

Clients may receive additional individualized reports, the nature and frequency of which are determined by client need and the services offered by each Affiliate.

Item 14. Client Referrals and Other Compensation

Receipt of Economic Benefit (non-client)

AIC as broker-dealer may receive additional compensation from mutual fund companies. All allowable compensation is disclosed in the mutual fund prospectus. Commission rates are set by each fund, and clients do not pay-up for the additional compensation. AIC may also receive additional compensation on stocks, bonds, direct participation programs, and insurance, as may be applicable in the normal course of running a securities brokerage business. AIC does not enter into soft dollar arrangements or receive any other non-cash incentives.

Direct/Indirect Compensation for Client Referrals

AIC or its Affiliates may pay a portion or percentage of investment advisory fees received from advisory clients to other individuals/entities for referring advisory clients to AIC or Affiliate. If a client is introduced to AIC by either an unaffiliated or an affiliated solicitor, AIC may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Current procedures are that the Client will, under no circumstances, be charged an additional fee for such arrangement. Compensation arrangements will vary with each solicitor. If the Client is introduced to AIC by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of AIC's written disclosure statement as set forth in AIC's Form ADV, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms and conditions of the arrangement between AIC and the solicitor, including the compensation to be received by the solicitor from AIC. Any affiliated solicitor of AIC shall disclose the nature of the relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of AIC's written disclosure statement as set forth in the Form ADV.

Item 15. Custody

AIC does not maintain custody of client funds and/or securities. Client assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund company or transfer agent. Client assets are not held by AIC or any Affiliate of our firm. Therefore, clients will receive their monthly and/or quarterly account statements directly from the designated broker/dealer, bank or other qualified custodian of record and therefore should carefully review those statements for accuracy. In the event that clients also receive account statements from AIC, it strongly encourages each client to compare the account statements they receive from the qualified custodian with those received from AIC.

Item 16. Investment Discretion

Affiliates supervising or managing portfolios may have discretion over client trading activity. If this is the case, the Affiliate will obtain the client's permission on the Investment Advisory Agreement.

In this case, Client delegates to Affiliate limited discretionary trading authority with respect to the purchase, exchange and sale of mutual funds, actively traded equities, equity-related securities and other traded securities, as well as the amount of such securities to be bought or sold on behalf of the Client. Client may also appoint an Affiliate of AIC as agent and attorney-in-fact to purchase, sell and trade such securities, waivers, consents and other instruments with respect to such securities.