustee or the account. The client will need to provide ZCM with all additional powers of attorney and other documentation, if necessary, to appoint ZCM as agent and attorney-in-fact with respect to the account, but such powers will not authorize ZCM to take any action not authorized in the Investment Management Agreement.

Item 17 - Voting Client Securities

Pursuant to various provisions of the Investment Advisers Act of 1940, ZCM acts in a fiduciary capacity with respect to each of its advisory clients and, therefore, we must act in the interest of the beneficial owners of the accounts we manage. We understand that it is our fiduciary duty to vote proxies and that proxy voting decisions may affect the value of shareholdings. In the case of employee benefit plans, the power to vote proxies lies exclusively with the plan trustee or named fiduciary, unless the power has been delegated to ZCM.

Unless specific voting guidelines or directives are provided by a client, we will typically vote proxies in accordance with one of two Egan-Jones Ratings Co. ("Egan-Jones") policies. One policy is specific for

Taft-Hartley plans and the other is a standard policy utilized for all other types of relationships. We use an electronic system to manage and maintain voting records. Egan-Jones recommendation guidelines are not exhaustive, do not address all potential voting issues, and do not necessarily always correspond with the opinions of ZCM. Therefore, there may be instances where ZCM may not vote the client's shares in accordance with Egan-Jones guidelines. In the event that ZCM believes the Egan-Jones recommendation is not in the best interest of shareholders and on those matters for which Egan-Jones does not provide a specific voting recommendation, ZCM will determine how to vote the proxies. There may be instances when Egan-Jones does not send proxy vote recommendations in a timely manner or recommendations are not available. All proxies by an issuer will typically be voted consistent with the policy applicable to the type of client, unless there is a conflict of interest or client guidelines dictate otherwise.

In the event that shares are unavailable due to a securities loan agreement entered into by a client or for any other reason initiated by a client, ZCM will not be responsible for voting proxies on the loaned or unavailable shares. Further, we are not responsible for voting proxies we do not receive in a timely manner.

Additionally, for accounts on the Stifel Opportunity Program, the custodian, Stifel Nicolaus will retain proxy voting authority.

Our proxy voting process is dynamic and subject to periodic review. Reflecting this ongoing process, our judgment concerning the manner in which the best economic interest of the shareholders is achieved can and has changed over time based on additional information, further analysis, and changes in the economic environment. From time-to-time our policy may be revised, in our discretion, to address any such changes.

We manage accounts on behalf of a diverse group of clients, including ERISA plans, state and local government funds, unions, corporations, socially conscious funds, and charitable foundations. From time to time, clients may desire that the proxies be voted differently from our Proxy Voting Policy. In such cases, the client either may retain the right to vote their proxies or may direct us to vote proxies on their behalf. Consequently, it is possible that we may vote proxies for the same securities differently for different clients.

We maintain records of proxy voting in accordance with the Investment Advisers Act of 1940, and will furnish proxy voting records regarding a client's securities if so requested by the client. Additionally, a copy of our current proxy voting policies and procedures will be provided upon request. Clients may request copies of their proxy voting records by calling the firm's Compliance Department at 312-368-1442 or by sending a written request to: Ziegler Capital Management, LLC, 70 West Madison Street, Suite 2400, Chicago, IL 60602, Attention: Compliance.

We will neither advise nor act on behalf of a client in legal proceedings involving companies whose securities are held in client accounts including, but not limited to, the filings of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 - Financial Information

Because ZCM does not require prepayment of client fees more than six months in advance, the firm is not required to provide financial statements. ZCM does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.

ERISA SECTION 408(b)(2) DISCLOSURE NOTICE

With respect to retirement plan clients subject to ERISA, ZCM serves as a fiduciary to such clients pursuant to Section 3(21) of ERISA and by virtue of being a registered investment adviser providing fee-based advisory services. ZCM provides discretionary investment management services to the portion of plan assets that are assigned to ZCM's management, which services include determining the specific securities in which to invest such plan assets, as well as the specific brokers through which to trade such securities.

Direct Compensation. As set forth in the "Fees and Compensation" above, for its services, ZCM accepts direct compensation in the form of fees. Each client's applicable fees are negotiated and set forth in the applicable investment management agreement pursuant to which ZCM manages the plan's account.

Indirect Compensation. ZCM does not receive indirect compensation from any of the issuers of securities held in client accounts (such as 12b-1 or similar fees). From time to time, ZCM may receive research reports from broker-dealers through which it executes brokerage transactions in a client account. In selecting brokers to execute client transactions, ZCM does not base its decision solely on the research provided by such broker; rather, consistent with its fiduciary obligations, ZCM selects brokers on the basis of "best execution" considering all relevant circumstances. For more detailed discussion of the factors considered in selecting brokers, see "Brokerage Practices" in this Brochure.