

Item 1 – Cover Page



**Firm Brochure**  
(Part 2A of Form ADV)

**March 29, 2019**

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This brochure provides information about the qualifications and business practices of ATCapital Management. If you have any questions about the contents of this brochure, please contact us at: 563.582.1841 or by email at: [ssteffen@americantrust.com](mailto:ssteffen@americantrust.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"), or by any state securities authority. Being a "registered investment adviser" or describing ourselves as being "registered," does not imply a certain level of skill or training.

Additional information about ATCapital Management is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for our firm is 140215.

## **Item 2 - Material Changes**

ATCapital's parent company, ATBancorp, is merging with Iowa-based MidWestOne Financial Group. ATCapital is not included in the terms of the merger and therefore will not become part of the MidWestOne Financial Group. Due to these circumstances ATCapital will cease to exist. Although the exact timing is uncertain, it will be no later than May 1, 2019.

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## Item 4 - Advisory Business

### The Company

ATCapital Management ("ATCM") is a wholly owned subsidiary of ATBancorp, a privately owned bank holding company incorporated in the state of Iowa. ATCM is a SEC Registered Investment Advisor with its principal place of business in Dubuque, Iowa. ATCM was formed in August of 2006. ATCM does not engage in any business other than providing investment advice.

### Investment Management

ATCM's management of client portfolios is generally on a fully discretionary basis (buying/selling securities without prior approval using blanket trading authority granted by clients in the investment management agreement). ATCM, as a fiduciary, has an obligation to act consistent with the Advisers Act, but to also place the clients' interests above those of ATCM.

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ATCM tailors its advisory services to the individual needs of clients. Each client account is managed to an investment objective that is based on factors that include: financial situation, risk tolerance, time horizon, and other personal considerations. This investment objective becomes the roadmap ATCM uses to manage client portfolios. Portfolios are managed to maximize return subject to the established risk profile and investment objective. Clients may impose reasonable restrictions on investments for their account(s).

Once the objective is established, ATCM helps each client construct a portfolio which it then manages on a continuous basis. As indicated above, while providing management oversight, ATCM will select the securities to buy and sell, the amount to buy and sell, and decide when to buy and sell.

ATCM primarily allocates investment management assets among various individual equity and/or fixed income securities, exchange traded funds ("ETF") and/or mutual funds. The use of each will be predicated on the investment strategy utilized for each client account.

Clients are free to contact ATCM at any time regarding their account.

ATCM may offer investment advice on the following types of investments:

- Equity securities
- Warrants
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Investment Company Securities (including variable life insurance, variable annuities and mutual fund shares)
- Option contracts on securities and commodities
- U.S. government securities

ATCM may also allocate client assets among American Trust & Savings Bank (the "AT&SB") common and pooled funds - which are exempted from mutual fund registration requirements (the "Funds"). Because ATCM provides sub-advisory services to the Funds, and AT&SB is an affiliate of ATCM, a conflict of interest is present. ATCM is paid by AT&SB directly and not by the fund. Clients must advise ATCM in writing if they do not want their assets allocated among the Funds.

ATCM offers a variety of strategies ranging from conservative to aggressive; please refer to "Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss" for more detail on the strategies.

Clients may impose restrictions in investing in certain securities, security types, or security amounts in accordance with their values or beliefs. However, if the restriction(s) prevents ATCM from properly

managing the client's portfolio, or if the restriction(s) would require ATCM to deviate from its investment management philosophies, ATCM reserves the right to disapprove the restriction(s) or terminate the relationship.

#### **Sub-Advisory**

ATCM also provides similar services, in whole or in part, as a **sub-advisor** or co-advisor with other investment advisory firms that act as the primary advisor to clients. In such cases, services may be limited to those outlined in an agreement with that advisor. For example, ATCM may only manage a portion of a client's overall portfolio or may have limited/no contact with the client. Establishing investment objectives and determining suitability are then the responsibility of advisors other than ATCM.

#### **Research and Model Investment Recommendation Services ("Research Services")**

ATCM also provides research and model portfolio investment recommendations to third party advisor(s) or platform(s). ATCM provides only research services and does not provide trading or additional services. These advisor(s) may use research provided by ATCM to implement investment recommendations for their own clients.

#### **Limitations**

ATCM and its employees and affiliates can **not** guarantee future results. ATCM deals with variables that can and will change over time. It is ATCM's mission to put clients on the path to achieve their goals, but we do not state or imply any certainty of success. Clients must acknowledge that all investments involve risk of loss of principal. ATCM does not guarantee that objectives will be met.

#### **Assets Under Management**

As of December 31, 2018, ATCM had \$814,384,032 million in assets under management. All of these assets were discretionary managed assets.

## **Item 5 - Fees and Compensation**

#### **Discretionary Investment Management**

The specific manner in which fees are charged by ATCM is established in the client's written agreement with ATCM. Fees are generally calculated on a quarterly or monthly basis and will be computed based upon the market value of the assets under management on the last day of the calendar quarter or month. Fees may be paid in arrears each calendar quarter or month. Clients authorize ATCM to instruct the custodian to debit the fees from client's accounts. In certain circumstances, clients may elect to be invoiced and submit payment for fees. Clients will receive statements from their custodians and should review these statements carefully for fees deducted from the account.

Accounts initiated or terminated during a calendar quarter or month will be charged a prorated fee. Fees begin when cash or securities are deposited into a client's custodial account subject to a signed Investment Advisory Contract. For an existing account with the custodian, fees begin when an investment advisory contract is signed.

ATCM may at its discretion combine the value of related accounts for fee calculation purposes.

ATCM investment management fee schedule ranges are as follows:

	<u>Annual Fee Range*</u>
<b>ATDynamic Allocation Portfolios</b>	.40% - 1.60%
<b>ATSelect Portfolios</b>	.40% - 1.60%
<b>ATManaged Overlay Portfolios</b>	.70% - 1.85%
<b>ATTrend Portfolios</b>	.40% - 1.60%

Fees will vary based upon the value of assets under management with the fee being lower with larger account values. The higher fees shown in the fee ranges above may include a fee paid to a solicitor for referring your account to ATCM. This fee arrangement is disclosed to referred clients before the clients sign an investment management agreement with ATCM.

Fees for Custom Portfolios are negotiated based upon certain criteria (anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, etc.).

ATCM may also charge a base fee of \$300.00 and require a minimum annual fee of \$1875.00 for discretionary investment management accounts. Excluding any minimums, fees for any investment management services provided by ATCM will not exceed 2.00%. ATCM may negotiate a different management fee for any account based upon similar criteria described in the preceding paragraph.

Clients may incur brokerage commissions, transaction fees, asset based fees, and other related costs which are paid by the client to the broker and/or custodian. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are separate from, and in addition to, ATCM's fee. ATCM does not receive any portion of these costs. For additional information, please see "Item 12: Brokerage Practices".

#### **Sub Advisory**

Fees to ATCM for the sub-adviser or co-adviser management services it provides do not exceed the service fees set forth above for Discretionary Investment Management services. Prospective and existing clients should be aware of the fact that the ATCM's fees do not include those of other investment advisory firms and, therefore, clients should carefully review the package of services and fees being charged by all advisory service providers. Fees charged for sub-advisory services range from .20% - 1.0% depending on the amount of assets and services provided. The specific manner in which fees are charged by ATCM is established in a written sub-advisory agreement between ATCM and other investment advisory firms.

#### **Research Services**

ATCM's fees for Research and Model Investment Recommendation Services are negotiated on a case-by-case basis.

### **Item 6 - Performance-Based Fees and Side-By-Side Management**

ATCM does not charge performance-based fees or fees based on a share of capital gains on or capital appreciation of the assets of a client. ATCM does not have any side-by-side management conflicts.

### **Item 7 - Types of Clients**

ATCM provides discretionary investment advice to:

- Individuals
- Bank and thrift institutions
- Pension and profit-sharing plans
- Trusts, estates and charitable organizations
- Corporations
- Other business entities

Minimum account sizes for managed accounts vary and depend on the type of investment advisory service to be performed and in certain circumstances may be negotiable. Minimums for investment management service provided are as follows.

<b>Portfolio Type</b>	<b>Minimum</b>
ATDynamic Allocation Portfolios	\$75,000.00
ATSelect Portfolios	\$150,000.00*
ATManaged Overlay Portfolios	\$350,000.00
ATTrend Portfolios	\$100,000.00
Custom Management	Negotiable

\*ATSelect Portfolios will have a higher minimum ranging from \$250,000.00 to \$500,000.00 for portfolios using fixed income securities. For clients whose accounts fall below \$75,000, and are charged a minimum fee, fees could exceed 2% per year which is a higher fee than other advisors typically charge for the same service.

## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

In delivering discretionary investment management services, ATCM's methods of analysis will vary depending on the investment strategy employed. ATCM security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon historical and projected financial performance); and cyclical analysis (analysis based upon the status of an issue within the price cycle the security or similar securities have followed historically).

ATCM's main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials provided by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases. ATCM relies on both internally and externally generated research as well as statistical data and material furnished by third-parties. Investment strategies may include long-term and short-term purchases.

### **Investment Strategies**

ATCM offers the following investment strategies:

- **ATSelect Portfolios:** ATCM manages individual portfolios for clients by constructing specific equity, fixed income, or balanced portfolios primarily comprised of individual securities. Equity portfolios are managed with a disciplined process of identifying companies with strong cash flow and attractive valuations, diversified across broad economic sectors. Fixed income portfolios typically focus on high-quality intermediate-term bonds that may include taxable or municipal bonds depending on the client's needs and circumstances. Equity and fixed income strategies may be combined to develop balanced portfolios with the allocation determined by investment objective of each client.
- **The ATDynamic Allocation Portfolios:** ATCM manages ten (10) different ETF and mutual fund model portfolios ranging from conservative to aggressive. Asset allocation guidelines are set for each portfolio which includes established ranges built around each asset class. ETFs and mutual fund managers are selected for each asset class with holdings varying from six (6) to fifteen (18) ETFs or mutual funds depending on the model. ATCM actively manages the mix within pre-established ranges and monitors the ETFs and mutual fund managers of the portfolios. Tactical shifts are made based on market conditions and at the discretion of ATCM.
- **The ATManaged Overlay Portfolios:** ATCM manages five (5) different portfolios ranging from conservative to aggressive. Asset allocation guidelines are set for each portfolio which includes established ranges built around each asset class. Portfolios are then developed using a combination of ETF's, third-party manager strategies, proprietary ATCM strategies, and/or mutual funds depending on the objective. ATCM actively manages the mix, monitors managers, and executes trades for each strategy all in one account.

- **The ATTrend Portfolios:** ATCM manages two (2) different quantitative multi-style ETF portfolios. One seeks attractive total return by investing in a select group of core asset classes, tactically allocating assets to those with a positive ATTrend score. The other seeks high current income by investing in income producing assets with a positive ATTrend score.
- **Custom Portfolios:** Custom Portfolios are managed portfolios that may include a combination of various ATCM Strategies or may include asset classes or objectives not incorporated in other ATCM strategies. Specific guidelines are set for each account and agreed upon by ATCM and client.

All securities have various forms of risk including market and interest rate risk. It is possible that even the most conservative strategy offered by ATCM could lose money. ATCM cannot guarantee any future results based on the advice given. Thus, significant losses can occur investing in any security, or by following any strategy, including those recommended or applied by ATCM.

### **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of ATCM or the integrity of ATCM's management. There have been no disciplinary events to be reported by ATCM or its employees.

### **Item 10 - Other Financial Industry Activities and Affiliations**

ATCapital Management is a wholly owned subsidiary of ATBancorp, a privately owned bank holding company. ATBancorp also owns American Bank Wisconsin, and American Trust & Savings Bank ("AT&SB"), both FDIC member banks. AT&SB provides traditional banking services, including trust and investment management services. ATBancorp also controls shares in United American Bank, a publicly traded bank holding company in San Mateo, California, and is considered an affiliate of ATBancorp. Some of the principals of ATCM are shareholders. All subsidiaries and affiliates of ATBancorp are considered to be affiliates of ATCM.

ATCM may utilize the personnel and/or services of AT&SB in the performance of ATCM's business. These include, without limitation, human resources, accounting, equipment, marketing, insurance, office space, and other administrative services. Employees of ATCM are also employees of AT&SB and may perform similar duties.

ATCM may recommend AT&SB, a qualified custodian and affiliate of ATCM, to provide custodial services to clients. ATCM does not receive additional fees by recommending AT&SB as custodian, and the client pays no additional fee except for services that the client contracts directly with AT&SB. Where clients use AT&SB as the custodian of their account, ATCM may allocate client assets among one or more AT&SB common and pooled funds - which pooled funds are exempted from mutual fund registration requirements (the "Funds"). ATCM also provides sub-advisory services to the AT&SB and their pooled funds. As a result, a conflict of interest is present. However, compensation to ATCM for management of the Funds is paid by AT&SB and not from the Fund. Therefore, clients do not pay additional fees for the use of the Funds. Clients must advise ATCM, in writing, if they do not want their assets allocated among the Funds.

AT&SB is also an insurance agency and may recommend certain insurance products to advisory clients of ATCM. ATCM does not require recommended insurance products to be purchased through AT&SB.

ATCM is not registered and does not have an application pending as a securities broker dealer, a futures merchant, commodity pool operator or a commodity trading advisors.

ATCM does not receive compensation, directly or indirectly, for selecting outside investment advisors for our clients.

Clients and prospective clients should be aware of the fact that a conflict of interest exists when an employee of ATCM recommends the services or investment related products of any of the affiliates named above.

### **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

ATCM has adopted a Code of Ethics ("Code") that establishes standards of conduct for ATCM's personnel. Since ATCM is a fiduciary, the interest of the Firm's clients has precedence over ATCM's business interests and its employees' personal interests at all times. The Code includes policies and requirements that ATCM's employees must follow regarding:

- Fiduciary obligations to clients
- Applicable securities laws
- Insider trading rules
- Personal trading rules
- Safeguarding of proprietary and non-public information
- Use of insider information
- Use of private information regarding a Client
- Receipt of Gifts

The Code is designed to assure that the personal securities transactions, activities and interests of ATCM's employees will not interfere with making and implementing decisions in the best interest of clients and, at the same time, allowing employees to invest for their own accounts. ATCM Code also contains written policies reasonably designed to prevent the unlawful use of material non-public information by ATCM or its employees. All employees are required to sign an Annual Acknowledgement acknowledging they have read, understand and agree to comply with ATCM's Code of Ethics and Policies & Procedures.

Clients and prospective clients can request a copy of ATCM's Code of Ethics and Privacy Policy upon request by calling 563-582-1841, sending an email to [info@at.capital](mailto:info@at.capital), or by writing to ATCM at 895 Main Street, Dubuque, IA 52001.

Because ATCM's Code permits employees to invest in the same securities as clients, with some restrictions, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. However, no employee of ATCM shall prefer their own interest to that of a client's or make investment decisions based on the trading activities of clients.

Employee trading is monitored quarterly under the Code to try to reasonably prevent conflicts of interest between ATCM and clients. Employees must comply with the ATCM's procedures regarding personal securities transactions by providing the following:

- Holdings report at start of employment.
- Personal transactions reports on a quarterly basis.
- Personal holdings reports on an annual basis.

In addition, ATCM has instituted the following restrictions on employees' personal trading:

- Report all individual personal securities transactions.
- Report opening any new personal securities accounts.
- Report receipt of gifts, gratuities and non-cash compensation (including broker sponsored conferences and events), not including gifts of de minimis value (less than \$100).

ATCM's Chief Compliance Officer reviews all employee reportable accounts, holdings and individual personal securities reports.

## **Item 12 - Brokerage Practices**

ATCM generally determines the broker through whom securities transactions are to be affected. In selecting brokers, ATCM considers the full range and quality of a broker dealer's services including:

- best execution, clearance and settlement capabilities, taking into account: 1) trading difficulty, 2) security liquidity, 3.) commission rates, 4.) execution and error resolution
- financial strength and stability
- responsiveness to ATCM
- amount, quality and nature of the research provided

It is ATCM's policy to seek best execution available in light of the overall quality of brokerage, custodial, and research services provided to it or its clients. Best execution involves reasonably seeking the most favorable terms for a transaction under these circumstances.

### **Research and Other Soft Dollar Benefits**

Certain broker dealers who execute securities transactions for ATCM may also furnish investment research services to ATCM in exchange for the brokerage execution services. Commission payments in exchange for research services are commonly referred to as "soft dollars". Such research services are of the type allowed under the Securities Exchange Act of 1934, which provides a "safe harbor" to investment managers that use investor commission dollars to obtain investment research and brokerage services that assist the manager in performing investment decision-making responsibilities. ATCM does not receive any products or services that fall outside the safe harbor provided for in the SEC rules. ATCM considers it important to its decision making process to have access to outside research. These research services are designed to supplement ATCM's internal research and investment strategy capabilities.

Within the last fiscal year, ATCM received the following research services through soft dollar arrangements:

- Written reports on individual companies, industries, and general economic conditions
- Access to leading research analysts throughout the financial community
- Presentations made by corporations, industry experts, and economists
- Comparative performance evaluation, technical measurement services and research reports on market conditions.
- Availability of economic advice and services from recognized experts on investment matters.
- Portfolio screening tools and services providing information that assists ATCM in security selection and analysis.

Research services may be provided to ATCM by the broker-dealer directly or by third-parties through the broker-dealer.

When ATCM uses brokerage commissions to obtain research services, ATCM benefits because it does not have to pay for these separately. ATCM may have an incentive to select a broker-dealer based on its interest in receiving research services. Clients may pay higher than the lowest commission rates available in return for ATCM obtaining such research services. Research services provided by broker-dealers may be used to service all of ATCM's clients and may be used in connection with accounts other than those transacting with the broker-dealer that provides research services.

### **Brokerage for Client Referrals**

ATCM does not accept or receive client referrals from any broker dealer which the firm uses.

### **Directed Brokerage**

ATCM may accept direction from clients regarding the brokers to be used for their account. If a client elects to direct brokerage transactions to a broker other than recommended by ATCM, ATCM may not be able to obtain best execution for that client thus, the client may pay higher commissions because ATCM could not participate in the negotiation of commission rates. In addition, the client may receive less favorable prices because ATCM could not aggregate those orders with orders of other clients.

### **Trade Aggregation and Allocation**

ATCM may aggregate client transactions when possible and advantageous to clients. The aggregation of client purchase or sale orders into blocks for execution may allow ATCM to achieve more equitable, timely and efficient executions, lower per share brokerage cost and fairer prices. Clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally on a pro-rata basis. Partially filled orders of aggregated trades will be allocated pro-rata based on the initial amount, subject to certain exceptions (rounding, de minimis orders). ATCM does not receive any additional compensation as a result of aggregation.

ATCM performs investment management services for a variety of clients and the advice given, or the action taken, may vary among accounts. To the extent practical, ATCM allocates investment opportunities to each account on a fair and equitable basis relative to other similarly situated client accounts.

## **Item 13 - Review of Accounts**

Based on their investment objective, client accounts are typically assigned an investment strategy that becomes the blue print for the ongoing management of their assets. These strategies are monitored and reviewed continuously by the Chief Investment Officer of ATCM. Accounts are subject to ongoing review to ensure that each is within the guidelines set by the investment strategy in place and any restrictions placed on the account by the client. Account exceptions are reviewed and re-balanced accordingly.

Clients are contacted at least annually to determine that the current investment strategies employed by ATCM still meet their investment objectives. Additional reviews can be requested by the client or triggered by material market, economic or political events, or by changes in client's financial situation. Clients are encouraged to inform ATCM of any changes to their objectives or financial situation that might change the investment strategy ATCM employs to manage their account.

Clients will receive statements at least quarterly from their custodian that holds and maintains their investment assets. Upon request, clients may receive a quarterly performance statement from ATCM summarizing account activity, asset allocation and performance.

## **Item 14 - Client Referrals and Other Compensation**

ATCM may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to ATCM. Whenever ATCM pays a referral fee, ATCM will require the Solicitor to provide the prospective client with a copy of our Firm Brochure and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with ATCM;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- As disclosed in Item 5, fees paid by the client to ATCM may be higher than ATCM's normal fee

The total advisory fee paid by the client may be determined by the Solicitor recommending ATCM services to the client. This creates a conflict of interest and an incentive for the Solicitor to recommend ATCM's services since the Solicitor will receive a portion of the total fee charged and because they can set the total fee the client will pay annually, of which, the solicitor will receive a portion. For these

reasons, clients may pay higher fees to ATCM and the solicitor than other clients receiving similar services together or separately.

AFTA employees may receive referral fees from an affiliate for referring a client to one of our affiliates listed in item 10 above.

## **Item 15 – Custody**

ATCM does not accept or maintain physical custody of client assets. Funds typically are deposited with either a qualified brokerage firm or bank.

For purposes of Rule 206(4)-2 of the Investment Advisers Act, we have custody of client assets for two reasons.

- We have the authority to instruct the custodian to debit client accounts for investment management fees.
- We are an affiliate to ATSB, a qualified custodian, and we share employees and office space.

ATCM engages an independent accountant to conduct an annual surprise examination of client funds and securities required under the Investment Advisers Act of 1940 to ensure its safekeeping procedures are adequate. ATCM also relies on its affiliated custodian, ATSB, to engage an independent public accountant to prepare an internal control report with respect to its custodial services.

ATCM has established relationships with Fidelity Investments and ATSB, an affiliated entity of ATCM. (See Item 10, Other Financial Industry Activities and Affiliations) Unless the client directs ATCM otherwise, ATCM will recommend the client maintain their accounts at either Fidelity or ATSB. The client will need to enter into a separate custodial agreement with the custodian they use.

Qualified custodians safeguard your assets, settle trades, collect dividends and interest, and process cash transactions on client's behalf. The records maintained by the custodian are the official record of a client's account for tax reporting and other purposes. Clients should receive at least quarterly statements from their custodian and should review these carefully. Clients should also review custodial statements with any reports provided by ATCM. ATCM's statements may vary from custodial statements based on different accounting procedures, reporting dates, or security pricing. While both are intended to be accurate, clients should be aware of the potential differences that might appear.

## **Item 16 - Investment Discretion**

Clients opening discretionary accounts are required to sign an Investment Advisory Agreement that, among other things, gives ATCM the discretion to select the identity and amount of securities to be bought or sold in the clients' account without prior approval. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objective for the particular client account.

Detailed in Item 4 above, clients may impose restrictions on investing in certain securities or types of securities. Investment guidelines and restrictions must be provided to ATCM in writing. ATCM reserves the right to decline to open or maintain a client account if restrictions prevent it from properly managing the account or forces ATCM to deviate from their investment philosophies.

If an order error occurs by ATCM it is ATCM's policy to take action to make the clients account whole.

## **Item 17 - Voting Client Securities**

ATCM has adopted policies and procedures that it believes are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with the Firm's fiduciary duties and SEC Rule 206(4)-6 under the Investment Advisers Act of 1940. The conditions that govern ATCM's authority to vote proxies on behalf of clients are contained in the investment advisory agreement. If clients request to vote proxies on their behalf, they will receive proxy related information directly from their custodian.

ATCM has adopted pre-determined proxy voting guidelines to make every effort to ensure the manner in which shares are voted is in the best interest of clients and the value of the investment. Under the guidelines, ATCM may delegate to a non-affiliated third party vendor, the responsibility to review proxy proposals and make voting recommendations on behalf of ATCM. ATCM may also vote a proxy contrary to the guidelines if ATCM determines that such action is in the best interest of our clients.

Conflicts of interests relating to proxies will be handled in various ways depending on the type and materiality. Generally, where the guidelines outline ATCM's voting position, voting will be in accordance with ATCM's guidelines. Where the guidelines outline ATCM's voting position to be determined on a case by case basis for such proxy, or such proxy is not listed in the guidelines, then ATCM will choose either to vote the proxy in accordance with the voting recommendation of a non-affiliated third party vendor, or will attempt to have client vote the proxy. The method selected by ATCM will depend on the facts and circumstances of each situation and the requirements of applicable law.

Clients can also obtain a copy of the ATCM's proxy voting policy and procedures and/or information on how proxies were voted for their accounts upon request from Scott Steffen, Chief Compliance Officer, by emailing [info@at.capital](mailto:info@at.capital) or by mail at 895 Main Street, Dubuque, IA 52001.

## **Item 18 - Financial Information**

Because ATCM has discretionary authority over client accounts, it is required to disclose any financial condition that is reasonably likely to impair ATCM's ability to meet contractual commitments to the client. At this time, ATCM has no such issue to report and has not been the subject of a bankruptcy proceeding.