

ASSOCIATED INVESTMENT SERVICES, INC.

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This brochure provides information about the qualifications and business practices of Associated Investment Services, Inc. If you have any questions about the contents of this brochure, please contact us at (800) 595-7722. 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 Associated Investment Services, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Associated Investment Services, Inc. is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide information to use in determining to hire or retain an Adviser.

Item 2 – Material Changes

Since our last annual update to this brochure, which was the version dated March 25, 2014, we have made the following material changes to our Form ADV, Part 2A:

- Updated assets under management as of July 3, 2014.
- Revised the description of the advisory services we offer to indicate that, as of September 22, 2014, the advisory account programs and separately managed accounts that will be offered by AIS will be managed by Envestnet Asset Management, Inc. (“Envestnet”) and Kellogg Asset Management, LLC (“Kellogg”). These programs include Envestnet’s Client-Directed Unified Managed Account model (“Emerald Select Portfolio”), Envestnet’s Separately Managed Account model (“SMA”), Envestnet’s PMC SIGMA Mutual Fund Solutions (“SIGMA”), Envestnet’s Liquid Endowment Model Program (“PMC LEM”) and Kellogg’s Associated Select Advisor Portfolio (“ASAP”) program, which is managed by Associated Investment Management, an operating division of Kellogg. AIS will cease offering advisory account programs developed by Lockwood Advisors Inc. on July 14, 2014.
- Provided that, as of September 22, 2014, all of AIS’s advisory account programs will be serviced through the systems and securities trading capabilities of National Financial Services LLC, AIS’s clearing broker-dealer firm, rather than Pershing LLC’s Managed Account Solutions through Lockwood Advisors Inc.

Our brochure may be requested by contacting the Manager of Operations for AIS at (800) 595-7722. Our brochure is also available free of charge on our web site:

<http://www.associatedbank.com/Personal/Invest/Investments>

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Item 4 – Advisory Business

1. About Our Company

Associated Investment Services, Inc. (“the Firm”, “AIS”, “we”, “our”), is a wholly-owned non-bank affiliate of Associated Banc-Corp, a bank holding company. Associated Banc-Corp is a diversified bank/financial services holding company headquartered in Green Bay, Wisconsin.

AIS traces its history as a broker-dealer, through its predecessor firm, back to 1923. The Firm has been registered with the SEC as a broker-dealer since 1994. The Firm is registered with the SEC and 37 states as a broker-dealer, its primary business activity. AIS is a member firm of the Financial Industry Regulatory Authority, Inc. (“FINRA”). As a broker-dealer, the Firm is compensated mainly through commissions/sales charges on transactions.

AIS began its advisory business in 2004 and for several years was registered with the states of Wisconsin, Illinois and Minnesota (where it does business as Associated Investment Services Group) as an investment adviser. In July 2010 AIS became a federally registered investment adviser with the SEC.

AIS, Associated Bank, N.A. (the “Bank”), a nationally chartered bank, Kellogg Asset Management LLC, a federally registered investment adviser and Associated Financial Group, LLC (“AFG”), an insurance general agency, are affiliated with AIS. All are under common control of Associated Banc-Corp. By agreement with the Bank, AIS provides its brokerage and advisory services to Bank customers and the public on and through Bank branch offices. AIS Financial Consultants are licensed insurance agents and by agreement with AFG are appointed through AFG to offer and service insurance products of unaffiliated insurance companies, also on and through Bank branch offices.

The Bank and Associated Banc-Corp provide administrative and operational support to AIS that is material to AIS’s advisory business. Support includes office space and equipment, financial, audit and accounting services, executive management, marketing, and legal and compliance services.

2. Types of Advisory Services We Offer

We want clients to understand the role of AIS in their advisory accounts and to understand how their accounts work. The following summary is intended to help provide that understanding.

(a) Introduction and General Information

Commencing September 22, 2014, AIS will offer advisory account programs developed by Envestnet Asset Management, Inc. (“Envestnet”) and Kellogg Asset Management, LLC (“Kellogg”), which are delivered through National Financial Services LLC’s (“NFS”) Envestnet platform. In addition to offering advisory account programs, Envestnet also provides a technology and service platform more fully described below that is integrated with NFS’s platform. Collectively these are referred to as the “Platform” throughout this document. AIS is the Program Sponsor of the programs developed by Envestnet and Kellogg, and those programs are each referred to herein as “Advisory Programs.” These Advisory Programs include Envestnet’s Client-Directed Unified Managed Account model (the “Emerald Select Portfolio”), Separately Managed Account model (“SMA”), PMC SIGMA Mutual

Fund Solutions (“SIGMA”), and Envestnet’s Liquid Endowment Model Program (“PMC LEM”), and Kellogg’s ASAP program, which is managed by Associated Investment Management (“AIM”), an operating division of Kellogg.

Envestnet and Kellogg are experienced in researching, evaluating, and working with money managers, mutual funds, exchange traded funds (“ETFs”) and other investments.

AIS will cease offering advisory account programs developed by Lockwood Advisors Inc. (“Lockwood”) on July 14, 2014 but will continue to support existing clients invested in Lockwood programs until September 22, 2014. AIS will no longer support advisory account programs developed by Lockwood on and after September 22, 2014. Clients who currently participate in Lockwood advisory account programs will be given the opportunity to transfer assets held in Lockwood advisory account programs to one of the five Advisory Program options on or before that date.

As of September 22, 2014, the Advisory Programs will be serviced through the systems and securities trading capabilities of NFS, AIS’s clearing broker-dealer firm.

Advisory Programs offered through AIS after September 22, 2014 will utilize the Platform. Fees paid to Envestnet and NFS for operating the Platform are included in the Advisory Program fees described below. Envestnet initiates a deduction of the fee from the Advisory Program accounts from the cash position maintained in the accounts to meet this requirement. Envestnet then pays AIS, NFS and any program manager utilized as part of one of the programs per agreements with each party.

NFS has a technology service agreement with Envestnet to access the Envestnet Platform via its managed accounts solution interface. AIS has entered into a master clearing agreement with NFS. AIS has a tri-party agreement for its managed accounts solution with NFS and Envestnet. Separately, Kellogg has an agreement with Envestnet through which it makes the ASAP Program available on the Envestnet Platform. AIS and Kellogg have an intercompany service agreement, which, among other things, enables AIS to offer the ASAP Program to its clients.

AIS’s advisory relationship begins when the client meets with an AIS Financial Consultant. The client and the Financial Consultant gather the client’s personal and financial information and determine which type of Advisory Program, if any, is appropriate for the client. Utilizing the Platform tools, the AIS Financial Consultant allocates the client’s assets among the different Advisory Program options and determines the suitability of the asset allocation and investment options for each client, based on the client’s needs and objectives, investment time horizon, risk tolerance and any other pertinent factors. After helping the client consider and select an Advisory Program, the AIS Financial Consultant works with AIS’s back office to open the selected Advisory Program.

After an account is approved, Kellogg or Envestnet, as the case may be, provides ongoing investment management and advisory services for the account. Each Advisory Program option is described below.

(b) Description of ASAP Program

For the ASAP program, AIS provides the client a variety of actively managed model portfolios of select mutual funds. The ASAP model portfolios are structured to meet a broad range of investment objectives. The ASAP program allows AIS clients to select an investment approach best suited to their individual investment objectives and risk tolerances. ASAP model portfolios are organized into six investment allocation models that are strategic in nature with AIM providing a tactical overlay. The ASAP models themselves are allocated across the market capitalization spectrum with a complimentary mix between value and growth investment styles while incorporating an international presence as well. ASAP portfolios are not mutual funds, but are individually managed accounts offered by AIS and managed by AIM, an operating division of Kellogg.

There is a \$50,000 account minimum for the ASAP Program.

ASAP portfolios are invested in mutual funds in accordance with a model investment strategy set by AIM. ASAP is designed to allow clients to diversify their investments through one account. Client assets are invested in a portfolio of mutual funds that fit within the objectives of the specific investment strategy selected by the client with the assistance of the AIS Financial Consultant.

A number of factors are considered when evaluating the mutual funds included in the ASAP portfolios. A rule of thumb in evaluating fund managers is relative performance in the context of their respective styles. Other factors that are considered when making selections for funds for inclusion in the models are as follows:

- quality and length of portfolio managers' experience, confidence that current manager will remain in place;
- a consistently applied investment methodology;
- demonstrated success as a result of employing this methodology;
- analysis of current fund performance within the context of ongoing market dynamics;
- the compatibility of the fund's asset size with its objective;
- consistency is favored over "hit or miss" results; and
- reasonable expenses.

(c) Description of Envestnet Programs

AIS will offer several Advisory Programs made available through Envestnet (collectively "Envestnet Advisory Programs"), as described in the detail below. All of Envestnet's Advisory Programs, except for the Envestnet SMA Program, are managed by Envestnet PMC ("PMC") a registered investment advisor and division of Envestnet. PMC also performs due diligence on all SMA Program managers and products.

(i) Envestnet Emerald Select Portfolio

The Emerald Select Portfolios are a series of mutual fund and ETF based models which provide for flexibility for clients wishing to have input into the specific mutual funds and ETFs available in the

models. PMC manages the broad asset class allocations, researches the mutual funds and/or ETFs available in the models and makes recommendations for default positions and weightings for each asset class. The Financial Consultant will provide the client recommendations regarding the appropriate asset allocation and the underlying investment vehicles in each asset class which meet the client's objectives and risk profile. In this Advisory Program, the client directs the investments and changes made to the client's Emerald Select Portfolio and is ultimately responsible for the selection of the appropriate asset allocation and the underlying investment vehicles or investment strategies.

Once the portfolio is established, Envestnet provides overlay management service for the account and implements trade orders based on the directions of the investment strategies contained in the Emerald Select Portfolio. The AIS Financial Consultant monitors the account and periodically reviews the strategy with the client for ongoing suitability. Client-directed investment restrictions and selections are provided by the AIS Financial Consultant to Envestnet. Envestnet is responsible for maintaining the strategies and buying/selling investments to implement the strategies selected by the client and any reasonable restrictions the client may impose.

The minimum account size under the Emerald Select Portfolio Advisory Program is \$150,000. Accounts must be funded with cash equivalents. Other marketable assets may be considered acceptable if subject to immediate sale at the discretion of AIS.

(ii) Envestnet SMA Program

For the Envestnet SMA, the AIS Financial Consultant uses Platform tools to assist the client in establishing an investment advisory account. Unlike a mutual fund, where the funds are commingled, a separately managed account is a portfolio of individually owned securities that can be tailored to fit the client's investing preferences. The client is offered access to a manager of an actively managed investment portfolio chosen from a roster of independent asset managers (each a "sub-manager") from a variety of disciplines. Envestnet retains the sub-managers for portfolio management services in connection with the Envestnet SMA through separate agreements entered into between Envestnet and the sub-manager on terms and conditions that Envestnet deems appropriate.

For certain sub-managers, Envestnet has entered into a licensing agreement with the sub-manager, whereby Envestnet performs administrative and/or trade order implementation duties pursuant to the direction of the sub-manager. In such situations the sub-manager is acting in the role of a model provider, whereby the sub-manager constructs an asset allocation and selects the underlying investments for each portfolio. Envestnet performs overlay management of the third party models by implementing trade orders, periodically updating and rebalancing each third party model pursuant to the direction of the model provider. Envestnet may, from time to time, replace existing model providers or hire others to create third party models and cannot guarantee the continued availability of third party models created by particular model providers.

There is a \$100,000 account minimum in the SMA Advisory Program. Each sub-manager has a minimum as well, some as high as \$500,000.

(iii) Envestnet SIGMA Program

The SIGMA portfolios are a series of seven actively-managed portfolios following a strategically allocated, fund-of-funds approach. Asset allocation, portfolio construction, fund/manager due diligence and oversight are performed by PMC. The portfolios offer two levels of active management: (a) blending of mutual funds, and (b) active management within the mutual funds selected. The portfolios are constructed of multiple funds, with the combination designed to reach strategic asset allocation targets which are based on PMC forecasts for the risk level associated with each specific portfolio. To achieve the optimal blend of managers using multiple styles, PMC uses a rigorous quantitative process called Returns-Based Style Analysis (RBSA), which helps determine how the fund is actually behaving, even if the manager claims to be investing toward a stated benchmark. PMC selects from a broad universe of third-party, actively managed funds. The SIGMA portfolios have access to a number of highly regarded mutual fund managers and invest in the institutional share classes of those funds, which are otherwise largely unavailable to retail clients. The seven portfolio types cover the risk/return and risk tolerance spectrum: capital preservation, conservative, conservative growth, moderate, moderate growth, growth, and aggressive.

There is a \$50,000 account minimum in the SIGMA Program.

(iv) Envestnet PMC Liquid Endowment Model Program

The PMC LEM is a new series of multi-manager models that, depending on the value of assets in the account (size tiers), may include mutual funds, ETFs, Third Party Fund Strategist Portfolios (“FSPs”) and SMAs. Third Party Strategists are investment models, usually made up of mutual funds and ETFs, provided by various investment managers and administered by Envestnet.

PMC chooses the different asset allocations investment strategies and mutual funds, ETFs, or managers for each of the Liquid Endowment Models. AIS will offer three size tiers which offer appropriate investment vehicles for the size of accounts in each specific tier:

<u>Asset Tier Minimum</u>	<u>Investment Vehicle Mix</u>
Tier I \$200,000	Mutual Funds, ETFs, FSPs
Tier II \$500,000	SMAs, Mutual Funds, ETFs, FSPs
Tier III \$1,000,000	SMAs, Mutual Funds, ETFs, FSPs

PMC LEM portfolios, regardless of asset tier, are structured to invest for long term results taking into account inevitable up and down market cycles. The PMC LEM portfolios will utilize a mix of investment approaches depending on the current and projected economic circumstances and market conditions including: strategic, tactical and alternative investment approaches. The PMC LEM portfolios were created to provide a compelling alternative to a conventional stock and bond approach by seeking to manage risk and deliver enhanced risk-adjusted return potential. These portfolios were designed to help investors to build wealth over longer time horizons. The models managed for the smaller asset accounts may only consist of mutual funds and ETFs while models for larger asset accounts may include; mutual funds, ETFs, third-party fund strategists (fund models) and SMAs.

There is a \$200,000, \$500,000 or \$1,000,000 account minimum in this Advisory Program, based upon the tier selected.

(d) Information on Services and Fees in Advisory Programs Offered by AIS

(i) AIS Services and Client Meetings

Each account is opened and initially funded based upon the client's needs, goals, time horizon, risk tolerance and other factors, as discussed between the client and the AIS Financial Consultant. In the program the AIS Financial Consultant may recommend and the client may agree to invest in a portfolio model that is one level above or below, in terms of risk and investment objective, the model suggested through the system.

Envestnet has limited discretion to develop and revise the various models and model portfolios and to select investment managers for inclusion in their programs. In the Envestnet SMA Program, day-to-day portfolio management is exercised by the particular investment sub-managers clients select.

The model allocations in the ASAP Advisory Program are selected by an investment committee within AIM, including two co-portfolio managers responsible for implementing decisions (collectively referred to as the "Committee"). The Committee is responsible for oversight of the models as well as the day-to-day management of the portfolios. The Committee monitors each model portfolio and rebalances it periodically to ensure consistency with the asset allocation strategy. Mutual funds within the ASAP Advisory Program are replaced as performance, market conditions or other circumstances dictate.

Clients may meet with their AIS Financial Consultant periodically or in the event of any material changes to their investment objectives or financial circumstances. Each client is expected to review such circumstances and their advisory account with their AIS Financial Consultant at least annually. When an Advisory Program is chosen, during an account review, or at any other time, clients may impose specific, reasonable restrictions concerning types of securities that may be purchased for their account. In consultation with their AIS Financial Consultant, at any time clients may change their Advisory Program, the models or model portfolios in which they are invested, and their account investment manager(s).

(ii) General Information on Fees and Client Assets

AIS receives a portion of the total fees billed and collected directly by the Advisory Program from the account, as a percent of the client's assets under management. Client assets under management include all assets within an Advisory Program.

The base fees for AIS services is set forth below in "Item 5 – Fees and Compensation". Item 5 also includes information on the timing of fee calculations and payments. Fee discounting may be available, subject to senior management approval.

(iii) AIS Assets Under Management

AIS's regulatory assets under management are calculated at \$288,511,267 as of July 3, 2014.

(e) Financial Planning

AIS began offering financial planning services in 2010 through Financial Consultants chosen by AIS in its discretion. Currently there are no separate charges or fees for such financial planning services. However, AIS may hereafter charge fixed fees for its financial planning services. Such fees will be in amounts separately agreed to by and between the client and AIS.

Financial planning services are delivered using software obtained through a vendor, selected as the corporate standard for Associated Banc-Corp.

Item 5 – Fees and Compensation

1. AIS Advisory Fees and Program Fees

Fees for advisory services and managed account programs provided by AIS are “bundled” so clients can easily understand the cost of various program options. The fees are classified in two categories, which are referred to as “AIS Advisory Fees” and “Program Fees,” and together referred to as “Client Fees.” AIS Advisory Fees are payable to AIS, while Program Fees are payable to third parties as well as AIS. The Program Fees may also include administration and/or sponsor fees for services performed by AIS. As described earlier, Envestnet also acts as the advisory technology platform and provides administrative services, including but not limited to portfolio accounting, fee and billing services and portfolio rebalancing and trading Advisory Portfolios with broker-dealers (including NFS). The Program Fee set forth in the client agreement will also contain fees for such custody, execution and clearing services that are paid to NFS.

All Client Fees are calculated based on the size of accounts under management.

Envestnet, acting as billing service provider, deducts the Client Fees directly from the client’s account and pays the applicable parties for their respective services. Clients authorize AIS to receive fees through a debit to their account. Fee payments are reflected on account statements sent to clients by NFS. Clients should carefully review the fees reflected on their NFS account statements and notify their Financial Consultant as soon as possible if they do not understand the fees reflected or if they do not believe they are correct.

Program Fees include fees for platform services provided by Envestnet, custody, execution and clearing services provided by NFS, and portfolio management and advisory fees for products provided by Envestnet or Kellogg, as applicable. Program Fees may also include sponsor fees payable to AIS. Program Fees include the following services provided by Envestnet: investment management services comprised of client profiling assistance, strategic asset allocation assistance, style allocation assistance, research and evaluation of approved investment strategies and funds, account performance calculations, account rebalancing, account reporting, account billing administration and other operational and administrative services.

Information regarding the portion of the Program Fees retained by or paid to Envestnet or Kellogg, as applicable, is set forth in each of their respective brochures filed with their Forms ADV, and delivered to clients based on the Advisory Program selected by the client.

Client Fees will be collected from a client's account monthly in advance. Client Fees are deducted from accounts on approximately the 10th day of the month, based upon account assets as of the end of the preceding month. At inception, a prorated fee will be billed from the date the account is activated (i.e., released to the Advisory Program or appropriate investment vehicle for trading) through the end of that calendar month.

Clients may terminate the account agreement, if any, or close their account without penalty, fees or other compensation to AIS, within five (5) days of acceptance of the account opening documents. Thereafter, clients may terminate their accounts at any time. Client Fees paid in advance but not yet earned or due are refunded after an account is terminated.

The valuation of account assets used to compute the Client Fees is determined by pricing services used by Envestnet's portfolio accounting platform in its usual and customary practices. Any such valuation should not be considered a guarantee of any kind with respect to the value of assets. Short market positions in account assets are valued by determining the equivalent long market position (for instance, the number of shares sold short and the price per share).

(a) ASAP Fees

The ASAP program Client Fees are calculated in accordance with the following schedule:

Assets Under Management	Program Fee	AIS Advisory Fee	Total Client Fee
First \$175,000	0.38%	1.25%	1.63%
Next \$175,000 (\$175,001 to \$350,000)	0.38%	1.15%	1.53%
Next \$400,000 (\$350,001 to \$750,000)	0.38%	1.10%	1.48%
Next \$750,000 (\$750,001 to \$1,500,000)	0.38%	0.95%	1.33%
Next \$500,000 (\$1,500,001 to \$2,000,000)	0.38%	0.82%	1.20%
Next \$3,000,000 (\$2,000,001 to \$5,000,000)	0.37%	0.82%	1.19%
Over \$5,000,000	0.36%	0.50%	0.86%
Account Minimum \$50,000			

AIS Advisory Fees for the ASAP program, include, but are not limited to: advisory, recordkeeping, administration, client services and custody, and are in addition to fees and expenses charged by the underlying mutual funds, which are borne by shareholders on a proportionate basis. These fees may include shareholder services fees (including 12b-1 fees) paid to AIS and/or Kellogg and any other revenue sharing arrangement between the mutual fund and AIS and/or Kellogg. Fees payable by mutual funds held in ASAP accounts are detailed in prospectuses for those funds. ASAP clients will be provided with or offered electronically prospectuses for all mutual funds purchased for client accounts pursuant to ASAP.

Any investor may purchase any mutual fund used in the ASAP program from an authorized distributor or securities dealer for that fund without incurring AIS Advisory Fees or fees payable to Kellogg. However, none of the investment advisory or other services available to ASAP clients will be available to direct investors without additional fees.

(b) Equity and Balanced SMA

The tables below provide the account size tiers and applicable Program Fee and AIS Advisory Fee rates for each Envestnet Advisory Program offered:

Assets Under Management	Program Fee	AIS Advisory Fee	Total Client Fee
First \$175,000	0.86% to 1.06%	1.25%	2.11% to 2.31%
Next \$75,000 (\$175,001 to \$250,000)	0.86% to 1.06%	1.15%	2.01% to 2.21%
Next \$100,000 (\$250,001 to \$350,000)	0.78% to 0.98%	1.15%	1.93% to 2.13%
Next \$150,000 (\$350,001 to \$ 500,000)	0.78% to 0.98%	1.10%	1.88% to 2.08%
Next \$250,000 (\$500,001 to 750,000)	0.72% to 0.92%	1.10%	1.82% to 2.02%
Next \$250,000 (\$750,001 to \$1,000,000)	0.72% to 0.92%	0.95%	1.67% to 1.87%
Next \$500,000 (\$1,000,001 to \$1,500,000)	0.67% to 0.87%	0.95%	1.62% to 1.82%
Next \$500,000 (\$1,500,001 to \$2,000,000)	0.67% to 0.87%	0.82%	1.49% to 1.69%
Next \$3,000,000 (\$2,000,001 to\$ 5,000,000)	0.62% to 0.82%	0.82%	1.44% to 1.64%
Over \$5,000,000	0.55% to 0.75%	0.50%	1.05% to 1.25%
Account Minimum \$100,000			

There is a minimum platform fee of \$150 and a minimum custody fee of \$400 associated with an equity or balanced SMA account.

(c) Fixed Income SMA

Assets Under Management	Program Fee	AIS Advisory Fee	Total Client Fee
First \$175,000	0.59% to 0.72%	1.25%	1.84% to 1.97%
Next \$75,000 (\$175,001 to \$250,000)	0.59% to 0.72%	1.15%	1.74% to 1.87%
Next \$100,000 (\$250,001 to \$350,000)	0.55% to 0.68%	1.15%	1.70% to 1.83%
Next \$150,000 (\$350,001 to \$500,000)	0.55% to 0.68%	1.10%	1.65% to 1.78%
Next \$250,000 (\$500,001 to \$750,000)	0.52% to 0.65%	1.10%	1.62% to 1.75%
Next \$250,000 (\$750,001 to \$1,000,000)	0.52% to 0.65%	0.95%	1.47% to 1.60%
Next \$500,000 (\$1,000,001 to \$1,500,000)	0.50% to 0.63%	0.95%	1.45% to 1.58%
Next \$500,000 (\$1,500,001 to \$2,000,000)	0.50% to 0.63%	0.82%	1.32% to 1.45%
Next \$3,000,000 (\$2,000,001 to \$5,000,000)	0.47% to 0.60%	0.82%	1.29% to 1.42%
Over \$5,000,000	0.42% to 0.55%	0.50%	0.92% to 1.05%
Account Minimum \$100,000			

There is a minimum platform fee of \$150 and a minimum custody fee of \$325 associated with a fixed income SMA account.

(d) Emerald Select Portfolio

Assets Under Management	Program Fee	AIS Advisory Fee	Total Client Fee
First \$175,000	0.30%	1.25%	1.55%
Next \$175,000 (\$175,001 to \$350,000)	0.30%	1.15%	1.45%
Next \$150,000 (\$350,001 to \$500,000)	0.30%	1.10%	1.40%
Next \$250,000 (\$500,001 to \$750,000)	0.25%	1.10%	1.35%
Next \$250,000 (\$750,001 to \$1,000,000)	0.25%	0.95%	1.20%
Next \$500,000 (\$1,000,001 to \$1,500,000)	0.21%	0.95%	1.16%
Next \$500,000 (\$1,500,001 to \$2,000,000)	0.21%	0.82%	1.03%

<u>Assets Under Management</u>	<u>Program Fee</u>	<u>AIS Advisory Fee</u>	<u>Total Client Fee</u>
Next \$3,000,000 (\$2,000,001 to \$5,000,000)	0.17%	0.82%	0.99%
Over \$5,000,000	0.11%	0.50%	0.61%
Account Minimum \$150,000			

(e) SIGMA Portfolio Program

<u>Assets Under Management</u>	<u>Program Fee</u>	<u>AIS Advisory Fee</u>	<u>Total Client Fee</u>
First \$175,000	0.35%	1.25%	1.60%
Next \$75,000 (\$175,001 to \$250,000)	0.35%	1.15%	1.50%
Next \$100,000 (\$250,001 to \$350,000)	0.35%	1.15%	1.50%
Next \$150,000 (\$350,001 to \$500,000)	0.35%	1.10%	1.45%
Next \$250,000 (\$500,001 to \$750,000)	0.31%	1.10%	1.41%
Next \$250,000 (\$750,001 to \$1,000,000)	0.31%	0.95%	1.26%
Next \$500,000 (\$1,000,001 to \$1,500,000)	0.27%	0.95%	1.22%
Next \$500,000 (\$1,500,001 to \$2,000,000)	0.27%	0.82%	1.09%
Next \$3,000,000 (\$2,000,001 to \$5,000,000)	0.23%	0.82%	1.05%
Over \$5,000,000	0.20%	0.50%	0.70%
Account Minimum \$50,000			

There is a minimum platform fee of \$150 associated with a SIGMA account.

(f) Liquid Endowment Model Program

(i) Tier I

<u>Assets Under Management</u>	<u>Program Fee</u>	<u>AIS Advisory Fee</u>	<u>Total Client Fee</u>
First \$175,000	0.60%	1.25%	1.85%
Next \$175,000 (\$175,001 to \$350,000)	0.60%	1.15%	1.75%
Next \$400,000 (\$350,001 to \$750,000)	0.60%	1.10%	1.70%
Next \$750,000 (\$750,001 to \$1,500,000)	0.60%	0.95%	1.55%
Next \$500,000 (\$1,500,001 to \$2,000,000)	0.60%	0.82%	1.42%
Next \$3,000,000 (\$2,000,001 to \$5,000,000)	0.60%	0.82%	1.42%
Over \$5,000,000	0.60%	0.50%	1.10%
Account Minimum \$200,000			

(ii) Tier II and Tier III

<u>Assets Under Management</u>	<u>Program Fee</u>	<u>AIS Advisory Fee</u>	<u>Total Client Fee</u>
First \$175,000	0.60%	1.25%	1.85%
Next \$175,000 (\$175,001 to \$350,000)	0.60%	1.15%	1.75%
Next \$400,000 (\$350,001 to \$750,000)	0.60%	1.10%	1.70%
Next \$750,000 (\$750,001 to \$1,500,000)	0.60%	0.95%	1.55%
Next \$500,000 (\$1,500,001 to \$2,000,000)	0.60%	0.82%	1.42%
Next \$3,000,000 (\$2,000,001 to \$5,000,000)	0.60%	0.82%	1.42%
Over \$5,000,000	0.60%	0.50%	1.10%
Account Minimum \$500,000 or \$1,000,000			

Discounting of the AIS portion of the Client Fees may be provided at the discretion of AIS and is subject to senior management approval.

When AIS or the client selects a sub-manager or model provider pursuant to the Envestnet Advisory Programs, the Program Fee encompasses the fees paid to the sub-manager or model provider for their services in addition to the Envestnet fees associated with making those strategies accessible and administering them in the Envestnet program. Envestnet separately negotiates the agreements between sub-managers and model providers, including fees paid, on terms and conditions that it deems acceptable. Fees generally range from 0.15% to 1.00% of the assets under management. The pricing terms are routinely re-negotiated with individual sub-managers and model providers, whereby Envestnet, sub-manager or model provider may receive a greater or lesser percentage of the fees charged by Envestnet than the current percentage at the time the client selected a particular investment strategy. In general, this reapportionment does not increase the fee that the client pays. In the rarer case where the fee negotiations results in a need to increase the fee payable to Envestnet, the client would be notified in advance of any such increase, with full opportunity to select another strategy in the Envestnet Advisory Program or otherwise change the client's account.

The cost of investment advisory services provided through the Envestnet programs may be more or less than the cost of purchasing similar services separately. Among the factors impacting the relative cost of the Envestnet Advisory Programs to a particular client include: the size of the account; the type of account (i.e., equity or fixed income); the size of the assets devoted to a particular strategy; and the managers selected.

AIS will receive compensation from Envestnet as a result of its clients' participation in the Envestnet Advisory Programs.

2. Other Fees

Certain fees are not included in the Program Fees or AIS Advisory Fees. Even if the client is utilizing custodial asset-based pricing, certain fees charged by a broker or custodian may be assessed for ancillary or extraordinary services as described in a brokerage fee schedule or as agreed to in writing by the client. The AIS Program Fees include assumed brokerage, clearing and custody fees based on a percentage of the client's assets held in the Envestnet programs.

Within any of the Advisory Programs, mutual funds and exchange traded funds charge advisory and other fees, and some mutual funds charge marketing and distribution fees. Each of these mutual and exchange traded funds incur other administrative and trading expenses. Such fees and expenses of the funds are charged to shareholders of the funds and are therefore borne by clients whose portfolios are invested in such funds. Such fees and expenses are separate from and are not included in the AIS Advisory Fees or Program Fees charged under the Advisory Programs described in this brochure. AIS may receive such marketing and distribution fees as are passed through to AIS from the funds, through the Advisory Programs. However, AIS Financial Consultants do not receive any of those marketing and distribution fees and therefore do not have an incentive to recommend one model portfolio or any particular funds over others based upon such marketing and distribution fees.

Additional services that are normally charged (i.e., services that are not part of the Advisory Program such as fees for the issuance of share certificates, etc.) are the client's responsibility and are set forth in separate AIS schedules of fees and charges, as applicable.

Accounts with Advisory Programs trading equity or debt securities through NFS will receive securities pricing reflecting NFS's mark-up or mark-down, or its execution of trades as a principal or in a market making capacity.

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

This item is not applicable to AIS. The Firm does not charge performance-based fees, which are fees based on a share of capital gains on or capital appreciation of the assets of a client. As a result, we have no conflicts of interest between accounts that pay asset-based fees and accounts that pay performance-based fees (known as “side-by-side management”).

Item 7 – Types of Clients

The vast majority of the Firm's advisory account clients are individuals. AIS also provides advisory services to small corporations, trusts, estates, state and municipal government entities, charitable institutions or other businesses and institutions.

To maintain an account, clients in any Advisory Program offered by AIS are expected to inform their Financial Consultant whenever their investment objectives, financial or family circumstances materially change. This will help the client and the Financial Consultant review the account for timely consideration of appropriate changes. Clients are also expected to meet with their Financial Consultant not less frequently than annually to review their accounts.

The minimum initial account sizes under the Advisory Programs are set forth in the table below. AIS recommends that a client not withdraw assets from the client's existing account if doing so would reduce the balance below the “Right to Liquidate Level” set forth in the table below. If a client's account balance falls below that level, AIS has the right to liquidate the client's account and distribute the remaining cash balance to the client.

Program	Minimum Investment	Right to Liquidate Level
ASAP	\$50,000	\$25,000
PMC SIGMA Mutual Fund Solution	\$50,000	\$25,000
Separately Managed Accounts		
• Equity & Balanced	\$100,000	Not Applicable
• Fixed Income	\$100,000	Not Applicable
Emerald Select Portfolio	\$150,000	\$25,000
Liquid Endowment Model Program		
• Tier I	\$200,000	Not Applicable
• Tier II	\$500,000	Not Applicable
• Tier III	\$1,000,000	Not Applicable

Accounts must be funded with cash equivalents. Other marketable assets may be considered acceptable if subject to immediate sale at the discretion of AIS.

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

1. Advisory Programs

AIS does not guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices or investment products. Clients may experience a loss of value in their investments. Past performance does not guarantee future results, and there is no guarantee that a client's investment objectives will be achieved.

The main advisory services of AIS and its Financial Consultants are the following:

- helping clients select an Advisory Program and/or program options appropriate to their needs and circumstances;
- within an Advisory Program, working with the client to select an appropriate models, program options or individual portfolio of securities; and
- reviewing, selecting and monitoring advisory programs appropriate for managed account clients.

In forming recommendations, AIS Financial Consultants most often analyze securities or markets using a fundamental analysis approach. This means that the basic values and growth prospects of securities are emphasized, rather than charts, technical analysis or theories based upon market cycles.

Financial Consultants may utilize various sources of information when working with clients. These include the financial press; third party research; corporate rating services; annual reports, prospectuses and SEC filings; and company press releases. Financial Consultants also have access to a monthly briefing on the markets and the economy delivered by investment managers of affiliated money management firms.

The AIS investment philosophy is oriented to long-term purchases. In contrast to some investment advisers, AIS and Financial Consultants do not participate in market timing, short sales strategies or rapid trading programs. However, Financial Consultants may recommend purchases and sales within a year's time, margin transactions and certain option transactions where appropriate.

2. ASAP Program

ASAP portfolios are invested in mutual funds in accordance with one of six model investment strategies. These strategies are set by the investment adviser to the ASAP program, AIM, which is an operating division of Kellogg. AIM continuously evaluates holdings and rebalances its asset allocation strategies as needed. The decision to hire or replace a fund is based in part on its portfolio manager's tenure, changes in ownership structure, changes made to investment process, and performance not compatible with expectations.

AIM's asset allocation strategy strives to select world class managers in each asset class. It has been AIM's strategy to eliminate potential conflicts of interest by having the independence to select managers from the entire universe of funds. It is also AIM's goal to utilize institutional share classes

when possible in order to keep internal management fees low. Selection of third party mutual funds is based in part, but not limited to: management style; manager experience; consistent application of a philosophy; and long-term performance.

AIM's focus is on both quantitative and qualitative aspects of the investment process. The AIM asset allocation managers understand that a period of short-term underperformance is inevitable. It is the goal of AIM to understand the market environment and how/why a manager has outperformed or underperformed.

The ASAP Advisory Program's six current model investment strategies are as follows:

- Aggressive Growth
- Growth
- Conservative Growth
- Growth Balanced
- Balanced
- Conservative Balanced

3. Envestnet Advisory Programs

(a) SMA Program

For its SMA Program, Envestnet employs a multi-phase approach in its evaluation. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed are the manager's Form ADV Part 2, as well as portfolio holdings reports that help demonstrate the manager's securities selection process and the prospectuses of the funds.

While Envestnet provides AIS with recommendations on products and investment strategies, the AIS Financial Consultant is responsible for determining whether any particular fund or investment strategy is suitable for use with a particular client.

Envestnet evaluates managers specializing in each of the asset categories listed, including: equities (both domestic and foreign); corporate debt; commercial paper; certificates of deposit; municipal securities; mutual funds; real estate investment trusts; government securities; options; and futures. The investment professionals at the investment management firms are a primary source of information to Envestnet, providing quantitative and qualitative information. In addition, Envestnet employs several publicly available databases from independent sources. These databases are used to verify the information provided by the managers. However, Envestnet does not independently review the performance calculations of asset managers and performance information of all of the managers may not be calculated on a uniform basis.

Accounts in the SMA Program are reviewed using Envestnet's proprietary research methodology. This process uses the PMC Quantitative Risk/Return Ranking Model with three or five (depending on Envestnet's peer group) years of actual monthly performance to select managers that perform at the top of their peer group. Any manager and mutual fund available on the Platform that ranks in the top 30% of its peer group as measured against all managers in the appropriate set of Morningstar categories is added to the approved universe. Approved managers and mutual funds that fall below

the top 50% list level are removed from the approved list and revert to the available list unless overridden by the PMC Manager Research Team and approved by Envestnet's PMC Investment Policy Committee.

Envestnet's approach combines the following three sources of information in an optimal approach to benchmark analysis: Morningstar peer grouping analysis; statistical search for potentially better-fitting benchmarks; and the manager's self-declared benchmark.

PMC's proprietary Quantitative Risk/Return Ranking Model uses the following key characteristics based on historical returns: (i) consistent active value — portfolios that have consistently beaten their benchmarks over time; (ii) effective and consistent risk control — portfolios that have consistently tracked their respective benchmark over time; and (iii) an efficient risk/return profile — portfolios that have generated meaningful active returns relative to the risk taken.

In addition to this quantitative-based approval process, the Envestnet research analysts work to provide additional insight across this approved universe by strategically performing additional analytics, including but not limited to: (i) manager interviews to gain a clearer understanding of the investment process; (ii) holdings-based analysis using a factor model to calculate performance attribution; (iii) finding statistically significant alpha scores using a custom Returns-Based Style Analysis (RBSA) process and advanced statistical techniques (based on "Monte Carlo simulation") to calculate the confidence intervals for the manager's alpha. PMC research analysts contact managers they determine should be examined and conduct interviews to help evaluate if the factors pertinent to a successful investment organization and strategy are changing. Some of the topics that may be covered include: (i) organizational stability, (ii) investment personnel tenure and experience, (iii) an understanding of the financial economics employed in the investment selection process that creates consistent active value, (iv) an understanding of the benchmark risk control philosophy and methods, and (v) systems and trading capabilities.

(b) Emerald Select Portfolio

Emerald Select Portfolios are managed in accordance with an established investment management and oversight process by PMC. PMC's Enterprise Solutions Portfolio Management team performs manager research on all components of the Emerald Select Portfolio and evaluates the managers and specific vehicles selected for each of the Portfolios. Manager selection is based on a number of quantitative and qualitative factors based on the underlying vehicle's investment objective and approach. Qualitative factors reviewed include: historical and current performance of the vehicle, quality of the management process of the firm and its staff, the quality of the investment processes, consistency of the particular style, tax liability and efficiency of the portfolio and customer service.

It then constructs the models, determining appropriate sector allocation weights and any tactical weighting, and rebalances client portfolios to the model. Emerald Select Portfolios assets are allocated based on PMC's capital market assumptions which are established by a working group of Chartered Financial Analysts at PMC and overseen by PMC's Investment Committee.

Once portfolios are operational, PMC provides ongoing monitoring and due diligence with all of the products in the portfolios and of all accounts invested in the portfolio to assure the portfolio is achieving its intended results over time. If the monitoring uncovers issues with one of the assets in the portfolio or investment behavior inconsistent with the objectives of the portfolio or the given

asset's strategy, PMC may remove or trim back the position from the portfolio or put the asset on hold until further research is performed.

As with any market based investment, there is risk of loss of principal of any or all selected funds or ETFs. PMC may make poor market condition analysis or poor market timing decisions. There is also risk of poor asset allocation or manager selection decisions resulting in poor investment performance or larger than market.

(c) SIGMA Program

SIGMA is a proprietary strategy of Envestnet, and Envestnet actively manages the SIGMA product. For constructing Envestnet's proprietary SIGMA strategy, Envestnet uses the capital markets assumptions construction process of Black-Litterman and inverse optimization methods to estimate the expected returns for asset classes. This process results in the construction of optimized and diversified portfolios across a wide set of risk tolerances and preferences. AIS Financial Consultants can select investment strategies using a variety of search screens on the Platform that are configurable to create AIS specific selection criteria. In addition, AIS Financial Consultants may utilize third-party analytic modules that are licensed through the Platform and independent of Envestnet's proprietary analysis.

In structuring the SIGMA portfolio models, the portfolio manager selects from a broad universe of third party actively managed mutual funds. Manager selection is based on a number of quantitative and qualitative factors based on the underlying vehicle's investment objective and approach. Qualitative factors reviewed include: historical and current performance of the vehicle, quality of the management process of the firm and its staff, the quality of the investment processes, consistency of the particular style, tax liability and efficiency of the portfolio and customer service. Research analysts conduct due diligence on the selected funds on a quarterly basis. Due to the size of the program, SIGMA portfolios have access to a number of highly regarded mutual fund managers and institutional share classes largely unavailable to retail clients.

As with any market based investments, there is risk of loss of principal of any or all selected funds. PMC may make poor market condition analysis or poor market timing decisions. There is also risk of poor asset allocation or manager selection decisions resulting in poor investment performance or larger than market.

(d) Liquid Endowment Model Program

PMC LEMs are designed achieve superior long term results through broad market and diversification, low correlation between asset classes deployed and good results in poor market conditions. These results are achieved by selecting best in class funds, ETFs or other third party model portfolios. The PMC LEMs diversify manager selection by allocating approximately 50% of assets to strategic managers for core portfolio diversification in traditional buy-and-hold portfolios, approximately 25% of assets to managers who can provide risk mitigation through investing in liquid alternatives which have a low correlation with equities, and provide an additional source of alpha to the portfolio in poor markets and approximately 25% of assets to tactical managers who have the flexibility to position very defensively when conditions warrant.

The strategic portion of the portfolio is predominantly invested in passively managed funds or vehicles to gain a low-cost exposure to the broad market. The remainder of the portfolio is focused on active portfolio management where the managers can pursue opportunities to add alpha in alternative, tactical and inefficient asset classes.

PMC's Investment Committee oversees the process. Portfolios are continually monitored to ensure allocations are maintained and systematically rebalanced. Due diligence and active monitoring of managers provides accountability of managers to their stated objectives.

The portfolio strategy is deployed in five different models along the risk/return and risk tolerance spectrum and with vehicles appropriate for various investor account sizes.

As with any market based investments, there is risk of loss of principal of any or all selected funds. PMC may make poor market condition analysis or poor market timing decisions. There is also risk of poor asset allocation or manager selection decisions resulting in poor investment performance or larger than market.

4. Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. There is no guarantee that the Advisory Programs will meet their objectives and may underperform their respective benchmarks. The Advisory Programs are not FDIC insured, have no bank guarantee and may lose value.

The primary risk to clients in the Advisory Programs AIS offers is general market risk. By this we mean that to the extent the client is invested in stocks, bonds, or mutual funds and exchange traded funds through the Advisory Program accounts, the value of the account may decline in times when those asset classes decline generally. Conversely, if the client is mainly "out of the market"—that is, if the account is not invested in a portfolio of securities—the client bears the risk that the account will not appreciate as much as a fully invested account during times when securities are generally gaining.

The Advisory Programs are generally designed to provide clients with an adequately diversified portfolio, to insulate the account from sharp declines in particular market sectors or individual securities. However, diversification will not shield an account from general market declines.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

1. Affiliations

AIS is separately registered as a broker-dealer. Executive, operational, sales, financial and compliance management persons are registered representatives of the broker-dealer. AIS provides a

broad array of financial services in addition to the investment advisory services described in this brochure. Dating back to 1923, as a broker-dealer AIS has offered traditional stock, bond and municipal securities brokerage recommendations and trade execution. Over the years, the product line has been expanded to include third party mutual funds, equity options, variable annuities and variable life insurance, and other securities services such as margin and option account activity. In addition, AIS Financial Consultants who are appropriately licensed provide individuals with various insurance products suited to their financial and risk-management needs, including fixed annuities, long term care insurance and traditional life insurance. Although the range of financial products and services provided by AIS has grown over the years, its primary, core business is that of an introducing broker-dealer receiving compensation from transaction commissions/sales charges.

As a general matter, AIS does not execute securities transactions for advisory clients for separate commission compensation. Advisory clients may also have separate, non-advisory brokerage accounts with AIS, in which AIS Financial Consultants recommend securities transactions which if executed, result in transaction compensation for AIS and the Financial Consultant. For those account relationships, AIS and the Financial Consultant act solely in their broker-dealer capacity and not as investment advisers. Such recommendations are not subject to any of the provisions of this brochure and the Financial Consultants are not fiduciaries in connection with their recommendations. Clients are encouraged to ask their Financial Consultant whether the Financial Consultant is acting as a broker or investment adviser in connection with any particular account, recommendation or transaction.

AIS, Kellogg, Associated Bank, N.A. (the “Bank”), a banking subsidiary of Associated Banc-Corp (“AB-C”), and Associated Financial Group, LLC (“AFG”), an insurance general agency, are all affiliates and under the common control of AB-C, which is a bank holding company. AIS has entered into agreements with the Bank whereby AIS provides its brokerage and advisory services to Bank customers and others on and through Bank offices and premises. AIS Financial Consultants are licensed as insurance agents with AFG, with which AIS has entered into agreements for sales and service of insurance products, also on and through Bank premises. The Bank and AB-C provide certain administrative and operational support services to AIS that may be material to AIS’s advisory business. See also Item 4 above, under “About Our Company”.

Where appropriate, AIS and its Financial Consultants, in their capacity as licensed insurance agents may recommend insurance products offered through AFG to individuals who are also advisory clients. Such recommendations are made by the Financial Consultants in their insurance agent capacity and not their investment adviser capacity. Such recommendations are not subject to any of the provisions of this brochure and the Financial Consultants are not fiduciaries in connection with the recommendations. Such recommendations do not generate additional advisory account fees. Client decisions as to the purchase of any such insurance products are independent of participation in an advisory account.

Financial Consultants may recommend non-securities banking, investment or trust products and services offered through the Bank or another affiliate, Associated Trust Company, N.A., in which those affiliates have a financial interest. Such recommendations will not generate additional advisory account fees. Client decisions as to the purchase of any such banking, investment or trust products and services are independent of participation in an advisory account.

2. Business Relationships with Other Advisers

Currently all Advisory Programs offered by AIS are programs developed by Envestnet and Kellogg, each of which is an SEC-registered investment adviser. Programs are offered and serviced through the systems and securities trading capabilities of Envestnet and NFS. See Item 4 above for further discussion and description.

AIS and Kellogg are affiliates because, as wholly-owned subsidiaries, they are under the common control of AB-C, which is a bank holding company. Our decision to offer Kellogg's ASAP program is influenced by our relationship with Kellogg. It is possible other managers could charge less than Kellogg for comparable products and services.

AIS works with Envestnet to deliver AIS clients with various Advisory Programs. AIS selected Envestnet based in part on its technology Platform and integration with NFS's brokerage and custody systems. As part of Envestnet's contractual relationship with AIS, Envestnet provides certain advisory and operational services without charge to AIS. Such services include the following:

- the documentation and platform for opening accounts in the various Advisory Programs;
- software and systems for suitability analysis of client financial and personal data;
- screening and selection of third party investment managers included by Envestnet in the SMA Advisory Program;
- development and selection of models or model portfolios in the Advisory Programs; and
- client fee calculation and billing services for all managed accounts.

Our decision to use Envestnet is also influenced by our introducing broker/clearing broker relationship with NFS. All AIS trading activity is executed through NFS because NFS is our clearing broker. It is possible other clearing brokers could charge less. Although there are no express agreements between the parties on this subject, it is possible AIS receives better service and support from NFS, as a clearing broker, because AIS uses Envestnet's Advisory Programs than it would receive if we used a different Advisory Program provider. AIS periodically reviews the Advisory Programs we offer to ensure they are sufficient and appropriate for the needs of AIS and our advisory clients. Given the limited nature of AIS's advisory business and activities, however, it is unlikely AIS would offer Advisory Programs not vetted and hosted through Envestnet. AIS's conflicts, however, are reduced by virtue of its policy that Financial Consultants are to offer only a suitable Advisory Program to an advisory client. Other investment advisers offer a wider choice of Advisory Programs sponsored by multiple different providers such as Envestnet and may not have the same conflicts.

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

AIS has adopted and will maintain and enforce a Code of Ethics (the "Code"). The Code is designed to set forth standards of conduct expected of employees and requires compliance with the federal

securities laws and the Firm's fiduciary duties. Included are duties to put client interests first at all times and to maintain the confidentiality of client information.

The Code also addresses the personal securities trading activities of advisory personnel, in an effort to detect and prevent illegal or improper personal securities transactions. The Code requires initial and annual holdings reports as well as quarterly personal securities transaction reports from advisory personnel. To mitigate the potential for conflicts of interest, the Code contains a number of restrictions related to the activities of employees. Also, AIS has adopted policies that limit the extent to which Financial Consultants may give or receive gifts of entertainment perks to or from third parties and restrict their non-AIS business activities. Finally, the Code provides that all employees are to certify their ongoing compliance with the Code.

AIS does not trade securities for its own account. AIS advisory personnel are permitted to engage in personal securities transactions involving securities that may be recommended for advisory client accounts. Such transactions are subject to the requirements of the Code, as described above. Because AIS permits such personal trading, a potential conflict exists in that advisory personnel could use their knowledge of pending client transactions in an attempt to benefit their own personal transactions. For example, if an advisory person owns a security the person knows AIS will be recommending clients sell from their accounts, the person could sell the personal holding ahead of time in an effort to obtain a higher price than might exist when the client account holdings are ultimately sold. Given the nature of AIS's advisory services and AIS's assessment of the remote likelihood of any market impact caused by client securities transactions, AIS believes the risk presented by its advisory personnel's personal securities trading is very low. As stated above, however, the Code does require advisory personnel generally to report personal securities transactions and AIS's compliance personnel to review such reports for indications of improper trading activity.

A copy of the Code is available upon written request to AIS at P. O. Box 640, Green Bay, WI 54305-0640, or by telephone request to AIS at 1-800-595-7722.

All AIS employees are also subject to the Code of Conduct of AB-C. The corporate-wide Code of Conduct includes provisions reasonably designed to prevent conflicts of interest, insider trading, and other inappropriate activity that might breach the fiduciary duty owed to advisory clients.

AIS and its Financial Consultants are prohibited from recommending to advisory clients the stock of or other securities issued by AB-C (NASDAQ: ASBC).

See Item 10 "Other Financial Industry Activities and Affiliations" for additional information on non-securities related recommendations Financial Consultants may make, outside of the context of advisory account services.

Item 12 – Brokerage Practices

As described in Item 4 and Item 10, all Advisory Programs offered by AIS use the Platform and NFS's trade execution systems. As noted in Item 1, the Firm's core business is its traditional, commission based broker-dealer activity.

AIS Financial Consultants receive access to information about securities through the NFS system in their capacity as broker-dealer registered representatives. Financial Consultants working with advisory clients also have access to information through the Envestnet system, specific to investment managers included in the SMA Advisory Program and concerning mutual funds and exchange traded funds within the models and model portfolios Envestnet includes in other Advisory Programs as well as mutual funds and exchange traded funds included in ASAP model strategies. However, AIS and its Financial Consultants do not receive any other research or other benefits in connection with client transactions in any of the Advisory Programs described in this brochure. For a description and discussion of factors considered by AIS in selecting Envestnet or Kellogg, as applicable, and NFS for Advisory Programs and trade execution services, respectively, please also see Item 10, “Business Relationships with Other Advisors.”

In opening an advisory account, clients agree that all trade executions for their account will occur through the Envestnet and NFS. Clients are not permitted to direct their trades to other broker-dealer firms. It is possible that if clients could direct trades to another broker-dealer that transaction costs within their advisory account would be lower. However, it is also possible that brokerage directed by the client to other broker-dealer firms would result in higher brokerage commissions.

AIS does not aggregate trades in Advisory Programs. Trades in the SMA Advisory Program are placed by the investment manager who has discretionary authority over the account. Therefore, AIS cannot aggregate trades for accounts in the SMA Advisory Program. AIS refers clients to Envestnet’s and Kellogg’s brochures and documentation for a description of their trade aggregation practices. AIS Program Fees for all advisory accounts are comprehensive and include trade execution costs, so clients do not incur additional costs as a result of non-aggregation of trades by AIS.

Item 13 – Review of Accounts

The AIS Product Committee determines the product and services offered through AIS. Embedded in this responsibility is to ensure that the new and existing products and services are effective and appropriate for its clients and the Firm.

1. ASAP Program

ASAP program accounts are monitored on a continuing basis by a senior portfolio manager. At least annually, the chief investment officer or a senior portfolio manager reviews all accounts for which Kellogg provides investment supervisory or management services. The review includes but is not limited to a review of current holdings, asset allocation with respect to investment objective, transactions, cash flows and investment performance.

(a) Portfolio Review

The Committee determines the selection of investments in the client’s ASAP account pursuant to the client’s chosen portfolio strategy. The Committee reviews the funds utilized in each investment strategy and assesses whether the allocation of the investments is consistent with each strategy’s objectives given current conditions of the investment markets. Each ASAP account will be invested pursuant to a predetermined set of investment guidelines based on the client’s individual objectives and risk tolerances. These guidelines set the ranges of permissible allocation among categories of

mutual funds classified by their investment objectives. The Committee will adjust allocation of these investment strategies within these ranges, as the Committee deems appropriate based on its analysis of the securities markets.

(b) Rebalancing Client Portfolios

The allocation of the underlying investments held in ASAP accounts based upon the model strategies is determined within parameters established by the Committee. The allocation of the assets within each strategy is reviewed periodically and, if necessary, adjusted to the predetermined allocation. For example, if the target allocation for equity funds in the client's portfolio is 40%, but because of appreciation, the equity portion of the client's portfolio increased to 44%, the allocation may be readjusted to 40%. The models are rebalanced on at least an annual basis and may be rebalanced more frequently as changes to the models are warranted.

2. Investnet Programs

Investnet performs nightly reconciliation of client accounts on the Investnet Platform against data provided by NFS. Exceptions are researched and appropriate corrections are made when necessary. Completely reconciled accounts are made available at the beginning of the next business morning. Clients receive statements from NFS as their custodian at least quarterly providing a detailed list of holdings with valuations and account activity as well as confirmations of all securities transactions from the clearing firm. In addition, clients will also receive a quarterly performance report prepared by Investnet showing the allocation of the assets in the account as well as the performance of the account during the previous quarter. Investnet, SMA managers and/or PMC review the account holdings of all client accounts on a daily basis to ensure they are in line with their models and within certain allocation tolerances. If they are not, Investnet, the SMA manager or PMC will place appropriate trades to bring the client portfolio back in line with the models and tolerances.

3. Periodic Review of Advisory Programs

Accounts will be reviewed at least annually by the AIS Financial Consultant to determine if there have been any changes to the client's financial situation and stated investment objectives or if the client wishes to impose any reasonable investment restrictions on the management of the assets in the account. Account activity will be monitored by the Financial Consultant's supervisor who oversees the work of the Financial Consultant. At AIS those supervisors are Senior Vice Presidents of the Firm and have the title of Regional Sales Manager in the Firm's organization.

Accounts may be reviewed more frequently, or upon request of the client at any time. Examples of circumstances under which an account might be reviewed more frequently than annually include the following:

- if/when Investnet removes a third party manager who had an investment management responsibility for an account SMA Advisory Program;
- whenever the client informs the Financial Consultant or AIS that the client would like to impose one or more reasonable restrictions on an account or a third party manager's investment discretion; and

- whenever the client informs AIS or the Financial Consultant of a material change to the investment objectives or other circumstances of the client.

4. Statements

Clients will receive quarterly statements showing positions, activities, contributions, and fees deducted from the account. Statements are delivered to clients by NFS, the custodian of the account. The investment management report will include account assets and activities during the preceding quarter, including transactions, positions, income, gains/losses and expenses. Clients who do not elect to suppress trade confirmations for individual securities trades in their accounts, will receive a copy of such trade confirmations. No other regular reports will be sent to clients. However, AIS or the Financial Consultant will provide updates and reports upon request.

5. Financial Planning Clients

For clients who receive a financial plan from AIS or a Financial Consultant, the financial plan will be considered as part of the periodic account review described above. For clients who receive a financial plan from AIS or their Financial Consultant but do not open an account and invest in an Advisory Program, neither AIS nor its Financial Consultants will review the financial plan after it is given to the client.

Item 14 – Client Referrals and Other Compensation

AIS participates in a corporate-wide referral program, as an affiliate of AB-C. Employees of other AB-C affiliates who refer prospective clients to AIS may be eligible to receive nominal compensation for their referral activity. Such compensation is paid for the referral regardless of whether the prospective client becomes an advisory client of AIS. AIS does not currently pay any referral fees to unaffiliated third parties.

See Item 10 for a discussion of economic benefits we receive related to our use of the Advisory Programs.

Item 15 – Custody

NFS serves as the qualified custodian for all advisory accounts offered by AIS. As qualified custodian, NFS retains custody of all assets in the accounts of AIS advisory clients.

Under terms applicable to all advisory accounts offered by AIS and our agreement with NFS, clients will receive account statements at least quarterly from NFS. AIS urges clients to carefully review such statements. AIS will not send account statements to clients. The terms of all advisory accounts include authorization for NFS to pay AIS its fees, directly from client accounts, as described in Item 5 above.

Item 16 – Investment Discretion

This Item is not applicable to AIS. AIS does not accept discretionary authority to manage securities accounts on behalf of clients.

Item 17 – Voting Client Securities

As a matter of policy and practice, AIS does not vote shareholder proxies in any of its advisory account relationships or in any other capacity. Upon establishing an advisory account, Advisory Program clients will be given the option of voting proxies or deferring to the adviser to the Advisory Program. A client's documentation will indicate whether any third party adviser will vote shareholder proxies. Clients for whom neither AIS nor any other third party adviser has proxy voting authority should ensure that they receive proxies and other solicitations from their custodian or transfer agent.

Item 18 – Financial Information

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