

Holos Asset Management, LLC

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1/25/2012

This Brochure provides information about the qualifications and business practices of Holos Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (312) 988-9400 or via email at info@holoassetmanagement.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.

Holos Asset Management, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information that you may use to determine whether to hire or retain them. Additional information about Holos Asset Management is also available on the SEC's web site at www.adviserinfo.sec.gov.

Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document describing our business practices and qualifications that we provide to our clients per SEC Rules. This Brochure, dated 1/25/2012, is an updated version of a new document that has been prepared according to the SEC’s new requirements and rules. This Brochure is materially different in structure and requires certain new information that our previous brochure did not provide.

In the future, this section of the brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure with the SEC. This section will also identify the date of our last annual brochure update.

In the past we have offered or delivered information about our qualifications and business practices to our clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information. Currently, our Brochure may be requested at any time, without charge, by contacting Seth Hanau at (312) 988-9400.

Additional information about Holos Asset Management, LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as a CRD number. The CRD number for Holos Asset Management, LLC is 142952. The SEC’s web site also provides information about any persons affiliated with Holos Asset Management, LLC who are registered, or are required to be registered, as investment adviser representatives of Holos Asset Management, LLC.

Table of Contents

- Material Changes2**
- Table of Contents.....3**
- Advisory Business Introduction5**
- Services5**
 - 1. Asset Management 6
 - 2. Asset Allocation Models..... 7
- Fees and Compensation8**
 - 1. Asset Management Fee Schedule..... 8
- Performance Based Fee and Side by Side Management.....9**
- Types of Client(s)9**
- Methods of Analysis, Investment Strategies and Risk of Loss.....9**
 - 1. Fundamental Analysis 10
 - 2. Risks 10
- Disciplinary Information.....11**
- Other Financial Industry Activities and Affiliations11**
- Code of Ethics11**
 - 1. General Information 11
 - 2. Responsibility 12
 - 3. Privacy Statement 12
 - 4. Prohibited Acts..... 12
 - 5. Conflicts of Interest..... 12
 - 6. Use of Disclaimers..... 13
- Brokerage Practices13**
 - 1. Soft Dollars..... 13
 - Broker-Dealer Relationship and Research 13
 - Aggregating Orders 14
 - 2. Brokerage for Client Referrals 14
 - 3. Directed Brokerage 14
- Review of Accounts.....15**

1. Duty to Supervise	15
2. Reviews	15
3. Reports.....	15
Client Referrals and Other Compensation	15
Custody	15
Investment Discretion	16
Voting Client Securities	16
Financial Information	17
Requirements for State Registered Advisers	17
Seth Bernard Hanau.....	17
Adam Jason Orlov	18

Advisory Business Introduction

Holos Asset Management, LLC (“Holos”) is a Registered Investment Adviser (“Adviser”) which offers investment advice, securities and other financial services to clients. We are registered through the Illinois Secretary of State Securities Department and the New York State Attorney General Investor Protection Bureau and are regulated by the Illinois Securities Department, the New York Investor Protection Bureau and the United States Securities and Exchange Commission (“SEC”).

We provide investment advice through investment adviser representatives (“advisors”) associated with us. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on our behalf. In addition, all advisors are required to have sufficient educational and/or business experience to demonstrate that they can competently advise clients and manage operations of the firm as appropriate for their specific responsibilities.

Holos was founded in 2006 by Seth Hanau who serves as a Partner and President. Adam Orlov joined the firm as a Partner in 2010. We provide portfolio management services to individuals, trusts, estates, charitable organizations, foundations and endowments. We are committed to the precept that by placing the clients’ interests first, we will add value to the asset management process and earn the client’s trust and respect. We value long-term relationships with our clients, whom we regard as strategic partners in our business.

Services

We provide various investment management services with an emphasis on asset allocation strategies that can provide lower costs, global diversification and valuation-based allocations. Our focus is on providing value-based investment processes and dynamic strategies that are designed to attempt to increase the performance of your investments while mitigating your risks.

As of 12/31/2011, we provided asset management services for 105 accounts, managing total assets of \$19,666,001.

This amount is managed on a discretionary basis which means you have given us the authority to determine the following without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account
- Broker-dealer to be used for a purchase or sale of securities for your account
- Commission rates to be paid to a broker or dealer for your securities transaction

While we may have trading discretion on your account (i.e., placing trades in your account without your approval), trading activity is generally limited to help minimize your trading costs. Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment

allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, your account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages for our asset allocations and their models. This rebalancing or reallocation will occur on a schedule we have determined according to our research and financial modeling. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. Our advisors are not tax professionals and do not give tax advice; however, we will work with your tax professional to assist you with tax planning. You will have the opportunity to meet with us periodically to review the assets in your account.

1. Asset Management

Asset management is the professional management of securities (stocks, bonds and other securities) and assets (e.g., real estate) in order to meet your specified investment goals. With an Asset Management Account, you engage us to assist you in developing an asset allocation program and portfolio designed to meet your investment objectives. The investments in the portfolio account will be invested in one or a combination of our asset allocation strategies, which may include mutual funds and stocks. We typically impose a minimum dollar value on the size of account we will accept, which is \$100,000; however, depending upon your circumstances, this minimum may be negotiable.

We will meet with you to discuss your financial circumstances and to determine your risk tolerance. We may ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information. Based on the information you share with us, we will analyze your situation and recommend an appropriate asset allocation or investment strategy. You will be provided with targeted strategic asset allocation models to choose from, as well as investment advice. Our recommendations and ongoing management is based upon the investment portfolio you have selected. We will monitor the account, trade as necessary, and communicate regularly with you. Your circumstances shall be monitored in quarterly and annual account reviews. These reviews will be conducted in person, by telephone conference, and/or via a written inquiry/questionnaire. We will work with you on an ongoing basis to evaluate your asset allocations as well as rebalance your portfolio as necessary. You will also receive our Advisory Agreement which describes what services you will receive and what fees you will be charged.

We will:

- Review your present investments
- Monitor and track assets under management
- Advise on asset selection
- Determine market divisions through asset allocation models
- Provide research and information on performance and fund management changes
- Provide personal consultations as necessary upon your request or as needed

You must notify us promptly when your financial situation changes.

You may have the ability to impose reasonable restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction you request.

Under certain conditions, securities from outside accounts maybe transferred into your advisory account. However, we may recommend that you sell any security if we believe that it is not suitable for the current recommended investment strategy. You are responsible for any taxable events in these instances. We do not provide tax advice or tax management services. You should always consult with your tax advisor for specific tax advice. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not an indication of future performance.

If you decide to use our services to manage your account, we will help you open a custodial account(s). The funds in your account will generally be held in a separate account, in your name, at an independent custodian, not with us. Currently we only use the Schwab Institutional division of Charles Schwab & Co. ("Schwab") as the custodian for all accounts; however, we may use other custodians in the future. You will sign a separate custodial agreement with the custodian which authorizes them to take instructions from us regarding all investment decisions for your account. We will select the securities bought and sold and the amount to be bought and sold, within the parameters of the objectives and risk tolerance of your account. The custodian will effect transactions, deliver securities, make payments and do what we instruct. You will be notified of any purchases or sales through trade confirmations and statements that are provided by the custodian. You will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

Depending upon the activity in your account, the custodian will send you statements either monthly or quarterly. The statement lists the total value at the start of the month, itemizes all transaction activity during the month, and lists the types, amounts, and total value of securities held as of the end of the month. Your statement may be in either printed or electronic form based upon your preferences.

We will also provide you with quarterly investor letters starting at the end of the first full calendar quarter after signing the Client Advisory Agreement. These investor letters give you additional feedback regarding performance, educate you about our long-term investment philosophy, and describe any changes in current strategy and allocation along with the reasons for making these changes.

We are available during normal business hours either by telephone, fax, email, or in person by appointment to answer your questions.

2. Asset Allocation Models

We utilize several primary asset allocation models with different target portfolio weightings to manage your investments with us. The models we offer include the Unison Equity Bias Strategy and the Unison Low Volatility Equity Bias Strategy (neutral weighting of 65% equity/35% debt), and the Unison Debt Bias Strategy and the Unison Low Volatility Debt Bias Strategy (neutral weighting of 40% equity/60% debt). If

our analysis tells us that all securities are ‘fairly’ priced, our portfolios will hold the target distribution as listed above. However, we may skew the portfolio’s allocations based on our determination of the fair value of securities and the portfolio’s holdings at any given point may deviate significantly from the balance of equity and debt listed with the allocations above. We look for imbalances between value and price in the markets for the securities we trade and take advantage of these.

In each of these models, our methodology is based upon the analysis of various global macroeconomic factors in addition to evaluating the risk/return profiles of individual securities. Further, our asset allocation does not remain static but is dynamic in order to reflect shifts in the broad markets. Our research indicates that making investment decisions based upon value rather than price can be a more effective and efficient avenue to generating positive results. Our analytics allow us to determine the securities and assets we believe to be over or under priced and adjust our models accordingly. Overall, our strategy encompasses dynamic asset allocation, global diversification and long-term perspective.

Fees and Compensation

1. Asset Management Fee Schedule

Our minimum account opening balance is \$100,000; however, depending upon your circumstances, your minimum account balance may be negotiable. The fee charged is based upon the amount of money you invest. Multiple accounts of immediately-related family members, at the same mailing address, can be considered one consolidated account for billing purposes. The quarterly fee will be charged for the total of all of the accounts comprising the consolidated account; changes in the amount under management during the quarter will be prorated. The total fee will be billed to several or one selected client account unless arranged otherwise between us. You will pay fees quarterly, in arrears. Payments are due and will be assessed on the last day of each quarter, based on the ending balance of the account under management for the preceding quarter and will be calculated as follows:

Percentage	Portfolio Size (AUM)
0.75%	Up to \$1,000,000
0.60%	For the Next \$4,000,000
0.40%	For the Next \$5,000,000
0.20%	Over \$10,000,000

The fees shown above are annual fees. You will be billed one quarter of this amount on a quarterly basis. No increase in the annual fee shall be effective without prior written notification to you. We believe our advisory fee is reasonable considering the fees charged by other investment advisers offering similar services or programs.

Our fees will not be based upon a share of capital gains or capital appreciation of the funds or any portion of your funds. In no event shall we charge advisory fees that are both in excess of six hundred dollars and more than six months in advance of advisory services rendered.

Certain strategies offered by us may involve investment in mutual funds. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as “12(b) (1) fees”. These 12(b) (1) fees come from fund assets, and thus indirectly clients’ assets. We do not receive any compensation from these fees. The 12(b) (1) fee, deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund’s prospectus.

The fees we charge will be deducted directly from your account at your custodian. We will instruct the custodian to deduct the fees from your account at the end of the calendar quarter. This fee will show up as a deduction on your following month's account statement from the custodian.

Either party may terminate this agreement at any time by providing written notice to the other party. If cancelled within five business days of signing our advisory agreement, you will receive a full refund of any fees paid to us. If cancelled afterwards, you will be responsible for any fees up to the termination date. Any fees you may have paid above that amount will be refunded to you. Any balance of fees is due immediately. You will be responsible for any management fees and charges incurred from third parties as a result of maintaining the Account, such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. You will also be subject to any losses of invested capital that may occur during this time.

Performance Based Fee and Side by Side Management

We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client.

Types of Client(s)

We provide investment management services to individuals, trusts, estates, charitable organizations, foundations and endowments.

Methods of Analysis, Investment Strategies and Risk of Loss

Throughout our investment research and processes, we utilize multiple methods of analysis to determine and adjust our asset allocation models.

1. Fundamental Analysis

The allocation models that we employ are based upon fundamental analyses of asset classes. The approach includes evaluating the economic growth and inflation rates of various regions of the world, as well as security specific factors such as interest rates, earnings and dividend yields, in order to determine the fair value of a given asset class. That fair value is compared to an asset class's market price, and the results are used to construct valuation-based, globally diversified portfolios.

Holos licenses asset allocation strategies based on the methodology described above from Unison Advisors, LLC, an unaffiliated third-party research and investment firm. Holos then makes determinations about which securities to use in representing the various asset classes; works with clients to determine which strategy is right for them; opens the accounts; makes changes to the account holdings based on client discussions, product changes, market events, timing considerations, and in discussion with Unison regarding changes to its asset allocations; manages the relationship with the custodian; and maintains communication with the clients.

We use many other resources as well, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Research materials prepared by others
- Company press releases
- Corporate rating services
- Company websites
- Inspections of corporate activities

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases - securities held at least a year
- Short term purchases - securities sold within a year

2. Risks

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principle is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by us are subject to various market, currency, economics, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance. For a more comprehensive description of all the risks associated with our strategies, methodology, and products please refer to the glossary under Risks.

Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have no information to disclose here about the firm or any of our investment advisors. We adhere to high ethical standards for all advisors and associates. We strive to do what's in your best interests.

Other Financial Industry Activities and Affiliations

Seth Hanau is the Secretary and Treasurer for HFH Planning, Inc, which is a Registered Investment Advisor owned and operated by his father, Henry Hanau. Seth does not have any responsibilities or insight with regard to investment activities and services provided at HFH Planning, Inc.

Code of Ethics

1. General Information

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

We may recommend securities to you that we have purchased for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

We have established the following restrictions in order to ensure our fiduciary responsibilities to you are met:

- We shall not buy or sell securities for our personal portfolio(s) where this decision is substantially derived, in whole or in part, from our role as an Investment Advisory Representative of Holos Asset Management, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.
- We emphasize your unrestricted right to decline to implement any advice rendered.

However, some securities trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances,

exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with our records as required.

In addition, open-end mutual funds and/or investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value. Therefore, purchases of mutual funds and/or variable insurance products by an advisor are not likely to have an impact on the prices of the fund in which you invest. These types of transactions are not prohibited by our policies and procedures.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade order (specifying each participating account) and its allocation. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

You may request a copy of the firm's Code of Ethics by contacting Seth Hanau.

2. Responsibility

It is the responsibility of all supervisory personnel to ensure that we conduct business with the highest level of ethical standards and in keeping with our fiduciary duties to you. We must put your interests first and refrain from having outside interests that conflict with your interests.

3. Privacy Statement

We are committed to safeguarding your confidential information and hold all personal information provided in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

4. Prohibited Acts

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices

5. Conflicts of Interest

We have a duty to disclose potential and actual conflicts of interest. We have a duty to report potential and actual conflicts of interest to management. Gifts (other than de minimis gifts, which are usually

defined as having a value under \$100.00) should not be accepted from persons or entities doing business with us.

Our Advisors can employ the same strategy for their personal investment accounts as they do for their clients. However, they do not place their orders in a way to benefit from the purchase or sale of a security. This is prohibited by our Code of Ethics.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interest of all the accounts we advise.

6. Use of Disclaimers

We shall not attempt to limit liability for willful misconduct or gross negligence through the use of disclaimers.

Brokerage Practices

1. Soft Dollars

We do not receive any soft dollars from broker-dealers, custodians or third party money managers.

Broker-Dealer Relationship and Research

Charles Schwab & Co. ("Schwab") provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge, so as long as a total of at least \$10 million of the advisor's client assets are maintained in accounts at Schwab Institutional. Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher initial minimum investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or settle into Schwab accounts.

Schwab also provides us access to products and services that benefit us but may not benefit your accounts. Some of these other products and services assist us in managing and administering your accounts. These include software and other technology that provide access to your account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of our fees from our your accounts, and assist with back office functions, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at

Schwab Institutional. Schwab Institutional also makes available to us other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange, and/or pay for these types of services rendered to us by independent third parties.

Schwab Institutional may discount or waive fees that they would otherwise charge for these services or pay all or part of the fees of a third party providing these services to us. As a fiduciary, we endeavor to act in our clients' best interests and our requirement that clients maintain their assets in accounts at Schwab or another custodian may be based in part on the benefit to Holos of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

Aggregating Orders

We will generally place your trades individually through your accounts unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commission or other transaction costs. Under this procedure, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

2. Brokerage for Client Referrals

We do not receive any compensation or incentive for referring you to broker-dealers for brokerage trades.

3. Directed Brokerage

Not all advisory firms require you to direct brokerage to a specific broker-dealer. We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including the value of research provided, execution capability, commission rates, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

By directing brokerage to Schwab or another custodian, you may pay higher fees or transaction costs than those obtainable by other broker-dealers. In most cases, we believe you are paying a discounted and reasonable rate. You may pay higher or lower fees if you select another broker-dealer. Generally, we will not negotiate lower rates below the rates established by the executing broker-dealer for this type of directed brokerage account, unless we believe that such rate is unfair or unreasonable for the size and type of transaction.

Review of Accounts

1. Duty to Supervise

We are responsible for ensuring adequate supervision over the activities of all persons who act on our behalf. Specific duties include:

- Establish procedures that could be reasonably expected to prevent and detect violations of law by our Advisory personnel
- Analyze operations and create a system of controls to ensure compliance with applicable securities laws
- Ensure that all Advisory personnel fully understand the Company's policies and procedures
- Establish a review system designed to provide reasonable assurance that our policies and procedures are effective and being followed

2. Reviews

We invest all of your discretionary assets in one of several asset allocation models. Your accounts are rebalanced at least annually according to the models and additional factors which may include percent change in the model, tax consequences and transaction costs. Reviews will be conducted by us at least annually or as agreed to. Generally, we will monitor for changes and shifts in the economy, changes to the structure of products in which client assets are invested, and market shifts and corrections. You should notify us promptly of any changes to your financial situation as such changes may require us to review your portfolio and make recommendations for changes.

3. Reports

You will be provided with account statements reflecting the transactions occurring in the account on at least a quarterly basis by the custodian(s). These statements will be written or electronic depending upon what you selected when you opened the account. You will be provided with confirmations for each securities transaction executed in the account. We will provide you with quarterly investor letters. You must notify us of any discrepancies in the account or any concerns you may have about the account.

Client Referrals and Other Compensation

We do not currently compensate any person for client referrals; however, we may in the future provide direct or indirect compensation to persons for referrals.

Custody

We do not have custody of any accounts. We currently use Charles Schwab & Co. as the custodian and/or broker-dealer for all your accounts. You should receive at least quarterly statements from the

broker-dealer or custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare this official custodial record to the investor letters and invoices that we may provide to you. Our investor letters may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you notice any discrepancies, please contact Seth Hanau.

We do not debit the client fees directly from your advisory account. Only the custodian has the authority to directly charge and debit the advisory to your account, which is then forwarded to us. The custodian will provide you immediate transaction confirmations and monthly statements, either by mail or electronically per your request. Monthly statements list the total value of the account at the start and end of the month and itemize all transactions and security positions. For taxable accounts, the custodian will provide you consolidated year-end summary statements including IRS forms 1099 and other tax-related forms, as applicable. We are not allowed to make alterations or amendments to the custodian's statement. This preserves the integrity of the custodian's statement and provides you with an independent appraisal of the account.

Investment Discretion

We usually receive discretionary authority from you at the beginning of an advisory relationship to select the identity and amount of securities to be bought or sold. This information is described in the Advisory Agreement you sign with us. In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions you have set. Investment guidelines and restrictions must be provided to us in writing. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Voting Client Securities

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We may provide advice to you regarding your voting of proxies. We are authorized to instruct the custodian to forward you copies of all proxies and shareholder communications relating to your account assets.

Financial Information

We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings.

Requirements for State Registered Advisers

There are two principals of Holos Asset Management, Seth Hanau and Adam Orlov. Their information is as follows:

Seth Bernard Hanau

Position

Founder and Partner

Date of Birth

1971

Education

Bachelor of Arts
Indiana University, Bloomington, IN

Business History

June 2006 – Present	Partner at Holos Asset Management
July 2001 – May 2006	Self-Employed – General Trading Activities
April 2005 – November 2005	Consultant for Premier Global Services
January 2001 – June 2001	Portfolio Manager at Sigma Capital Management
January 1997 – December 2000	Partner/Portfolio Manager at First New York Securities, LLC
February 1996 – December 1996	Registered Sales Assistant at Merrill Lynch

Licenses

Seth has held several FINRA licenses including the Series 7, 55 63 licenses; he currently holds the FINRA Series 65. He is licensed to transact investment advisory services in Illinois.

Specialty

Seth specializes in portfolio management and investment processes. Each aspect of the investment management process is designed to provide his clients value-based and dynamic asset allocation strategies.

Adam Jason Orlov

Position

Partner

Date of Birth

1969

Education

Master of Business Administration
University of Michigan, Ann Arbor, MI

Bachelor of Arts
Northwestern University, Chicago, IL

Business History

January 2010 – Present	Partner at Holos Asset Management
May 2004 – December 2009	Managing Partner at Anthem Capital, LLC
October 2006 – December 2009	RII Trading (broker-dealer for Anthem Capital)
February 2006 – December 2009	Member at RV Trading
May 2004 – October 2006	Ronin Capital, LLC (broker-dealer for Anthem Capital)
August 2003 – April 2004	Project Manager at Prairie Real Estate Group
December 2002 – July 2003	Managing Member at Hill Partners, LLC
June 2001 – November 2002	Investment Banking Associate at Goldman Sachs & Co.
August 1999 – May 2001	Student at the University of Michigan Business School

Licenses

Adam has previously held the FINRA Series 7 license; he currently holds the FINRA Series 65. He is licensed to transact investment advisory services in Illinois.

Specialty

Adam specializes in portfolio management and financial modeling. Each aspect of the investment management process is designed to provide his clients value-based and dynamic asset allocation strategies.

Glossary of Key Terms

Adviser – Holos Asset Management, LLC

Advisor – Your individual representative at Holos Asset Management, LLC

Asset Allocation – The process of dividing investments among different kinds of assets, such as stocks, bonds, real estate and cash, to optimize the risk/reward tradeoff based on an individual's or institutions specific situation and goals.

Asset-class investment portfolios – An asset class is a grouping of similar investments whose prices tend to move together. Asset classes can be defined on a very general level, such as stocks or on a more specific level, such as American silver producing companies. The concept of asset classes is important because one of the goals when building an investment portfolio is to use different asset classes which are not correlated with each other.

Diversification – A portfolio strategy designed to reduce exposure to risk by combining a variety of investments, such as stocks, bonds, and real estate, which are unlikely to all move in the same direction. The goal of diversification is to reduce the risk in a portfolio. Volatility is limited by the fact that not all asset classes or industries or individual companies move up and down in value at the same time or at the same rate. Diversification reduces both the upside and downside potential and allows for more consistent performance under a wide range of economic conditions.

Exchange-Traded Funds – A type of an investment company (either an open-end company or UIT) whose objective is to achieve the same return as a particular market index. ETFs differ from traditional open-end companies and UITs, because, pursuant to SEC exemptive orders, shares issued by ETFs trade on a secondary market and are only redeemable from the fund itself in very large blocks (blocks of 50,000 shares for example).

Expense Ratio – The fund's total annual operating expenses (including management fees, distribution (12b-1) fees, and other expenses) expressed as a percentage of average net assets.

Fees – A list of all fees associated with different products we offer are listed below:

1. 12b-1 Fees — Fees paid by the fund out of fund assets to cover the costs of marketing and selling fund shares and sometimes to cover the costs of providing shareholder services. "Distribution fees" include fees to compensate brokers and others who sell fund shares and to pay for advertising, the printing and mailing of prospectuses to new investors, and the printing and mailing of sales literature. "Shareholder Service Fees" are fees paid to persons to respond to investor inquiries and provide investors with information about their investments.
2. Account Fee — A fee that some funds separately impose on investors for the maintenance of their accounts. For example, accounts below a specified dollar amount may have to pay an account fee.

3. **Distribution Fees** — Fees paid out of fund assets to cover expenses for marketing and selling fund shares, including advertising costs, compensation for brokers and others who sell fund shares, and payments for printing and mailing prospectuses to new investors and sales literature prospective investors. Sometimes referred to as "12b-1 fees."
4. **Management Fee** — fee paid out of fund assets to the fund's investment adviser or its affiliates for managing the fund's portfolio, any other management fee payable to the fund's investment adviser or its affiliates, and any administrative fee payable to the investment adviser that are not included in the "Other Expenses" category. A fund's management fee appears as a category under "Annual Fund Operating Expenses" in the Fee Table.
5. **Operating Expenses** — the costs a fund incurs in connection with running the fund, including management fees, distribution (12b-1) fees, and other expenses.
6. **Purchase Fee** — a shareholder fee that some funds charge when investors purchase mutual fund shares. Not the same as (and may be in addition to) a front-end load.
7. **Redemption Fee** — a shareholder fee that some funds charge when investors redeem (or sell) mutual fund shares. Redemption fees (which must be paid to the fund) are not the same as (and may be in addition to) a back-end load (which is typically paid to a broker). The SEC generally limits redemption fees to 2%.
8. **Sales Charge (or "Load")** — the amount that investors pay when they purchase (front-end load) or redeem (back-end load) shares in a mutual fund, similar to a commission. The SEC's rules do not limit the size of sales load a fund may charge, but FINRA rules state that mutual fund sales loads cannot exceed 8.5% and must be even lower depending on other fees and charges assessed.
9. **Shareholder Service Fees** — fees paid to persons to respond to investor inquiries and provide investors with information about their investments. See also "12b-1 fees."

Index Fund – Describes a type of mutual fund or Unit Investment Trust (UIT) whose investment objective typically is to achieve the same return as a particular market index, such as the S&P 500 Composite Stock Price Index, the Russell 2000 Index, or the Wilshire 5000 Total Market Index.

Investment Adviser – Generally, a person or entity who receives compensation for giving advice to a specific person on investing in stocks, bonds, or mutual funds. Some investment advisers also manage portfolios of securities, including mutual funds.

Investment Company – A company (corporation, business trust, partnership, or limited liability company) that issues securities and is primarily engaged in the business of investing in securities. The three basic types of investment companies are mutual funds, closed-end funds, and unit investment trusts.

Margin – Borrowing money (usually using securities you already own as collateral) that is used to purchase securities.

Mutual Fund – The common name for an open-end investment company. Like other types of investment companies, mutual funds pool money from many investors and invest the money in stocks,

bonds, short-term money-market instruments, or other securities. Mutual funds issue redeemable shares that investors purchase directly from the fund (or through a broker for the fund) instead of purchasing from investors on a secondary market.

NAV (Net Asset Value) – The value of the fund's assets minus its liabilities. SEC rules require funds to calculate the NAV at least once daily. To calculate the NAV per share, simply subtract the fund's liabilities from its assets and then divide the result by the number of shares outstanding.

No-load Fund – A fund that does not charge any type of sales load. But not every type of shareholder fee is a "sales load," and a no-load fund may charge fees that are not sales loads. No-load funds also charge operating expenses.

Open-End Company – The legal name for a mutual fund. An open-end company is a type of Investment Company.

Option Contracts – The right, but not the obligation, to buy (for a call option) or sell (for a put option) a specific amount of a given stock, commodity, currency, index, or debt, at a specified price (the strike price) during a specified period of time. For stock options, the amount is usually 100 shares. Each option contract has a buyer, called the holder, and a seller, known as the writer. If the option contract is exercised, the writer is responsible for fulfilling the terms of the contract by delivering the shares to the appropriate party. In the case of a security that cannot be delivered such as an index, the contract is settled in cash. For the holder, the potential loss is limited to the price paid to acquire the option. When an option is not exercised, it expires. No shares change hands and the money spent to purchase the option is lost. For the buyer, the upside is unlimited. Option contracts, like stocks, are therefore said to have an asymmetrical payoff pattern. For the writer, the potential loss is unlimited unless the contract is covered, meaning that the writer already owns the security underlying the option. Option contracts are most frequently used as either leverage or protection. As leverage, options allow the holder to control equity in a limited capacity for a fraction of what the shares would cost. The difference can be invested elsewhere until the option is exercised. As protection, options can guard against price fluctuations in the near term because they provide the right to acquire the underlying stock at a fixed price for a limited time. Risk is limited to the option premium (except when writing options for a security that is not already owned). However, the costs of trading options (including both commissions and the bid/ask spread) is higher on a percentage basis than trading the underlying stock. In addition, options are very complex and require a great deal of observation and maintenance.

Portfolio – An individual's or entity's combined holdings of stocks, bonds, or other securities and assets.

Profile – Summarizes key information about a mutual fund's costs, investment objectives, risks, and performance. Although every mutual fund has a prospectus, not every mutual fund has a profile.

Prospectus – Describes the mutual fund to prospective investors. Every mutual fund has a prospectus. The prospectus contains information about the mutual fund's costs, investment objectives, risks, and performance. You can get a prospectus from the mutual fund company (through its website or by phone or mail). Your financial professional or broker can also provide you with a copy.

Risks – A list of risks associated with the strategies, products and methodology we offer are listed below:

1. Fundamental Analysis Risks

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the asset allocation, and its content, over time. These can include economic, political and social factors, in addition to the various company statistics within the allocation.
- The data used may be at least six months out of date.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.
- It assumes that there is no monopolistic power over markets.

2. Mutual Funds & Exchange-Traded Funds Risk

Mutual funds can offer the advantages of diversification and professional management. But, as with other investment choices, investing in mutual funds involves risk and fees and taxes will diminish a fund's returns.

But mutual funds also have features that some clients might view as disadvantages, such as:

- **Costs despite Negative Returns** — Clients must pay sales charges, annual fees, and other expenses) regardless of how the fund performs. And, depending on the timing of their investment, clients may also have to pay taxes on any capital gains distribution they receive — even if the fund went on to perform poorly after they bought shares.
- **Lack of Control** — Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- **Price Uncertainty** — with an individual stock, you can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling your advisor. You can also monitor how a stock's price changes from hour to hour. But with a mutual fund, the price you purchase or redeem shares for will typically depend on the fund's NAV, which the fund might not calculate until many hours after you've placed your order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

The following is a list of some general risks associated with investing in mutual funds.

- **Country Risk** - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- **Currency Risk** -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.

- Income Risk - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- Industry Risk - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- Inflation Risk - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- Manager Risk -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- Market Risk -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

3. Bond Fund Risk

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- Call Risk - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- Credit Risk — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

4. Stock Fund Risk

Although a stock fund's value can rise and fall quickly over the short term, historically stocks have performed better over the long term than other types of investments — including corporate bonds, government bonds, and treasury securities.

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

Not all stock funds are the same. For example:

- Growth funds focus on stocks that may not pay a regular dividend but have the potential for large capital gains.
- Income funds invest in stocks that pay regular dividends.
- Index funds aim to achieve the same return as a particular market index, such as the S&P 500 Composite Stock Price Index, by investing in all — or perhaps a representative sample — of the companies included in an index.
- Sector funds may specialize in a particular industry segment, such as technology or consumer products stocks.

5. Alternative Investment Risk

Investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- Loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices
- Lack of liquidity in that there may be no secondary market for the fund and none expected to develop
- Volatility of returns
- Restrictions on transferring interests in the fund
- Absence of information regarding valuations and pricing
- Delays in tax reporting
- Less regulation and higher fees than mutual funds

6. Overall Fund Risk

- Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.
- Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.
- While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

Risk Tolerance – The extent to which an investor is willing to accept more risk in exchange for the possibility of a higher return. An investor with a high risk tolerance is likely to invest in securities, such as

stocks in startup companies, and is willing to accept the possibility that the value of his/her portfolio will decline, at least in the short-term. An investor with a low risk tolerance, on the other hand, tends to invest predominantly in stable stocks and/or highly-graded bonds. One's risk tolerance is subjective and may vary according to age, needs, goals, and even personal dispositions

Third Party Money Manager — The professional management of various securities (shares, bonds and other securities) and assets (e.g., real estate), to meet specified investment goals for the benefit of the investors. The managers are not the actual advisers working with the investor. Investors may be institutions (insurance companies, pension funds, corporations, individuals etc.).

You – The client.