

**FCI Advisors
Investment Advisory Services
Firm Disclosure Brochure
July 28, 2025**

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This brochure provides information about the qualifications and business practices of FCI Advisors ("FCI"). If you have questions about the contents of this brochure, please contact us at: SourceNotes@fciadvisors.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 FCI is available on the SEC's website at www.adviserinfo.sec.gov. FCI Advisors is a registered investment advisor. Registration with the U.S. Securities and Exchange Commission does not imply a certain level of skill or training.



Material Changes

Material Changes

This document represents an other than annual disclosure filing for FCI Advisors. We provided material changes in our March 2025 filing and this filing serves to describe the disclosures of the firm as a result of those material changes.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 913-663-0636, by email at: SourceNotes@fciadvisors.com, or it is available on our website at www.fciadvisors.com



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Advisory Business

Firm Description

FCI Advisors, founded in 1966, provides investment advisory services to a wide variety of clients. We are based in the Kansas City area, with offices in Overland Park, Kansas and Kansas City, Missouri. We have 22 employees, 6 of which are investment adviser registered representatives, and includes 6 investment professionals averaging nearly 24 years of experience. We are affiliated with trust companies that provide custody services to some of our clients; these companies include The Midwest Trust Company and Benefit Trust Company. These affiliations are disclosed as potential conflicts of interest in that we actively recommend our affiliates to our clients. We believe these affiliations better enable us and our affiliates to understand and meet our clients' complex needs in a more complete and cohesive manner.

Principal Owners

FCI is wholly owned by FCI Holding Corporation which is owned by MTC Holding Corporation. MTC Holding Corporation is largely employee and director owned. Brad Bergman is a greater than 25% owner of MTC Holding Corporation.

Types of Advisory Services

FCI provides investment supervisory services, also known as asset management services; manages investment advisory accounts involving and not involving investment supervisory services; furnishes investment advice through consultations and issues special reports about securities, markets, and the economy.

FCI provides individualized, discretionary investment management services to various categories of institutional clients who contract with us directly.

FCI offers investment advisory services on a discretionary basis to clients of Separately Managed

Account sponsors (SMA or wrap accounts-described in wrap fee programs below). In this case, FCI is included in a list of managers that

will be recommended by the brokerage firm/SMA sponsor. Under these programs, the sponsor offers investment management, custody, sometimes brokerage, and performance monitoring for a set fee (some bundled

and some unbundled). FCI is paid an advisory fee by the brokerage firm/SMA sponsor from the overall wrap fee as determined per agreement with the brokerage firm/SMA sponsor. As discussed in Item 12 of this document, FCI will generally execute trades for the Accounts through the sponsoring brokerage firm/SMA. These trades will most likely be executed at times when FCI is executing trades for Institutional clients.

Additionally, FCI provides investment management services to clients using a Model portfolio of one or more investment strategies. In some cases, the Model will be provided to a, trust company, or other advisor for use in its management of assets. For these accounts FCI is not responsible for trade execution, timing of trade placement, brokerage selection, negotiation of commission or other fees paid by investors in the program. FCI will update the model provided once a change has been made to the holdings of an investment strategy. It is up to the client how these updates are executed across its client base. It is likely a client's platform is executing trades on behalf of its client



base at the same time FCI is executing trades for institutional or SMA accounts. Please see Item 12 for additional discussions regarding FCI's brokerage and trading practices.

FCI provides plan sponsors with full 3(38) fiduciary services including up to four Qualified Default Investment Alternative (QDIA) options for their plans and full discretion over investment options made available for participants. The QDIA options made available are sometimes the Benefit FCI Life Strategy Moderate Growth Fund, Benefit FCI Life Strategy Growth Fund, the Benefit FCI Life Strategy Aggressive Growth Fund, and the Benefit FCI Life Strategy Conservative Growth Fund. These are Collective Investment Funds maintained by Benefit Trust Company for the collective investment of plan assets of qualified retirement plans. Benefit Trust Company is an affiliate of FCI and FCI serves as advisor for the Collective Funds. This arrangement presents a potential conflict of interest which FCI manages by assuring the relationship of the companies and fees are clearly communicated. FCI will not receive both an advisory fee on the Fund and on the Fund as an asset in the plan. If FCI receives an advisory fee on the share class of the collective funds used in the plan FCI will waive our advisory fee on that portion of the plan.

Tailored Relationships

The goals and objectives for each client are documented in our accounting system and trading system and records for client restrictions and investment goals are kept in our client files. Investment policy statements may be created that reflect the stated goals and objectives of the applicable client. Clients may impose restrictions on investing in certain securities or types of securities.

Wrap Fee Programs

FCI offers discretionary investment management services to UBS Financial Services, Incorporated Private Client Group, individuals, and institutions. These services are offered through the UBS Financial Services Inc. ("UBS") Discretionary Program (Advisor Allocation Program "AAP" clients), Separately Managed Accounts Programs (ACCESS and Managed Accounts Consulting "MAC" clients) and through the Unified Managed Accounts Program for the UBS Strategic Wealth Portfolio "SWP" clients. The AAP, ACCESS and SWP accounts are managed by using a model portfolio approach. The MAC accounts have wrapped fees but are managed through FCI direct contracts with the clients and managed to account objectives. We receive a portion of the fee each client pays to UBS.

Assets Under Management

As of June 30, 2025 FCI Advisors manages approximately \$1,901,193,605 of assets for approximately 551 clients. Approximately \$1,900,380,986 is managed on a discretionary basis, and \$812,619 is employee accounts not managed by the firm and recorded as non-discretionary.

Of the \$1.9 Billion in assets under management, \$522,296,623 is held at affiliated custodians, Midwest Trust and Benefit Trust.



Fees and Compensation

Description

FCI Advisors bases its fees on a percentage of assets under management. Fees are negotiable.

We may 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.).

Fees, minimum fees, and minimum account sizes are negotiable and may be waived under certain circumstances.

Advisory Fees

Fixed Income Accounts below \$10 Million

.40 of 1% on the first \$5,000,000 of portfolio market value

.30 of 1% on the balance of the portfolio market value

Institutional Fixed Income Accounts (\$10 Million Minimum)

.30 of 1% on the first \$25,000,000 of portfolio market value

.25 of 1% on the next \$25,000,000 of portfolio market value

.20 of 1% on the balance of portfolio market value

Model Portfolio

FCI provides a model portfolio or buy/sell lists for certain clients at a fee of 0.20% to 0.25% of all assets under management under the model. FCI considers assets under our model delivery to be assets under advisement.

Fee Billing

We allow clients to elect whether they would like us to invoice our advisory fees directly to them or if they would like to direct their custodians to calculate and pay our fees. Most of our fees are handled quarterly in advance or arrears.. Other arrangements may be negotiated with clients.

Other Fees

FCI is not a custodian so our clients will arrange payment of custodian fees with the custodian of their choice. Other fees our clients pay include expense ratios associated with mutual funds or exchange traded funds. There are typically also fees related to trading securities such as brokerage commissions (see more information in "Brokerage Practices" on page 16) and transaction fees incurred by other handlers of the trades. Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. We believe the selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

FCI serves as financial advisor for a mutual fund and several Collective Investment Trusts (CITs). If a fund for which we serve as advisor is deemed an appropriate investment for a client of our discretionary service, we will waive our advisory fee for the portion of the account invested in those funds or a CIT share class selection with no advisory fee may be used instead.



Refunds of Advisory Fees Paid in Advance

If an advisory relationship begins after the first day of a fee period or terminates before the last day of a fee period, fees are prorated accordingly. Any unearned fees which have been prepaid at the date of termination will be refunded.

Compensation for Sale of Securities

We do not receive compensation from the sale of securities. Some of our affiliates receive shareholder servicing fees associated with their shareholder servicing activities.

Performance-Based Fees

Sharing of Capital Gains

Our fees are **not** based on a share of the capital gains or capital appreciation of managed securities. We do not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

FCI Advisors provides investment advisory services to individuals, investment companies, pension and profit sharing plans, charitable organizations, corporations, and other business entities.

We also provide investment management services to clients using a Model Portfolios of one or more of our investment strategies. The model will be provided, trust companies, other investment advisors or other institutional clients for use in management of assets. For these accounts we are not responsible for trade execution, timing of trade placement, brokerage selection, negotiation of commissions, or other fees paid by investors. We will update the model when changes are made to the investment strategies. It is up to the model platform client how these updates are executed across its client base.

Account Minimums

The recommended minimum account size is:

Separate Accounts: \$250,000

Wrap Accounts:

FCI-UBS ADVISOR ALLOCATION PROGRAM Portfolios: \$100,000
FCI-UBS ACCESS Portfolios: \$100,000
FCI-UBS Strategic Wealth Portfolios: \$100,000
FCI-UBS MAC Portfolios: \$250,000

We have the discretion to waive account minimums. Accounts valued below the minimums noted above, and for other strategies, are most often set up when the client and the advisor anticipate the client will add additional funds to the accounts. Other exceptions will apply to employees (and employees' relatives) of FCI and of our affiliates.

UBS bills the client directly for FCI's management fees in accordance with fee schedules that are generally the same as those for separate accounts. As with separately managed accounts, fees and minimums for MAC accounts are negotiable. Additional information concerning wrap fees, commissions, UBS AAP,



ACCESS and MAC programs are provided in the UBS Wrap Fee and Alternative Program Disclosure Brochure ("UBS Wrap Fee Disclosure Brochure").

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

Security analysis methods often include charting, fundamental analysis, technical analysis, and macro analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information include Morningstar mutual fund information, Morningstar stock information, Fact Set, street research, and internet research.

Some of FCI's Investment Professionals use artificial intelligence (AI) applications to support writing efforts, to test accuracy and comprehensiveness of written works. We will continue to evaluate how AI may help us support our client services and investment research. We do not use AI for investment recommendations.

FCI Fixed Income Core and Intermediate Strategies

Investment Objective

FCI's Core, Government Credit, Aggregate, and Intermediate fixed income investment strategies seek to deliver superior returns relative to an appropriate Benchmark over a market cycle, while limiting the risk incurred by maintaining a high credit profile. We strive to consistently move the portfolio in the direction of best opportunities while reducing the potential of a significantly negative credit event.

Investment Strategy

FCI's Core, Government Credit, Aggregate, and Intermediate fixed income investment strategies involve employing a time-tested, disciplined investment process which combines multiple stages of active management, each of which considers aspects of fundamental, behavioral, and technical analysis.

Duration management is utilized to position the portfolio to deliver the highest return potential according to the outlook for interest rates and term-structure as determined by the firm's Fixed Income Investment Committee. Overall duration risk is limited to a 20% deviation relative to the identified benchmark. With regard to sectors within the high-grade universe, allocations are incrementally emphasized or reduced based on the Committee's assessment of return potential and the risk inherent in each. After careful analysis is performed to determine credit worthiness and relative valuation opportunities, individual issues are then selected to construct portfolios.

Employing fundamental, behavioral, and technical analysis along all stages of our investment process allows the firm's managers to have a forward-looking, three dimensional approach to the construction of client portfolios.

FCI All Corporate Fixed Income Strategy

Investment Objective

FCI's All Corporate Fixed Income strategy seeks to deliver superior returns relative to the Merrill Lynch Corporate Intermediate A+ Index over a market cycle, while limiting the risk incurred by maintaining a high credit profile. We strive to consistently move the portfolio in the direction of best opportunities while reducing the potential of a significantly negative credit event.



Investment Strategy

The FCI All-Corporate Fixed Income strategy is designed to efficiently provide investors exposure to an actively managed, broadly diversified portfolio of investment-grade corporate bonds with maturities ranging from one to ten years. There are typically 30 to 35 individual bonds issued by large capitalization companies with deal sizes that are generally \$500 million or greater. The large issue size provides liquidity and transparent pricing for all security holders. These positions are distributed across the maturity spectrum to maintain a steady cash flow from coupon income as well as bonds nearing maturity.

Sectors within the investment-grade corporate bond universe are incrementally emphasized or reduced based on an assessment of their risk and return potential as determined by the firm's Fixed Income Investment Committee. Macroeconomic factors and industry trends often lead to changing outlooks for various sectors. Relative value analysis compares the opportunity of one sector or industry versus another and will drive changes in the allocations. Risks are managed by continuously monitoring and limiting the strategy's concentration in any one industry group.

Individual company credit analysis is performed through a logical step-down process. The larger macroeconomic environment is first considered along with a company's specific competitive position within its industry. Financial statements are dissected and research reports reviewed in order to understand the company's generation and usage of earnings and cash flow. Financial metrics such as leverage and coverage ratios are evaluated relative to industry standards and rating thresholds. Analysis of a company's unique operating ability is considered along with execution challenges such as legal, regulatory, and political risks. Once a favorable company's credit analysis is performed and it is added to the firm's approved list, a relative value analysis is performed to identify the best opportunities for inclusion within the portfolio.

Mutual Fund / ETF and Stock Selection

FCI utilizes a Core equity Model and Approved Mutual Fund and ETF list provided by Midwest Advisors for use in management of the Collective Investment Trusts and equity portfolio construction.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face investment risks including the following:

- Management risk. The strategies used may fail to produce the intended results.
- Market conditions risk. The prices of fixed income securities may decline due to market conditions and other factors, including those directly involving the issuers of securities.
- Concentration risk. Holding concentrated positions involves risk and is not suitable for everyone.
- Stock risk. Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The value of a stock may decline due to general weakness in the stock market or because of factors that affect a company or a particular industry.
- Value investing risk. The value approach to investing involves the risk that stocks may remain undervalued or decline in price. Value stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market concentrates on growth stocks.
- Investing in growth-oriented stocks risk. Growth-oriented stocks may involve larger price swings and greater potential for loss than other types of investments.



- **Investing outside the U.S. risk.** Securities of issuers domiciled outside the U.S. or with significant operations outside the U.S., may lose value because of political, social, or economic developments in the country or region in which the issuer operates. These securities may also lose value due to changes in the exchange rate of the country's currency against the U.S. dollar. Securities markets in certain countries may be more volatile and/or less liquid than those in the U.S. Investments outside the U.S. may also be subject to different settlement and accounting practices and different regulatory and reporting standards than those in the U.S.
- **Liquidity risk.** Liquidity risk is the risk that we may not be able to sell a security timely or at a desired price.
- **Interest rate risk.** The market value of fixed income securities in which we invest can be expected to vary inversely with changes in interest rates. Debt securities with longer maturities are subject to potentially greater price fluctuation than obligations with shorter maturities. Fluctuations in the market value of fixed income securities subsequent to their acquisition will not affect cash income from such securities but will be reflected in the securities market value. Certain segments of the equity market, particularly high dividend yielding stocks, and also preferred stocks, are subject to interest rate risk as well.
- **Duration risk.** Prices of fixed income securities with longer effective maturities are more sensitive to interest rate changes than those with shorter effective maturities.
- **Credit risk.** The issuer of the fixed income security may not be able to make interest and principal payments when due, and the issuer may not be able to make dividend payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on their obligation. The value of securities issued by companies approaching or in default will likely be significantly impaired.
- **Prepayment and extension risk.** As interest rates decline, the issuers of certain fixed income securities may prepay principal earlier than scheduled. As interest rates increase, slower than expected principal payments may extend the average life of certain fixed income securities, locking in below-market interest rates and reducing the value of these securities.
- **Government securities risk.** It is possible that the U.S. Government could default on its obligations. It is possible that the U.S. Government would not provide financial support to its agencies or instrumentalities if it is not required to do so by law. If a U.S. Government agency or instrumentality defaults, and the U.S. Government does not stand behind the obligation, the securities prices could fall. Securities of certain U.S. Government sponsored entities, such as Freddie Mac or Fannie Mae, are neither issued nor guaranteed by the U.S. Government. The U.S. Government's guarantee of ultimate payment of principal and timely payment of interest of any U.S. Government security does not imply that the price of the security will not fluctuate.

Disciplinary Information

Legal and Disciplinary

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



Other Financial Industry Activities and Affiliations

Financial Industry Activities and Affiliations

Neither FCI nor our employees are registered or have an application to register as a broker-dealer, registered representative of a broker dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

FCI has **no** relationships or arrangements material to our advisory business or to our clients with any of the following:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker
- External Financial Planning Firms
- Futures commission merchant, commodity pool operator, or commodity trading advisor
- Banking or thrift institution
- Registered municipal advisor, registered security-based swap dealer, or major security-based swap participant
- Accountant or accounting firm
- Law firm
- Insurance company or agency
- Real estate broker or dealer
- Sponsor or syndicator of limited partnerships(or equivalent), excluding pooled investment vehicles

Brad Bergman, a primary owner of our holding company and other administrators at our affiliated trust companies, are lawyers. While this could present a potential conflict with clients, our affiliates strive to assure their knowledge and experience as lawyers benefit clients.

We are affiliated with Benefit Trust Company and Midwest Trust Company. These affiliates provide custodial and other services to some of our clients. Custodians provide cash equivalent vehicles for their clients. Our affiliated custodians offer several cash equivalent vehicles and earn a fee on the cash balances in these vehicles. One of these is an FDIC Insured Cash Equivalent Sweep which places client cash balances with banks providing FDIC insurance for the balances. .

We are affiliated with Trust Sourcing Solutions and Trust Technology Solutions, affiliates providing back office and operational support to both FCI and our affiliated custodians. These affiliations present potential conflicts of interest with our clients as we are incented to help our affiliates grow their business. We are aware of these potential conflicts and strive to make clients and potential clients aware of them. We believe these affiliations help us and our partners provide better and more complete financial services to our clients. We are also affiliated, through common ownership, to Mainstar Trust which acts as custodian for self-directed individual retirement accounts; and Private Trust Group of America which serves as an outsourcing operations center for trust companies. We are affiliated with Midwest Institutional Trust Company and Midwest Specialized Insurance by common ownership. Midwest Institutional Trust Company provides custody and financial services to clients including corporations, insurance companies, endowments, unions and public funds. We are affiliated with Cherry Creek Family Offices, an RIA in which MTC Holding Corporation has ownership.

FCI serves as financial advisor for multiple commingled funds and a mutual fund. While these relationships may seem immaterial to our advisory business, they present a potential conflict for our clients if a Fund we manage is used in client accounts. We manage this conflict by efforts to assure clients are aware of it and if a mutual fund, for which we serve as advisor, is deemed an appropriate investment for a client of our discretionary service, we will waive our advisory fee for the portion of the account invested in those funds.



FCI also serves as advisor to collective funds offered by our affiliate, Benefit Trust Company. In an effort to avoid double dipping on fees we strive to waive our advisory fee or utilize the share class with no advisor fees for our clients.

FCI provides a variety of back office services including operations and trading support, reporting and compliance support to our affiliate Midwest Advisors and may receive compensation for these services unrelated to AUM. We receive web, publication and data support from Midwest Advisors. Fees due to and from our affiliates may be waived.

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

Code of Ethics

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.

Specific Areas Covered by the Code

- Code of Ethics and Standards of Business Conduct
- Personal Trading
- Insider Trading
- Social Media Guidelines
- Political Contributions
- Gifts and Entertainment
- Rumor Mongering
- Service as an Officer or Director
- Whistleblower Policy
- Reporting Violations and Sanctions

FCI places high priority on maintaining its reputation for integrity and professionalism. Any conduct that reflects negatively on our firm's reputation will be evaluated by senior management and dealt with appropriately.

All employees shall be provided this Code initially and any time there is a material change. Employees are expected to read, comply and acknowledge receipt and understanding of this Code.

FCI actively supports the communities in which we operate and we regularly contribute to causes sponsored by charities, foundations and endowments. We provide advisory services to a broad base of clients and many times our clients may be the sponsors of fund raising efforts which we support. While we realize this presents a potential for conflicts of interest, we make every effort to assure these activities are transparent. The goal of our contributions is to benefit the communities in which we live and work and strengthen the relationships with our clients.

FCI Advisors and our personnel owe a duty of loyalty, fairness, and good faith to 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. A copy of our Code of Ethics will be provided to clients and prospects on request. Contact Amy Schaff at 913-663-0636 or SourceNotes@fciadvisors.com.



Participation or Interest in Client Transactions

Our employees are allowed to buy or sell securities that are also held by clients. Employee trades are pre-screened to avoid conflicts with client interests. The pre-screening of employee trades, or review prior to execution, helps ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

FCI serves as advisor to a mutual fund and several CITs. This presents a potential conflict to place our clients' assets in the funds. If a mutual fund for which we serve as advisor is deemed an appropriate investment for a client of our discretionary service, we will waive our advisory fee for the portion of the account invested in those funds or we may select a Fund share class that waives our advisory fee.

Brokerage & Trading Practices

Selecting Brokerage Firms

FCI Advisors does not have any affiliation with product sales firms. We first determine which brokers we would plan to use for execution services for equity trades and those most often used for bond trades. Bond availability sometimes determines a broker for bond trades. In selecting brokers and dealers for execution services, we will consider the full range and quality of a broker's or dealer's services. Factors include the broker's or dealer's reliability and financial responsibility. When relevant, we also consider the ability of the broker or dealer to effect particular securities transactions, particularly with regard to such aspects as timing, order size and execution of orders, and the research services provided by that broker or dealer that help our general portfolio management capabilities. A client may not be the direct or exclusive beneficiary of those services. While we generally seek the best price in placing orders with third party brokers or dealers, a client may not necessarily be paying the lowest price available.

Best Execution

We strive to provide best execution for all client trades. We firmly believe best execution includes much more than price or commission. We determine which broker to use at the time the trade is reviewed at the trading desk as the trader evaluates how best to provide best execution for each trade.

FCI provides our commission schedule to our equity brokers. Our commission schedule will be provided to clients and prospects upon request. Our commission schedule will result in a client paying a commission to brokers or dealers greater than the amount another broker or dealer would have charged for effecting the same transaction. This will be done when we have determined in good faith that the commission is reasonable in relation to the value of the brokerage and/or research services provided by the broker to us. We understand that the receipt of research services from brokers creates the potential for conflicts of interest and that we can choose a broker or dealer that provides research services, instead of one that does not. We believe this is a reasonable approach and believe our clients benefit from this approach.

Most debt securities are traded over the counter. Prices paid to dealers in these transactions generally include a "spread," the difference between the prices the dealer is willing to purchase and sell a specific security. Each year our markets become more efficient and FCI continues to review ways to improve the execution received by our clients and the bonds available to them. One of the ways we do that is by leveraging tools like Market Access and Bloomberg to increase the reach of our bond traders.

Research and Other Soft Dollar Benefits

FCI receives "street research" or research directly from specific Wall Street firms from virtually all of our equity brokers and many of our bond brokers. We also receive research from firms with whom we do not trade. We use CAPIS. The commission credit from trades done with these firms is then used to pay for "third party research".



FCI receives a variety of research services and information on many topics, which we use in connection with our investment management responsibilities for our accounts. These topics include: issuers, industries, securities, economic factors and trends, portfolio strategy, statistical information, market data, earnings estimates, credit analysis, risk measurement analysis, and other information which may affect the U.S. or foreign economies, security prices, or management of the portfolio. The research services may include written reports, pricing and appraisal services, analysis of issues raised in proxy statements, portfolio attribution and monitoring services, software and access charges which are directly related to investment research. Research services may be received in the form of written reports, on-line services, telephone contacts and personal meetings with security analysts, economists, corporate and industry spokespersons and government representatives. When using commissions to pay for research services, services that are generated by third parties are provided by or through the brokerage firm to which the commissions are paid. This research is used widely within the firm and benefits all investment strategy groups our outlooks and our general investment advisory services. Clients with or without trades generating soft dollar commissions will receive research benefit.

We believe the soft dollar services we use aid in investment decision making and qualify for safe harbor in section 28(e) of the Securities and Exchange Act of 1934.

Research services received from brokers and dealers are supplemental to our own research efforts and, when utilized, are subject to internal analysis before being incorporated into our investment process. As a practical matter, it would not be possible for us to generate all of the information presently provided by brokers and dealers.

We may receive certain research or execution services in connection with transactions; we may purchase securities at a higher price or sell securities at a lower price than would otherwise be paid if no weight was attributed to the research services provided by the executing dealer.

We may also engage in agency transactions in over-the-counter equity and debt securities in return for the types of research and execution services discussed above. These transactions are entered into with procedures that are designed to ensure that the transaction is at least as favorable to the client as it would have been if affected directly with a market-maker that did not provide research or execution services.

We do **not** direct client trades to any particular broker in exchange for client referrals from brokers or a third party.

Directed Brokerage

We do **not** recommend, request or require that our clients direct us to use a particular broker. We do permit clients to direct us to use specific brokers for the trades in their accounts. Clients who do so should understand this does not allow us to seek best execution for the trades in their accounts.

For those client accounts that direct us to execute all or a portion of account transactions through one or more named broker-dealer(s), commission rates are generally determined by the client and broker-dealer. When a client directs us to use a particular broker-dealer: (a) the client may be unable to obtain a more favorable price as a result of transaction volume, since the directed transactions may not be included in any aggregation of other clients' orders, and (b) the client may pay higher transaction costs, including commissions, than they otherwise would have had they not designated a particular broker-dealer. For these reasons, among others, if a client has directed us to use a particular broker-dealer, this may result in a client receiving a less favorable execution. We may engage in transactions with a non-directed broker, on occasion, to improve the negative impact of less favorable execution for directed trades. Clients who direct us to use particular brokers should expect their trades may be completed after those where we are attempting to achieve best execution.

We do **not** allocate the relative costs or benefits of research among our clients because we believe that the research received is, in the aggregate, of assistance in fulfilling our responsibilities to our clients. The research may be used for the benefit of all of our accounts and not just those for which trades are executed.



Order Aggregation & Allocation

Investment decisions for each client account are made independently from those of other client accounts we manage. If we believe that the purchase or sale of the same security is in the best interest of more than one client, we often aggregate the securities to be sold or purchased to obtain a favorable execution or lower brokerage commissions.

Although some accounts may be managed collectively by more than one of our portfolio managers and investment ideas may be shared, generally each portfolio manager trades the accounts he or she manages separately from other portfolio managers' accounts. Thus, aggregation and allocation of orders typically occurs within a portfolio manager's group of accounts. Each portfolio manager generally endeavors to place orders for the purchase or sale of a security for accounts with similar risk profiles through our trading desk on the same day. Portfolio managers may delay or accelerate the placement of orders for a particular account in certain circumstances. These include specific client objectives, cash needs or reserves, tax considerations, or sensitivity to frequency of transactions in a portfolio.

Because IPO's (Initial Public Offerings) are frequently limited in size and availability, we typically will not participate in IPO's without client direction. If we were active in an IPO, our allocation procedures would apply.

Transactions executed on the same day through the same broker-dealer in a specific security may not be accomplished for all client accounts at the same time or at the same price. When a block trade is executed the brokers may average the executions to arrive at an average price that is applied to every account in the block.

In some instances, the procedures described above may adversely affect the size of the position or the price paid or received by the client, as compared with the position size or price which would have been received had no aggregation occurred.

If we did not aggregate client trade orders many clients would pay higher brokerage commissions than they pay when blocked with other client trades. Occasionally, trades are partially filled at market close. If over 20% of the original order is filled, a pro-rata allocation is done. If 20% or less is filled, we use a random allocation process. This automated process includes only orders that could be completely filled in a random allocation of the available shares. This helps us avoid accounts receiving small odd lot allocations. FCI does not engage in agency cross trades or principal trading (excluding error resolution trades in the error processing account).

Some securities have more demand than supply. Municipal bonds are a good example of this. If a bond with limited availability is sold from our clients' accounts, our traders put the bond out for bid and select the best bid for the selling client(s). If the trader has open buy orders for such a bond he may ask the broker with the winning bid if they would like to extend an offer to us on the bond. If the offer is reasonable, and supports our efforts to achieve best execution, we often buy the bond to fill open purchase orders. If the price is unreasonable we will continue to look elsewhere to fill the buy orders. This activity has the potential to create conflicts between client accounts if proper best execution processes are not in place. We are very aware of this potential conflict and have procedures in place to assist as we strive to manage such conflicts.

Error Treatment

The correction of trade errors differs between custodians based on their internal practices. It is our procedure, in all cases, to assure the client account is made whole. In some cases, any inadvertent profits derived from the trade error may be maintained in a gain/loss account and used to offset future losses. This effort to correct errors may result in securities transactions involving both the client accounts and the error account maintained at the custodian. Errors are treated this way at our affiliated custodians. This presents a potential for conflicts of interest between us or our affiliates and clients. Aware of this potential,



we train staff on recognizing and reporting errors and we review error treatment carefully to assure the clients are made whole.

Review of Accounts

Periodic Reviews

Each individual portfolio is assigned to a primary portfolio manager. The primary manager is responsible for the day-to-day supervision of that account. Often a secondary portfolio manager also is assigned in order to provide back-up in case of illness, vacation, etc. Portfolio Managers periodically review client portfolios for the proper asset mix, suitability of investments, objectives, and other such factors. We utilize portfolio management and compliance systems to assist in this continual oversight of client portfolios.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation. When portfolio management oversight identifies a variance from target asset allocation, concentrations that have not been addressed, or other risk factors in accounts the portfolio managers are prompted to review, and address the specific account issues. Referrals from compliance testing may also prompt a review.

Regular Reports

Unless we are directed otherwise, clients who have signed advisory contracts directly with us may receive a quarterly report that includes a review of their holdings, and some brief comments by the primary portfolio manager. Clients should also receive from their custodian, at least quarterly, statements of account activity, holdings and values. In addition, we periodically communicate to our clients our opinions about the financial markets and give a more in-depth report about our investment strategies. We strive to have a periodic personal meeting with each direct advisory client to review investment strategies and investment objectives for each account. We communicate with our clients in person, by phone, through e-mail, via text (for password resets and ancillary information such as meetings, lunch, current events, and other general information) and through conventional mail.

Client Referrals and Other Compensation

Economic Benefit

FCI has been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources.

Client Referrals

Occasionally, clients are referred to FCI by persons other than FCI employees. FCI may compensate such individuals or firms.

When FCI employees or affiliate employees are instrumental in referring clients to FCI, we often pay a portion of our advisory fee to said staff. This does not increase client advisory fees. FCI employees are encouraged to attract and retain clients while providing premier investment advisory and client services.



Custody

Account Statements

All assets are held at qualified custodians, which mean the custodians should provide account statements directly to clients at their address of record. In addition to the periodic statements that clients receive directly from their custodians, we also send our non-custodial account statements directly to our clients on a quarterly basis unless directed otherwise by the client. We urge our clients to carefully compare the information provided on these statements to their custodian statements to ensure that all account transactions, holdings, and values are correct and current. Our firm does not have actual or constructive custody of client accounts. Due to our affiliation with Midwest Trust Company we disclose we have custody and engage a public accountant to perform an annual surprise exam, consistent with the custody rule.

When our clients choose unaffiliated custody at Schwab, Fidelity or other custodians they may direct their custodian to allow our fees to be deducted from their accounts.

Standing Letters of Authorization (SLOA) and custody

Some of our clients who have chosen Schwab as their custodian have executed Standing Letters of Authorization (SLOA) for us to move money from their accounts to a third party and under the SLOA it authorizes us to designate the amount and or timing of the transfers with the custodian. We do not have a beneficial interest on any of the accounts we are deemed to have Custody due to SLOAs on file. In addition, account statements reflecting all activity on the accounts are provided directly from the qualified custodian to each client or the client's independent representative at least quarterly.

Investment Discretion

Discretionary and Non-Discretionary Investment Advisory Services

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us instructions regarding specific restrictions or guidelines. These are typically provided in an investment policy statement. Clients may also change/amend such limitations by once again providing us with instructions.

We also provide non-discretionary asset management services.

Voting Client Securities

Proxy Votes

Unless the advisory contract or client's direction designates otherwise, FCI Advisors votes proxies for securities over which it maintains discretionary authority consistent with our proxy voting policy.

In summary, FCI, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting, and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies, and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. Below you will find FCI's Proxy Voting Guidelines.



Proxy Voting Guidelines

Rule 206(4)-6 issued by the U.S. Securities and Exchange Commission relates to proxy voting by investment advisors. This rule mandates that an advisor voting proxies for its clients maintain written proxy voting guidelines and disclose these guidelines and its voting record to their clients. As quoted below, it is deemed "a fraudulent, deceptive, or manipulative act for an investment adviser to exercise voting authority with respect to client securities, unless

- i) the adviser has adopted and implemented written policies and procedures that are reasonably designed to ensure that the adviser votes proxies in the best interests of its clients,
- ii) the adviser describes its proxy voting procedures to its clients and provides copies on request, and
- iii) the adviser discloses to clients how they may obtain information on how the advisor voted their proxies."

Investment advisors have discretionary authority to manage a significant amount of assets on behalf of their clients. This enormous voting power gives advisors significant ability collectively, and in many cases individually, to affect the outcome of shareholder votes and influence the governance of corporations. Advisors as a group can thus affect the future of corporations and the future value of the securities of those corporations. Understanding the responsibilities that an adviser has as a fiduciary to vote its clients' proxies wisely and in the clients' best interest, FCI has adopted the following policies and procedures for proxy voting with regard to companies in the investment portfolios of our clients.

Proxy Voting Process

It is stated in each Investment Management Agreement whether or not FCI has the fiduciary responsibility to vote proxies for specific clients. Custodians may be directed to send proxy ballots to the clients themselves. In the case of trust accounts, the custodian is often also a trustee and as such may handle the proxy voting for those accounts.

Proxy voting is overseen at FCI by senior portfolio managers, currently James Braunsdorf, CFA. FCI uses proxy voting services run by Proxy Trust, which monitors proxy proposals for the companies which are held in the portfolios of FCI clients. Proxy Trust, with information provided to them by custodians for FCI clients on number of shares owned, issues aggregated ballots for each proxy proposal put forward at these companies. FCI is then able to vote online with one vote (or multiple votes if appropriate) on each aggregated proxy ballot. Use of Proxy Trust helps ensure that FCI will not overlook any proxy proposals and helps us to monitor the shares over which we have voting authority.

It is FCI's intention to vote all proxy proposals in a timely manner, unless abstaining on a particular ballot is seen to be in the best interests of the shareholders. In some instances, a proxy vote may present a conflict between the interests of a client, on the one hand, and our interests or the interests of a person affiliated with us, on the other. In such a case, we will disclose this conflict to our clients when it arises and obtain their consents before voting. All proxies that contain only routine director and auditor votes are voted automatically on our behalf by Proxy Trust. We have arranged for electronic retention and retrieval of all voting records with Proxy Trust.

Voting Guidelines

FCI realizes that no set of proxy voting guidelines can anticipate all situations that may arise. The guidelines below are simply a summary of how proxies will be voted on general topics.

Routine Business Decisions

In matters which FCI considers routine business (e.g., election of non-contested directors, name changes, company fiscal year, and annual meeting date proposals, etc.), it will be our general policy to support



management's recommendations, absent a particular reason to the contrary. Votes for directors in a contested election will be considered on a case by case basis.

The election of a company's board of directors is one of the most fundamental rights held by shareholders. Because a classified board structure prevents shareholders from electing a full slate of directors annually, we will generally support efforts to declassify boards or other measures that permit shareholders to remove a majority of directors at any time, and will generally oppose efforts to adopt classified board structures.

Corporate Governance

FCI will vote for all measures that act to increase the independence of the Board of Directors and for confidential voting.

In addition, we believe that the relationship between a company and its auditors should be limited primarily to the audit engagement, although it may include certain closely related activities that do not raise an appearance of impaired independence. We will evaluate on a case-by-case basis instances in which the audit firm has a substantial non-audit relationship with a company to determine whether we believe independence has been, or could be, compromised.

Equity-based Compensation Plans

We believe that appropriately designed equity-based compensation plans, approved by shareholders, can be an effective way to align the interests of shareholders and the interests of directors, management, and employees by providing incentives to increase shareholder value. Conversely, we are opposed to plans that substantially dilute ownership interests in the company, provide participants with excessive awards, or have inherently objectionable structural features.

We will generally support measures intended to increase stock ownership by executives and the use of employee stock purchase plans to increase company stock ownership by employees. These may include:

- 1) Requiring senior executives to hold stock in a company.
- 2) Requiring stock acquired through option exercise to be held for a certain period of time.
- 3) Using restricted stock grants instead of options.
- 4) Awards based on non-discretionary grants specified by the plan's terms rather than subject to managements discretion.

While we evaluate plans on a case-by-case basis, we will generally oppose plans that have the following features:

- 1) Annual option grants that would exceed 2% of outstanding shares.
- 2) Ability to issue options with an exercise price below the stock's current market price.
- 3) Automatic share replenishment ("evergreen") feature.
- 4) Authorization to permit the board of directors to materially amend a plan without shareholder approval.
- 5) Authorizes the re-pricing of stock options or the cancellation and exchange of options without shareholder approval.

These are guidelines, and we consider other factors, such as the nature of the industry and size of the company, when assessing a plan's impact on ownership interests.

Corporate Structure

We view the exercise of shareholders' rights, including the rights to act by written consent, to call special meetings, and to remove directors, to be fundamental to good corporate governance.



We generally believe shareholders should be able to approve or reject changes to a company's by-laws by a simple majority vote. Obviously this is impacted when classes of common stock with unequal voting rights limit the rights of certain shareholders; we generally believe this should be taken into consideration when share class selection is made by the shareholders.

Because the requirement of a supermajority vote can limit the ability of shareholders to effect change, we will support proposals to remove super-majority (typically from 66.7% to 80%) voting requirements for certain types of proposals and oppose proposals to impose super-majority requirements.

Shareholder Rights Plans

While we recognize that there are arguments both in favor of and against shareholder rights plans, also known as poison pills, such measures may tend to entrench current management, which we generally consider to have a negative impact on shareholder value.

We believe the best approach is for a company to seek shareholder approval of rights plans and we generally support shareholder resolutions requesting that shareholders be given the opportunity to vote on the adoption of rights plans.

We will rarely support poison pill provisions, but will consider such plans on a case by case basis.

Proxy Trust and Institutional Shareholder Services (ISS)

Proxy Trust has established a relationship with Institutional Shareholder Services (ISS) to enable the automatic voting of proxies in line with the ISS guidelines and recommendations. FCI reviews these guidelines on at least an annual basis to ensure they are consistent with our policies.

Client Information

A copy of these Proxy Voting Policies and Procedures is available to our clients, without charge, upon request, by e-mailing your request to sourcenotes@fciadvisors.com. In addition, we will provide each client, without charge, upon request, information regarding the proxy votes cast by us with regard to the client's securities.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

After reviewing our proxy policies, procedures and voting guidelines clients may elect to vote their own proxies. Occasionally, clients may notify us (at SourceNotes@fciadvisors.com) well in advance of a proxy voting deadline, if they want to direct us how to vote their shares.

If on more than an occasional basis clients wish to direct us to vote contrary to our guidelines we recommend they have all proxy materials sent directly to them for voting.

Financial Information

Financial Condition

FCI Advisors does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

FCI has not been the subject of a bankruptcy petition since founded in 1966.

FCI has a line of credit, used for working capital, through a local bank and trust company.



Privacy Notice

Since 1966, we at FCI Advisors have been building relationships with our clients. These relationships have been built on trust and commitment. You have trusted us with your personal information and we are committed to keeping that trust.

FCI has always treated personal information as confidential, even though the world of information storage and protection has changed dramatically. Today, data can be stored and transmitted in ways we never would have imagined when FCI was founded. But technology, even with all its amazing capabilities, does not change our commitment or our responsibility to you, our client. We value our relationships highly and protect them in every way that we can. This protection begins with our treatment of the personal information you have chosen to share with us. We believe that you have the right to understand the ways in which we do that.

What information is, or may be, collected from you?

“Nonpublic personal information” is information that we obtain from you in the course of acting as your investment advisor. Examples of this type of information include:

- Personal information such as name, address, phone number, date of birth and social security numbers.
- Financial information such as income, net worth, risk tolerance, account numbers, tax bracket, assets and liabilities.
- Personal family information such as names, addresses and dates of birth of family members.

How is information collected?

We might collect nonpublic personal information about you from several sources:

- Directly from you through meetings and phone calls.
- From your account applications, advisory contracts and other forms.
- From non-affiliated third parties such as your accountant, your attorney, or other professionals.
- From members of your family.
- From information received directly from your account custodians.

(Please note that we will not share any of your personal information with your attorney, accountant, other industry professionals, or family members without your prior permission. You may give us this permission by indicating your wishes on your advisory contract or by informing us in writing.)

With whom will we share your information?

We use your personal information in ways that help us to manage or administer your account. For example, we will use the information we have about you to process your requests and transactions, to provide you with additional information about your account, our services or services of an affiliate, or to evaluate your financial needs. We also use your information in ways that help us administer our business. To do this, we may share your information with:

- Your account custodians.
- An affiliate with whom we contract for operational and account administration purposes.
- A service designed to administer the proxy-voting process in accounts for whom we vote proxies.



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- Individuals with whom you have directed us to speak (such as your accountant, your attorney, or family members).
 - Our accountants for performance verification and annual audits.
 - Other consultants that we may hire from time to time to review our business and regulatory practices.
 - Regulators (such as the U.S. Securities and Exchange Commission and other law enforcement authorities when we are required to disclose your information by law).

We do not sell personal information to anyone. We will not disclose any of your personally identifiable information to nonaffiliated third parties unless we have your permission. Individuals or companies that we may hire to provide additional services are required to conform to our privacy standards.

What about email?

If you request it, we will communicate with you using email. Please keep in mind that we cannot guarantee the security of information you submit to us when it travels across the Internet. We have implemented a secure email solution that is available for your secure information to or from us. Contact our office for more information.

How do we protect your personal information?

All FCI employees are bound by a code of ethics that includes the responsibility to protect the confidentiality of client information. Only those employees who need nonpublic personal information about clients to do their jobs are given access to this information. We maintain physical, electronic, and procedural safeguards (such as passwords, locked files, electronic firewalls, and employee education) to guard your nonpublic personal information. We maintain a robust Information Security Program designed to protect your information in this time of ever evolving cybersecurity and information security risks.

When should you contact us?

We will continue to evaluate our efforts to protect your personal information and ensure that it is kept accurate and current. If you find any error in your personal information, need to make a change to that information, or have any questions about our policies, please contact us.

What happens if we change our privacy policies?

We reserve the right to change or update our policies. If we adopt material changes to our privacy policies, we will provide you with a new notice reflecting the new policies. We will never provide any confidential information to anyone other than those listed above without first giving you the opportunity to say no.