

Item 1: Cover Page

Part 2A of Form ADV Firm Brochure

March 2020

AHC Advisors, Inc.

SEC File No. 801-62202

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This brochure provides information about the qualifications and business practices of AHC Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 630-762-8185 or by email at info@ahcadvisors.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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise. Additional information about AHC Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

There have been no material changes since the last update to the ADV Part 2 was submitted on September 2019.

Item 3: Table of Contents

Item 1:	Cover Page	1
Item 2:	Material Changes	2
Item 3:	Table of Contents	3
Item 4:	Advisory Business	4
Item 5:	Fees and Compensation	8
Item 6:	Performance-Based Fees and Side-by-Side Management	11
Item 7:	Types of Clients	11
Item 8:	Methods of Analysis, Investment Strategies, and Risk of Loss	11
Item 9:	Disciplinary Information	20
Item 10:	Other Financial Industry Activities and Affiliations	21
Item 11:	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	21
Item 12:	Brokerage Practices	23
Item 13:	Review of Accounts	29
Item 14:	Client Referrals and Other Compensation	29
Item 15:	Custody	30
Item 16:	Investment Discretion	30
Item 17:	Voting Client Securities	31
Item 18:	Financial Information	31
Brochure Supplement		
	Craig R. Larsen	32
	Jorie L. Pitt	34

Item 4: Advisory Business

A. AHC Advisors, Inc.

AHC Advisors, Inc. ("AHC" and/or "the firm") was founded in 1995 by Craig Larsen. The firm is registered with the SEC (Securities and Exchange Commission) as a Registered Investment Adviser. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise. Additional information about AHC Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Craig Larsen is the primary principal owner of the firm. Jorie Pitt is a minority shareholder of the firm.

AHC Office Locations:

380 South 1st Street
St. Charles Illinois 60174

699 Walnut Street Suite 400
Des Moines Iowa 50309

200 West Madison Street Suite 2100
Chicago, Illinois 60606

B. Advisory Services Offered

AHC provides pension fund investment consulting services, financial planning and investment management services, and investment advisory services to retirement plans and profit-sharing plans, trusts, estates, charitable organizations and businesses. Wealth management services are performed as part of an ongoing financial planning relationship.

Depending on the needs of the client, AHC may also recommend separate account managers to manage a portion or all of the client's portfolio.

We may recommend other professionals including lawyers, accountants, insurance agents, real estate agents, etc., at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by AHC. Conflicts of interest will be disclosed to the client and managed in the best interest of the client. AHC nor agents of AHC receive any monetary compensation for these referrals.

In performing its services, AHC is not required to verify any information received from the client or from the client's other professionals. Each client is advised that it remains their responsibility to promptly notify AHC when there is any change in their financial situation or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations and services.

On more than an occasional basis, AHC furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning. AHC may also advise pension fund clients on matters not involving securities.

In addition to providing AHC with information regarding their personal financial circumstances, investment objectives and tolerance for risk, clients are required to provide the firm with any reasonable investment restrictions that should be imposed on the management of their portfolio, and to promptly notify the firm of any

changes in such restrictions or in the client's personal financial circumstances, investment objectives, goals and tolerance for risk. AHC will remind clients of their obligation to inform the firm of any such changes or any restrictions that should be imposed on the management of the client's account.

B.1. Financial Planning

A financial plan is designed to help the client with all aspects of financial planning. Realistic and measurable goals are set and objectives to reach those goals are defined. These services include business, investment, insurance, and retirement planning. They also include education funding, estate planning, tax planning, and assessing the client's cash flow needs. A written evaluation of the client's current situation and their goals is provided to the client, along with planning recommendations. Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

AHC may recommend the services of itself or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if AHC recommends its own services. The client is under no obligation to act upon any of AHC's recommendations under a financial planning / consulting engagement or to engage the services of any such recommended professional, including AHC itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of AHC's recommendations, if they are not Investment Management or Wealth Management clients.

B.2. Investment Management

AHC offers investment management services. The scope of services offered for investment management clients is more limited than the services provided to wealth management clients. Investment management does not include ongoing financial planning or tax planning. AHC will use the same investment process and risk tolerance assessment; however, the number of investments selected for client portfolios may be more limited compared to Wealth Management clients.

AHC will work with our clients to determine the client's investment objectives, risk profile and investment time frame. AHC will design an asset allocation plan and will deliver a written Investment Objective Confirmation to the client. Once implemented, AHC will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and deliver quarterly written portfolio reviews.

For its discretionary investment management services, AHC receives a limited power of attorney to effect securities transactions on behalf of its clients that include securities and strategies described in Item 8 of this brochure.

Investment management clients may make additions to and withdrawals from their accounts at any time. Clients may withdraw account assets on notice to AHC, subject to the usual and customary securities settlement procedures. AHC designs its portfolios as long-term investments, however, and the withdrawal of assets may impair the achievement of a client's investment objectives.

AHC also may offer non-discretionary wealth management services to clients relative to investment accounts, employer-sponsored retirement plans, life insurance and/or annuity products that they may own, 529 plans, or other products that may not be held by the client's primary custodian. In so doing, AHC recommends the allocation of client assets among the various investment options that are available with the product investment menu. The client assets shall be maintained at the specific insurance company or custodian designated by the product.

B.3. Wealth Management

AHC offers wealth management services. The engagement includes implementation of financial planning recommendations accepted by client, unlimited telephone support, meetings as required, ongoing financial planning services, reminders of the specific courses of action that need to be taken, and quarterly written portfolio reviews. More frequent reviews may occur but are not necessarily communicated to the client unless immediate changes are recommended.

AHC will work with our clients to determine the client's investment objectives, risk profile and investment time frame. AHC will design an asset allocation plan and will deliver a written Investment Policy Statement to the client. Once implemented, AHC will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold regular review meetings with the client regarding the account and their financial planning needs.

For its discretionary investment management services, AHC receives a limited power of attorney to effect securities transactions on behalf of its clients that include securities and strategies described in Item 8 of this brochure.

AHC also may offer non-discretionary wealth management services to clients relative to investment accounts, employer-sponsored retirement plans, life insurance and/or annuity products that they may own, 529 plans or other products that may not be held by the client's primary custodian. In so doing, AHC recommends the allocation of client assets among the various investment options that are available with the investment menu. The client assets shall be maintained at the specific insurance company or custodian designated by the product.

Wealth management clients may make additions to and withdrawals from their accounts at any time. Clients may withdraw account assets on notice to AHC, subject to the usual and customary securities settlement procedures. AHC designs its portfolios as long-term investments, however, and the withdrawal of assets may impair the achievement of a client's investment objectives.

B.4. Pension Fund Investment Consulting

AHC offers pension fund investment consulting services to pension funds. These services may include an initial review of all investments, a review of plan investment history, assisting in the development and periodic review of the investment policy, developing an asset allocation plan, conducting investment manager or mutual fund searches when requested, measuring investment performance, and presenting a summary of performance.

The services include implementation of recommendations accepted by client, unlimited telephone support, meetings as required, ongoing measurement of investment performance, reminders of the specific courses of action that need to be taken, and quarterly written portfolio reviews. More frequent reviews may occur but are not necessarily communicated to the client unless immediate changes are recommended. AHC will work with clients to determine the client's investment objectives, risk profile and investment time frame.

AHC may recommend that pension fund clients have a portion of their portfolio managed by certain independent investment managers based upon the client's stated investment objectives. The terms and conditions under which the client shall engage the independent manager shall be set forth in separate written agreements between the client and the designated independent

manager. AHC shall continue to monitor and review account performance and client investment objectives, for which AHC shall receive an annual fee based upon a percentage of the market value of the pension fund which

includes assets being managed by the designated independent manager in accordance with the applicable fee schedule. AHC receives no compensation from independent managers.

B.5. Retirement Plan Services

AHC provides retirement plan services in coordination with BAM Advisor Services, LLC. Clients choosing AHC will engage both AHC and BAM Advisor Services, which will provide to the client additional discretionary investment management services. BAM Advisor Services will exercise discretionary authority to select and maintain the plan's investments according to the goals and investment objectives of the plan.

AHC will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

AHC's business, government, and defined contribution retirement plan clients utilize AHC as an ERISA Section 3(21) Fiduciary investment advisor on their tax-deferred retirement plans. Under a separate Retirement Plan Services Agreement, the plan sponsor representative engages BAM Advisor Services (a registered investment advisor) to serve as an investment manager under ERISA Sections 3(38) and 402(c)(3).

AHC is a fiduciary and shall provide investment advice that is in the best interest of the retirement investor.

We shall not receive directly or indirectly compensation that is in excess of reasonable compensation.

We shall not make statements to retirement investors or any of our clients about the recommended transaction, fees and compensation that are materially inaccurate.

C. Client-Tailored Services and Client-Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

D. Wrap Fee Programs

AHC does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

E. Client Assets Under Management

As of December 31, 2019, AHC provided pension fund investment management consulting and investment management services to client assets totaling \$255,882,084.

Discretionary Investments Management assets were \$102,250,612 and non-discretionary assets were \$153,631,472

F. CLIENT ASSETS UNDER ADVISEMENT

As of December 31, 2019 AHC, provided traditional pension fund consulting services on **\$510,786,311** of Assets Under Advisement and an additional **\$2,725,762** of Assets Under Advisement on Municipal Defined Contribution Plan Assets.

Item 5: Fees and Compensation

A. Methods of Compensation and Fee Schedule

AHC's fees are based upon the engagement. Financial planning clients will be charged an agreed upon fee for the financial plan, depending upon the complexity of the plan. Wealth management clients are charged an annual planning and service fee, and an amount based upon net worth. Fees for investment management clients, charitable organizations, small businesses, trusts and estate are based upon net assets.

Retirement plans fees are based upon plan assets. Pension fund investment consulting clients are charged on the basis total assets at the end of the quarter, including accrued interest.

AHC, in its sole discretion, may waive its minimum fee and/or charge a lesser fee based upon certain criteria such as historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc. AHC's fees are negotiable.

A.1. Financial Planning Fees

AHC's planning and consulting fees are negotiable, but generally range from \$3,000 to \$10,000 on a fixed fee basis, and \$250 on an hourly rate basis, depending upon the level and scope of the services required. Prior to engaging AHC to provide planning or consulting services, clients are required to enter into a Financial Planning and Consulting Agreement with AHC. The agreement sets forth the terms and conditions of the engagement (including termination), describes the scope of the services to be provided, and the portion of the fee that is due from the client prior to AHC commencing services. One half of the planning fee is paid on the start of the financial planning engagement and the balance is paid on the completion of the plan. Under no circumstances will AHC require prepayment of a fee more than six months in advance and in excess of \$1200.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary. Follow-on implementation work is billed separately at the rate of \$250 per hour.

A.2. Wealth Management and Investment Management Fees

Clients may choose to have AHC manage their assets in order to obtain ongoing in-depth advice, portfolio management services, and ongoing financial planning. As financial planning goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

Prior to engaging AHC to provide wealth management services, the client will be required to enter into a formal Investment Advisory Agreement with AHC setting forth the terms and conditions under which AHC shall manage the client's assets, and a separate custodial agreement with each designated custodian.

Both AHC's Investment Advisory Agreement and the custodial clearing agreement may authorize the custodian to debit the account for the amount of AHC's investment advisory fee and to directly remit that management fee to AHC. In the event that AHC bills the client directly, payment is due upon receipt of AHC's invoice. The Investment Advisory Agreement between AHC and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement.

AHC's annual cumulative Investment Management fee for individuals are as follows:

1.50% on net assets from \$0 to \$250,000

1.25% on net assets from \$250,001 to \$500,000

1.00% on amounts over \$500,000

Fees are billed quarterly, in arrears based upon the market value including accrued interest of the client's account at the end of the current quarter. Fees are billed after the quarter's end. The total minimum annual fee is \$6,000.

AHC's annual investment management fee for trusts, estates, charitable organizations and small businesses are as follows:

1.00% on net assets from \$0 to \$2,500,000

0.75% on net assets from \$2,500,001 to \$7,500,000 Over \$7,500,000 negotiable

Fees are billed quarterly, in arrears, based upon the market value including accrued interest of the client's account at the end of the current quarter. Fees are billed after the quarter's end.

AHC's annual fee for wealth management clients shall be a fixed annual planning and service retainer of \$2,000, plus a percentage (%) of the client's net worth, as follows:

Minimum net worth fee \$8,000

0.80% on net worth from \$0 to \$2,000,000

0.60% on net worth from \$2,000,001 to \$5,000,000

0.40% on total net worth over \$5,000,001 to \$10,000,000 0.20% on total net worth over \$10,000,001

The annual planning and service fee is waived in the calendar year in which the initial financial plan is completed.

The total minimum fee which includes the annual planning and service retainer and minimum net worth fee is \$10,000. The fee is payable quarterly, in arrears in four installments at the end of each quarter respectively. AHC does not offer fee refunds.

No increase in the fixed annual retainer or percentage (%) of net worth fees shall be effective without prior written notification to the client. AHC, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria. These may include historical relationship, anticipated future additional assets, related accounts, account composition, negotiations with client, family relationship, etc.

Net worth shall be determined annually. For an initial engagement, net worth is calculated and then the fee is pro-rated through the end of the initial calendar year. From that point forward, net worth will be calculated as of December 31st. The value of assets may be estimated and agreed to with the clients. These assets may include real estate or other assets whose value may be difficult to determine. Net worth is defined as assets minus liabilities. Assets may include taxable investment assets, retirement assets, college savings assets, annuities, cash value of any insurance, real estate, business interests, stock options, restricted stock, and any other assets referenced in the financial plan. Certain assets may be excluded. Liabilities may include mortgages, HELOC, and other debt referenced in the financial plan.

A.3. Pension Fund Investment Consulting Fees

AHC provides pension fund advisory consulting services that are billed as a percentage of the market value of the pension fund's assets including accrued interest. The fee is payable quarterly, in advance, and ranges from 0.05% to 0.25% annually. Clients may be charged a minimum fee based upon the individual characteristics such as the market value of assets, complexity, time required for service and travel, and other factors. In unique circumstances some clients may negotiate a different fee, format or time frame. AHC does not offer fee refunds.

New clients will be charged a minimum fee subject to the individual circumstances of the client.

A.4. Retirement Plan Advisory Fees

Plan sponsors execute a Retirement Plan Advisor Agreement with AHC, an ERISA Section 3(21) investment advisor. This agreement authorizes Buckingham Asset Management, LLC (BAM) to act in its ERISA Section 3(38) and 402(c) (3) capacity. AHC and BAM Advisor Services share this fee according to a percentage negotiated between AHC and BAM Advisor Services.

Plan Assets Under Management: 1.00% on the first \$1,000,000 0.80% on the next \$1,000,000 0.60% on the next \$3,000,000 0.50% on the next \$5,000,000 0.45% on all amounts thereafter Minimum Annual Fee: \$10,000

A.5. Retainer Agreement

In some circumstances, a Retainer Agreement may be executed in lieu of an Advisory Service Agreement when it is more appropriate to work on a fixed fee basis. The annual fee for a Retainer Agreement is negotiable.

A.6. Hourly Planning Engagements

AHC may provide hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$250.

B. Client Payment of Fees

Investment management and wealth management fees are billed quarterly, in arrears, meaning that we invoice clients at the end of the quarter. AHC requires clients to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to the firm's consent for clients to be billed directly for our fees. For directly debited fees, the custodian's periodic statements will show each fee deduction from the account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

AHC will deduct advisory fees directly from the client's account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account.

The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

A client may terminate any of the aforementioned agreements at any time by notifying AHC in writing. AHC may terminate any of the aforementioned agreements at any time by notifying the client in writing. AHC does not offer fee refunds.

All fees are subject to customized fee arrangements or discounts from the above schedules. In all cases, the client's specific fee schedule is delineated in their written agreement, or other written addendum addressing fees.

C. Additional Client Fees Charged

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, private placement, pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using AHC may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian. No portion of these fees are paid to AHC or any agent of AHC.

Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

D. External Compensation for the Sale of Securities to Clients

AHC advisory professionals are compensated solely through a salary and bonus structure. AHC is not paid any sales, service or administrative fees for the sale of mutual funds or any other investment products with respect to managed advisory assets.

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

AHC does not charge performance-based fees or provide Side-by-Side Management.

Performance based fees are generally calculated as a percentage of investment profits often both realized and unrealized. Performance based fees can be an incentive to the investment manager to generate positive returns but may also create an inherent conflict of interest as it may give the manager more incentive to take greater risks or direct investments that are perceived to have higher return potential to the accounts that pay a performance fee versus the accounts that pay only a regular investment management fee.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fee while at the same time managing accounts that are not charged performance based fees.

Item 7: Types of Clients

AHC generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, and corporations and business entities. Client relationships vary in scope and length of service. AHC requires each client to execute an agreement for AHC to provide services.

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

A. Methods of Analysis and Investment Strategies

A.1. Methods of Analysis

AHC uses a variety of sources of data to conduct its economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, conference calls hosted by mutual fund companies, corporate rating services, annual reports, prospectuses, and company press releases. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

AHC and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for constructing client portfolios, computer-based risk/return analysis, and statistical and/or computer models utilizing long-term economic criteria.

- Portfolio Construction involves the use of mathematical algorithms to determine the appropriate mix of assets given the firm's current capital market rate assumptions and a particular client's risk tolerance.
- Quantitative methods include analysis of historical data such as market premiums, performance data, standard deviation and related risk metrics, how the security performs relative to the overall stock market, price to earnings ratios, and related data.

In addition, AHC reviews research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. AHC may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

A.2. Modern Portfolio Theory

AHC employs an investment philosophy that is based upon Modern Portfolio Theory. The principles of this theory are that:

- Markets Work. Capital markets usually do a good job of fairly pricing publicly traded securities given all available information.
- Structure, or asset mix, determines most of the performance in a diversified portfolio.
- Diversification is one of the most important tools available to investors, enabling them to capture broad market performance while reducing uncompensated risk associated with owning individual securities.
- Risk and return are related. The potential to earn greater returns over time is the compensation for taking more risk.

AHC's understanding of efficient markets is that market timing and attempts to use active security selection will not add value over time. AHC's goal is to stay fully invested at all times, given the client's investment policy.

A.3. Investment Strategies

AHC employs a passively-managed index fund and/or exchange-traded fund portfolio strategy. The investment strategy for a specific client is based upon the objectives stated by the client during consultations, and on their risk profile. The client may change these objectives at any time, and should notify AHC immediately of these changes. Each client executes an Investment Objective Confirmation that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases and short-term purchases that are specific to the needs of the client.

A.4. Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investing in securities involves risk of loss that clients should be prepared to bear. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to change. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Cybersecurity:** The technology systems of AHC, and the relative service providers may be vulnerable to inadvertent or deliberate interruption and consequent damage from technical or human sources. In addition to natural catastrophes, service/power outages, and network or telecommunication failures, security breaches and intrusion by unauthorized persons could result in damage, disruption, and theft of data, including investor information. AHC has implemented cybersecurity procedures meant to address these risks. Nevertheless, given AHC's fundamental dependence on technology, a cyber-attack or similar technology disruption could have a material adverse impact on Clients. Additionally, there are inherent limitations in cybersecurity policies and procedures and controls including the possibility that

certain risks have not been identified. AHC is not able to control the cybersecurity plans, breach notifications, incident response plans and controls put in place by other services providers and/or the issuers in which the client invest. It is in the client's best interest to monitor all of their accounts on a regular basis and stay informed to cybersecurity best practices.

Client Protections

In the event the Advisor believes the client is acting in a state of diminished capacity or suspects a third party is fraudulently directing the client in such a way that would financially harm the client, the Advisor reserves the right not to transact an investment, withdrawal, or deposit. The Advisor will then report the incident to the proper authorities. If the client wishes a trusted contact may be designated that the advisor can contact on the client's behalf in case of diminished capacity or suspected Fraud. Please consult with AHC to obtain a Trusted Contact Form.

A.5. Mutual Funds and Exchange-Traded Funds, Individual and Fixed Income Securities, Third-Party Separate Account Managers

AHC may recommend no-load and load-waived mutual funds and individual securities (including fixed income instruments). AHC may also assist the client in selecting one or more appropriate manager(s) for all or a portion of the client's portfolio. Such managers will typically manage assets for clients who commit to the manager a minimum amount of assets established by that manager—a factor that AHC will take into account when recommending managers to clients.

A description of the criteria to be used in formulating an investment recommendation for mutual funds, ETFs, individual securities (including fixed-income securities), and managers is set forth below.

AHC has formed relationships with third-party vendors that

- provide a technological platform for separate account management
- prepare performance reports
- perform or distribute research of individual securities
- perform billing and certain other administrative tasks

AHC may utilize additional independent third parties to assist it in recommending and monitoring individual securities, mutual funds, and managers to clients as appropriate under the circumstances.

AHC reviews certain quantitative and qualitative criteria related to mutual funds and managers and to formulate investment recommendations to its clients. Quantitative criteria may include

- the performance history of a mutual fund or manager evaluated against that of its peers and other benchmarks
- an analysis of risk-adjusted returns
- an analysis of the manager's contribution to the investment return (e.g., manager's alpha), standard deviation of returns over specific time periods, sector and style analysis
- the fund, sub-advisor or manager's fee structure

- the relevant portfolio manager's tenure

Qualitative criteria used in selecting/recommending mutual funds or managers include the investment objectives and/or management style and philosophy of a mutual fund or manager; a mutual fund or manager's consistency of investment style; and employee turnover and efficiency and capacity.

Quantitative and qualitative criteria related to mutual funds and managers are reviewed by AHC on a quarterly basis or such other interval as mutually agreed upon by the client and AHC. In addition, mutual funds or managers are reviewed to determine the extent to which their investments reflect efforts to time the market, or evidence style drift such that their portfolios no longer accurately reflect the particular asset category attributed to the mutual fund or manager by AHC (both of which are negative factors in implementing an asset allocation structure).

AHC may negotiate reduced account minimum balances and reduced fees with managers under various circumstances (e.g., for clients with minimum level of assets committed to the manager for specific periods of time, etc.). There can be no assurance that clients will receive any reduced account minimum balances or fees, or that all clients, even if apparently similarly situated, will receive any reduced account minimum balances or fees available to some other clients. Also, account minimum balances and fees may significantly differ between clients. Each client's individual needs and circumstances will determine portfolio weighting, which can have an impact on fees given the funds or managers utilized. AHC will endeavor to obtain equal treatment for its clients with funds or managers but cannot assure equal treatment.

AHC will regularly review the activities of mutual funds and managers selected by the client. Clients that engage managers or who invest in mutual funds should first review and understand the disclosure documents of those managers or mutual funds, which contain information relevant to such retention or investment, including information on the methodology used to analyze securities, investment strategies, fees and conflicts of interest.

A.6. Material Risks of Investment Instruments

AHC typically invests in open-end mutual funds and exchange-traded funds for the vast majority of its clients. For certain clients, AHC may also affect transactions in the following types of securities:

- Equity securities
- Warrants and rights
- Mutual fund securities
- Exchange-traded funds
- Fixed income securities
- Corporate debt securities, commercial paper, and certificates of deposit
- Municipal securities
- U.S. government securities
- Government and agency mortgage-backed securities
- Variable annuities
- Private Placements

- Pooled Investment Vehicles
- Options

A.2.a. Equity Securities

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

A.2.b. Warrants and Rights

Warrants are securities, typically issued with preferred stock or bonds that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer.

Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes worthless.

A.2.c. Mutual Fund Securities

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

A.2.d. Exchange-Traded Funds ("ETFs")

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs®, streetTRACKS®, DIAMONDSSM, NASDAQ 100 Index Tracking StockSM ("QQQs SM") iShares® and VIPERs®. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

A.2.e. Fixed Income Securities

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

A.2.f. Corporate Debt, Commercial Paper and Certificates of Deposit

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

A.2.g. Municipal Securities

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal level but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

A.2.h. U.S. Government Securities

U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

A.2.i. Government and Agency Mortgage-Backed Securities

The principal issuers or guarantors of mortgage-backed securities are the Government National Mortgage Association ("GNMA"), Fannie Mae ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"). GNMA, a wholly owned U.S. government corporation within the Department of Housing and Urban Development ("HUD"), creates pass-through securities from pools of government-guaranteed (Farmers' Home Administration, Federal Housing Authority or Veterans Administration) mortgages. The principal and interest on GNMA pass-through securities are backed by the full faith and credit of the U.S. government.

FNMA, which is a U.S. government-sponsored corporation owned entirely by private stockholders that is subject to regulation by the secretary of HUD, and FHLMC, a corporate instrumentality of the U.S. government, issue pass-through securities from pools of conventional and federally insured and/or guaranteed residential mortgages. FNMA guarantees full and timely payment of all interest and principal, and FHMLC guarantees timely payment of interest and ultimate collection of principal of its pass-through securities. Mortgage-backed securities from FNMA and FHLMC are not backed by the full faith and credit of the U.S. government.

A.2.j. Variable Annuities

Variable Annuities are long-term financial products designed for retirement purposes. In essence, annuities are contractual agreements in which payment(s) are made to an insurance company, which agrees to pay out an income or a lump sum amount at a later date. There are contract limitations and fees and charges associated with annuities, administrative fees, and charges for optional benefits. They also may carry early withdrawal penalties and surrender charges, and carry additional risks such as the insurance carrier's ability to pay claims. Moreover, variable annuities carry investment risk similar to mutual funds. Investors should carefully review the terms of the variable annuity contract before investing.

A.2.k. Private Placements

Private placements carry significant risk in that companies using the private placement market conduct securities offerings that are exempt from registration under the federal securities laws, which means that investors do not have access to public information and such investors are not provided with the same amount of information that they would receive if the securities offering was a public offering. Moreover, many companies using private placements do so to raise equity capital in the start-up phase of their business or require additional capital to complete another phase in their growth objective. In addition, the securities issued in connection with private placements are restricted securities, which means that they are not traded on a secondary market, such as a stock exchange, and they are thus illiquid and cannot be readily converted to cash.

A.2.l. Pooled Investment Vehicles

A pooled investment vehicle, such as a commodity pool or investment company, is generally offered only to investors who meet specified suitability, net worth and annual income criteria. Pooled investment vehicles sell securities through private placements and thus are illiquid and subject to a variety of risks that are disclosed in each pooled investment vehicle's confidential private placement memorandum or disclosure document. Investors should read these documents carefully and consult with their professional advisors prior to committing investment dollars. Because many of the securities involved in pooled investment vehicles do not have transparent trading markets from which accurate and current pricing information can be derived, or in the case of private equity investments where portfolio security companies are privately held with no publicly traded market, the firm will be unable to monitor or verify the accuracy of such performance information.

B. Investment Strategy and Method of Analysis Material Risks

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

B.1. Margin Leverage

Although AHC, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, AHC will utilize leverage. In this regard please review the following:

The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

B.2. Short-Term Trading

Although AHC, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

B.3. Short Selling

AHC generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is affected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

B.4. Option Strategies

Although AHC, as a general business practice, does not engage in options trading, various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment

required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

AHC as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases

B.5.a. Covered Call Writing

Although AHC, as a general business practice, does not engage in options trading, covered call writing is the sale of in-, at-, or out-of-the-money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

B.5.b. Long Call Option Purchases

Although AHC, as a general business practice, does not engage in options trading, long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

B.5.c. Long Put Option Purchases

Although AHC, as a general business practice, does not engage in options trading, long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long-put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

C. Security-Specific Material Risks

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There is nothing to report on this item.

B. Administrative Enforcement Proceedings

There is nothing to report on this item.

C. Self-Regulatory Organization Enforcement Proceedings

There is nothing to report on this item.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

Neither AHC nor its employees are registered broker-dealers and do not have an application to register pending.

B. Futures or Commodity Registration

Neither AHC nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

AHC does not have arrangements that are material to its advisory business or its clients with any related person.

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

AHC does not recommend separate account managers or other investment products in which it receives any form of referral or solicitor compensation from the separate account manager or client.

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

A. Code of Ethics Description

In accordance with the Advisers Act, AHC has adopted policies and procedures designed to detect and prevent insider trading. In addition, AHC has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of AHC's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of AHC. AHC will send clients a copy of its Code of Ethics upon written request.

AHC has policies and procedures in place to ensure that the interests of its clients are given preference over those of AHC, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

AHC does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, AHC does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

AHC, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which AHC specifically prohibits. AHC has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account
- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow AHC's procedures when purchasing or selling the same securities purchased or sold for the client.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

AHC, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may affect securities transactions for their own accounts that differ from those recommended or effected for other AHC clients. AHC will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation (please refer to Item 12.B.3 Order Aggregation). It is the policy of AHC to place the clients' interests above those of AHC and its employees.

Item 12: Brokerage Practices

A. Factors Used to Select Broker-Dealers for Client Transactions

A.1. Custodian Recommendations

AHC may recommend that clients establish brokerage accounts with Charles Schwab or Fidelity (“custodian”), FINRA-registered broker-dealers, members SIPC, to maintain custody of clients’ assets and to effect trades for their accounts. Although AHC may recommend that clients establish accounts at the custodian, it is the client’s decision to custody assets with the custodian. AHC is independently owned and operated and not affiliated with custodian. For client accounts maintained in custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into custodian accounts.

AHC considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances, and subject to approval by AHC, AHC will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by AHC will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

A.1.a. How We Select Brokers/Custodians to Recommend

AHC seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- 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 client accounts)
- capabilities 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.)
- availability of investment research and tools that assist us in making investment decisions
- 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
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

A.1.b. Client's Custody and Brokerage Costs

For client accounts that the firm maintains, the custodian generally does not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the custodian's accounts. The custodian's commission rates applicable to the firm's client accounts were negotiated based on the firm's commitment to maintain a certain minimum amount of client assets at the custodian. This commitment benefits the client because the overall commission rates paid are lower than they would be if the firm had not made the commitment. In addition to commissions, the custodian charges a

flat dollar amount as a "prime broker" or "trade away" fee for each trade that the firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's custodian account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, the firm has the custodian execute most trades for the account.

A.1.c. Soft Dollar Arrangements

AHC does not utilize soft dollar arrangements. AHC does not direct brokerage transactions to executing brokers for research and brokerage services.

A.1.d. Institutional Trading and Custody Services

The custodian provides AHC with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular custodian. These services are not contingent upon AHC committing to a custodian any specific amount of business (assets in custody or trading commissions). The

custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

A.1.e. Other Products and Services

Custodian also makes available to AHC other products and services that benefit AHC but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of AHC's accounts, including accounts not maintained at custodian. The custodian may also make available to AHC software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of AHC's fees from its clients' accounts

- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help AHC manage and further develop its business enterprise. These services may include:

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

The custodian may also provide other benefits such as educational events or occasional business entertainment of AHC personnel. In evaluating whether to recommend that clients custody their assets at the custodian, AHC may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

A.1.f. Independent Third Parties

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to AHC. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to AHC.

A.1.g. Additional Compensation Received from Custodians

AHC may participate in institutional customer programs sponsored by broker-dealers or custodians. AHC may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between AHC's participation in such programs and the investment advice it gives to its clients, although AHC receives economic benefits through its participation in the programs that are typically not available to retail investors.

These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving AHC participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to AHC by third-party vendors

The custodian may also pay for business consulting and professional services received by AHC's related persons and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for AHC's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit AHC but may not benefit its client accounts.

These products or services may assist AHC in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help AHC manage and further develop its business enterprise. The benefits received by AHC or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

AHC also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require AHC to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, AHC will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by AHC's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for AHC's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, AHC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by AHC or its related persons in and of itself creates a potential conflict of interest and may indirectly influence AHC's recommendation of broker-dealers for custody and brokerage services.

A.1.h. The Firm's Interest in the Custodian Services

The availability of these services from the custodian benefits the firm because the firm does not have to produce or purchase them. The firm does not have to pay for the custodian's services so long as a certain minimum of client assets is kept in accounts at the custodian. These services are not contingent upon the firm committing any specific amount of business

to the custodian in trading commissions or assets in custody. This minimum of client assets may give the firm an incentive to recommend that clients maintain their accounts with the custodian based on the firm's interest in receiving the custodian's services that benefit the

firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. The firm believes, however, that the selection of the custodian as custodian and broker is in the best interest of clients. It is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only the firm.

A.2. Brokerage for Client Referrals

AHC does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

A.3. Directed Brokerage

A.3.a. AHC Recommendations

AHC typically recommends Charles Schwab or Fidelity as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

A.3.b. Client-Directed Brokerage

Occasionally, clients may direct AHC to use a particular broker-dealer to execute portfolio transactions for their account. When the Client Directs the use of a specific Broker the client may not receive best execution, be able to participate in aggregated trades nor will the firm negotiate trading costs, the client may also pay higher commissions. In cases where clients will direct brokerage they will complete the Directed Brokerage Letter and Acknowledgement

A.3.c Client Restrictions

Clients may impose certain written restrictions on the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ, and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of the firm. Any trade restrictions must be made in writing to the Firm.

B. Aggregating Securities Transactions for Client Accounts

B.1. Best Execution

AHC, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. AHC recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. AHC will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts

- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, AHC seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of AHC's knowledge, these custodians provide high-quality execution, and AHC's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to affect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, AHC believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

B.2. Security Allocation

Since AHC may be managing accounts with similar investment objectives, AHC may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by AHC in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

AHC's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. AHC will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

AHC's advice to certain clients and entities and the action of AHC for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of AHC with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of AHC to or on behalf of other clients.

B.3. Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if AHC believes that a larger size block trade would lead to best overall price for the security being transacted.

B.4. Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is “partially filled,” the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client’s allocation, clients’ liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is “over-filled.” AHC acts in accordance with its duty to seek best price and execution and will not continue any arrangements if AHC determines that such arrangements are no longer in the best interest of its clients.

Item 13: Review of Accounts

A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Account reviews are performed quarterly by Craig Larsen, President. More frequent reviews may also be triggered by a change in the client’s investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in corporate management, or changes in macro-economic climate.

Financial planning clients receive their financial plans and recommendations at the time service is completed. There are no post-plan reviews unless engaged to do so by the client.

B. Review of Client Accounts on Non-Periodic Basis

AHC may perform ad hoc reviews on an as-needed basis if there have been material changes in the client’s investment objectives or risk tolerance, or a material change in how AHC formulates investment advice.

C. Content of Client-Provided Reports and Frequency

AHC reports to the client on a quarterly basis or at some other interval agreed upon with the client, information on contributions and withdrawals in the client's investment portfolio, and the performance of the client's portfolio measured against appropriate benchmarks (including benchmarks selected by the client).

Clients are frequently provided net worth statements and net worth graphs that are generated from our portfolio management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of real estate and other hard-to-price assets. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

The client’s independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian’s statement is the official record of the client’s securities account and supersedes any statements or reports created on behalf of the client by AHC

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

AHC does not receive economic benefits for referring clients to third-party service providers.

B. Advisory Firm Payments for Client Referrals

AHC does not pay for client referrals.

Item 15: Custody

Clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances and portfolio holdings in the client's account. Clients are urged to compare billing statements provided by AHC to the custodian statement for accuracy. Any discrepancies should be brought to the firm's attention. The custodian's statement is the official record of the account. AHC has limited custody under Rule 206-4-2 of the Advisers Act, the Custody Rule because it direct debits client fees from the custodians. This limited custody does not require an annual surprise audit. Furthermore, that the client signs a fee agreement and custodian documents allowing for the direct debit of fees. The custodians maintain actual custody of clients' assets as noted in Item 12 Brokerage Practices.

The firm has custody due to standing letters of authorization which allow the firm to change the amount and frequency of money movements signed by the client. The firm believes it is not required to obtain an annual surprise custody exam due the seven required criteria being met:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the Advisor, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The Advisor has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The Advisor maintains records showing that the third party is not a related party of the Advisor or located at the same address as the Advisor. 7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instructions and an annual notice reconfirming the instruction.

Item 16: Investment Discretion

Clients may grant a limited power of attorney to AHC with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, AHC will exercise full discretion as to the nature and type of securities to be purchased and sold, and the amount of securities for such transactions. Investment limitations may be designated by the client as outlined in the investment advisory agreement.

At all times the staff of AHC will take note of any changes in behavior or transactions by any client that might cause suspicion of cognitive function or potential exposure to fraud. As with all clients of the firm, only suitable investments will be recommended and executed.

In the event the firm is suspicious of any abuse or strange behavior, the firm will report to the Elder Abuse Hotline or other law enforcement or regulators and may not process a withdrawal or investment request.

Item 17: Voting Client Securities

AHC does not take discretion with respect to voting proxies on behalf of its clients. AHC will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of AHC supervised and/or managed assets. In no event will AHC take discretion with respect to voting proxies on behalf of its clients. We may provide clients with consulting assistance regarding proxy issues.

Except as required by applicable law, AHC will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. AHC has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. AHC also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, AHC has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where AHC receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

Item 18: Financial Information**A. Balance Sheet**

AHC does not require the prepayment of fees of \$1,200 or more, six months or more in advance, and as such is not required to file a balance sheet.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

AHC does not have any financial issues that would impair its ability to provide services to clients.

C. Bankruptcy Petitions During the Past Ten Years

There is nothing to report on this item.

Brochure Supplement

AHC Advisors, Inc.

SEC File No. 801-62202

Craig R. Larsen, CFP®, ChFC President

Individual CRD No. 1967908

**380 South First St.
Saint Charles, IL 60174**

**699 Walnut Street Suite 400
Des Moines Iowa 50309**

**200 West Madison Street Suite 2100
Chicago, Illinois 60606**

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This brochure supplement provides information about Craig R. Larsen that supplements the AHC Advisors, Inc. brochure. You should have received a copy of that brochure. If you did not receive a brochure or if you have any questions about the contents of this supplement, please contact us at 630-762-8185 or by email at info@ahcadvisors.com. Additional information about Craig R. Larsen is available on the SEC's website at www.adviserinfo.sec.gov.

Craig R. Larsen (b. 1965) is President of AHC Advisors, Inc.

A. Educational Background

BS in Finance, University of Illinois at Chicago 1988

B. Business Background

President, AHC Advisors, Inc. 1995–Present

C. Professional Designations

CERTIFIED FINANCIAL PLANNER™ (CFP®) Professional

Individuals certified by CFP® Board have taken the step to demonstrate their professionalism by voluntarily submitting to the CFP® certification process that includes thorough education, examination, experience and ethical requirements. The CFP® is issued by the Certified Financial Planner Board of Standards, Inc. Prerequisites require a designee to hold a bachelor's degree (or higher) from an accredited college or university as well as three years of full-time personal financial planning experience. In addition, candidates must complete a CFP-board registered program (or hold an accepted designation, degree or license) and take the CFP Certification examination. To maintain certification, the designee is required to complete 30 hours of continuing education every two years and continue to agree to be bound by the Standards of Professional Conduct.

Chartered Financial Consultant® (ChFC®)

The Chartered Financial Consultant® (ChFC®) designation program focuses on the comprehensive financial planning process as an organized way to collect and analyze information on a client's total financial situation; to identify and establish specific financial goals; and to formulate, implement, and monitor a comprehensive plan to achieve those goals. Issued by The American College, the ChFC professional is qualified to assist individuals, professionals, and small business owners with comprehensive financial planning. Candidates must successfully complete a self-study course and examination program, have three years of relevant work experience and comply with a code of ethics. Continuing Education Requirements: 30 hours every two years.

Item 3: Disciplinary Information

Craig Larsen does not have any disciplinary action to report. Public information concerning his registration as an investment advisor representative may be found by accessing the SEC's public disclosure site at www.adviserinfo.sec.gov.

Item 4: Other Business Activities

There is nothing to report for this item.

Item 5: Additional Compensation

There is nothing to report for this item.

Item 6: Supervision

Craig Larsen is the Chief Compliance Officer, President and primary principal owner of AHC and will act in this supervisory capacity. The Investment Process is monitored through a standard set of controls including the client's investment objective letter and the firm's written supervisory procedures.

Brochure Supplement

AHC Advisors, Inc.

SEC File No. 801-62202

Jorie L. Pitt, CFP® Lead Financial Planner

Individual CRD No. 5966197

**380 South First St.
Saint Charles, IL 60174**

**699 Walnut Street Suite 400
Des Moines Iowa 50309**

**200 West Madison Street Suite 2100
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This brochure supplement provides information about Jorie L. Pitt that supplements the AHC Advisors, Inc. brochure. You should have received a copy of that brochure. If you did not receive a brochure or if you have any questions about the contents of this supplement, please contact us at 630-762-8185 or by email at info@ahcadvisors.com. Additional information about Jorie L. Pitt is available on the SEC's website at www.adviserinfo.sec.gov.

Jorie L. Pitt (b. 1981) is Lead Financial Planner with AHC Advisors, Inc.

Educational Background

University of Illinois 2003

A. Business Background

Lead Financial Planner, Minority Shareholder, AHC Advisors, Inc.	2018-Present
Associate Financial Planner, AHC Advisors, Inc.	2011–2017
Financial Planner, Borthwick Associates	2005–2011

B. Professional Designations

CERTIFIED FINANCIAL PLANNER™ (CFP®) Professional

Individuals certified by CFP® Board have taken the step to demonstrate their professionalism by voluntarily submitting to the CFP® certification process that includes thorough education, examination, experience and ethical requirements. The CFP® is issued by the Certified Financial Planner Board of Standards, Inc. Prerequisites require a designee to hold a Bachelor's degree (or higher) from an accredited college or university as well as three years of full-time personal financial planning experience. In addition, candidates must complete a CFP-board registered program (or hold an accepted designation, degree or license) and take the CFP Certification examination. To maintain certification, the designee is required to complete 30 hours of continuing education every two years and continue to agree to be bound by the Standards of Professional Conduct.

LICENSED LIFE & HEALTH ILLINOIS INSURANCE AGENT

The Illinois Department of Insurance requires that prelicensing education be completed before taking the examination. The Department of Insurance will not issue a license unless confirmation of completion of prelicensing education has been received by the Department of Insurance from the education provider. The state-mandated prelicensing education program is designed to prepare the candidate for the examination and his/her future insurance career. Candidates are required to present a copy of their current signed prelicense course completion certificate before they are permitted to take the examination. All course completion certificates are valid for one (1) year from the course completion date.

The Department of Insurance will issue a license once the candidate has shown that he/she has met all the following licensing requirements.

- Complete the prelicensing education requirements as reported to the Department by an education provider
- Pass the required examination

Further information is available at the Department's web site at: www.insurance.illinois.gov

Item 3: Disciplinary Information

Jorie Pitt does not have any disciplinary action to report. Public information concerning her registration as an investment advisor representative may be found by accessing the SEC's public disclosure site at www.adviserinfo.sec.gov.

Item 4: Other Business Activities

There is nothing to report for this item.

Item 5: Additional Compensation

Jorie does not receive any additional compensation. She does not sell insurance.

Item 6: Supervision

Supervision of Jorie Pitt is performed by Craig Larsen, Chief Compliance Officer, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities. Craig Larsen can be reached at 630-762-8185. The Financial Planning Process is monitored through a standard set of controls including the client's objectives and the firm's written supervisory procedures.