Standards of Conduct 3.00

Introduction

In accordance with *Rule 204-2 of the Advisers Act*, the following procedures are designed to assist the designated supervisor in detecting and preventing abusive sales practices. Therefore, the Firm will make all reasonable efforts to ensure that all investment adviser representatives and associated persons of the Firm are complying with all relevant federal and state rules and regulations as they pertain to investment adviser activities.

3.01 Fiduciary Principles

Pursuant to *Section 206 of the Advisers Act*, both the Firm and its investment adviser representatives are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Therefore, the Firm has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

The Firm must provide advice that is in the client's best interest and investment adviser representatives must not place their interests ahead of the client's interests under any circumstances.

Written Disclosures

Both the Disclosure Brochure (Part 2A/B of Form ADV) and the Firm's Investment Advisory Agreement (IAA) must include language detailing all material facts regarding the Firm, the advisory services rendered, compensation and conflicts of interest. It is the responsibility of the Designated Supervisor to ensure that all clients are provided with these documents and that they contain the proper disclosure language.

Oral Disclosures

Where regulations require specific oral disclosures to be provided to clients, the designated supervisor should review with investment adviser representatives the proper manner in which to disclosure such issues, as well as establish procedures for monitoring compliance.

Conflicts of Interest

Investment adviser representatives must disclose any potential or actual conflicts of interest when dealing with clients. For example, if investment advice includes transaction recommendations that would be executed through the Firm or an affiliate of the Firm, then the advice given would be subject to a potential conflict of interest.

Confidentiality

Client records and financial information must be treated with strict confidentiality. Under no circumstances should such information be disclosed to any third party that has not been granted a legal right from the client to receive such information.

Fraud

Engaging in any fraudulent or deceitful conduct with clients or potential clients is strictly prohibited. Examples of fraudulent conduct include, but are not limited to: misrepresentation; nondisclosure of fees; and, misappropriation of client funds.

Fiduciary Obligations

The Firm and its investment adviser representatives are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to obtain best execution for a client's securities transactions where the IAR is in a position to direct brokerage transactions for that client;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs, and circumstances; and,
- A duty to be loyal to clients.

Fiduciary Obligations under ERISA

Definition of Fiduciary

Under ERISA, the definition of a "fiduciary" is any person who:

- exercises discretionary authority or control involving the management or disposition of plan assets;
- renders investment advice for a fee; or,
- has any discretionary authority or responsibility for the administration of the plan.

Fiduciary Requirements under ERISA

Where the Firm acts as a fiduciary under ERISA, it must:

- act solely in the interests of the participant and their beneficiaries;
- offset the expenses of administration of the plan;
- act with the care, skill, prudence, and diligence that a prudent man would use in the same situation;
- diversify plan investments to reduce the risks of large losses unless it is clearly prudent not to do so; and,
- act according to the terms of the plan documents, to the extent the documents are consistent with ERISA.

3.02 Ethical Standards of Conduct

It is the responsibility of the Firm and its designated supervisors to ensure that the Firm conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties to its clients.

Duty to Clients

The Firm has a duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first, and to refrain from having outside interests that conflict with the

interests of its clients. The Firm must avoid any circumstances that might adversely affect or appear to affect its duty of complete loyalty to its clients.

Privacy of Client Financial Information

Please see the Firm's Privacy Policies and Procedures in this Manual for further details.

Suitability

The Firm shall only recommend those investments that it has a reasonable basis for believing are suitable for a client, based upon the client's particular situation and circumstances. In addition, clients should be instructed to immediately notify the Firm of any significant changes in their situation or circumstances so that the Firm can respond appropriately.

Please see the Firm's Trading and Transaction Procedures in this Manual for further details.

3.03 Prohibited Activities

Introduction

The Firm has established policies and procedures for sales practices that are considered prohibited when conducting an investment advisory business. The following information details some of the Firm's listed prohibited trading and sales activities.

Misrepresentations/Material Omissions

Misrepresentations/Material Omissions take place when an investment adviser firm or investment adviser representative provides a customer with misleading, incomplete, inaccurate, baseless, and/or false statements or information. All investment adviser representatives employed with the Firm are strictly prohibited from distributing any inaccurate and/or misleading information that may be used in the solicitation of a securities transaction.

The following is a summary of some of the main elements of misrepresentation/material omissions:

- False, misleading or inaccurate representations were made to the customer;
- The firm had knowledge or should have had knowledge that false, misleading, or inaccurate representations were made to a customer;
- Oral or written material misrepresentations and/or omissions were made in recommending securities transactions; and
- High-pressure sales techniques using material misrepresentations or omissions. ▶▶

Implementation Strategy

On a periodic basis, the designated supervisor will review general correspondence, sales literature and advertising materials in an effort to ensure that investment products and services are properly represented. In the event that some form of misrepresentation and/or material omission is discovered, the Firm's executive management will be immediately notified of any/all findings in order to promptly resolve the issue.

Conversion, Misappropriation and Misuse

Conversion and misappropriation is the intent by a firm or an associated person to deprive the proper owner of the use of their funds and/or securities. The following information details some of the differences among the three violations of conversion and misappropriation and misuse:

- The term “conversion” refers to actual theft of the funds or securities where a firm or associated person of a firm converts the property for his/her own use or retains possession of the property. Conversion is often used synonymously with embezzlement in a business context;
- The term “misappropriation” is the intentional, illegal or fraudulent treatment of the property or funds of customer for a firm’s own use or other unauthorized purpose; and
- The term “misuse” is the misapplication or improper use of customer funds, or borrowing of customer funds or securities.

Insider Trading Rules

According to the *Insider Trading and Securities Fraud Enforcement Act of 1988*, every firm is required to establish, maintain, and enforce supervisory procedures that are reasonably designed to prevent the misuse of non-public information. All investment adviser representatives are strictly prohibited from trading on any information that could be construed as material, non-public (insider) information as well as disclosing such information to others in violation of *Section 204-A*. Such trading activity may not occur in any account that is controlled directly or indirectly by the investment adviser representative or associated person.

Section 204A requires all investment advisers to establish, maintain and enforce written procedures designed to prevent the misuse of material, non-public information in violation of the *Securities and Exchange Act of 1934*. This conduct is frequently referred to as "insider trading."

"Material information" generally is defined as information for which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or information that is reasonably certain to have a substantial effect on the price of a company's securities.

"Non-public information" is information that has not been effectively communicated to the market place.

Implementation Strategy

All IA representatives and associated persons (inclusive of all staff, independent contractors, and consultants) are strictly prohibited from trading for their own accounts or accounts of their customers, friends, family or relatives while in possession of material non-public information.

All of the above persons are strictly prohibited from communicating any non-public information to other persons, other than AIC personnel involved in the matter who have a need to know such information and the firm's outside advisers retained to handle the matter.

The Firm obtains information from a wide variety of publicly available sources. The IA representatives have no, and do not claim to have, sources of inside or private information. In the normal course of our business it would be unlikely that our employees would have access to non-public information. However, from time to

time, an employee may receive such inside information and must then abide by these policies.

3.04 Other Prohibited Activities and Restrictions

Compensation

IARs are paid for advisory fees and services by the Firm and are not allowed to receive any payments directly. All checks from clients for advisory fees and/or services should be made payable to the Firm. Under no circumstances is an IA representative allowed to deposit a check into a personal account for advisory fees and/or services with the exception of certain services offered by IARs who are also registered independently as investment advisors (see section 3.05 below).

Guarantees against Loss of Investment

All associated persons of the Firm are prohibited from making any guarantees against the monetary loss of an investment product.

High Pressure Sales Tactics

All associated persons of the Firm are strictly prohibited from using high-pressure sales tactics in the solicitation of a securities transaction. High-pressure sales tactics include, but are not limited to, excessive phone calls and falsely implying sense of urgency or demand for a security.

Personal Loans with Customers

All associated persons of the Firm are strictly prohibited from engaging in the borrowing or lending of money to any of the Firm's customers with the exception of family members.

Gift and Gratuities

All associated persons of the Firm are prohibited from directly or indirectly giving or receiving items of value, including gratuities, in excess of one hundred U.S. dollars ($100.00) per individual per year, where such payment is in relation to the business of the Firm. Should a situation arise where such payments are made or received, the associated person must immediately notify the appropriate designated supervisor in writing. All written notification of such gift or gratuity must include a detailed description of the event, the amount given or received, the circumstances under which the activity took place and reasons for accepting or giving the funds.

FINRA Restrictions on the Purchase and Sale of IPOs of Equity Securities

Employees and investment adviser representatives of the Firm who are also registered representatives of a broker/dealer are required to comply with newly approved Rule 2790 (Restrictions on the Purchase and Sale of IPOs of Equity Securities), which replaces the Free-Riding and Withholding Interpretation (IM-2110-1). Rule 2790 generally prohibits a broker/dealer from selling a "new issue" to any account in which a "restricted person" has a beneficial interest. The term "restricted person" includes most associated persons of a member, most owners and affiliates of a broker/dealer, and certain other classes of persons. The Rule requires that the broker/dealer, before selling a new issue to any account, meet certain "preconditions for sale," which generally require the firm to obtain a representation from the beneficial owner of the account that the account is eligible to purchase new issues in accordance with the Rule. Effective March 23, 2004, all firms and associated persons must comply with Rule 2790.

Sharing in Accounts

All associated persons are prohibited from sharing in the profits and/or losses of a transaction relating to a customer's account (unless otherwise specified under specific rules governing registered investment advisors and the use of performance-based fee structures). Exceptions to this policy may occur if an associated person is an owner of the account and the associated person shares in the profits and/or losses commensurate with the monetary contribution.

Restricted, Gray, or other Watch Lists

The Firm will maintain as necessary a list of individuals who are restricted from placing orders or effecting transactions in securities of certain firms. Individuals who have material non-public information will be placed on such lists.

Restriction from Acting as Trustee

No affiliate shall act as trustee, executor or conservator for a client unless he or she has first obtained the Firm's consent, and notifying associates that consent will only be given if the associates is being appointed as a result of family or personal relationship with the decedent, beneficiary or grantor and not as a result of employment with the Firm.

3.05 Outside Business Activities

All investment adviser representatives are requested to provide written notification to the Firm prior to conducting any outside business activities to include any employment outside that of the employing investment adviser firm. Upon receipt of a written notification for outside business activities, the Firm will review all available information and determine the feasibility and/or position on conducting such activities to include any rationale for rendering a final decision.

Some of the general outside business activities conducted by investment adviser representatives may include acting as a finder which may include the acceptance and receipt of a "finder's fee," acting as an independent contractor, or serving as an active or passive partner, officer or board member of another organization.

Notification Requirements

At a minimum, all written notifications provided to the Firm by an investment adviser representative or associated person that involve outside business activities shall include the following information:

- Name of potential outside employer;
- Type of business to be performed;
- Method of compensation;
- Amount of time involved in such outside activity.

IA Representatives Who Are Independently Registered as Investment Advisers

IARs may be independently registered as investment advisors to provide similar services that may be offered by the Firm. The client will be advised by the IAR if the IAR is independently registered, and will receive the Form ADV disclosure from the IAR if so independently registered, in addition to the Form ADV disclosure of the Firm.

When the IAR acts in the capacity as an independently registered investment advisor, and provides investment supervisory services or management of investment advisory accounts (either directly by the IAR's independent firm or through a third party money manager), then the Firm will be designated as the paying agent. Clients will make checks payable to the Firm, or in instances where fees are deducted from the advisory account, the custodian will be instructed to submit payment to the Firm.

When the IAR acts in the capacity as an independently registered investment advisor, and provides financial planning and/or individual consultations, then payment will be made by the client direct to the independently registered firm.

Notification of Response

Upon receipt of a written notification by a registered representative or associated person that involves outside business activities, the Firm will issue a written response letter clearly stating its position by issuing an approval or disapproval of the requested activities. All records of correspondence shall be placed in the respective employee file and/or separate outside business activity file for the purpose of documenting and tracking such activities. ►►

Note: Please see the Firm's Outside Business Activities Statement or other similar form for further details.

Implementation Strategy

The designated supervisor will distribute, collect and review Outside Business Activities Disclosure Statements from each investment adviser representative on an annual basis, as well as approve all additional requests of outside business activities. All copies of such statements shall be maintained at the main office for future reference.

3.06 Personal Securities Trading Policy

At times AIC and/or its Affiliates may take positions in the same securities as clients and will try to avoid conflicts with clients. The Advisor and its Affiliates will generally be "last-in" and last-out" for the trading day when trading occurs in close proximity to client trades. We will not violate the advisor's fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality, i.e., a thinly traded stock, disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict, i.e., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price, would not be disclosed at the time of trading.

3.07 Personal Securities Trading Procedures

All access persons of AIC must report securities holdings and personal securities transactions to the Chief Compliance Officer, whether done through this firm or outside with a third party. Access persons are defined by AIC as all Affiliates who actively manage client accounts. Additionally, all officers and a Home Office employee who occasionally places trades on behalf of Advisory Affiliates are also considered to be access persons.

Holdings Reports and Transaction Reports must be submitted for "reportable securities" in which the access person has, or acquires, any direct or indirect beneficial ownership. An access person is presumed to be a beneficial owner of securities that are held by his or her immediate family members sharing the access person's household.

Initial and Annual Securities Holdings Report: A complete report of each access person's securities holdings must be submitted:

- at the time (within 10 days) the person becomes an access person
- at least once a year thereafter.

The holdings report must be current as of a date not more than 45 days prior to the individual becoming an access person or the date the annual report is submitted.

Quarterly Transaction Reports: Quarterly reports of all personal securities transactions must be submitted by access persons. The reports are due no later than 30 days after the close of a calendar quarter. A separate holding/transaction report need not be filed if such report would duplicate information contained in trade confirmations or account statements, provided that AIC has received those confirmations or statements not later than 30 days after the close of the calendar quarter in which the transactions take place.

There are three exceptions to the personal securities reporting:

1. Transactions effected pursuant to an automatic investment plan.
2. Securities held in accounts over which the access person had no direct or indirect influence or control.
3. If the firm has only one access person, so long as the firm maintains records of the holdings and transactions that otherwise would be required to be reported.

All securities are reportable securities, with five exceptions:

1. US Government obligations (e.g., T-Bills)
2. Money market instruments – bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments
3. Money Market Funds
4. Mutual funds, unless the adviser or a control affiliate acts as the investment adviser or principal underwriter for the fund
5. Unit investment trust ("UIT") if the UIT is invested exclusively in unaffiliated mutual funds

The Chief Compliance Officer (or his/her designee) will review these reports in an attempt to identify improper trades or patterns of trading by access persons.

AIC does not currently require prior written approval before access persons can place a personal securities transaction ("pre-clearance").

More detailed Personal Securities Trading procedures are maintained in the Code of Ethics (Exhibit 3.07). Future amendments to the WSP and Code of Ethics may merge these documents. However, to call attention to the new regulatory requirements, the Code of Ethics currently is a stand-alone document.

3.08 Pay-to-Play Practices by Investment Advisers

On June 30, 2010 the SEC voted unanimously to approve new rules to significantly curtail the corrupting influence of "pay to play" practices by investment advisers. Pay-to-play is the practice of making campaign contributions and related payments to elected officials in order to influence the awarding of lucrative contracts for the management of public pension plan assets and similar government investment accounts. The rule adopted by the SEC includes prohibitions intended to capture not only direct political contributions by investment advisers, but also other ways that advisers may engage in pay to play arrangements.

Restricting Political Contributions

Under the new rule, an investment adviser who makes a political contribution to an elected official in a position to influence the selection of the adviser would be barred for two years from providing advisory services for compensation, either directly or through a fund.

The rule applies to the investment adviser as well as certain executives and employees of the adviser. Additionally, the rule applies to political incumbents as well as to candidates for a position that can influence the selection of an adviser.

There is a de minimis provision that permits an executive or employee to make contributions of up to $350 per election per candidate if the contributor is entitled to vote for the candidate, and up to $150 per election per candidate if the contributor is not entitled to vote for the candidate.

Banning Solicitation of Contributions

The pay to play rule prohibits an adviser and certain of its executives and employees from asking another person or political action committee (PAC) to:

- Make a contribution to an elected official (or candidate for the official's position) who can influence the selection of the adviser.
- Make a payment to a political party of the state or locality where the adviser is seeking to provide advisory services to the government.

Banning Certain Third-Party Solicitors

The pay to play rule also prohibits an adviser and certain of its executives and employees from paying a third party, such as a solicitor or placement agent, to solicit a government client on behalf of the investment adviser, unless that third party is an SEC-registered investment adviser or broker-dealer subject to similar pay to play restrictions.

Restricting Indirect Contributions and Solicitations

Finally, the pay to play rule would prohibit an adviser and certain of its executives and employees from engaging in pay to play conduct indirectly, such as by directing or funding contributions through third parties such as spouses, lawyers or companies affiliated with the adviser, if that conduct would violate the rule if the adviser did it directly. This provision prevents advisers from circumventing the rule by directing or funding contributions through third parties.

The rule became effective 60 days after its publication in the Federal Register. Compliance with the rule's provisions generally are required within six months of the effective date. Compliance with the third-party ban and those provisions applicable to advisers to registered investment companies subject to the rule are required one year after the effective date.