



**PACKERLAND**  
BROKERAGE SERVICES

PROMOTING INDEPENDENCE. EMPOWERING INDEPENDENTS.

## **Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure**

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March 12, 2018

This wrap fee program brochure provides information about the qualifications and business practices of Packerland Brokerage Services, Inc. If you have any questions about the contents of this brochure, please contact us at 920-662-9500 or [aarond@pbshq.com](mailto:aarond@pbshq.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Packerland Brokerage Services, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 37031.

## **Item 2. Material Changes**

The following items, if any, will explain material changes that you should be aware of as a current or prospective client of our advisory programs or services. Each year you will receive either a summary of material changes that were made to the brochure over the previous year or an updated brochure. You can always request a full copy of any of our current disclosures by contacting Aaron A. Doelger, Chief Compliance Officer of Packerland Brokerage Services, Inc., at (920) 662-9500 or aarond@pbshq.com.

Item 9: The disciplinary section has been updated to reflect Packerland's consent to, and the entry of a Cease and Desist Order ("Order") issued by the SEC on December 21, 2017.

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## **Item 4. Services, Fees and Compensation**

### ***Services:***

A wrap fee program is an advisory program under which a specified fee or fees, not based directly on transactions in the client's account, is charged for advisory services, which may include portfolio management or advice concerning the selection of other investment advisers and the execution of the client's transactions. However, clients with accounts in a wrap fee program could be charged various clearing fees, exchange fees, postage, handling, custodial fees and other charges on transactions involving the account.

This Wrap Fee Program Brochure is limited to describing the services, fees, and other necessary information the clients should consider prior to becoming a client within the AAA or American Funds programs. For a complete description of the other services and fees offered by our firm, clients should refer to our Form ADV Part 2: Firm Brochure, which is incorporated by reference hereto. Please note that these programs are distinct and different from the Solicitor's Program, wherein the Firm's broker-dealer and its investment advisor representatives assist their clients in the selection of a third-party money manager as investment advisor for the clients' portfolios. If you would like to know more about the Solicitor's Program, please review the Firm Brochure.

You may obtain a copy of our Firm Brochure by contacting us via Aaron A. Doelger, Chief Compliance Officer, at 920-662-9500 or via email at [aarond@pbshq.com](mailto:aarond@pbshq.com). Alternatively, you may download a copy via the Important Disclosures section in the footer of the company website at <https://www.packerlandbrokerage.com>

### **Asset Advisory Account (AAA)**

Packerland sponsors the Asset Advisory Account (the "AAA"), a wrap fee program of which Hilltop Securities, Inc. ("Hilltop") is custodian.

In the AAA, Packerland and its investment advisor representatives provide investment advice, portfolio monitoring and performance reporting services for an annual fee, which is based on the value of the assets held in an account established under the AAA. After receiving advice or recommendations from Packerland and its representatives, clients who participate in the AAA will utilize the AAA to make his or her own determination regarding the investments that are best suited to meet the client's goals and objectives. All investment decisions are the sole responsibility of the client. The AAA is generally not discretionary in nature (unless otherwise indicated) and the investment advisor representative will not make independent investment decisions without first consulting with the client and obtaining agreement with the investment advice being provided.

Packerland and/or Hilltop will also provide various administrative services which include determining, at least quarterly, the fair market value of assets held in the client's AAA and producing a quarterly portfolio performance report for the client. The quarterly performance report will detail account assets and summarize receipts and disbursements of funds, interest and dividends received and account gain or loss for the total account.

It is important to note that Packerland will not take possession of, or maintain custody of, the client's funds or securities, but shall simply monitor the holdings within the portfolio and make trades within the portfolio pursuant to the authorization granted by the client. Possession and custody of said funds and/or securities shall be maintained by Hilltop.

### The American Funds F-2 Program

Packerland has entered into an agreement with the American Funds, which allows us to offer our clients funds within the American Fund Family as a wrap fee program, a share class that is designed for investors who choose to compensate their financial professionals based on the total assets in their portfolio, rather than via commissions or sales charges. Shares in this class, designated as F-2 class by the American Funds, do not have upfront or a contingent deferred sales charges ("CDSC") and do not carry a 12b-1 fee, but may have slightly higher administrative costs than other share classes. Investors in this program should consult the fund's prospectus to have a better understanding of the costs and expenses of the specific mutual fund, including the expenses of the F-2 share class. Please note that F-2 shares are not available for purchase in certain employer-sponsored retirement plans, unless they are a part of a qualifying fee-based program.

Investors in this American Funds F-2 Program, have a smaller minimum investment level of \$250.00. Investors in the American Funds F-2 Program can invest in any mutual funds in the American Fund Family that has an F-2 share class. Please note that exchanges among the various funds are only allowed within the same share class. Thus, one cannot move from a mutual fund with an F-2 share class to a mutual fund with a different share class.

In the American Funds F-2 Program, Packerland and its investment advisor representatives provide investment advice, portfolio monitoring and performance reporting services for an annual fee, which is based on the value of the assets held in an account established under the American Funds F-2 Program. After receiving advice or recommendations from Packerland and its representatives, clients who participate in the American Funds F-2 Program will utilize the American Funds F-2 Program to make his or her own determination regarding the investments that are best suited to meet the client's goals and objectives. All investment decisions are the sole responsibility of the client. The American Funds F-2 Program is generally not discretionary in nature (unless otherwise indicated) and the investment advisor representative will not make independent investment decisions without first consulting with the client and obtaining agreement with the investment advice being provided.

Packerland and/or the American Funds will also provide various administrative services which include determining, at least quarterly, the fair market value of assets held in the client's American Funds F-2 Program and producing a quarterly portfolio performance report for the client. The quarterly performance report will detail account assets and summarize receipts and disbursements of funds, interest and dividends received and account gain or loss for the total account.

It is important to note that Packerland will not take possession of, or maintain custody of, the client's funds or securities, but shall simply monitor the holdings within the portfolio and make trades within the portfolio pursuant

to the authorization granted by the client. Possession and custody of said funds and/or securities shall be maintained by the American Funds.

### ERISA Accounts

If the wrap fee account is established with respect to an individual retirement account or a retirement plan subject to the provisions of the Internal Revenue Code of 1986, as amended, or the Employee Retirement Income Security Act of 1974 (ERISA), as amended, certain investments may be prohibited. For example, cross agency trades, principal trades or trades in which Packerland is acting as “agent for another” when dealing with the client’s account are generally not permitted. No such transactions shall be permitted unless the client is separately notified of such transaction and gives consent prior to the completion of such transaction. In addition, Packerland shall comply with ERISA prohibited transactions or obtain any required ERISA prohibited transaction exemptions.

### Other Wrap Fee Programs

Packerland’s Firm Brochure describes other wrap fee programs utilized by the Firm, which are sponsored by other parties. Our Form ADV Part 2: Firm Brochure provides a general description of these wrap fee programs sponsored by other parties. If you would like further information about these wrap fee programs that are not sponsored by Packerland, please advise your representative and he or she will advise you about these programs and provide you with their wrap fee program brochures.

### ***Fees:***

#### Asset Advisory Account

The client agrees to pay Packerland an annual fee, assessed quarterly, for transaction execution, portfolio management and clearing services. The adviser’s annual fee for investment management services provided under this agreement shall be a percentage of the net value of the assets under management in accordance with the negotiated fee between Packerland, the investment advisor representative and the client. Notwithstanding the negotiable nature of the fee, the maximum annual fee for the Program shall not exceed two and one-half percent (2.5%). No portion of adviser compensation shall be based on capital gains or capital appreciation of the assets except as provided for under the Investment Advisers Act of 1940.

In addition to Packerland’s annual investment management fee, the client shall also incur, relative to certain securities purchases, charges imposed directly at the securities level (e.g. mutual fund advisory fees and other fund expenses).

If the client goes over the 150% account turnover ratio, Packerland may charge additional clearing fees, exchange fees, postage, handling and other charges on transactions involving the account. As of the date of this brochure, the fees for additional charges are:

<b>Equities:</b> Common Stocks, Preferred Stocks & Exchange Traded Funds.	\$24.00 per transaction
<b>Mutual Funds:</b> Purchases and redemptions (full and partial) of selected open-end mutual funds available to Program accounts. Periodic Investments, Systematic Withdrawals, Periodic Exchanges, Subsequent Purchases have \$1.50 ticket charge.	\$0 to \$2000 - \$2.45 per transaction \$2001 to \$5000 - \$4.55 per transaction \$5001 to \$25000 - \$7.00 per transaction \$25001 to \$75000 - \$10.50 per transaction \$75001 and up - \$14.00 per transaction
<b>Options:</b>	\$24.00 + \$1 per contract charge
<b>Fixed Income:</b>	Corporate Bonds - \$36.50 Municipal Bonds - \$24.00 Certificate of Deposits - \$24.00 Unit Investment Trust - \$17.50

Packerland may, in its discretion, reduce or waive such execution and clearing fees for a particular transaction or transactions. The client may also incur charges for other account services provided by Packerland or Hilltop.

Under the AAA Program, Packerland's broker-dealer is appointed by the client as sole and exclusive broker with respect to the client's AAA for the execution of purchase and sale transactions.

#### The American Funds F-2 Program

Fees are billed as a percentage of assets under management for specified accounts under the terms of the client agreement. The current fee rate is 1% of the assets under management. Fees shall be calculated by the American Funds for each quarterly period during the last business day of February, May, August and November and shall be the product of (i) the average daily net asset value of client assets invested in shares of the American Funds through the American Funds F-2 Program during the quarter; (ii) the number of days in the quarter and (iii) the rate agreed to by the client and Packerland (currently 1%) divided by the number of days in the year. The fees shall be paid within thirty (30) days following the end of the quarter for which such fees are payable and shall be

deducted and calculated by the American Funds in accordance with the fee schedule. When deducting the fees, the American Funds will deduct fees proportionally from the client accounts, unless otherwise directed by the client.

#### How are Fees Charged?

##### Asset Advisory Account

The annual fee shall be paid on a calendar quarterly basis, in advance, based upon the value of the client's AAA, net of any AAA fee exempt investments, as determined by Hilltop. No increase in the annual fee shall be effective without prior written communication with the client. The fees are debited, by Hilltop, from the client's AAA account in accordance with the terms stated in the advisory agreement, and Hilltop will remit such fee to Packerland in accordance with required regulatory procedures. Should the client choose to pay Packerland directly for its services, Packerland's fee is due and payable upon receipt of Packerland's billing invoice.

##### American Funds F-2 Program

The annual fee shall be paid on a quarterly basis, based upon the value of the client's American Funds F-2 Program account, as determined by the American Funds. No increase in the annual fee shall be effective without prior written communication with the client. The fees are debited, by the American Funds, from the client's account in accordance with the terms stated in the advisory agreement, and the American Funds will remit such fee to Packerland in accordance with required regulatory procedures.

#### What services are covered by the Program fees?

Packerland and its investment advisor representatives will provide the client, upon acceptance of the client's wrap fee account, investment advisory services, including portfolio reviews and recommendations, with respect to various investments. Packerland and/or the custodian will also provide various administrative services which include determining the fair market value of assets held in the client's account at least quarterly and producing a quarterly portfolio performance report for the client detailing account assets and summarizing receipts and disbursements of funds, interest and dividends received and account gain or loss for the total account. Packerland will not take possession of or maintain custody of the client's funds or securities, but shall simply monitor the holdings within the portfolio and make trades within the portfolio pursuant to the authorization granted by the client. Possession and custody of said funds and/or securities shall be maintained by the custodian.

#### What services are *not* covered by the Program fees?

##### Asset Advisory Account

The AAA fees do not cover brokerage to the extent trades are conducted through brokers or dealers other than Packerland or Hilltop, and custody charges if the client uses an entity other than Hilltop as the custodian.

Similarly, as discussed above, if the client goes over a 150% account turnover rate, Packerland may charge additional clearing fees, exchange fees, postage, handling and other charges on transactions involving the account in accordance with the schedule then in place at the time (as of the date of the brochure, the current schedule is listed above, but may be subject to change at the sole discretion of Packerland).

The AAA fees do not include expenses of mutual funds and exchange traded funds (“ETFs”) such as fund management fees charged to each fund's investors. Mutual funds contain internal expenses which are apart from and in addition to AAA fees and are described in the respective funds’ prospectuses. Certain funds offered in the AAA, while not having sales charges or having sales charges waived, may assess distribution fees, such as those assessed pursuant to SEC Rule 12b-1 of the Investment Company Act of 1940, as amended (“12b-1 Fees”). A portion of these 12b-1 Fees may be paid to Packerland’s registered broker-dealer, but not to its representatives.

#### American Funds F-2 Program

Packerland may charge additional clearing fees, exchange fees, postage, handling and other charges on transactions involving the account in accordance with the schedule then in place at the time.

The American Funds F-2 Program fees do not include expenses of the mutual funds such as fund management fees charged to each fund's investors or fees charged by the custodian, such as the setup fee or the annual custodial fee for retirement accounts. Mutual funds contain internal expenses which are apart from and in addition to American Funds F-2 Program fees and are described in the respective funds’ prospectuses.

#### Other Fees and Expenses

Clients may incur charges for other account services provided not directly related to the execution and clearing of transactions, including, but not limited to, IRA custodial fees, safekeeping fees, wire transfer fees, interest charges on margin loans, exchange fees, fees for transfers of securities and any and all fees other than transaction fees for the purchase and sale of securities, the fees of the custodian and reporting services.

#### Advisory Fees in General

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

#### Limited Prepayment of Fees

Under no circumstances do we require or solicit payment of fees in excess of \$500.00 more than six months in advance of services rendered unless federal statutes preempt the state blue sky laws. In that case, we will not require or solicit payment of fees in excess of \$1,200.00 more than six months in advance of services rendered.

### Additional Information about Program fees

Under the wrap fee programs, the participant receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified program fee. Clients are cautioned that depending on the level of fees charged by the executing broker-dealer, and the amount of portfolio activity in the clients' accounts, the value of the services provided under each program may exceed the total cost of such services had they been provided separately. In addition, the fees may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

### ***General Information:***

#### Termination of the Advisory Relationship

Packerland and/or the client may terminate the Agreement for the wrap fee programs at any time and for any reason, by providing written notice of such election to the other party. This agreement will also terminate automatically upon receipt by Packerland, Hilltop or American Funds of legal notice of the death of the client. Termination of this agreement will not affect the client's liability or responsibility with regard to transactions for the client's account(s) in the wrap fee programs and the client agrees to be responsible for any commissions, fees or expenses prior to or after such termination.

Transaction processing charges paid to Packerland are not subject to refund in the event of termination of the agreement because they will be incurred at the time a service is performed. Upon request, prior to transfer of assets, all fees due under the agreement at termination will be deducted from the client's account(s) in the wrap fee programs before assets are delivered from the account. Clients in the American Funds F-2 Program should note that, under the terms of their agreement with American Funds, amounts invested in the American Funds F-2 Program may not be redeemed for ten (10) business days. The client may also terminate the agreement within five (5) business days of the effective date. If the client elects to terminate the agreement within the five (5) business days, Packerland will make an adjustment to its fee process such that the client would not be paying a fee for Packerland's services.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded within 30 days. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

#### Grandfathering of Minimum Account Requirements

Advisory clients are subject to Packerland's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements may differ among clients.

#### ERISA Accounts

We offer non-discretionary investment advisory services and administrative services (each a form of “Retirement Plan Services”) that are designed to assist plan sponsors of employee benefit plans (“Sponsor(s)”). When providing any non-discretionary investment advisory service, we will solely be making investment recommendations to the Sponsor and the Sponsor retains full discretionary authority or control over assets of the Plan. We agree to perform any non-discretionary investment advisory service to the Plan, as a fiduciary, as defined in ERISA Section 3(21)(A)(ii), and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances.

When providing any administrative service, we may support the Sponsor with Plan governance and committee education, vendor management and service provider selection and review, investment education or provide Plan participant non-fiduciary education services. We agree to perform any administrative service solely in a capacity that would not be considered a fiduciary under ERISA or any other applicable law.

### Custody

The client should note that by signing an investment advisory agreement, they have directed the custodian to pay the advisory fee on a scheduled basis without any additional prior notice. All account assets, transactions, and advisory fees will be shown on the monthly or quarterly statements provided by the custodian. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian calculates the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts.

### Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades on a client's behalf without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign an investment advisory agreement and select the discretionary option. Clients may limit this authority by giving us written instructions. Clients may also change or amend such limitations by once again providing us with written instructions.

## Brokerage Practices

Packerland does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

In addition to Packerland Brokerage Services, Inc. being a registered investment adviser, our firm is registered as a broker-dealer and is a member of FINRA. Packerland's broker-dealer is appointed by the client as sole and exclusive broker with respect to the client's investment advisory activities for the execution of purchase and sale transactions.

As a matter of policy and practice, Packerland does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisors who block client trades.

### ***Compensation:***

Packerland, in addition to being a registered investment adviser, is registered as a broker-dealer and is a member of FINRA. Under the AAA Program, Packerland's broker-dealer is appointed by the client as sole and exclusive broker with respect to the client's AAA for the execution of purchase and sale transactions. Since the investment advisor representative is an investment advisor representative of Packerland, the investment advisor representative will receive compensation in the form of a portion of all advisory fees paid to Packerland pursuant to the investment advisory agreement. Further, the investment advisor representative may also be a registered securities representative affiliated with Packerland. In said capacity this individual may provide securities brokerage services through Packerland which involve securities not transacted in the client's AAA account pursuant to the terms and conditions of this agreement. Such securities transactions may result in a commission to be paid to Packerland and, if so, the affiliated registered representative will receive a portion of said commission.

Unless specifically excluded by the terms of the investment advisory agreement, account balances in the money market funds are included as part of the account. Consequently, any asset-based fees owed under the investment advisory agreement will be based, in part, on the balances in these investments. In addition, the custodian may serve as adviser, distributor, or administrator to the money market funds and receive compensation for those services. The money market funds may also pay shareholder servicing, shareholder communication, sub-accounting, and 12b-1 fees and charges to the custodian, as well as fees for the execution of purchases of fund shares, or for trade clearance, settlement, custodial or other functions ancillary thereto. These fees and charges are expenses of the money market funds, which the client will bear, indirectly, as a fund shareholder.

Packerland's proportionate share of this compensation will increase as the aggregate balances in the money market funds or other depository products increase. Consequently, the possibility of this compensation creates an incentive for Packerland to make decisions for the account which would have the effect of increasing this compensation.

Packerland and the custodian are permitted to route, within the AAA program, client orders for over-the-counter and listed equity securities to selected market makers or market centers for execution. While they have an obligation to provide best execution services to the client, the client should note that both entities may receive compensation in the form of a per-share cash payment for directing order flow to these market makers or market centers.

Some transactions executed for an AAA account may be effected in the secondary or third market. In this event, Packerland and/or Hilltop may receive other remuneration or compensation and will furnish the source and amount upon written request.

Depending on the fee percentage charged, the trading activity and types of securities utilized in the client's wrap fee account, the total costs to the client may be more or less than the client would incur if the client paid separately for investment advice, brokerage and other services provided by each program. Packerland may, therefore, have a financial incentive to recommend these programs over other services offered by Packerland.

Various vendors, product providers, distributors and others may provide non-monetary compensation by providing training, education and publications that may further Packerland's employees' skills and knowledge. Some vendors may occasionally provide Packerland with gifts, meals and entertainment of reasonable value consistent with industry rules and regulations. Packerland may, in accordance with its compliance policies, accept lodging or travel expenses from third parties or third-party payment of its conference fee costs or fees to attain professional designations. The existence of these gifts, meals and entertainment provided by these vendors and others, which are consistent with industry rules and regulations and Packerland's Code of Ethics, may create a conflict of interest that could influence Packerland and its representative to use these vendors that may have higher costs or less favorable services than other suitable alternatives which do not provide equivalent compensation to Packerland or its representatives.

### Mutual Funds

All fees paid to Packerland for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders (collectively referred to hereinafter as "mutual fund fees"). Clients should note that many mutual funds have different share classes, with some share classes paying a distribution fee to broker-dealers (a "12b-1 fee") and others that do not. Consequently, share classes that do not pay a 12b-1 fee are less expensive for clients.

The mutual fund fees and expenses, including those assessed by different mutual fund share classes, are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible

distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Packerland will generally not recommend a share class that pays a 12b-1 fee to Packerland or its broker-dealer when there is another share class with similar characteristics that does not pay a 12b-1 fee to the broker-dealer. However, in situations where the only share class that is available is a share class that pays a 12b-1 fee, Packerland and our IARs will disclose the fee to the clients and recommend that share class if that share class is in the best interest of the client. In those situations, the clients should be aware that the payment of the 12b-1 fee to Packerland's broker-dealer may create a conflict of interest and an incentive for Packerland and our IARs to recommend a higher cost share class that pays those fees rather than less costly share classes.

A client could invest in a mutual fund directly, without our services or the services of the third-party money manager. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. The client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

All or a portion of the wrap fee accounts may be held in cash or cash equivalents issued by money market mutual funds. Packerland or the custodian may receive fees for the services provided as set forth in the prospectuses of these mutual funds. To the extent permitted by law, Packerland and the custodian may use these funds in connection with these programs.

As part of the wrap fee programs, the client should receive of a copy of mutual fund prospectuses and the client should refer to each mutual fund prospectus for detailed information about any and all such fees.

### General Fee Practices

#### Asset Advisory Account

Transactions that have not settled prior to the last trading day of a calendar quarter may be included in either the current or the following calendar quarter, as determined by Packerland pursuant to its policies, procedures and practices. Fees are not charged on the basis of all or some of the funds of a share of capital gains or capital appreciation of an advisory client. Unless otherwise provided in the investment advisory agreement, Packerland will calculate fees on the basis of a 365-day year so that the amount payable each quarter will be based on the actual number of calendar days in that quarter. If a client terminates their account prior to the end of any quarter, they will receive a pro-rated refund, if any, of advisory fees paid in advance.

Unless otherwise limited by the custodian and subject to usual and customary securities settlement procedures, a client may make additions or withdrawals from their account at any time. Clients should understand that additions to or withdrawals from certain accounts may affect the fees for the accounts as the fees are calculated based upon the assets under management. Clients are advised to discuss how additions or withdrawals may affect the

calculation of the assets under management with their Packerland representative. Additions and withdraws from certain accounts may also create a tax liability which should be discussed with a qualified tax professional. No fee adjustment will be made for appreciation or depreciation in the value of any account during the fee calculation period. No refund or other adjustment of a fee already paid will be made as a result of a decline in value of the account (whether due to market losses or withdrawals). In the event the investment advisory agreement is terminated within five days after its initial execution, all advisory fees will be refunded pursuant to the terms in the investment advisory agreement.

### American Funds F-2 Program

Transactions that have not settled prior to the last trading day of a calendar quarter may be included in either the current or the following calendar quarter, as determined by American Funds pursuant to its policies, procedures and practices. Fees are not charged on the basis of all or some of the funds of a share of capital gains or capital appreciation of an advisory client. As set forth above, the American Funds will calculate fees for each quarterly period during the last business day of February, May, August and November and shall be the product of (i) the average daily net asset value of client assets invested in shares of the American Funds through the American Funds F-2 Program during the quarter; (ii) the number of days in the quarter and (iii) the rate agreed to by the client and Packerland (currently 1%) divided by the number of days in the year.

Unless otherwise limited by the custodian and subject to usual and customary securities settlement procedures, a client may make additions to their account at any time. Withdrawals of funds are subject to a 10-business day waiting period. Clients should understand that additions to or withdrawals from certain accounts may affect the fees for the accounts as the fees are calculated based upon the assets under management. Clients are advised to discuss how additions or withdrawals may affect the calculation of the assets under management with their Packerland representative. Additions and withdraws from certain accounts may also create a tax liability which should be discussed with a qualified tax professional. No fee adjustment will be made for appreciation or depreciation in the value of any account during the fee calculation period. No refund or other adjustment of a fee already paid will be made as a result of a decline in value of the account (whether due to market losses or withdrawals). In the event the investment advisory agreement is terminated within five days after its initial execution, clients in the American Fund F-2 Program should note that, under the terms of their agreement with American Funds, amounts invested in the American Funds F-2 Program may not be redeemed for ten (10) business days. If the client elects to terminate the agreement within five (5) business days after its initial execution, Packerland will make an adjustment to its fee process such that the client would not be paying a fee for Packerland's services.

## **Item 5. Account Requirements and Types of Clients**

### ***Minimum Account Requirements:***

#### Asset Advisory Accounts

Participation in this program is subject to certain minimum account requirements. Accordingly, we have established \$25,000.00 as a minimum investment to participate in this program. Packerland, at its sole discretion, may allow "householding", which utilizes the combination of various accounts within a household to meet the minimum account requirements of the AAA Program. We reserve the right to amend or waive these requirements at any time. However, please note that failure to maintain certain account minimums may result in the termination of the investment advisory agreement.

AAA Program clients must use Packerland as the broker dealer and Hilltop as the custodian in managing their account. As a condition for program participation, clients are required to direct us to custody their assets with and to place trades through Hilltop. Hilltop is an unaffiliated FINRA-member broker dealer and the clearing firm and custodian that we use for brokerage accounts. Packerland has negotiated an arrangement with Hilltop to provide custodial and brokerage services as part of the AAA Program. As such, we reserve the right to decline acceptance of any client account for which the client directs the use of a broker dealer/custodian other than Hilltop.

#### American Funds F-2 Program

Participation in this program is subject to certain minimum account requirements. Accordingly, American Funds has established a \$1000 minimum investment for money market and state-specific tax-exempt bond funds and \$250 each for all other funds to participate in this program. American Funds reserve the right to amend or waive these requirements at any time. However, please note that failure to maintain certain account minimums may result in the termination of the investment advisory agreement.

American Funds F-2 Program clients must use American funds as the custodian in managing their account. As a condition for program participation, clients are required to direct us to custody their assets with and to place trades through American Funds. American Funds is an unaffiliated FINRA-member. Packerland has negotiated an arrangement with American Funds to provide custodial services as part of the American Funds F-2 Program. As such, we reserve the right to decline acceptance of any client account for which the client directs the use of a custodian other than American Funds.

Please refer to the "Other Financial Industry Activities and Affiliations" section of Item 9 for additional information.

#### ***Types of Clients:***

Packerland provides wrap fee program services to the following types of clients: individuals, including high net worth individuals; trusts, estates, corporations or other businesses; charitable organizations; and Sponsors or other fiduciaries to retirement plans.

## **Item 6. Portfolio Manager Selection and Evaluation**

The Asset Advisory Account program (“AAA program”) is a “wrap-fee” program sponsored through Packerland. This type of account acts like a simple brokerage account, where mutual funds and/or securities are held at Hilltop Securities, Inc. (“Hilltop”), our clearing firm. With this program, Packerland and the Packerland IAR are fiduciaries and have an obligation to act in the client’s best interest when providing investment advice regarding the management of client investments. As a wrap-fee arrangement, the clients pay a single fee for advisory, brokerage and custodial services. Packerland and its IARs receive a portion of the wrap-fee for services provided.

The American Funds F-2 program is a “wrap-fee” program sponsored through American Funds. This type of account acts like a direct holding account, where mutual funds are held at American Funds as the custodian. With this program, Packerland and the Packerland IAR are fiduciaries and have an obligation to act in the client’s best interest when providing investment advice regarding the management of client investments. As a wrap-fee arrangement, the clients pay a single fee for advisory and custodial services. Packerland and its IARs receive a portion of the wrap-fee for services provided.

For both programs, the investment advisor representative interviews the client to determine the client's needs, risk tolerance, time horizon and additional suitability information, as applicable, to arrive at recommendations for the client. Under these programs, Packerland will not take possession of or maintain custody of the client’s funds or securities, but will simply monitor the holdings within the client’s portfolio and make trades within the portfolio pursuant to the authorization granted by the client. Possession and custody of the said funds or securities will be maintained by each custodian. In these programs, Packerland and its investment advisor representatives provide investment advice and portfolio monitoring and performance reporting services. After receiving advice or recommendations from Packerland and its representatives, the clients who participate in these programs will utilize these programs to make his or her own determination regarding the investments that are best suited to meet the client’s goals and objectives. Clients have the ability to place reasonable restrictions on the management of the account. All investment decisions are the sole responsibility of the client. These programs are generally not discretionary in nature (unless otherwise indicated) and the representative will not make independent investment decisions without first consulting with the client and obtaining agreement with the investment advice being provided.

Clients should be aware that the receipt of additional compensation by Packerland and its representatives creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Packerland endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser.

Additionally, Packerland and its representatives may have a financial incentive to recommend a wrap-fee program over other programs or services that might meet the needs of their clients at a lower cost (such as, mutual funds, ETFs, or fee plus commission arrangements).

Please note that the amounts charged to the client's account for services, fees, expenses, or costs that Packerland has performed, incurred, advanced, or paid on the client's behalf (whether or not billed to the client, the account, or Packerland) will include a reasonable profit, unless prohibited under the investment advisory agreement or applicable laws, regulations, or rules. The existence of this profit may create a conflict of interest that could influence Packerland to recommend opening or maintaining accounts that may have higher costs or less favorable services than other suitable alternatives which do not provide equivalent compensation to Packerland or its representatives.

### Retirement Plan Accounts

Through the programs listed above, accounts for retirement plans may be established to provide non-discretionary or administrative services. Each of these services is designed to assist plan sponsors of employee benefit plans ("Sponsor" or "Sponsors" as the case may be).

When providing any non-discretionary investment advisory services, we will solely be making investment recommendations to the Sponsor, and the Sponsor retains full discretionary authority or control over assets of the retirement plan. We agree to perform any non-discretionary investment advisory services to the retirement plan, as a fiduciary, as defined in ERISA Section 3(21)(A)(ii), and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances.

When providing any administrative services, we may support the Sponsor with plan governance and committee education; vendor management and service provider selection and review; investment education; or provide plan participant non-fiduciary education services. We agree to perform any administrative services solely in a capacity that would not be considered a fiduciary under ERISA or any other applicable law.

### Advisory Services in General

For the programs discussed above, our investment recommendations may include advice regarding the following securities:

- Exchange-listed securities
- Securities traded in the over-the-counter markets
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities

- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Other alternative investments

Because some types of investments involve certain additional degrees of risk, they will only be recommended and/or implemented if and only if they are consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### Performance-Based Fees and Side-by-Side Management

Performance-based fees are fees in which representatives are compensated based on a share in capital gains or capital appreciation of assets in a client account.

Packerland does not permit its representatives to charge performance-based fees.

#### Methods of Analysis, Investment Strategies and Risk of Loss

Packerland IARs may use one or more the following methods of analysis in formulating our investment advice and/or managing client assets:

##### Charting

In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

##### Fundamental Analysis

We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

##### Technical Analysis

We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider

the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

### Cyclical Analysis

In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security price or earnings per share, and predict changes to that data. A risk in using cyclical analysis is that the models used may be based on assumptions that prove to be incorrect.

### Qualitative Analysis

We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

### Asset Allocation

Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

### Mutual Fund and/or ETF Analysis

We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

### Risks for All Forms of Analysis

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### Investment Strategies

We use the following strategy or strategies in managing client accounts, provided that such strategy or strategies are appropriate to the needs of the client and consistent with the client's investment. In certain strategies, increased brokerage and/or trading costs may affect investment returns.

### Long Term Purchases

We purchase securities with the intent of holding them in the client's account for a year or longer. Typically, we employ this strategy when (i) we believe the securities to be currently undervalued, and/or (ii) we want exposure to a particular asset class over time, regardless of the current projection for this class or (iii) the yield (income) of the investment is attractive and consistent with the investment objectives of our client. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Finally, a security may at any time and without prior notice, decrease/suspend/terminate its payment of dividends, coupon payments, or returns on capital thereby decreasing the yield of stated investment.

### Short Term Purchases

When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. A risk inherent in short-term purchase strategy is that if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

### Trading

We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings. An inherent risk in trading of this nature is that if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Additionally, this type of strategy may fail to realize any/all long-term price appreciation due to the high turnover rate of the securities being traded.

### Options

We may use options as an investment strategy. Certain standardized options issued by the Options Clearing Corporation are securities, regulated by the SEC. An option is also considered a “derivative” because it derives its value from an underlying asset. The two types of options are calls and puts:

- A call gives the holder (the buyer of the call) the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives the holder (the buyer of the put) the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for a client's portfolio. We use "covered calls", in which we sell an option on a security the client owns. In this strategy, the client receives a premium for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors.

### Risk of Loss

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal. Most securities investments are not guaranteed and the client may lose money on their investments. We ask that the client work with us to help us understand the client's tolerance for risk.

### Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 7. Client Information Provided to Portfolio Managers**

Packerland's investment advisor representatives are responsible for developing an initial financial profile of the prospective client. Prior to opening an account, we assist the investment advisor representative in determining a participant's profile for each wrap fee program by obtaining from the participant appropriate information (i.e., investment objectives, risk tolerance, time horizon, and any reasonable restrictions the client wishes to impose upon the management of the account). Initial investment strategy is discussed with the client based on an assessment of the information provided by the client and only implemented at the direction of the client.

While we provide the client with periodic reminders, it remains the client's responsibility for the ongoing suitability of any prior determined investment strategies and/or objectives. When the Firm has knowledge of any changes in a client's suitability, it will review the portfolio to determine whether the strategies remain suitable in light of those changes.

Packerland and its representatives are in regular contact with each wrap fee program client and will directly contact each wrap fee program client on a regular basis (in accordance with the client's needs and desire) to verify that there has been no change in the client's financial circumstances and/or investment objectives, and determine whether the client wishes to impose any reasonable restrictions on the management of the account(s). Any such changes or requests shall be taken into consideration and appropriate adjustments to the client's portfolio will be made.

## **Item 8. Client Contact with Portfolio Managers**

Packerland's investment advisor representatives, considered portfolio managers for the each of the program's accounts, assist in the implementation of the client's strategies and are in regular contact with the clients. There are no restrictions placed on the client's ability to meet and consult with their portfolio managers.

## **Item 9. Additional Information**

### ***Disciplinary Information:***

In December 2017, Packerland consented to the entry of a Cease and Desist Order ("Order") by the SEC in which Packerland was found to have violated Sections 206(2), 206(4) and 207 of the Investment Advisers Act and Rule 206(4)-7 promulgated thereunder. Packerland neither admitted nor denied the findings in the Order, in which the SEC found that Packerland failed to disclose to its advisory clients utilizing the Solicitors' Program, a financial conflict of interest that existed when Packerland's broker-dealer received 12b-1 fees in connection with the advisory clients' purchase of service class mutual fund shares when there was an investor class of the same mutual fund shares that did not pay a 12b-1 fee. Without admitting or denying the findings contained in the Order, Packerland agreed to: (i) cease and desists from committing or causing any future violations of Sections 206(2), 206(4) and 207 of the Advisers Act, as well as Rule 206(4)-7; (ii) a censure; (iii) pay an amount to each affected

client which represents the full amount of the 12b-1 fees paid to the broker-dealer by the vendor for the clients' purchases at any time during the relevant period; and (iv) pay a civil penalty along with prejudgment interest.

***Firm Registrations:***

**BROKER-DEALER:** In addition to Packerland Brokerage Services, Inc. being a registered investment adviser, our firm is registered as a FINRA member broker-dealer.

***Management Personnel Registrations:***

Since Packerland is dually registered as a broker-dealer and a Registered Investment Adviser, certain management personnel of our firm are also registered with our broker-dealer as registered representatives of Packerland Brokerage Services, Inc., a FINRA member broker-dealer. As registered representatives of the affiliated broker-dealer, certain individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation. While Packerland and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

The Firm has established written policies and procedures for insider trading that prohibit its representatives, access persons and any other member, officer or employee of our firm, from buying, selling or recommending the securities of companies bought, sold or recommended where the decision is substantially derived, in whole or in part, by reason of access to material inside information.

**INSURANCE COMPANIES:** Some management personnel of Packerland, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

**Third-party money managers:** We may recommend the services of various third-party money managers as registered investment advisers to clients who are suitable for the Solicitors Program. In exchange for this recommendation, we receive a referral fee from the selected third-party money managers. We do not charge the client any fees directly for these services, but we do receive a referral fee from the third-party money manager that is fully disclosed to the client. The fee paid to us does not increase the total advisory fee paid to these third-party money managers by the client.

Currently available third-party money managers in the Solicitors Program are only those third-party money managers in which Packerland has entered into a solicitors' agreement. We are aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940 in regard to Solicitor third-party money

managers. As such, we make all appropriate disclosure and observed all applicable Federal and State laws regarding such referral fees.

***Other Information Regarding Conflicts of Interest:***

Some Packerland IARs are dually registered with Packerland's broker-dealer. As a result, all programs offered by its representatives are conducted through Packerland's programs. Although Packerland and its representatives will recommend the best program for their clients, it is possible that the compensation received, directly or indirectly, by Packerland or its representatives for recommending a program may be more than the compensation Packerland or its representatives would receive if they recommended another program.

Some Packerland IARs are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. As stated above, clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations, but should note that the IARs may be recommending products or services in which they may receive additional compensation while the implementation of any or all recommendations is solely at the discretion of the client, clients should be aware that there may be other insurance products that are offered by other insurance agents at a lesser cost than those recommended by the Packerland IAR in his or her capacity as an independent insurance agent.

Clients should be aware that the receipt of additional compensation by Packerland and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Packerland endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. We take the following steps to address this conflict:

- Packerland has adopted and strictly adheres to a Code of Ethics, wherein, among other things, we mandate that our representatives put their clients' interests first at all times.
- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we advise our clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies as that decision is entirely at their discretion;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;

- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm;
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients; and
- we conduct initial and periodic due diligence on the selected investment advisers to establish that the advisers are suitable to recommend to our clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Packerland and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

Our Code of Ethics includes policies and procedures for the review of ongoing transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code of Ethics also provides for oversight, enforcement and recordkeeping provisions.

Packerland's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

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

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in certain securities which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security immediately prior to an identical transaction(s) being implemented for an advisory account of that employee ("trading ahead"), thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of

a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may trade ahead of an advisory account of that employee, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts;
4. Our firm currently prohibits the purchase of any initial public offering (an "IPO") or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
9. All principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure, related persons of our firm are separately registered as securities representatives of our broker-dealer, and/or are licensed as an insurance agent/broker of various insurance companies. Please refer to the above for a detailed explanation of these relationships and important conflict of interest disclosures.

A copy of the Firm's Code of Ethics may be obtained by contacting Aaron A. Doelger, Chief Compliance Officer, using the contact information provided on the cover page of this document.

***Review of Accounts:***

Packerland considers account reviews a continuous process, with the frequency and nature of the review dependent on various factors and situations, including, but not limited to:

- whether the account is managed on a discretionary basis,
- the buying and selling of a security,
- balancing gains/losses for tax planning,
- raising or lowering cash based on market conditions,
- investing new capital contributions, and
- adjusting overall portfolio composition to maximize returns given current market conditions.

At various times, depending on the nature and reason for the review, Packerland may review the suitability of these wrap fee programs, the securities held within the accounts and the client's particular financial resources and time horizon (Suitability Information). In addition to the compliance professionals in its home office, Packerland employs branch office managers, who are responsible for performing regular reviews of all Packerland accounts within their jurisdiction.

The number of accounts assigned to each branch office manager depends upon the size of the branch and its affiliated offices. Packerland's Compliance Department will periodically review this supervisory system and a sampling of the transactions it records to make certain that it continues to alert the branch office managers to possible procedural violations.

The representative will review the client's portfolio on a regular basis to ensure that the client remains suitable to remain a client of the selected program.

**Asset Advisory Account**

**REVIEWS:** While the underlying securities within Asset Advisory Accounts are continually monitored, these accounts are reviewed at least annually, or in accordance with customer direction. Accounts are reviewed in the

context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by the Packerland Representative with the client, unless directed otherwise by the client. These accounts are also subject to review by Packerland's Compliance Department, or other designee, as part of the Compliance Department's routine inspection of the representative's branch office, targeted examination of the Representative or a specific investment, routine or special surveillance program or random inspection of the Representative and/or the Representative's accounts.

**REPORTS:** Packerland, or Hilltop, the clearing broker dealer, will also provide various administrative services which include determining the fair market value of assets held in the client's AAA at least quarterly and producing a quarterly portfolio performance report for the client detailing account assets and summarizing receipts and disbursements of funds, interest and dividends received and account gain or loss for the total account. Under the terms of the Program, the client will verify all portfolio performance reports prepared by Hilltop for Packerland and will acknowledge the correctness of said reports upon request. The client shall immediately notify Packerland of any discrepancy in such reports and such reports shall be deemed conclusive if no discrepancy is reported in writing within ten (10) days after being transmitted to the client.

#### American Funds F-2 Program

**REVIEWS:** While the underlying securities within the American Funds F-2 Program are continually monitored, these accounts are reviewed at least annually, or in accordance with customer direction. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the market, or political or economic environment.

These accounts are reviewed by the Packerland IAR with the client, unless directed otherwise by the client. These accounts are also subject to review by Packerland's Compliance Department, as part of the Compliance Department's routine inspection of the representative's branch office, targeted examination of the representative or a specific investment, routine or special surveillance program or random inspection of the representative and/or the representative's accounts.

**REPORTS:** All clients will receive the following reports from American Funds, the custodian:

- confirmation of each securities transaction,
- a quarterly statement reflecting all activity within each of the American mutual fund accounts contained in the American Funds F-2 program (the "mutual fund accounts") during the preceding period, including all transactions made on behalf of each of the mutual fund accounts, all contributions and withdrawals on behalf of each of the mutual funds accounts, all fees and expenses (as allocated among the various mutual

fund accounts, and the value of each of the mutual fund accounts within the American Funds F-2 Program at the beginning and end of the period; and

- all other documents required by law to be provided to security holders.

### Retirement Plan Accounts

**REVIEWS:** Packerland will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the retirement plan. Packerland will also review the investment options of the retirement plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly, unless the client dictates otherwise. These accounts are reviewed by the Packerland IAR with the Sponsor, unless directed otherwise by the client. These accounts are also subject to review by Packerland's Compliance Department, as part of the Compliance Department's routine inspection of the Packerland IAR's branch office, targeted examination of the Packerland IAR or a specific investment, routine or special surveillance program or random inspection of the Packerland IAR and/or the Packerland IAR's accounts.

**REPORTS:** Client accounts will receive reports as contracted for at the inception of the advisory relationship and in accordance with the terms set forth in the client's Investment Policy Statement.

### ***Client Referrals and Other Compensation:***

It is Packerland's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

In addition, Packerland does not receive additional compensation from someone, who is not considered a client, for providing investment advisory services.

### ***Financial Information:***

Under no circumstances will we collect fees in excess of \$500 more than six months in advance of services rendered, unless federal statutes preempt the state blue sky laws. In that case, we will not require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

As an advisory firm that maintains discretionary authority for some client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Packerland has no such financial circumstances to report.

Packerland has not been the subject of a bankruptcy petition at any time during the past ten years.