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***Disclosure Brochure***  
***June 30, 2017***

This Brochure provides information about the qualifications and business practices of Marquette Asset Management, LLC [“Marquette”]. If you have any questions about the contents of this Brochure, please contact us at 612-661-3783 or [jean.gullikson@marquetteam.com](mailto:jean.gullikson@marquetteam.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Marquette is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## Item 2 – Material Changes

There have been no material changes since our last update.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

To request a Brochure, contact Jean Gullikson, Marquette's Chief Compliance Officer, at [jean.gullikson@marquetteam.com](mailto:jean.gullikson@marquetteam.com) or 612-661-3783.

Additional information about Marquette Asset Management, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information on all persons affiliated with Marquette who are registered as investment adviser representatives of Marquette.

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#### **Item 4 – Advisory Business**

We are a Minneapolis-based investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. We were founded in 2005 with the mission of being a premier wealth management provider focusing on achieving individual client objectives, producing top quality risk-adjusted investment performance and providing superior client service. We are wholly owned by UMB Financial Corporation, a publicly traded company (NASDAQ symbol: UMBF). UMB Financial Corporation is a bank holding company headquartered in Kansas City, Missouri.

Prior to June 1, 2015, we were a wholly owned subsidiary of Marquette Financial Companies, a bank holding company founded by the late Carl R. Pohlad. Mr. Pohlad established the first in a long tradition of successful banking and financial services companies in the 1950's.

We continue Mr. Pohlad's legacy of success built on relationship-based service by helping clients create and sustain wealth. We focus on wealth management relationships in excess of \$2,000,000 and use a service team approach. Each client is assigned both a portfolio manager and a relationship manager who provides ongoing administrative service, tax and financial planning support, and coordinates the overall client experience. We render discretionary investment management services pursuant to written contracts and specialize in constructing portfolios tailored to your preferences, constraints and income needs. Portfolios typically include investments in a mix of three to four asset classes. An asset class is a group of securities that share similar characteristics, behave similarly in the marketplace and are subject to the same rules and regulations. The most common asset classes are fixed income, equity securities, real assets and alternative investments. Real assets include investments such as real estate and precious metals while "alternative investments" may include hedge funds, Master Limited Partnerships (MLPs), private equity investments, and managed futures.

We manage portfolios by balancing risk and expected return. We recommend and come to agreement with you on a custom target allocation based on your unique situation. Portfolios are then populated with bonds, exchange traded funds (ETFs), mutual funds, and where appropriate, real and/or alternative assets.

We maintain sub-advisory arrangements as needed when a mutual fund or exchange traded fund vehicle is not available to diversify client portfolios across asset classes and categories.

We offer personal trust services through our affiliate, UMB Bank, n.a. (“UMB Bank”), which is also a wholly owned subsidiary of the UMB Financial Corporation. UMB Bank has been serving in a trustee capacity since 1927. In its capacity as trustee, UMB Bank holds title to assets on behalf of another party and has the legal duty to make prudent fiduciary decisions on behalf of the other party. Various agreements between UMB Bank, Marquette Asset Management and certain of our employees enable those employees to perform trust and estate administration services on behalf of UMB Bank. Where permitted by the governing document and applicable state law, UMB Bank may engage Marquette Asset Management as investment manager.

In certain estate planning situations, you may wish to use a corporate fiduciary based in a state having favorable trust administration laws. In those cases, we can offer personal trust services through our affiliate, UMB Trust Company of South Dakota (“UMB Trust Company”), which is also a wholly owned subsidiary of the UMB Financial Corporation. UMB Trust Company has been serving in a trustee capacity since 1997. In its capacity as trustee, UMB Trust Company holds title to assets on behalf of another party and has the legal duty to make prudent fiduciary decisions on behalf of the other party. Where permitted by the governing document and applicable state law, UMB Trust Company may engage Marquette Asset Management as investment manager.

We had \$718 million of assets under management as of December 31,

2016. We provide certain investment oversight activities for \$25 million in assets held in accounts for which UMB Bank serves as trustee. Assets in these accounts are not included in our assets under management discussed immediately above.

The value of assets under management is based on the market value of all assets held in discretionary portfolios on that date. Prices for individual stocks, bonds, mutual funds, exchange traded funds and certain alternative investment are generally obtained from our primary custodian, Schwab Institutional, a division of Charles Schwab & Co., Inc. (“Schwab”). We obtain the value of marketable securities not priced by Schwab through independent pricing services such as Interactive Data Corporation. We obtain the market value of nonmarketable securities reflected on our reports but not held at Schwab from sources deemed to be reliable. Our market valuation methodology for those alternative investments is disclosed to participants on quarterly performance reports. We had approximately \$3.1 million of discretionary assets in such nonmarketable alternative investments as of December 31, 2016.

## **Item 5 – Fees and Compensation**

### **Wealth management relationships**

The standard annual fee for wealth management relationships is based on the market value of assets managed as follows: 1.00% on the first \$3,000,000; 0.75% on the next \$2,000,000 and 0.50% thereafter. We offer a 10% discount on portfolios for charitable and non-profit entities.

We reserve the right to charge additional fees for extraordinary services.

We are committed to providing superior risk- and fee-adjusted returns in your portfolios without conflicts of interest. In order to ensure our independence in selecting the best investment options, fees paid to us are the same regardless of whether an investment strategy is implemented using investments we select or by third party managers,

mutual funds or exchange traded funds. Where we use our discretion to utilize a third party manager(s) or funds within your overall strategy, you pay our fee as well as the third party's fee.

#### Consulting arrangements

We render consulting services pursuant to fixed fee arrangements. Consulting fees are negotiated.

#### Trust accounts

The standard annual fee for accounts administered by dual Marquette and UMB Bank officers or where UMB Trust Company serves as trustee is based on the market value of assets managed as follows: 1.20% on the first \$3,000,000; 0.90% on the next \$2,000,000 and 0.60% thereafter. Our minimum annual per-account fee is \$500.

Trust accounts that do not directly hold marketable securities (*e.g.*, insurance trusts holding only insurance policies) pay a flat annual administration fee. The flat fee is negotiated based on complexity of the account. Fees on non-marketable securities may be negotiated depending on the size of the holdings and our relationship with you as well as the complexity of administration and risk factors for holding these assets.

#### Self-directed accounts

You may choose to open self-directed accounts to hold securities for which we have no investment responsibility or discretion but perform certain administrative tasks. We charge an annual fee of 0.10% of market value to cover administrative expenses.

You may direct us to hold a small number of securities in an otherwise discretionary account. We do not charge a fee for such unsupervised securities.

### Calculation and billing process

Our annual fee is prorated and charged quarterly, in arrears. Investment management fees for accounts held at Schwab are charged based on the average daily market value of the assets and cash in the account during the prior calendar quarter. The average daily balance of funds borrowed on margin against the holdings of the account (“margin balance”) are added back to the account for purposes of determining the average daily market value of the account.

Investment management fees for accounts held elsewhere are charged at the end of each calendar quarter based on the market value of the assets and cash in the account on the last day of the calendar quarter. If an account is opened after the start of, or terminated prior to the end of, a quarter, the fee for such quarter is prorated based on the number of days during the quarter the account is open. Quarterly fees are pro-rated to reflect inflows or outflows in excess of 10% of the value on the first day of the quarter.

Fees for accounts where UMB Bank is trustee are prorated and charged quarterly in arrears, following the same methodology as accounts held at Schwab. Fees may be charged monthly, rather than quarterly, in arrears following the same methodology at the trustees’ request.

Fee rates are guaranteed for a period of one (1) year after the investment management agreement is signed by us. Thereafter, fees may be changed with thirty (30) days written notice to you.

Unless you direct the custodian otherwise in writing, you authorize the custodian of the account to pay the fees due directly from the custody account. We verify the accuracy of fees calculated prior to payment. To the extent that sufficient cash is not available to pay fees, the custodian redeems shares of "money market" mutual funds held in the account. To the extent cash and shares of "money market" mutual funds are not sufficient, we liquidate other assets in the account as necessary to pay fees.

### Other fees and expenses

Schwab serves as our preferred qualified custodian for your investment



management accounts. You are responsible for paying trading expenses for individual stocks, bonds and funds purchased and sold in your accounts. Other fees, such as cashiering, alternative investment custody and other administrative expenses, are included in the fees we charge. With the exception of the flat custody fees for certain alternative assets and market-value based fees for principal and income accounting for certain agency accounts which we pay, Schwab charges no custody fee.

You are not required to utilize Schwab as the custodian for your investment account and may negotiate such services and fees with other custodians of your choice for your investment management account. We reserve the right to charge additional fees as appropriate if you choose a custodian other than Schwab.

UMB Bank serves as custodian of accounts for which it serves as a trustee or other fiduciary. The trust account is responsible for paying trading expenses for securities purchased and sold. Other fees, such as tax preparation and other administrative expenses are included in the fees we charge. UMB Bank charges no separate custody fee.

UMB Trust Company serves as custodian of accounts for which it serves as a trustee or other fiduciary. The trust account is responsible for paying trading expenses for securities purchased and sold. Other fees, such as tax preparation and other administrative expenses are included in the fees we charge. UMB Trust Company charges no separate custody fee.

Item 12 describes the factors that we consider in selecting broker-dealers for your transactions and for determining the reasonableness of their compensation.

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

We do not charge Performance Based Fees.

## Item 7 – Types of Clients

We provide wealth management services to high net worth and other individuals and their trusts, private foundations and other entities.

We provide portfolio management services to corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, corporations and business entities, foundations, and endowments.

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

Marquette Asset Management's investment philosophy is grounded in certain core beliefs:

- (1) **Markets work:** securities are fairly priced in liquid and competitive public markets;
- (2) **Risk and return are related:** investing involves trading off risks and costs with expected returns;
- (3) **Diversification is key:** diversification reduces the impact of any one security's performance on your portfolio.
- (4) **Portfolio structure explains performance:** asset allocation, not stock picking or market timing, accounts for most of the performance in a diversified investment strategy.

We work with you to understand and define the purpose of your wealth and establish a long-term investment strategy consistent with your objectives. By fostering disciplined and objective adherence to your investment plan, we help you stay focused on your long-term goals with a keen eye towards tax efficiency and low expense.

Asset allocation is the most important factor in managing risk and constructing investment portfolios. Managing risk is a key part of our investment philosophy. We don't pick individual stocks for your portfolios; this minimizes company specific risk. Instead, we focus on funds that provide diversification and emphasize areas of the market which academic research and rigorous testing have shown to have higher

expected return potential.

We allocate portfolios to these diversified funds of domestic and international equities, bonds, and alternative assets in a proportion tailored to your investment objectives. These objectives are driven by your goals, time horizon, and risk tolerance.

### **Risk of Loss**

Investing involves taking risks. Not investing also involves risks. If you are not exposed to the securities markets, you will not participate in the price appreciation those markets experience.

Investment risk can be defined as fluctuation in price. For individuals, price fluctuations pose two types of risk:

Objective Risk: how much loss of value can you sustain in the short-to-medium term and still meet your long-term objectives?

Subjective risk: how much loss of value can you endure without serious harm to your emotional well-being and your ability to sleep at night?

Investment risk is comprised of numerous individual risks which can be classified into two general categories: systemic and non-systemic risk.

Systemic risk, also known as market risk, relates to factors that affect the overall economy or securities markets as a whole. Systemic risk affects all companies.

Common systemic risks include:

- Interest Rate Risk- risk that the value of a security will go down because of a changes in interest rates
- Inflation Risk – risk that cost of living (prices of goods and services) will increase and therefore reduce purchasing power
- Liquidity Risk-risk you may not be able to buy or sell investments quickly for a price that is close to the true underlying value of the asset

- Geopolitical Risk- risk that instability or unrest in one or more regions of the world will affect investment markets (i.e. terrorist attacks, war, pandemics)

Non-systemic risk is associated with investing in a particular product, company, or industry sector.

Common non-systemic risks include:

- Management Risk –also known as company risk, refers to the impact that bad management decisions can have on a company’s performance and subsequent value of an investment in the company.
  - We manage portfolios using highly diversified funds, not limited numbers of individual securities. As a direct result, individual company risk is mitigated to a large degree.
- Credit Risk –also known as default risk, is the possibility that a bond issuer won’t pay interest as scheduled or repay principal at maturity.
  - For our wealth management clients, we use highly diversified bond funds or create laddered bond portfolios comprised of high quality municipal, corporate and/or U.S. Treasury bonds. Municipal bonds typically have the full taxing power of the state in which they are issued should the municipality, school district or county become unable to fulfill obligations.

Where we are engaged to manage fixed income portfolios with specific objectives, we work with you to define the characteristics of the securities to be held in the portfolio.

The agreed-upon criteria for each fixed income portfolio is reflected in its Investment Policy Statement (see Item 16). Fixed income portfolios are monitored weekly to ensure they meet the IPS requirements.

In the past, we managed several equity strategies on behalf of our clients. However, as our investment approach transitioned from active management to the evidence-based approach outlined above, we discontinued all but one actively managed equity strategy, the Fed Focused Strategy. This legacy strategy, which seeks superior long-term risk-adjusted return by investing in sectors that are well-positioned to capitalize on an expanding economy, is closed to new investors.

All portfolios involve investing in securities which present a risk of loss that you should be prepared to bear.

### **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 an evaluation of us or the integrity of our management.

We have no information to disclose applicable to this Item.

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

As previously noted, we are a subsidiary of UMB Financial Corporation. UMB Financial Corporation provides human resources, information technology, finance and risk management support to us.

We offer personal trust services through our affiliate, UMB Bank. UMB Bank provides actively managed investment solutions to its trust clients and maintains explicit policies and procedures intended to ensure trust accounts are managed in the best interest of the beneficial owners while providing flexibility to provide for different investment options. Please see Item 4 for a complete description of our trust capabilities. Fee arrangements for trust accounts are outlined in Item 5.

In estate planning situations where you wish to use a corporate fiduciary based in a state having favorable trust administration laws, we can offer personal trust services through our affiliate, UMB Trust Company of South Dakota. Please see Item 4 for a complete description of our trust capabilities. Fee arrangements for trust accounts are outlined in Item 5.

In addition to UMB Bank and UMB Trust Company, UMB Financial Corporation owns several other financial services companies. We have no material relationships with any of those entities, nor are we aware of any other material conflicts of interest with regard to any of the other affiliations.

As noted in Item 4, we maintain sub-advisory agreements with other registered investment advisors. We use these advisors to diversify your portfolio across asset classes and categories not covered by our investment strategies. We do not receive compensation from these advisors.

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

We are subject to the UMB Financial Corporation Asset Management Code of Ethics (“Code”). The Code meets the requirements of Rule 204A-1 under the Investment Advisers Act of 1940 and reinforces the fiduciary principles that govern our conduct. All employees, interns and contract employees are considered to be access persons and must, at all times, act in the best interest of the client, avoid any real or potential conflicts of interest and conduct their personal activities with the utmost integrity. Following is a summary of the Code:

1. The Code contains standards of business conduct including prohibitions on insider trading, fraudulent or deceptive acts and statements, and the malicious creation or spreading of rumors. Employees are subject to restrictions on certain outside activities, securities transactions, and gifts to and from clients, broker-dealers, vendors or research providers;
2. The Code requires compliance with federal securities laws;
3. The Code requires review and reporting of personal securities transactions;
4. The Code obligates employees to report violations and Marquette to enforce sanctions; and

5. The Code requires annual acknowledgement by employees of the provisions of the Code as amended from time to time.

The Code is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in your best interest and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own portfolios.

When we have been given full investment discretion over employees' portfolios, trades in those portfolios are aggregated with your portfolios when consistent with our obligation of best execution. In such circumstances, employee and your portfolios receive securities at a total average price. We retain records of the trade order (specifying each participating portfolio) and its allocation, which is completed prior to the entry of the aggregated order. Completed orders are allocated as specified in the initial trade order. Partially filled orders are allocated on a pro rata basis. Any exceptions will be explained on the order.

Unless an employee has given full investment discretion to us, our Code requires pre-clearance of many employee transactions and prohibits employees from buying or selling securities on the same day as clients. The Code designates certain classes of securities transactions as exempt from this requirement, based upon a determination that such transactions would not materially interfere with your best interest.

Employee trading is continually monitored under the Code to reasonably prevent conflicts of interest between us and you.

Clients or prospective clients may obtain a copy of the Code by contacting Jean Gullikson, our Chief Compliance Officer, at 612-661-3783 or [jean.gullikson@marquetteam.com](mailto:jean.gullikson@marquetteam.com).

We will not effect any principal or agency cross securities transactions for your portfolios. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or

the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client portfolio. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Marquette is affiliated with a broker-dealer, UMB Financial Services, Inc. a subsidiary of UMB Financial Corporation. We have no material relationship with that subsidiary.

### **Item 12 – Brokerage Practices**

We generally have two types of client portfolios: Full discretion and directed. In full discretion portfolios, we possess sole authority with respect to transactions, timing of transactions and choice of brokers. Such authority can be limited by you at any time with respect to any or all such factors. If you do not specify the broker who is to execute the transactions, then we determine the broker.

We allow you to maintain self-directed accounts when such accounts are merely part of an overall investment management relationship. You may execute trades directly with Schwab in those accounts or you may direct us to initiate trades on your behalf. You may also direct us to retain specific assets within an otherwise discretionary portfolio. You must direct us to initiate trades of those unsupervised securities on your behalf. We will use the same brokers for those trades as we use for discretionary trades.

### **The Custodians and Brokers We Use**

We do not maintain custody of your assets that we manage; however, we



may be deemed by our regulators to have custody of your assets if you give us authority to withdraw assets from your account (*see Item 15 Custody, below*). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank.

We recommend that our investment management clients use Schwab, a FINRA-registered broker-dealer and member SIPC, as the qualified custodian. We are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and will buy and sell securities per our instructions. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

Accounts for which UMB Bank serves as trustee are held at UMB Bank. UMB Bank, or where permitted by the governing document and state law, Marquette Asset Management, selects the brokers used to execute trades in those accounts.

### **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are most advantageous overall when compared to other available providers and their services.

We consider a wide range of factors, including but not limited to these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- capability to execute, clear and settle trades (buy and sell securities for your account);

- ability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.);
- quality of services;
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- reputation, financial strength and stability of the provider;
- knowledge of market, securities and industries;
- ability to get best price; and
- availability of other products and services that benefit us, as discussed below (*see “Products and Services Available to Us from Schwab”*).

### **Your Custody and Brokerage Costs**

For your accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab’s commission rates applicable to our client accounts were negotiated based on our commitment to maintain \$800 million of our clients’ assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates and fees you pay are lower than they would be if we had not made the commitment. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the

executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most equity trades for your account. We will use brokers other than Schwab to execute fixed income trades if that yields the best overall result for our clients. Clients who select the broker that we should use for executing their transactions may eliminate or reduce our ability to negotiate commissions and otherwise obtain best price and execution.

### **Products and Services Available to Us from Schwab**

Schwab serves many independent investment advisory firms like us. They provide us and you with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer your accounts while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients’ assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, it may charge us quarterly service fees.

Here is a more detailed description of Schwab’s support services:

Services that Benefit You. Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some which we might not otherwise have access to or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab.

In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may

also provide us with other benefits such as occasional business entertainment of our personnel.

We use these services extensively in order to enhance our clients' overall experience.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see *"How We Select Brokers/Custodians to Recommend"*) and not Schwab's services that benefit only us. We had \$944 million of client assets under management and in directed accounts at Schwab as of December 31, 2016 and do not believe that maintaining at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

### **Other Brokerage Costs**

Where we use a broker other than Schwab to execute fixed income transactions, Schwab charges an allocation fee of \$25 for each

bond per client account. We do not charge a commission for buying or selling fixed income securities. We purchase bonds from dealers with the same methodology as outlined in “*How we Select Brokers/Custodians*”. We use brokers who have expertise in the areas of the fixed income markets in which we purchase bonds on behalf of our clients. To the extent we participate in newly issued public fixed income securities, which are offered by one or more brokers, we will participate with those brokers involved in the transaction. When selling bonds in the secondary market we use a competitive bidding process, where the broker with the highest price will purchase the bonds from us. When we purchase bonds in the secondary market, we use dealers who have expertise in the markets we trade in and/or a cost advantage which allows us to purchase bonds at a more favorable price.

Where we use a broker other than Schwab to execute equity transactions, the broker receives trading commissions. While we could use part of those commissions to pay for certain research services, information, advice or data that meet the safe harbor provisions of Section 28(e) of the Securities and Exchange Act of 1934, we do not currently participate in such "soft dollar" relationships.

When we execute a block trade through a broker, we allocate the trade among a number of client accounts using an average price and charge proportionate transaction costs to each client.

We review all third party managers at least annually to evaluate and monitor their continued appropriateness for accounts managed on behalf of its clients. We request certification of our sub-advisors' trading policies, compliance program and adherence to its Code of Ethics. Where sub-advisors use a portion of trading commissions to pay for certain research services, information, advice or data, we seek assurance from each sub-

advisor that it follows safe harbor provisions discussed above.

### **Products and Services Available to Us from Other Third Parties**

Some of our providers give us opportunities to attend conferences, seminars and offer other resources and support services to us. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Such services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we express an interest in their investment offerings or continue to have an allocation to their investment products. Here is a more detailed description of support services:

Services that Benefit You (Clients). Some of the investment products we are able to offer our clients are not available to the general public. Since we are viewed as one client to our managers, we may be able to obtain these products at a lower institutional rate, which will benefit you and your account.

Services that May Not Directly Benefit You. These providers may allow us access to best practice studies and analytics that help us manage and administer our clients' accounts.

Services that Generally Benefit Only Us. There are other services that are intended to help us manage and further develop our business enterprise. Some of these services include:

- educational conferences and events;
- business consulting; and
- publications and conferences on practice management and business succession.

### Item 13 – Review of Portfolios

Except where we are engaged to manage a portfolio within a specific mandate, the initial portfolio review generally incorporates all your holdings we are aware of and is designed to identify the current and recommended overall asset allocation. Where appropriate, a transition plan is developed to communicate and manage tax implications of implementing our recommendations. If the initial portfolio review is not completed prior to our engagement, it is done as soon as practical after accounts are transferred. Once we've reviewed our recommendations with you and made appropriate adjustments, we prepare a formal Investment Policy Statement ("IPS") for your portfolio as outlined in Item 16.

Our Investment Committee reviews portfolios monthly to monitor adherence to their governing investment policy statements.

There are two members of our Investment Committee. Investment Committee members also function as portfolio managers and analysts. Our President, Christopher Vernier, serves as our chief fixed income trader.

Your relationship manager offers to coordinate an overall relationship and planning review at least annually.

Interim reviews are performed at your request or as necessary due to a change in your financial situation or estate plan of which you inform us.

We issue quarterly investment reports for wealth management portfolios over which we have discretion or other responsibility. The reports include a performance analysis as well as a discussion of recent economic and market events. For certain portfolios where we are one of several managers (*e.g.*, pension plans and other institutions), we provide performance data to you or other interested parties in other formats as requested. Where appropriate, we also provide customized reports and summaries.



You receive income tax information as required by law from your account custodian.

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

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors using Schwab as their preferred custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We receive no other direct or indirect economic benefit, including but not limited to sales awards or other prizes, for providing investment advice or other advisory services to our clients from anyone that is not a client.

We may enter into arrangements whereby we provide cash or non-cash compensation to individuals, affiliated or unaffiliated firms. These are expenses paid by Marquette. You would not pay any additional or higher investment management fees as the result of any such referral arrangement.

Prospective clients are informed of any referral arrangements in accordance with the requirements of SEC Rule 206(4)-3 and if required, state rules regarding solicitation arrangements. Prospective clients receive disclosures containing the details of relevant referral arrangements and must acknowledge arrangements involving non-affiliated third parties.

In no circumstance does the referring person/firm have authority to make representations or accept clients or accounts on our behalf.

We currently have no referral arrangements in place.

## Item 15 – Custody

### Accounts held at Schwab

We use Schwab as our primary qualified custodian. Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive monthly account statements directly from Schwab. They will be sent to the mailing address you provided to Schwab or will be made available electronically upon your request. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements with the periodic investment reports you will receive from us. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies for certain securities. Schwab statements will generally exclude non-publicly tradable securities such as limited partnership interests, closely held stock, private promissory notes, etc.

### Accounts held elsewhere

You are not required to use Schwab as your qualified custodian and may negotiate such services and fees with other custodians. If you choose a custodian other than Schwab, you should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains your account(s). You should carefully review those statements promptly when you receive them. We also urge you to compare your account statements with the periodic investment reports you receive from us. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies for certain securities.

### Accounts where UMB Bank is trustee

Accounts of which UMB Bank serves as trustee are held at UMB Bank. Our employees perform trust and estate administration services as

outlined in Item 4. You will receive account statements directly from UMB Bank at least quarterly. You should carefully review those statements promptly when you receive them. We also urge you to compare your account statements with the periodic portfolio reports you receive from us. Our reports may vary from bank statements based on accounting procedures, reporting dates, or valuation methodologies for certain securities.

We receive an annual written internal control report regarding the custodial services provided from UMB Bank.

We are also required by law to engage an independent certified public accountant to perform a verification of funds and securities held in those accounts. This verification must be performed at least annually; however, the timing of the examination must vary from year to year. The auditor must commence the examination without prior notice to us. This verification is therefore referred to as a “surprise examination”.

#### Accounts where UMB Trust Company is trustee

Accounts of which UMB Trust Company serves as trustee are held at UMB Trust Company. You will receive account statements directly from UMB Trust Company at least quarterly. You should carefully review those statements promptly when you receive them. We also urge you to compare your account statements with the periodic portfolio reports you receive from us. Our reports may vary from bank statements based on accounting procedures, reporting dates, or valuation methodologies for certain securities.

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

We usually receive discretionary authority from you at the outset of an advisory relationship permitting us to select the identity and amount of securities to be bought or sold. In all cases, however, we exercise such discretion in a manner consistent with the agreed-upon stated investment objectives for your particular portfolio. Your investment

objectives, time horizon, risk tolerance, cash requirements, tax status, applicable account benchmarks and other pertinent facts are reflected in the Investment Policy Statement (“IPS”). An IPS signed by you and by us must be on file before we begin management of your portfolio.

When selecting securities and determining amounts to purchase or sell, we follow your investment limitations and restrictions. Such investment limitations and restrictions must be provided to us in writing and are generally incorporated into the IPS.

Your portfolio manager is responsible for ongoing management of your portfolio in accordance with the IPS.

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

We generally vote proxies for discretionary client assets under management. We use an independent third party, Broadridge Investor Communication Solutions, Inc., to make recommendations on proxy votes and to handle the actual voting. However, we retain the ultimate authority in voting proxies for our clients’ portfolios and may override Broadridge’s recommendations if we deem it appropriate.

For most portfolios, Broadridge’s recommendations are based on its *Typical Investment Manager Policy* guidelines. The guidelines were designed to maximize returns by voting in a manner that generally supports management while carefully limiting risk to investors to the greatest extent possible. The guidelines enable us to fulfill our fiduciary duty to vote independently while recognizing that our main goal is to enhance returns and to invest in companies in which it is generally comfortable with existing management and boards.

For Taft-Hartley clients, Broadridge’s recommendations are based on its *Taft-Hartley Guidelines*, which are fully compliant with the voting responsibility of the Taft-Hartley Labor Act and ERISA requirements governing the protection of labor fund assets. The policy is consistent

with AFL-CIO guidelines and the AFL-CIO annual Key Vote Survey. The policy blends Glass Lewis' standard, comprehensive analysis of all financial and corporate governance issues up for a vote with a careful review of companies' labor practices, including compliance with EEOC, company treatment of union members and union members' job site safety.

You may choose to vote proxies instead of allowing us to do so.

You may obtain a copy of our Proxy Policies, as well as information about how your securities were voted by contacting your relationship manager.

**Class Actions.** We will file securities class action claims on your behalf, provided that all relevant transactions occurred while you were our client. We use the services of Chicago Clearing Corporation ("CCC") to file claims and collect proceeds. CCC receives a portion of proceeds collected as compensation. You are not required to use this service and must inform us in writing if you do not want CCC to file claims on your behalf.

For securities class actions that do not meet the above criteria, we will provide copies of confirmations or custodial statements to you upon your reasonable request.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition.

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisers**

We have no information applicable to this Item as we are registered with the Securities and Exchange Commission under the Investment Advisers

Act of 1940.

## **Item 1 - General Information**

Christopher M. Vernier

Marquette Asset Management, LLC

33 South Sixth Street, Suite 4540

Minneapolis, MN 55402

612-661-3787

## **Item 2 - Educational Background and Business Experience**

Christopher M. Vernier - Born 1972

Education:

University of St. Thomas: Accounting & Finance 1994

Business:

Piper Jaffray, Minneapolis, MN: Internal Auditor 1995-1997

Eagle Capital Management, Bloomington, MN: Trading 1997-1998

US Bancorp, St. Paul, MN: Financial Analyst 1998-2000

Knelman Asset Management Group, Minneapolis, MN: Manager  
Operations 2000-2004

Marquette Asset Management: Vice President - Operations 1/05 - 1/09;

Vice President - Trading and Investments 1/09 - 5/10; Senior Vice

President - Trading and Investments 5/10 - 5/14; Managing Director -

Investments 5/14 - 5/16; President 6/16 - present

## **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No

information is applicable to this Item.

#### **Item 4 - Other Business Activities**

Mr. Vernier is not engaged in any investment-related business activities other than his employment by us.

#### **Item 5 - Additional Compensation**

Mr. Vernier receives no economic benefit for providing advisory services from anyone that is not a client. He is compensated by us primarily through salary. In addition, he receives incentive compensation based on our revenues and net profit and individual performance of defined objectives for his job responsibilities.

#### **Item 6 - Supervision**

Mr. Vernier reports to Dana Abraham, President of Private Wealth Management, a division of UMB Bank, n.a. He is subject to our firm's compliance policies and procedures and is monitored through normal ongoing compliance reviews. Ms. Abraham can be reached at 816-860-1040.

#### **Item 7 - Requirements for State-Registered Advisers**

We have no information applicable to this Item as we are registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.



## **Item 1 - General Information**

James P. Tatera

Marquette Asset Management, LLC

33 South Sixth Street, Suite 4540

Minneapolis, MN 55402

612-661-3732

## **Item 2 - Educational Background and Business Experience**

James P. Tatera, CFA\* – Born 1956

### **Education:**

University of Wisconsin - Madison: Finance & Management, 1978, MBA  
1980

### **Business:**

Knelman Asset Management, Minneapolis, MN: Managing Director &  
Chief Investment Officer, 2000 – 2005

Lazard Asset Management, Minneapolis, MN: Director – Portfolio  
Manager, 2005 – 2008

Fiduciary Counselling, Inc. St. Paul, MN: Managing Director –  
Investments, 2009 – 2016

Marquette Asset Management: Managing Director 6/17 – present

\* The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charter holders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charter holders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of

fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4 - Other Business Activities**

Mr. Tatera is not engaged in any investment-related business activities other than his employment by us.

### **Item 5 - Additional Compensation**

Mr. Tatera receives no economic benefit for providing advisory services from anyone that is not a client. He is compensated by us primarily through salary. In addition, he receives incentive compensation based on individual performance of defined objectives for his job responsibilities.

### **Item 6 - Supervision**

Mr. Tatera reports to Christopher Vernier, our President. He is subject to our firm's compliance policies and procedures and is monitored through normal ongoing compliance reviews. Mr. Vernier can be reached at 612-661-3787.

### **Item 7 - Requirements for State Registered Advisors**

We have no information applicable to this Item as we are registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.