

Form ADV Part 2A Disclosure Brochure
Prepared In Compliance With
The Investment Advisers Act of 1940 Rule 204-3(A)



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This brochure provides information about the qualifications and business practices of Gradient Investments, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at: 888-824-3525 or by email at: info@gradientinvestments.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.

Additional information about Gradient Investments, LLC (IARD#141726) is available on the SEC's website at www.adviserinfo.sec.gov

March 13, 2020

Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Since the last filing of this brochure on February 4, 2020, the following is being updated:

- Items 4 & 5 to update information on a new portfolio the firm will be offering.
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Full Brochure Available

This Firm Brochure being delivered is the complete brochure for the Firm.

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Item 4: Advisory Business

Firm Description

Gradient Investments, LLC, ("GI") is an independent, SEC registered investment advisor. Charles E. Lucius, CLU®, ChFC®, MSFS is a 80% owner, and Nathan Lucius, MBA is a 20% owner.

GI provides investment management services to individuals, pension and profit sharing plans, trusts, estates, corporations, charitable organizations, and small businesses. The clients to whom GI provides discretionary management services are often introduced to GI through other registered investment advisor firms operating as independent solicitors for GI.

GI is strictly a fee-only investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other products for a commission.

GI does not act as a custodian of client assets. The client always maintains ownership of their assets. GI places trades for clients under a limited power of attorney and withdraws management fees per the Investment Proposal and Contract signed by the client.

Clients work with their independent investment advisor / introducing advisor to determine the appropriate GI portfolio based on investment objectives, risk tolerance, and time horizon; however, GI is available throughout the consultation process. GI is only responsible for money allocated to and managed by GI. It is the client's obligation to notify their advisor immediately if circumstances have changed with respect to the goals of the money being managed by GI.

Types of Advisory Services

GI provides investment supervisory services, also known as asset management services, and upon request, GI furnishes investment advice about securities through consultations directly with clients.

Advisory Service Agreement

GI offers ongoing portfolio management services based on the individual goals, objectives, time horizon and risk tolerance of each client. This information is obtained through GI's Risk Tolerance Analysis from which an Investment Proposal and Investment Contract is prepared and presented to the client. GI practices management of portfolios on a discretionary basis unless directed otherwise by the client. Investment services include but are not limited to:

- Investment Strategy
- Asset Allocation
- Asset Selection
- Regular and/or continuous portfolio monitoring

Managed Portfolios

All client portfolios are managed on a discretionary basis unless otherwise noted. GI offers a variety of managed portfolios primarily utilizing no-load mutual funds, exchange traded funds (ETF), individual equities, and money market funds. GI may also manage subaccounts within a variable annuity. Based on client circumstances, GI may create, recommend, and manage custom portfolios that fall outside the scope of the GI-managed model portfolios. GI offers the following types of managed portfolios:

Strategic & Tactical Portfolios: Strategic & Tactical portfolios tend to be more actively managed with specific asset class, sector, and/or geographic targets, investment objectives and goals.

Allocation Portfolios: Allocation portfolios tend to provide broad client allocations among and within portfolio strategies. These type of portfolios tend to be more passively allocated. (The Buffered Index Portfolio utilizes structured notes to create upside participation with a pre-determined level of downside protection against volatile markets. Clients will be provided specifics for each offering prior to investing.)

Preservation Portfolios: Preservation portfolios focus on price stability and capital preservation over income and growth. Preservation portfolios will utilize liquid assets such as exchange traded funds or money market mutual funds that have the primary focus of maintaining value while providing income.

Managed Portfolios Acknowledgement

All portfolios managed by GI involve risk including the potential loss of principal. It is important that you work closely with your investment advisor in selecting the proper allocation and investment strategy for the portion you are allocating to GI. GI will actively manage your account to help ensure your investments are in line with your risk tolerance, time horizon and overall financial objectives. GI is not responsible for investments or other products recommended or purchased outside of the GI managed portfolios. Past performance is not an indication of future results.

Sub-manager Arrangement

GI may from time to time enter into sub-manager agreements with other registered investment advisor firms by which GI will pay a fee to that firm for investment consultation. Sub-manager acts as a direct consultant to GI on portfolio strategies and does not have the ability to trade assets or access any private client information. This arrangement in no way alters the custodial relationship that is setup between GI and the custodian.

GI enters into these agreements with advisory firms that bring a unique skill set and level of expertise to the GI investment strategies.

Gradient Open Architecture 401(k) Platform

GI provides investment portfolios to all participants primarily made up of mutual funds and ETFs. GI works with the investment advisor, employer, third-party administrator, and custodian to help ensure the investment objectives of the plan participants are achieved and a variety of investment options are available.

Limited Scope ERISA 3(21) Fiduciary. GI typically acts as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor GI has a fiduciary duty to act in the best interest of the client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using GI can help the plan sponsor delegate liability by following a diligent process.

Fiduciary Services under ERISA Section 3(21):

GI and Soliciting Registered Investment Advisor hereby accepts appointment and fiduciary duty of utmost good faith to act solely in the best interests of the client pursuant to the terms and conditions set forth in this Agreement. GI will provide the following services to the client as a “fiduciary advisor” under ERISA Section 3(21):

1. Evaluate and recommend investment options to the Plan. These options will be comprised of mutual funds and exchange-traded funds (“ETF”) that are available to the Plan participants, and a qualified default investment option (“QDIA”);
2. Actively supervise and monitor the investment options available to the participants, provide reports to the Plan and recommend any deletions, substitutions or additions;
3. GI will not be acting as the “named fiduciary” when acting in the role described above and will exercise no discretion with regard to the mutual funds, ETFs or QDIA that is available to participants to allocate at their discretion;
4. GI will not take any action or render any advice with regard to the voting of the securities of the Plan investments that are available to participants for use at their discretion.
5. Soliciting Registered Investment Advisor will act as the day-to-day advisor to the plan and its participants and will conduct the initial and all ongoing plan meetings at the request of the plan sponsor. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
6. GI has no responsibility to provide services related to the following types of assets (“Excluded Assets”):
 1. Employer securities;
 2. Real estate (except for real estate funds or publicly traded REITs);
 3. Stock brokerage accounts or mutual fund windows;
 4. Participant loans;
 5. Non-publicly traded partnership interests;
 6. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or

7. Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to GI under this Agreement.

Specific services will be outlined in detail to each plan in the 408(b) 2 disclosure.

3(38) Investment Manager. GI can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. GI would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

Fiduciary Services under ERISA Section 3(38):

GI will provide the following services to Plan Sponsor as a "fiduciary advisor" and "investment manager" under ERISA Section 3(38):

1. Develop five (5) managed ETF and no load fund portfolios ("Managed Portfolios") that a plan participant may choose as an investment option, consistent with ERISA Section 404(c) and the regulations thereunder. Once a participant chooses a particular portfolio, GI will exercise full discretion regarding the investments within the portfolio.
2. Actively manage and maintain the Portfolios that a plan participant may choose as an investment option. GI will have the discretionary authority to re-allocate, re-balance and re-populate the investments within the portfolios without approval from Plan Sponsor or its participants. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).
3. Make available quarterly performance reports of the Portfolios and promptly inform them of any re-allocations, re-balances, or substitutions.
4. GI will not be responsible for voting the securities within the managed portfolios
5. GI has no responsibility to provide services related to the following types of assets ("Excluded Assets"):
 1. Employer securities;
 2. Real estate (except for real estate funds or publicly traded REITs);
 3. Stock brokerage accounts or mutual fund windows;
 4. Participant loans;
 5. Non-publicly traded partnership interests;
 6. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
 7. Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to GI under this Agreement.

Specific services will be outlined in detail to each plan in the 408(b) 2 disclosure.

Client Directed Accounts

GI will assist in the opening, closing and transferring of accounts. GI will not have discretion at any time on these accounts. Client is solely responsible for the assets held within the accounts and their values which could increase or decrease (potential loss of principal). GI will liquidate and purchase securities per the client's request as a service to the client. GI will also provide performance reporting on these accounts and can furnish 3rd party analysis reports per the client's request.

Client Tailored Services and Client Imposed Restrictions

The investment objective and risk tolerance for each client is documented in our client relationship management system through our Risk Tolerance Analysis and Investment Proposal and Contract. Clients may impose restrictions on investing in certain securities or types of securities in writing on the Investment Proposal and Contract. These restrictions may, however, prohibit investment in certain GI strategies.

Agreements may not be assigned without written client consent.

Wrap Fee Programs

GI does not participate in wrap fee programs.

Client Assets under Management

As of December 31, 2019, GI had \$2,585,617,270; \$2,402,869,697 managed on a discretionary basis and \$182,747,573 managed on a non-discretionary basis.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

GI bases its fees on assets under management and fixed fees.

Managed Portfolios – Accounts

Fees for the various managed portfolios are as follows:

Fee Schedule for: Strategic & Tactical Portfolios	
Assets Valuation	Annual Advisory Fee
Up to \$1,000,000	2.00%
\$1,000,001 - \$2,000,000	1.65%
\$2,000,001 - \$3,000,000	1.20%
Over \$3,000,000	.95%

Fee Schedule for: Allocation Portfolios	
Assets Valuation	Annual Advisory Fee
Up to \$1,000,000	1.70%
\$1,000,001 - \$2,000,000	1.35%
\$2,000,001 - \$3,000,000	1.00%
Over \$3,000,000	.80%

Fee Schedule for: Preservation Portfolios	
Assets Valuation	Annual Advisory Fee
All Assets	1.00%

Fee Schedule for: Client Directed Accounts	
Assets Valuation	Annual Advisory Fee*
All Values	0.60%

*The minimum quarterly fee billed will be \$25

Advisory fees do not include brokerage (transaction) fees that may be assessed by the custodial broker-dealer (custodian). Custodial fees are offered on a per transaction or a percentage of asset basis when available from the custodian. Advisory fees and custodial fees are separate and distinct. Client is responsible for miscellaneous account fees that may be charged by the custodian which include but are not limited to: overnight fees, ACH fees, account closure fees, reorganization fees, check writing fees, etc. GI charges an account service and technology/administrative fee of \$60 annually. All fees paid to GI for investment advisory services are separate and distinct from the internal expenses charged by ETFs, mutual funds, closed-end funds, and variable annuities.

The above fees are negotiable based on the overall relationship and the final fee schedule will be attached in the investment advisory contract. Fees are assessed quarterly or monthly (at GI's discretion) in arrears based on the amount of the assets managed as of the end of the previous quarter or month. All management fees are withdrawn from the client's account unless otherwise noted. GI will receive written authorization from the client to deduct advisory fees from an account held by a qualified custodian. GI will send the qualified custodian written notice of the amount of the fee to be deducted from the client's account. All management fees will be noted on the custodian's monthly/quarterly account statements sent directly to the client. Clients may find comparable services for higher or lower fees from other sources. Clients may terminate their account within five days of signing the investment advisory contract with no penalty and a full refund. For terminations that end on other than the last day of the quarter/month, GI will be entitled to a pro-rata fee for the days service was provided in the final quarter/month and will bill the client accordingly.

Gradient Open Architecture 401(k) Platform

GI will provide investment portfolios to all participants primarily made up of mutual funds and ETFs. GI will work with the investment advisor, employer, third-party administrator, and custodian to help ensure the investment objectives of the plan participants are achieved and a variety of investment options are available.

Open Architecture Investment Management Services

Plan Assets*	Annual Fees
\$0 to \$3,000,000	.50%
\$3,000,001 to \$5,000,000	.40%
\$5,000,000+	.30%

The above fees are charged at the plan level and do not include any fees charged by the third-party administrator, custodian, or any other RIA firm or entity. Separate account management fees within qualified retirement plans fall under the regular fee schedule as noted in Item 5. All internal fees charged by ETFs, mutual funds and closed-end funds are separate and distinct from the fee schedule listed above. GI does not share in any brokerage commissions. The above fees are negotiable, and the final fee schedule will be attached in the investment advisory agreement. GI does not at any time act as the custodian or third-party administrator on any employer sponsored plans it renders advice on. Fees are deducted quarterly in arrears and are based on the total asset value as of the last business day of the quarter.

401(k) Investment Analysis and Plan Design

GI will, at the request of the employer, offer 401(k) plan analysis and investment recommendations for a one-time fee of up to \$2,500. The above fees are negotiable, and the final fee schedule will be attached in the Investment Proposal and Investment Contract. Client will pay 50% upon commencement and the balance due upon analysis and design completion. GI reserves the right to postpone or waive fees. Services will be completed and delivered within six (6) months. Client will have five (5) days to terminate this agreement. For cancellations after 5 days, client will be due a pro-rata refund, or GI will be entitled to a pro-rata share of work completed.

AUM INCENTIVE AND NON-CASH COMPENSATION

GI has instituted a long-term incentive arrangement whereby the independent RIA (solicitor firm) can share in Gradient Investments' portion of the management fee. This does not change the cost to the client; it is an arrangement paid from our portion of the advisory fee for those firms who maintain greater than \$10 million with GI and who are actively growing their AUM. This amount is calculated quarterly/monthly and paid annually. To receive the incentive, the RIA firm needs to meet two qualifications. First, the quarter/month end billable AUM must be above \$10 million. Second, you must be an RIA "in good standing with Gradient Investments". "In good standing" means the advisor is proactively placing assets with Gradient Investments.

Participants in the GI AUM Incentive Program have no vested interest in the program or in GI. The Gradient AUM Incentive Program in neither a deferred compensation plan nor a deferred compensation program. Incentive payments are calculated by GI at its sole discretion. "In good standing" is determined solely by Gradient Investments. Participating advisors have no right to review or audit any of the financial records of GI. GI reserves the right to change, modify, or discontinue the Incentive Program at any time for any reason.

In addition, RIA Firms and their advisors may be eligible for non-cash compensation including industry standard business conferences and trips. Some of these programs may be financed in whole or in part by GI which may influence some advisors to favor GI. This does not change the cost to the client and at all times the RIA firm must maintain their fiduciary duty.

Client Payment of Fees

Fees for asset management are billed quarterly or monthly in arrears, meaning we bill you after the three-month billing period has ended. Accounts that open or close intra-quarter/month are billed on a pro rata basis. If GI is unable to bill the account direct at the custodian a fee invoice will be drafted and sent to the address of record and client agrees to pay the invoice for management services rendered.

Additional Client Fees Charged

Custodians may charge transaction fees or asset based fees (if appropriate) on purchases or sales of certain mutual funds, equities and ETFs. These charges may include transaction fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security.

GI, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on the brokerage practices, see Item 12 of this brochure and the custodial account information.

Prepayment of Client Fees

GI does not receive fees in advance.

External Compensation for the Sale of Securities to Clients

GI does not receive any external compensation for the sale of securities to clients.

Item 6: Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities. GI does not use a performance-based fee structure.

Item 7: Types of Clients

Description

GI generally provides investment advice to individuals, high net worth individuals, pension and profit-sharing plans, corporations, and business entities. Client relationships vary in scope and length of service.

Account Minimums

GI has a minimum account value, per client or household, of \$25,000 for the Preservation portfolios and \$50,000 for the Allocation portfolios. The Strategic and Tactical portfolios have an account minimum of \$100,000. GI at its sole discretion may accept accounts of a lesser value.

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

Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis and cyclical analysis.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market. The main sources of information include financial publications, corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, financial publications, research prepared by others, filings with the Securities and Exchange Commission, and company press releases.

GI utilizes investment research software in its investment analysis process and selection of securities.

GI may also use outside investment consultants or sub-managers for specific areas of expertise.

Investment Strategy

GI actively monitors and manages accounts through our proprietary Wright Investment Strategy focusing on the core principles of risk exposure, investment strategy, and investment performance. Our strategies focus on your unique investment objectives: (e.g. - preservation of principal, income maximization, capital accumulation). Our portfolios are designed to meet your long-term objectives as described in item 4.

Security-Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with GI:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- *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 buy more than 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's 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.
- *Options Trading:* The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period (i.e., before the option expires). Additionally, options are less tangible than some other investments. An option is a "book-entry" only investment without a paper certificate of ownership.
- *Structured Notes Risk:* The risks involved with using structured notes are credit risk of the issuing investment bank, illiquidity, and there is a risk to the pricing accuracy as most structured notes do not trade after issuance.

Item 9: Disciplinary Information

Criminal or Civil Actions

The firm and its management do not have any criminal or civil actions to report.

Administrative Enforcement Proceedings

The firm and its management have not been involved in any reportable administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

GI does not have investment advisor representatives that are affiliated with a broker-dealer.

Futures or Commodity Registration

Neither GI nor its employees are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Charles E. Lucius is also founder and CEO of Gradient Advisors, LLC, an SEC registered investment advisor. Gradient Advisors, LLC and GI are affiliated entities. Associated persons of Gradient Advisors may refer clients to GI for investment management services. This creates a conflict of interest as GI would receive compensation through assets under management. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation. Clients of Gradient Advisors are not required to use GI as a money manager, and may choose from several other third party money managers Gradient Advisors solicits for.

Charles E. Lucius is also a consultant for Gradient Insurance Brokerage Inc. (GIB). GIB is an Insurance Marketing Organization (IMO) which provides a distribution channel on behalf of insurance companies for independent licensed insurance agents. The independent registered investment advisors/solicitors for GI may also have an outside affiliation through a separate agency (or individually as an agent) for the placement of non-securities products and receive a commission rate which could be higher than traditional investments. In the event an independent agent elects to partner with the IMO Gradient Insurance Brokerage Inc. (GIB), GIB will be compensated directly from the insurance company. The commission structure built into insurance products is predetermined by the insurance companies. The product purchased by the client is issued by the insurance company and the cost to the client is in no way altered by the IMO or the insurance agent involved. Furthermore, the client has no obligation to do business with the advisor/agent. Charles E. Lucius receives consulting compensation from GIB and therefore, a conflict of interest occurs. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation. Independent insurance agents may work with any insurance company and any IMO of their choosing, one of which may be GIB.

Tami J. Lucius, wife of Charles E. Lucius, is majority owner of Gradient Securities, LLC (GS). GS is a dually registered broker dealer and investment adviser. Among other things, GS advisors may refer clients to GI for asset management services. Because Tami J. Lucius may receive an economic benefit as majority owner of GS, Charles E. Lucius, indirectly receives an economic benefit, and therefore, a conflict of interest occurs. This conflict is mitigated by disclosures and the fiduciary obligation of GS and its' advisors. Investment Advisor Representatives of GS may select from several approved money managers, one of which is GI.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

The firm and its management do not recommend or select other investment advisors for clients.

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

Code of Ethics Description

The employees of GI have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of GI employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of GI. The Code reflects GI and its supervised persons' responsibility to act in the best interest of their client.

One area which the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

GI's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of GI may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

GI's Code is based on the guiding principle that the interests of the client are our top priority. GI's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

GI and its employees do not recommend to clients securities in which we have a material financial interest.

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

GI and its employees may buy or sell securities that are also held by clients. In order to avoid potential conflicts of interest such as front running of client trades, employees are required to disclose all reportable securities transactions as well as provide GI with copies of their brokerage statements.

The chief compliance officer of GI is Nicole Alexander. She reviews all employee trades each quarter. Personal trading reviews help ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment. Since most employee trades are in products such as mutual funds, government securities, bonds or are small in size, they do not impact the securities markets.

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

Gradient Investments does maintain a master/corporate account at each custodian. From time to time GI will place trades and hold securities in the account in an attempt to earn better than money market rates.

In order to mitigate conflicts of interest such as front running, a copy of the custodian statement will be provided to the Chief Compliance Officer for review.

The Chief Compliance Officer of GI is Nicole Alexander. She will review all firm trades each quarter to ensure the trading of GI does not affect the markets and that clients of the firm receive preferential treatment over the firm transactions.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

Specific custodian recommendations are made to clients based on their need for such services. GI recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

GI participates in the TD Ameritrade Institutional program and utilizes TD Ameritrade Institutional as a custodian for client accounts. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers GI services which include custody of securities, trade execution, clearance and settlement of transactions. GI receives some benefits from TD Ameritrade through its participation in the program. (Please see Item 14)

GI may recommend discount brokerage firms and trust companies (qualified custodians), such as Pershing, E-Trade, Scottrade and TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC. GI does not receive fees or commissions from any of these arrangements.

- *Directed Brokerage*

In circumstances where a client directs GI to use a certain broker-dealer, GI still has a fiduciary duty to its clients. The following may apply with directed brokerage: GI's inability to negotiate commissions, to obtain volume discounts, disparity in commission charges among clients, and potential conflicts of interests arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker, and potential benefit to the end consumer through access to institutional research. The securities traded for you may be traded in one or more marketplaces or may employ an institutional equity trading partner to execute transactions. Consistent with the overriding principle of best execution and subject to applicable regulatory requirements, we may use our discretion in selecting these marketplaces or institutional equity trading partners to enter or execute Client orders. Most trades will be done directly with the custodian through market and limit

orders. Institutional equity and ETF trades (not done with the custodian) are done in rare instances when the investment team deems appropriate.

- GI will route Client orders for over-the-counter equities and listed equity securities to execution venues as appropriate, with best execution being the highest priority. GI considers a number of factors when determining where to send Clients' orders, including execution speed and price, price improvement opportunities, the availability of efficient and reliable order-handling systems, the level of service provided, and the cost of executing orders. GI strives to execute all held orders at prices equal to or better than the displayed national bid/offer price, up to the displayed size, at the time of execution. Not-held orders are worked for best price by the trading desk. GI may utilize non-affiliated third-party institutions when transacting large blocks of ETFs or equities.
- As a result of the "over-the-counter" nature (the lack of a market exchange) of securities, the available trading methods differ from that of equity securities. Consistent with the overriding principle of best execution and subject to applicable regulatory requirements, we may use our discretion in selecting the appropriate institutional equity trading system and/or broker-dealers with which to execute Client orders. GI considers a number of factors when determining where to execute Client orders, including the product type (which may influence the liquidity in the market) and the size of the order. All non-custodian transactions are documented and a policy is in place for Institutional Equity Trading.
- For securities we regularly review transactions for quality of execution, and take action, as appropriate, for Client price improvement and to fulfill our best execution obligations. At all times, our foremost concern is to obtain the best execution for our Clients, regardless of any compensation factor.

If any such prices are unavailable or believed to be unreliable, GI will determine prices in good faith so as to reflect our understanding of fair market value.

- *Soft Dollar Arrangements*
GI has no soft dollar arrangements.

Aggregating Securities Transactions for Client Accounts

GI is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other clients of GI. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

Item 13: Review of Accounts

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

Account and portfolio reviews are continuously performed by GI's Investment Committee which meets on a regular basis. Account reviews are performed more frequently when market conditions dictate or when a certain strategy rebalance or trade may be appropriate.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of client's accounts are changes in the tax laws, new investment information and changes in a client's own situation. It is important that you communicate with your introducing advisor with respect to any changes to your financial goals and objectives.

Content of Client Provided Reports and Frequency

GI, through its network of independent investment advisors, furnishes quarterly performance reports through an online system, Client Navigator. This system allows clients and advisors to login and run performance reports, holdings reports, and various reports at their convenience. The custodian will also provide monthly or quarterly holdings reports directly to the client via mail or electronic version as indicated by the client.

Item 14: Client Referrals and Other Compensation

Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest

GI does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

As disclosed under Item 12 above, GI participates in TD Ameritrade's institutional program and GI may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between GI's participation in the program and the investment advice it gives to its Clients, although GI receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits 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; 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 some mutual funds and traded securities with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to GI by third party vendors. GI does not utilize all of the services offered by the program. TD Ameritrade may also have paid for or sponsored business consulting, training events, and professional services received by GI or related persons. Some of the products and services made available by TD Ameritrade through the program may benefit GI but may not directly benefit its Client accounts. These products or services may assist GI in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help GI manage and further develop its business enterprise. The benefits received by GI or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, GI endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by GI or its related persons in and of itself may create a potential conflict of interest and may indirectly influence the GI's choice of TD Ameritrade for custody and brokerage services. It is important to note that the total assets held at TD Ameritrade by clients of GI provide scale and cost savings to clients and are very competitive vs. industry peers. These may include; reduced or commission free trades, reimbursement of account closure fees by TD Ameritrade charged by another custodian, special offers for new clients of TD Ameritrade, asset based pricing for higher volume trading.

GI also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include investment research and brokerage related services designed to enhance the investment process and investment related decisions. These services or vendors may include: Morningstar, Orion Advisor Services, Raymond James Equity Capital Markets, William Blair, RBC Capital, Jefferies, and BMO Capital Markets. TD Ameritrade provides the Additional Services to GI at its sole discretion and at its own expense, and GI does not pay any fees to TD Ameritrade for the Additional Services. GI and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services. GI's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to GI, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, GI's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with GI, at its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, GI may have an incentive to recommend to its Clients that the assets under management by GI be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. GI's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

It is important to note that the total assets held at TD Ameritrade by clients of GI provide scale and cost savings to clients and are very competitive vs. industry peers. These may include; reduced or commission free trades, reimbursement of account closure fees by TD Ameritrade charged by another custodian, special offers for new clients of TD Ameritrade, asset based pricing for higher volume trading.

GI personnel serve on the TD Ameritrade Institutional Client Experience Panel ("Panel"). The Panel consists of approximately thirty independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor and their experience with TD Ameritrade's service, technology and products. The Panel meets in person on average three to four times per year and conducts periodic conference

calls on an as needed basis. Investment advisors are appointed to serve on the Panel for a three year term by TDA Institutional sales, service and senior management. An investment advisor may serve longer than three years if appointed to additional terms by TDA Institutional senior management. At times, Panel members are provided confidential information about TDA Institutional initiatives. Panel members are required to sign confidentiality agreements. ("TD Ameritrade") does not compensate Panel members. However, TD Ameritrade pays or reimburses GI affiliated Panel member for travel, lodging and meal expenses incurred in attending Panel meetings. The benefits received by GI or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by GI or its related persons in and of itself creates a potential conflict of interest and may indirectly influence GI's recommendation of TD Ameritrade for custody of brokerage services.

Advisory Firm Payments for Client Referrals

GI may enter into agreements with individuals and organizations, which may be affiliated or unaffiliated with GI, that refer clients to GI in exchange for compensation. All such agreements will be in writing and comply with the requirements of Federal or State regulation. If a client is introduced to GI by a solicitor, GI may pay that solicitor a fee. While the specific terms of each agreement may differ, generally, the compensation will be based upon GI's engagement of new clients and is calculated using a varying percentage of the fees paid to GI by such clients. Any such fee shall be paid solely from GI's investment management fee, and shall not result in any additional charge to the client.

Each prospective client who is referred to GI under such an arrangement will receive a copy of this brochure and a separate written disclosure document disclosing the nature of the relationship between the solicitor and GI and the amount of compensation that will be paid by GI to the solicitor. The solicitor is required to obtain the client's signature acknowledging receipt of GI's disclosure brochure and the solicitor's written disclosure statement.

Item 15: Custody

Account Statements

All assets are held at qualified custodians, meaning the custodians provide account statements directly to clients at their address of record or via email notification at least quarterly. Clients are urged to review their account statements received directly from the custodian and compare them to the performance reports prepared by GI.

GI is deemed to have constructive custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of GI.

Item 16: Investment Discretion

Discretionary Authority for Trading

GI accepts discretionary authority to manage securities accounts on behalf of clients. GI has the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. The client approves the custodian to be used.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment strategy that you have approved in writing. Clients sign/initial a limited power of attorney and investment proposal/contract so that we may execute the trades that you have approved and withdraw the contractually agreed upon advisory fees.

Item 17: Voting Client Securities

Proxy Votes

GI does not vote proxies on securities. Clients are expected to vote their own proxies and can choose to do so on the custodial application. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because GI does not serve as a custodian for client funds or securities, and GI does not require prepayment of fees of more than \$1,200 per client and six (6) months or more in advance.

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

GI has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

Bankruptcy Petitions during the Past Ten Years

Neither GI nor its management has had any bankruptcy petitions in the last 10 years.



Executive Officers and Management Brochure

Part 2B of Form ADV

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Arden Hills, MN 55126

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This brochure supplement provides information about the Executive Officers and Management that supplements the Gradient Investments, LLC brochure. You should have received a copy of that brochure. Please contact us at the above address, if you did not receive Gradient Investments, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about the Executive Officers and Management may be available on the SEC's website at www.adviserinfo.sec.gov.

March 13, 2020

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

GI requires each investment advisor who renders investment and financial planning to clients to be an investment advisor representative meeting the registration requirements in their applicable state.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Chartered Financial Consultant (ChFC): Chartered Financial Consultants are licensed by the American College to use the ChFC mark. ChFC certification requirements:

- Complete ChFC coursework within five years from the date of initial enrollment
- Pass the exams for all required elective courses. You must achieve a minimum score of 70% to pass.
- Meet the experience requirements: Three years of business experience immediately preceding the date of use of the designation are required. An undergraduate or graduate degree from an accredited educational institution qualifies as one year of business experience.
- Take the Professional Ethics Pledge.
- When you achieve your ChFC designation, you must earn your recertification every two years.

Chartered Life Underwriter (CLU): Chartered Life Underwriters are licensed by the American College to use the CLU mark. CLU certification requirements:

- Complete successfully CLU coursework 5 required and 3 elective
- Meet the experience requirements: Three years of business experience immediately preceding the date of use of the designation are required. An undergraduate or graduate degree from an accredited educational institution qualifies as one year of business experience.
- Take the Professional Ethics Pledge.
- When you achieve your CLU designation, you must earn 30 hours of continuing education credit every two years.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Charles E. Lucius, CLU®, CHFC®, MSFS - Founder and CEO (CRD #1012912)

With a deep passion for knowledge, Charles E. "Chuck" Lucius, has earned many degrees and designations, but it was serving as a pilot in the United States Air Force that he found a deeper passion for freedom and the boundless opportunity it affords. Over the course of his career, Chuck has attained the following licenses and/or designations: Series 7, 24, 63, 65, CFP.

In 1975, Chuck began his career in the insurance industry with Prudential Life Insurance Company. He successfully served in the field and in numerous leadership roles to include Estate Planning Specialist, Director of Advanced Marketing, and Director of Fee-Based Financial Planning. Chuck also served as Managing Director overseeing the leading Prudential Agency in Minnesota earning Prudential's highest honors as the recipient of The President's Citation.

In 2001, Chuck began his tenure as President and Principal of Personalized Brokerage Services, LLC / USAllianz Securities. Under his leadership, the organization grew to become an industry leader from a group of 15 professionals to a team of over 150 professionals and 200 + Registered Representatives. Annual premium soared under his leadership, and a wealth management business model was created which included fixed annuities, securities, long-term care and life insurance divisions as well as a top-tier practice management program. He earned a reputation for operational excellence.

Currently, Chuck is founder and CEO of Gradient Financial Group and founded Gradient Investments in 2006. His organizations provide a cutting-edge platform which emphasizes his passion for maintaining independence for agents within the financial services industry. Chuck also serves on numerous Insurance Company Leadership Councils.

Chuck resides in Minnesota with his wife Tami and enjoys spending time with his children, Megan, Brian, Nate, Chaz and Cruz. He enjoys spending family time at his lake home as well as personal aviation and furthering his industry knowledge.

Year of birth: 1948

Educational Background:

- The American College; Masters of Science in Financial Services; 1988
- North Dakota State University; BS Psychology; 1970
- U.S. Air Force Pilot; 1970-1975

Business Experience:

- Gradient Assurance Series, LLC; Owner; 2014-Present
- Integrated Risk Strategies, LLC; Owner; 2014-Present
- Case Central, LLC; Owner; 2014-Present
- Luson Capital, LLC; Owner; 2013-Present
- Nextek, LLC; Owner; 2013-Present
- Gradient Insurance Management, LLC; Owner; 2013-Present
- KonnexME, LLC; Owner 2012-Present
- Gradient Advisors, LLC; Owner/CEO; 2009-Present
- Gradient Financial Group, LLC; Owner; 2008-Present
- Gradient Investments, LLC; Owner/CEO; 2006-Present
- RIA Registrar, LLC; Owner; 2006-Present
- A Street, LLC; Owner; 2005-Present
- Gradient Insurance Brokerage, Inc.; Consultant; 2005-Present
- Gradient Financial Direct, LLC; Owner; 2017-2019
- Gradient Wealth Management, LLC; Owner/CEO; 2013-2014
- BZ Inc.; Owner; 2009-2013
- J Street, LLC; Owner; 2005-2013

Disciplinary Information: None to report

Other Business Activities: Chuck Lucius is a consultant to Gradient Insurance Brokerage Inc., an insurance wholesaling company and owner of Gradient Advisors LLC, a registered investment advisor.

Additional Compensation:

The independent registered investment advisors/solicitors for GI may also have an outside affiliation through a separate agency (or individually as an agent) for the placement of non-securities products and receive a commission rate which could be higher than traditional investments. In the event an independent agent elects to partner with the IMO Gradient Insurance Brokerage Inc. (GIB), GIB will be compensated directly from the insurance company. The commission structure built into insurance products is predetermined by the insurance companies and is not altered by the IMO. The product purchased by the client is issued by the insurance company and is no way altered by the IMO or the insurance agent. Furthermore, the client has no obligation to do business with the advisor/agent. Charles Lucius receives consulting compensation from GIB and therefore, a conflict of interest occurs. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation. Independent insurance agents may work with any insurance company and any IMO of their choosing, one of which may be GIB.

Associated persons of Gradient Advisors may refer clients to GI for investment management services. This creates a conflict of interest as GI would receive compensation through assets under management. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation. Clients of Gradient Advisors are not required to use GI as a money manager and may choose from several other third party money manager's Gradient Advisors solicits for.

Nathan Lucius, MBA – Member (CRD #5121686)

Nathan Lucius serves as the president of Gradient Financial Group, LLC. As president, he is responsible for the oversight and strategic direction of the Gradient family of companies. Prior to his current role, Nathan held various leadership roles within Gradient Investments, which included investment consultant, chief compliance officer, and managing director.

Nathan boasts a broad knowledge of the financial services industry and has been featured in several national media outlets including Investment News, MarketWatch.com, Investor's Business Daily and The Wall Street Journal. His knowledge spans across the insurance and securities spectrum.

Nathan has always dedicated himself to providing affiliated advisors and their clients with a comprehensive money management platform that is actively managed, results oriented, progressive and sustainable long term.

He earned his Bachelor of Science from the University of Colorado and a Master of Business Administration from the University of St. Thomas in Minneapolis, Minnesota.

Year of birth: 1983

Educational Background:

- University of St. Thomas; MBA; 2013
- University of Colorado; BS Major in Marketing; 2006

Business Experience:

- Gradient Financial Group, LLC; President; 2018-Present
- Gradient Investments, LLC; Member; 2008-Present
- Integrated Risk Strategies, LLC; Owner; 2014-Present
- Luson Capital, LLC; Owner; 2013-Present
- Gradient Investments, LLC; Managing Director/Chief Compliance Officer; 2008-2018
- Gradient Advisors, LLC; President; 2015–2017
- Gradient Insurance Brokerage, Inc.; Vice President of Marketing; 2006-2009
- Registered Independent Advisors; Vice President of Marketing; 2006-2009
- Morgan Stanley; Business Consultant, 2006-2006
- American Financial; Business Consultant; 2005-2006
- State Farm Insurance; Intern; 2005-2005
- University of Colorado; Student; 2002-2006

Disciplinary Information: None to report

Other Business Activities: Nathan Lucius serves as the president of Gradient Financial Group, LLC. As president, he is responsible for the oversight and strategic direction of the Gradient family of companies. In addition, Nathan Lucius serves on the Board of Directors for the National Association for Fixed Annuities (NAFA).

Additional Compensation: Nathan Lucius receives compensation for his role as President of Gradient Financial Group, LLC.

Supervision: Nathan Lucius is supervised by Charles Lucius. He reviews Nathan Lucius's work through frequent office interactions. He also reviews Nathan Lucius's activities through our client relationship management system. Charles Lucius's contact information: Telephone: (888) 824-3525, Email: clucius@gradientinvestments.com.

Michael Binger, CFA® - President (CRD #6266863)

Michael Binger, CFA®, serves as the President for Gradient Investments, LLC. Binger brings over 31 years of investment management experience to Gradient Investments and its affiliated advisors and clients. He has extensive experience working directly with financial advisors designing and actively managing portfolios. Binger has successfully invested in numerous market and economic cycles giving him a level and depth of experience that is rare in this industry.

Binger started his investment career in Minneapolis, Minnesota with Lutheran Brotherhood in 1987 and gained experience managing assets in a variety of asset classes including convertible bonds, small cap equities, and large cap equities. When Lutheran Brotherhood and Aid Association for Lutherans merged in 2001 to become Thrivent Financial, Binger was selected to work as one of the senior portfolio managers on the Large Cap Growth team and Large Cap Alpha Team managing over \$3 billion in assets. As a senior portfolio manager, he developed and oversaw the tactical investment strategies utilized within mutual funds, variable annuities, pension funds and insurance company products. These investment processes included proprietary portfolio construction strategies, security selection metrics and volatility controlled parameters.

Binger graduated from the University of Minnesota earning a Bachelor of Science in Business Administration-Finance. He graduated with honors and was the University of Minnesota's "Wall Street Journal Award Winner." Binger is a CFA® and a member of The Chartered Financial Analyst Institute and the Twin Cities Society of Security Analysts.

Binger's media highlights include numerous appearances, providing market insight on CNBC, Bloomberg TV and Fox Business. He has also been quoted in The Wall Street Journal, Barron's, Smart Money, Reuters, Business Week and numerous other local, national, and global investment publications.

Year of birth: 1960

Educational Background:

- University of Minnesota; Bachelor of Science in Finance; 1987

Business Experience:

- Gradient Investments, LLC; President; 2018-Present
- Gradient Investments, LLC; Senior Portfolio Manager; 2012-2018
- Thrivent Financial for Lutherans; Senior Portfolio Manager; 1987–2011

Disciplinary Information: None to report

Other Business Activities: None to report

Additional Compensation: None to report

Supervision: Michael Binger's advisory activities are supervised by Nathan Lucius. He reviews Michael's advisory work through frequent office interactions. Nathan Lucius also reviews Michael's activities through our client relationship management system. Nathan Lucius's contact information: Telephone: (888) 824-3525, Email: nlucius@gradientinvestments.com

Wayne Schmidt, CFA®, MBA – Chief Investment Officer (CRD #1278435)

In October 2008, Wayne Schmidt, CPA®, MBA joined Gradient Investments, LLC and serves as Chief Investment Officer. With 26 years of investment experience, Wayne brings decades of institutional experience and in-depth knowledge of the private client market to Gradient Investments, and offers a global investment management perspective. Wayne is an invaluable and direct resource for affiliated investment advisors and their clients. He provides vast wisdom, knowledge, experience and tools to help investment advisors grow their practice, while also growing clients' assets.

In a nationwide search that included acquisition considerations, AXA Investment Managers, a subsidiary of the European insurance giant AXA Group, handpicked Wayne to build their U.S investment grade fixed income capabilities and to lead a seasoned portfolio team located in St. Paul, Minnesota. During his tenure at AXA Investment Managers, Wayne served as senior portfolio manager for the U.S. Investment Grade Fixed Income Team. As the lead portfolio manager, he managed \$9.5 billion of fixed income assets with a variety of mandates ranging from aggregate, corporate and government bond portfolios.

Before joining AXA Investment Managers, Wayne dedicated over 20 years to Minnesota Life and its \$14 billion investment arm, Advantus Capital Management. As portfolio manager, he managed a variety of high-grade funds as part of Advantus's \$1.8 billion Total Return Product for institutional and retail clients. He also served as the lead portfolio manager of the Advantus Bond Fund and the co-portfolio manager of the Advantus Spectrum Fund.

Wayne earned his Master of Business Administration in Finance from the University of Minnesota and a Bachelor of Science from Cornell University. He is a Chartered Financial Analyst® and a member of The Chartered Financial Analyst Institute and the Twin Cities Society of Security Analysts.

Over the years, Wayne has been quoted on the global economy in numerous nationally and internationally recognized investment publications such as Bloomberg, Pension & Investments, Reuters, The Los Angeles Times, Financial Week (2008 Neal Award Winner), Asia Times, InvestorVillage, Safehaven, SFO, Credit Investment News and RGE Monitor (Nouriel Roubini's Global EconoMonitorinvestment). He has also provided market insights on Bloomberg radio and television.

Wayne's love of Minnesota is Gradient Investments' great fortune, as he declined to relocate with AXA Investment Managers following their strategic decision to consolidate function into the high-yield operation in Greenwich, Connecticut. Wayne spends his time in Arizona and Minnesota with his wife Sue.

Year of birth: 1955

Educational Background:

- University of Minnesota; MBA, Finance; 1991
- Cornell University; Bachelor of Science; 1977

Business Experience:

- Gradient Investments, LLC; Chief Investment Officer; 2008-Present
- Gradient Insurance Brokerage, Inc.; Senior Vice-President; 2008-2009
- AXA-Investment Managers, Inc.; Portfolio Manager; 2003-2008
- Mimlic Imperial Corp.; Portfolio Manager; 2003-2008
- Securian Financial Services, Inc.; Registered Representative; 1984-2003
- Advantus Capital Management Co.; Assistant Secretary; 1984-2003
- Minnesota Life Insurance; Assistant Treasurer; 1979-2003
- Dataplan Securities, Inc.; Registered Representative; 1986-1992

Disciplinary Information: None to report

Other Business Activities: None to report

Additional Compensation: None to report

Supervision: Wayne Schmidt's advisory activities are supervised by Michael Binger. He reviews Wayne Schmidt's advisory work through frequent office interactions. Michael Binger also reviews Wayne Schmidt's activities through our client relationship management system. Michael Binger's contact information: Telephone: (888) 824-3525, Email: mbinger@gradientinvestments.com

Nicole Alexander - Chief Compliance Officer (CRD #4249833)

Nicole Alexander serves as Chief Compliance Officer for Gradient Investments, LLC. Nicole brings over a decade of experience in the investment services industry to Gradient. Her skill set includes supporting financial advisors in investment portfolio administration, asset analysis, project management, trading, compliance, and client services. Currently, she oversees the compliance and supervisory responsibilities and is accountable for oversight, ensuring all internal policies, procedures, standards of conduct and ethical principles are adhered to relative to SEC regulations.

During her tenure, Nicole served as Assistant Portfolio Manager for a Registered Investment Advisor in the Twin Cities area. Her duties involved portfolio analysis, client and advisor support, and trading. Nicole managed the billing process of all investment accounts, cash disbursements, prepared in-depth portfolio analysis and

financial reports for clients, and was responsible for all compliance support and regulatory filings.

Nicole holds her Series 65 and earned her Bachelor of Science in business management with a minor in finance from the University of Minnesota, Carlson School of Management.

Year of birth: 1977

Educational Background:

- University of Minnesota – Carlson School of Management; Bachelor of Science – Business Management & Finance; 2001

Business Experience:

- Gradient Investments, LLC; Chief Compliance Officer; 2018-Present
- Gradient Investments, LLC; Senior Vice President of Operations; 2009–Present
- Jamerica Financial, Inc.; Assistant Portfolio Manager; 1999–2009

Disciplinary Information: None to report

Other Business Activities: None to report

Additional Compensation: None to report

Supervision: Nicole Alexander's advisory activities are supervised by Michael Binger, President of Gradient Investments. He reviews Nicole's advisory work through frequent office interactions. Michael Binger also reviews Nicole's activities through our client relationship management system. Michael Binger's contact information: Telephone: (888) 824-3525, Email: mbinger@gradientinvestments.com

Mariann Montagne, CFA® - Portfolio Manager (CRD #859995)

Mariann Montagne, CFA serves as Portfolio Manager for Gradient Investments, LLC. She has 20 plus years of working with both institutional and high net worth clients and has amassed a strong breadth of investment experience in her tenure. This experience includes company and industry sector analysis, risk monitoring and portfolio management in both the equity and fixed income markets. She is highly attuned to economic and market conditions, and has extensive experience selecting individual stocks, ETFs and mutual funds.

Prior to joining Gradient Investments, she was the Senior Investment Analyst and co-Portfolio Manager for a Minneapolis-based Registered Investment Advisor with over \$500 million in assets under management. Montagne was involved in security selection, portfolio management, client presentations and setting strategic direction for the investment department. Her coverage included individual securities, ETF's and mutual funds in the equity, fixed income and alternative asset classes. Prior to that, she was a Senior Investment Analyst at Thrivent Asset Management examining industry sectors and selecting individual equities. Montagne also spent several years at Munder Capital Management as the assistant director of research along with covering growth and value equities.

Montagne served for seven years on the Global Board of the Consumer Analyst Group of New York (CAGNY), including posts as president and conference chair. She is a Chartered Financial Analyst and a member of both the CFA Society of Minnesota and the CFA Institute. Montagne is an alumnus of the University of Detroit where she graduated cum laude with a Finance major and an English minor.

Montagne's media highlights include quotes in Barron's, The Wall Street Journal, Fortune, NPR, Washington Post, and the Chicago Tribune. She has also appeared on Bloomberg TV and Fox Business News.

Year of birth: 1955

Educational Background:

- University of Detroit; Bachelor of Science - Finance; 1977

Business Experience:

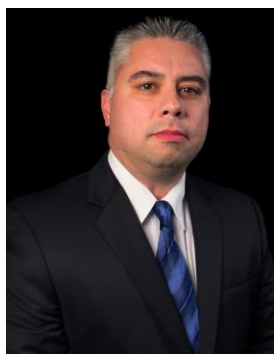
- Gradient Investments, LLC; Senior Portfolio Manager; 2014-Present
- Marks Group; Senior Investment Analyst; 2010–2013
- Thrivent Financial; 2005–2009

Disciplinary Information: None to report

Other Business Activities: None to report

Additional Compensation: None to report

Supervision: Mariann Montagne's advisory activities are supervised by Michael Binger, President of Gradient Investments. He reviews Mariann Montagne's advisory work through frequent office interactions. Michael Binger also reviews Mariann Montagne's activities through our client relationship management system. Michael Binger's contact information: Tele: (888) 824-3525, Email: mbinger@gradientinvestments.com

Jeremy Michael Bryan, MBA, CFA® - Portfolio Manager (CRD #4266823)

Jeremy Bryan is a Chartered Financial Analyst, he joined Gradient Investments in late 2016. As Portfolio Manager he helps manage the Gradient Investment model portfolios. Jeremy has a strong investment background and is familiar with the advisor distribution model.

Prior to Gradient Investments, Jeremy spent six years at Alerus Investment Advisors Corporation in Minneapolis where he was responsible for stock research, selection, and management of the equity portfolios for Alerus advisors and their clients. Prior to Alerus, he spent time as an Equity Analyst at Surveyor Capital a wholly owned subsidiary of Citadel Securities. And as an Equity Analyst at Jeffrey Slocum and Deephaven Capital, both in Minneapolis.

Jeremy is a graduate of St. Cloud State University with a Bachelor of Arts in Finance, and the University of St. Thomas with a Masters of Business Administration.

Year of birth: 1976

Educational Background:

- St. Cloud State University; Bachelor of Arts – Finance; 2000
- University of St. Thomas; Masters of Business Administration; 2008

Business Experience:

- Gradient Investments, LLC; Portfolio Manager; 2016 – Present
- Alerus Investment Advisors Corporation; Portfolio Manager; 2011 - 2016
- Surveyor Capital/ Citadel Securities; Senior Equity Analyst; 2010 - 2011
- Jeffrey Slocum; Senior Equity Associate; 2009 - 2010
- Deephaven Capital Management; Equity Analyst/Operation Associate; 2004 - 2009

Professional Certifications:

Employees have earned certifications and credentials that are required to be explained in further detail.

Chartered Financial Analyst (CFA®): The Chartered Financial Analyst designation is awarded by the CFA® Institute.

CFA® certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent educational or work experience.
- Successful completion of all three exam levels of the CFA® Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA® Institute.

Disciplinary Information: None to report

Other Business Activities: None to report

Additional Compensation: None to report

Supervision: Jeremy Bryan's advisory activities are supervised by Michael Binger, President of Gradient Investments, LLC. He reviews Jeremy Bryan's advisory work through frequent office interactions. Michael Binger also reviews Jeremy Bryan's activities through our client relationship management system. Michael Binger's contact information: Telephone: (888) 824-3525, Email: mbinger@gradientinvestments.com