

Active Investment Management LLC

Brochure

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This Brochure provides information about the qualifications and business practices of Active Investment Management LLC. If you have any questions about the contents of this Brochure, please contact us at 708-646-3468. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Active Investment Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Active Investment Management LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes made to AIM, LLC's disclosure statement.

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Item 4 Advisory Business

- A. Active Investment Management LLC (AIM, LLC) is a limited liability company formed on July 23, 2008 in the state of Illinois. AIM, LLC became registered as an Investment Adviser Firm in June 201X. AIM, LLC is owned by David A. Wagner. Mr. Wagner is AIM, LLC's Principal and Chief Compliance Officer.

- B. As discussed below, AIM, LLC offers to its clients (individuals, pension and profit sharing plans, trusts, estates and charitable organizations, etc.) investment advisory services relative to its proprietary mutual fund/exchange traded fund allocation strategies. AIM, LLC **does not** hold itself out as providing financial planning, estate planning or accounting services

INVESTMENT ADVISORY SERVICES

AIM, LLC. Investment Management Services

AIM, LLC shall manage, on a discretionary fee basis: (1) individual accounts, pursuant to which AIM, LLC shall generally allocate the client's investment assets among different asset allocation strategies, including: (a) Active NDX Strategy, (b) Active Volatility Strategy, (c) Active Europe Strategy, (d) Conservative SP Strategy, (e) Conservative Europe Strategy, and (f) Moderate Europe Strategy, (2) individual accounts, pursuant to which AIM, LLC shall generally allocate the client's investment assets among different asset allocation strategy blends, including: (a) Conservative, (b) Moderate, and (c) Aggressive strategy allocation blends. Each individually selected blend represents a diversified allocation between a selection of AIM, LLC's investment strategies. AIM, LLC shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by AIM, LLC. The current annual investment management fee is 2.50%. AIM, LLC's asset allocation strategies are described in detail within item 8 pages 10 thru 13 of Part 2A Form ADV.

MISCELLANEOUS

Limited Consulting/Implementation Services.

Although AIM, LLC does not hold itself out as providing financial planning, estate planning or accounting services, to the extent specifically requested by the client, AIM, LLC *may* provide limited consultation services to its investment management clients on investment matters such as asset allocation, evaluation techniques, available resources and other general investment matters. AIM, LLC shall not receive any separate or additional fee for any such consultation services. Neither AIM, LLC, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of AIM, LLC's services should be construed as same. To the extent requested by a client, AIM, LLC may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from AIM, LLC.

Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Please Also Note: It remains the client's responsibility to promptly notify AIM, LLC if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising AIM, LLC's previous recommendations and/or services.

Account Management Services. AIM, LLC may provide separate account management services (which may involve various investment-related strategies, including separate account managers) for certain clients in accordance with the terms and conditions of the written agreement between AIM, LLC and the client.

Sub-Advisory Arrangements. AIM, LLC may engage sub-advisors for the purpose of assisting AIM, LLC with the management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by AIM, LLC. The sub-advisors will be properly registered in the state where clients reside. The sub-advisor shall continue in

such capacity until such arrangement is terminated or modified by AIM, LLC. AIM, LLC shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services. AIM, LLC's Chief Compliance Officer, David Wagner, remains available to address any questions concerning AIM, LLC's sub-advisory arrangements.

Please Note: Inverse/Enhanced Market Strategies. AIM, LLC may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct AIM, LLC, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Client Obligations. In performing its services, AIM, LLC shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify AIM, LLC if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising AIM, LLC's previous recommendations and/or services.

Disclosure Statement. A copy of AIM, LLC's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*. Any client who has not received a copy of AIM, LLC's written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement* shall have five business days subsequent to executing the agreement to terminate AIM, LLC's services without penalty.

- C. AIM, LLC shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). AIM, LLC shall allocate each client's investment

assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on AIM, LLC's services.

D. AIM, LLC does not participate in a wrap fee program.

As of June 30, 2016 AIM, LLC has Assets Under management of \$0. \$0 are managed on a discretionary basis and \$0 are managed on a non-discretionary basis.

Item 5 Fees and Compensation

A. The client can determine to engage AIM, LLC to provide discretionary investment advisory services on a fee basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage AIM, LLC to provide discretionary investment advisory services on a fee basis, AIM, LLC's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under AIM, LLC's management (between negotiable and 2.00%) as follows:

Market Value of Portfolio	% of Assets
Up to \$1,000,000	2.50%
Over \$1,000,000	Negotiable

B. Clients may elect to have AIM, LLC's advisory fees deducted from their custodial account. Both AIM, LLC's Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of AIM, LLC's investment advisory fee and to directly remit that management fee to AIM, LLC in compliance with regulatory procedures. In the limited event that AIM, LLC bills the client directly, payment is due upon receipt of AIM's invoice. AIM, LLC shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter.

C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, AIM, LLC shall generally recommend that FOLIOfn, TD Ameritrade, ("TDA), Guggenheim ("Rydex") Funds ("Rydex"), ProFunds ("ProFunds"), or the specific mutual fund that issued the mutual fund serve as the broker-dealer/custodian for client investment

management assets. Broker dealers such as *FOLIOfn*, *TDA*, *Rydex*, and *Profunds* may charge broker dealer/custodian custody fees, brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to AIM, LLC's investment management fee, broker dealer/custodian custody fees, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). (See Item 12 below, for more information about AIM's recommendation of Brokers)

- D. AIM, LLC's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter. The Investment Advisory Agreement between AIM, LLC and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, a pro-rated portion of the earned but unpaid advisory fee shall be due.
- E. Neither AIM, LLC, nor its representatives, accepts compensation from the sale of securities or other investment products.

Please Note: In Illinois, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees.

Item 6 Performance-Based Fees

AIM, LLC does not charge any performance fees

Item 7 Types of Clients

AIM, LLC's clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. AIM, LLC generally requires a \$25,000 minimum asset level for investment advisory services.

AIM, LLC, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum asset requirement based upon certain

criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Item 8 Investment Strategies and Risk of Loss

A. AIM, LLC may utilize the following methods of security analysis:

- Charting- (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Technical– (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical– (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

AIM, LLC may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by AIM, LLC) will be profitable or equal any specific performance level(s). Investing in securities involves risk of loss that clients should be prepared to bear.

B. Every method of analysis has its own inherent risks. To perform an accurate market analysis AIM, LLC must have access to current/new market information. AIM, LLC has no control over the dissemination rate of market information; therefore, unbeknownst to AIM, LLC, certain analyses may be compiled with outdated market information, severely limiting the value of AIM, LLC's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no

assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

AIM, LLC's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy. In addition to the fundamental investment strategies discussed above, AIM, LLC may also implement and/or recommend short selling, a strategy that has a high level of inherent risk. (See discussion below). Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

- C. Currently, AIM, LLC primarily allocates client investment assets among its various mutual fund/exchange traded fund ("ETFs") (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices) allocation strategies, on a discretionary basis in accordance with the client's designated investment objective(s). As disclosed above, AIM, LLC may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an

investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct AIM, LLC, in writing, not to employ any or all such strategies for his/her/their/its accounts. (**See** Item 4 B).

Investment Management Philosophy

AIM, LLC's investment management philosophy is focused on capital preservation as well as appreciation through the use of strict risk management strategies designed to protect client assets. AIM, LLC's active investment management strategy seeks to reposition assets as the financial markets change, rather than buy and hold, which exposes assets to undue vulnerability and volatility.

I. Conservative SP

AIM, LLC's proprietary computer model selects when to be exposed to market risk through the use of the Rydex Nova Fund (or similar fund, ETF and/or ETN). Preservation of capital is the foremost consideration.

II. Conservative Europe

AIM, LLC's proprietary computer models selects when to be exposed to market risk through the use of the Rydex Europe 1.25x Fund (or similar fund, ETF and/or ETN). Preservation of capital is the foremost consideration.

III. Moderate Europe

AIM, LLC's proprietary computer models select when to be exposed to market risk through the use of the Rydex Europe 1.25x Fund (or similar fund, ETF and/or ETN). Preservation of capital and capital appreciation are of equal importance.

IV. Moderate Europe

AIM, LLC's proprietary computer models select when to be exposed to market risk through the use of the Rydex Europe 1.25x Fund (or similar fund, ETF and/or ETN). Preservation of capital is the primary consideration and capital appreciation is secondary.

V. Active NDX

Active NDX is a very aggressive long/short model designed to provide positive returns over a longer time frame (18 – 36) months. The aggressive nature means that there can and will be significant draw down periods. AIM, LLC's proprietary computer models select when to be exposed to market risk, both Long or Short through the use of the Rydex NASDAQ 100 2x Fund or Rydex Inverse NASDAQ 100 2x Fund (or similar funds, ETFs and/or ETNs). Capital appreciation far outweighs any consideration for capital preservation.

VI. Active Volatility

Active Volatility is a very aggressive long/short model designed to provide positive returns over a longer time frame (18 – 36) months. The aggressive nature means that there can and will be significant draw down periods. AIM, LLC's proprietary computer model select when to be exposed to market risk, both Long or Short through the use of ETNs (XIV (Short Volatility) and VXX (Long Volatility)) (or similar funds, ETFs and/or ETNs). Dramatic swings in the daily value of a portfolio using this strategy can be expected. As this strategy is extremely volatile and risky, capital appreciation is the only consideration.

Please Note: There can be no assurance that AIM, LLC's strategies will be correct or successful, or will meet the risk and return objectives stated above. AIM, LLC's strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940.

Short Strategy. AIM, LLC's Active NDX Strategy also enables AIM, LLC, when it deems appropriate upon its receipt of a sell signal, to invest in inverse mutual funds and ETF's that effectively "short" the equity markets. AIM, LLC may utilize a "short" strategy with intent to profit in a perceived declining high yield market. However, there can be no assurance that AIM, LLC's signals or the short strategy(s) will be correct or successful.

AIM, LLC's asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as AIM, LLC's asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to AIM, LLC's management of client assets:

1. Initial Interview – at the opening of the account, AIM, LLC, through its designated representatives, shall obtain from the client information sufficient to determine the client’s financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client’s financial situation and investment objectives;
3. Annual Contact – at least annually, AIM, LLC shall contact the client to determine whether the client’s financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Consultation Available – AIM, LLC shall be reasonably available to consult with the client relative to the status of the account;
5. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
6. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct AIM, LLC not to purchase certain mutual funds;
7. No Pooling – the client’s beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
8. Separate Account - a separate account is maintained for the client with the Custodian;
9. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

AIM, LLC believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*; and (2) the fees charged by other investment advisers offering similar services/programs. However, AIM, LLC’s annual investment management fee

may be higher than that charged by other investment advisers offering similar services/programs. In addition to AIM, LLC's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses).

Please Note: AIM, LLC's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

Item 9 Disciplinary Information

AIM, LLC has no reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither AIM, LLC, nor its Principal, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither AIM, LLC, nor its Principal, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. AIM, LLC does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. AIM, LLC maintains an investment policy relative to personal securities transactions. This investment policy is part of AIM, LLC's overall Code of Ethics, which serves to establish a standard of business conduct for all of AIM, LLC's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. AIM, LLC also maintains and enforces policies reasonably designed to prevent the misuse of material non-public information by AIM, LLC or any person associated with AIM, LLC.

- B. Neither AIM, LLC nor any related person of AIM, LLC recommends, buys, or sells for client accounts, securities in which AIM, LLC or any related person of AIM, LLC has a material financial interest.
- C. AIM, LLC and/or representatives of AIM, LLC may buy or sell securities that are also recommended to clients. This practice may create a situation where AIM, LLC and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if AIM, LLC did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of AIM, LLC’s clients) and other potentially abusive practices. AIM, LLC has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of AIM, LLC’s “Access Persons”. AIM’s securities transaction policy requires that an Access Person of AIM, LLC must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written quarterly transaction report and as well as an annual report of the Access Person’s current securities holdings; provided, however that at any time that AIM, LLC has only one Access Person, he or she shall not be required to submit any securities report described above. The Chief Compliance Officer shall review each report submitted by its Access Persons to ensure that the transactions made in Access Persons’ accounts do not breach AIM, LLC’s fiduciary duty to its clients.
- D. AIM, LLC and/or representatives of AIM, LLC may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where AIM, LLC and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, AIM, LLC has a personal securities transaction policy in place to monitor the personal securities transaction

and securities holdings of each of AIM, LLC's Access Persons. AIM, LLC ensures that transactions made in its representatives' accounts do not breach its fiduciary duty to its clients.

Item 12 Brokerage Practices

- A. In the event that the client requests that AIM, LLC recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct AIM, LLC to use a specific broker-dealer/custodian), AIM, LLC generally recommends that investment management accounts be maintained at Rydex. Prior to engaging AIM, LLC to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with AIM, LLC setting forth the terms and conditions under which AIM, LLC shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Factors that AIM, LLC considers in recommending Ceros, NFS and/or Rydex (or any other broker-dealer/custodian to clients) include historical relationship with AIM, LLC, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by AIM, LLC's clients shall comply with AIM, LLC's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where AIM, LLC determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. However, clients will not pay higher commissions to broker-dealers based upon AIM, LLC's receipt of free and/or discounted research, support services, or products that does not directly benefit the client. In seeking best execution, the determinative factor is not the lowest possible 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. Accordingly, although AIM, LLC will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, AIM, LLC's investment management fee. AIM, LLC's best execution responsibility is qualified if securities that it purchases for client

accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, AIM, LLC may receive from Ceros, NFS and/or Rydex (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist AIM, LLC to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by AIM, LLC may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by AIM, LLC in furtherance of its investment advisory business operations. As indicated above, certain of the support services and/or products that may be received may assist AIM, LLC in managing and administering client accounts. Others do not directly provide such assistance, but rather assist AIM, LLC to manage and further develop its business enterprise. AIM, LLC's clients do not pay more for investment transactions effected and/or assets maintained at Ceros, NFS and/or Rydex as a result of this arrangement. There is no corresponding commitment made by AIM, LLC to Ceros, NFS and/or Rydex or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

AIM, LLC's Chief compliance Officer, David A. Wagner, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. AIM, LLC does not receive referrals from broker-dealers.

3. AIM, LLC may accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and AIM, LLC will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by AIM, LLC. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs AIM, LLC to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through AIM, LLC.

AIM, LLC's Chief Compliance Officer, David A. Wagner, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that AIM, LLC provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless AIM, LLC decides to purchase or sell the same securities for several clients at approximately the same time. AIM, LLC may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among AIM, LLC clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. AIM, LLC shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom AIM, LLC provides investment supervisory services, account reviews are conducted on an ongoing basis by AIM, LLC's Principal and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise AIM, LLC of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with AIM, LLC on an annual basis.
- B. AIM, LLC *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. AIM, LLC may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, AIM, LLC may receive an indirect economic benefit from Ceros, NFS and/or Rydex. AIM, LLC, without cost (and/or at a discount), may receive support services and/or products from Ceros, NFS and/or Rydex. AIM, LLC's clients do not pay more for investment transactions effected and/or assets maintained at Ceros, NFS and/or Rydex as a result of this arrangement. There is no corresponding commitment made by AIM, LLC to Ceros, NFS and/or Rydex or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

AIM, LLC's Chief Compliance Officer, David A. Wagner, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to AIM, LLC by either an unaffiliated or an affiliated solicitor, AIM, LLC may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from AIM, LLC's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to AIM, LLC by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of AIM, LLC's written brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between AIM, LLC and the solicitor, including the compensation to be received by the solicitor from AIM, LLC.

- C. AIM, LLC may receive client referrals from unaffiliated investment advisers, pursuant to which AIM, LLC shall compensate such referring advisers with a portion of AIM, LLC's investment advisory fee. With respect to client engagements that derive from such referrals, AIM, LLC may engage the services of an unaffiliated investment manager to assist AIM, LLC with the investment management process.

Item 15 Custody

AIM, LLC shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. AIM, LLC may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that AIM, LLC provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by AIM, LLC with the account statements received from the account custodian.

Please Also Note: The account custodian does not verify the accuracy of AIM, LLC's advisory fee calculation. Clients should carefully review statements received from the custodian.

Item 16 Investment Discretion

The client can determine to engage AIM, LLC to provide investment advisory services on a discretionary basis. Prior to AIM, LLC assuming discretionary authority over a client's account, client shall be required to execute an Investment Advisory Agreement, naming AIM, LLC as client's attorney and agent in fact, granting AIM, LLC full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account. Clients who engage AIM, LLC on a discretionary basis may, at any time, impose restrictions, in writing, on AIM, LLC's discretionary authority (i.e. limit the types/amounts of articular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe AIM, LLC's use of margin, etc.).

Item 17 Voting Client Securities

- A. AIM, LLC does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact AIM, LLC to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. AIM, LLC does not solicit fees of more than \$500, per client, six months or more in advance.
- B. AIM, LLC is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. AIM, LLC has not been the subject of a bankruptcy petition.

Item 19 Requirements for State Registered Investment Advisers

- A. David A. Wagner is the President of AIM, LLC. For more information about Mr. Wagner, please see the Brochure Supplement to AIM, LLC's Brochure.
- B. AIM, LLC is not engaged in any other business than as set forth in this Brochure.
- C. Neither AIM, LLC, nor its representatives, accepts performance-based fees.
- D. Neither AIM, LLC nor its representatives have been the subject of any disciplinary actions requiring disclosure in this Item 19D. You may contact the Illinois Secretary of State, Securities Division to obtain a disciplinary history on the firm, or an individual.
- E. Neither AIM, LLC, nor its representatives, has any relationship or arrangement with any issuer of securities.

ANY QUESTIONS: AIM, LLC's Chief Compliance Officer, David A. Wagner, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.