

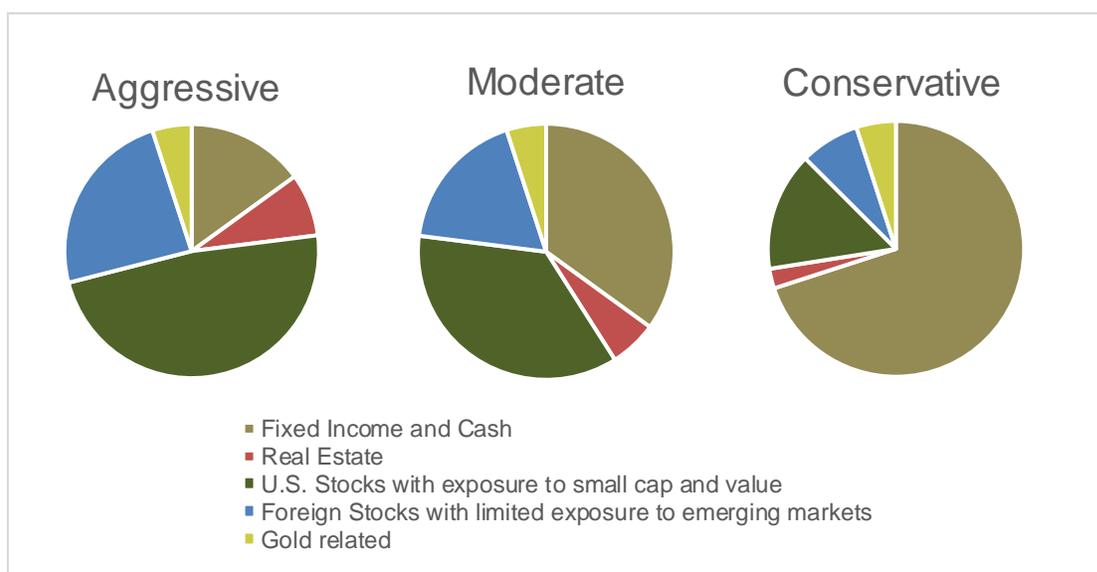
Our Process

Our Professional Asset Management (PAM) service focuses on working with clients to define financial goals and implement concrete steps to achieve those goals. PAM accommodates taxable accounts, IRAs, pension plans, trusts, and other account types individually, or on a combined basis. We provide efficient account administration, detailed performance reporting, and full transparency with regard to investment-related costs. PAM is designed for clients with investable assets of \$300,000 or more. If your investable assets fall below this level, it may be more cost effective to utilize our Portfolio Allocation Service (PAS).

Our process is as follows:

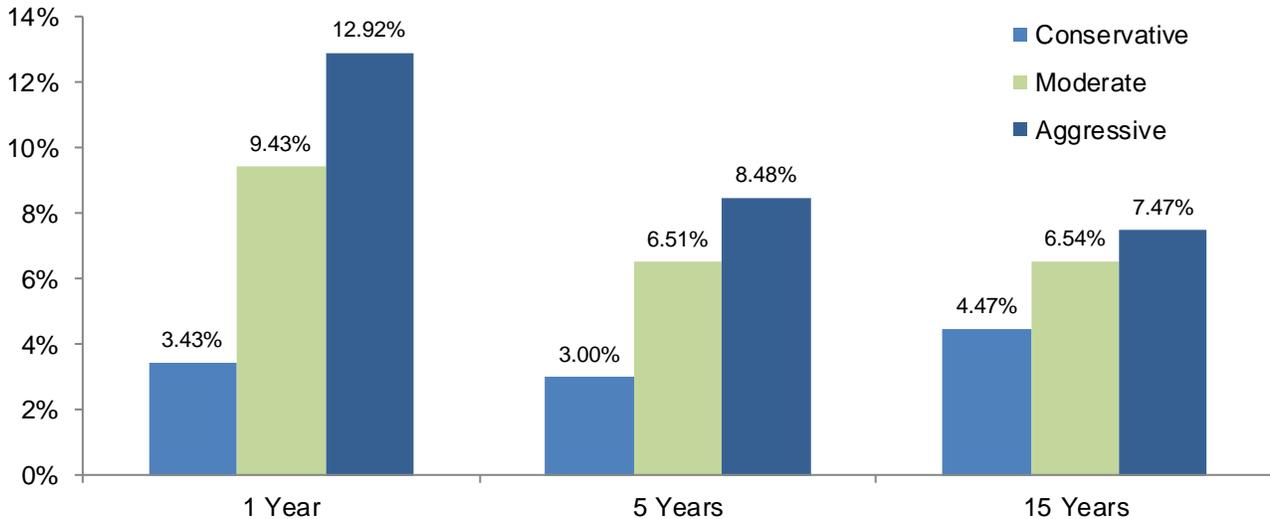
1. Establish clear and attainable financial **goals**, including but not limited to retirement planning, saving for college, debt management, tax planning, and legacy planning.
2. Gather all relevant financial **data**, including but not limited to expenses and income, tax data, current account balances and allocations, home equity and mortgage balances, outstanding debt, insurance, and any other material financial data.
3. **Analyze** the data and develop potential recommendations around investment strategy, retirement distribution planning, tax efficiency of accounts, and legacy planning.
4. Work with an adviser to form and maintain an **allocation plan** tailored to your goals and risk tolerance. Our portfolios are designed with cost efficiency as a key concern. For stocks, we seek to improve long-term gains by “tilting” the portfolio toward value and size premiums. We do not seek to time markets or to actively select securities. We coordinate the portfolio allocation across all client holdings and with long-term goals in mind.
5. Work with your adviser to **implement** agreed-upon recommendations. AIS will set up an account with a qualified, independent third-party custodian (Charles Schwab Institutional, TD Ameritrade Institutional or Fidelity Institutional Wealth Services) where we will have discretionary authority to manage assets on your behalf. You will receive all transaction confirmations and monthly reports from the custodian, and detailed quarterly reports from AIS. We provide full transparency with regard to investment-related costs.
6. **Monitor** the progress. We will make sure the portfolio allocation stays within a target range, regularly rebalancing when it is cost-effective. We will send quarterly performance reports and have regular conversations about progress toward financial goals. If necessary, we will make adjustments to the plan or conduct additional analysis as life circumstances change. In taxable accounts we will optimize your after-tax returns through year-end tax-loss harvesting. We simplify your year-end tax filing efforts by tracking your cost basis, and summarizing your realized gains and losses. We will assist with any financial questions that arise.

The charts at right depict hypothetical allocation plans for investors with differing risk tolerances (conservative, moderate, or aggressive). This is provided only to demonstrate our general approach to asset allocation. PAM clients are not required to adopt a pre-established allocation plan; we will work with you to provide a customized allocation plan to meet your needs.



PAM Model Portfolio Returns for the Period Ending June 30, 2017

Hypothetical Total Return net of AIS Advisory Fees (annualized)



Past performance may not be indicative of future results. Therefore, no current or prospective investor should assume that the future performance of any specific investment, investment strategy (including the investments and/or investment strategies recommended by the AIS), or product made reference to directly or indirectly, will be profitable or equal to past performance levels. Historical performance results for individual investment indexes and/or categories, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of mutual fund fees, the incurrence of which would have the effect of decreasing historical performance results. The results portrayed in this portfolio reflect the reinvestment of dividends and capital gains. Model Portfolio Statistics are hypothetical and do not reflect historical recommendations of AIS. Annual portfolio rebalancing is assumed. Based on our recommended investment vehicles for each asset class. Investors should maintain cash balances adequate to cover living expenses for up to 6 months in addition to the cash levels indicated.

Hypothetical results reflect the deduction of 0.725% management fee, the annual rate assessed to a \$500,000 account managed through our PAM Service. A maximum annual management fee for the PAM service of 1.50% applies to accounts of \$100,000 (our minimum account size) in Assets Under Management ("AUM"). The fee decreases thereafter as AUM increases. Accounts with AUM less than \$500,000 would incur a fee greater than 0.725% and, therefore, returns would be lower than indicated. See AIS ADV Part 2 for full details, available at http://americaninvestment.com/images/pdf/ADV_Part_2A.pdf.

PAM INVESTMENT RELATED COSTS

The total investment related costs assessed under PAM are extremely competitive. As a client of our PAM program you will encounter three types of expenses:

1. AIS PAM advisory fee
2. Expenses incurred within index-type mutual funds and ETFs
3. Transaction fees (brokerage commissions)

Example: The following summary provides an estimate of total annual costs incurred by a PAM client with a portfolio valued at \$1,000,000.

PAM Advisory Fee ¹	\$5,625	0.563%
Mutual Fund Expenses ²	\$3,100	0.310%
Transaction Fees ³	\$750	0.075%
Total	\$9,475	0.948%

AIS PAM ADVISORY FEE

Our effective annual advisory fees range from 0.775% for AUM of \$300,000 to 0.275% for AUM of \$20,000,001 or more.

We have a tiered, cumulative fee structure based on assets under management (AUM) where AUM is the combined market

value of all the accounts under our management. Our only source of management revenue is the fee we charge to you directly. We do not earn any commissions or other compensation from any third party.

MUTUAL FUND EXPENSES

We typically purchase open end mutual funds and exchange-traded funds (ETFs) in our PAM program. We screen carefully to find the most cost-effective index-type funds for capturing the returns of our recommended asset classes.

A mutual fund's expense ratio measures a fund's annual operating expenses as a percentage of assets held in the fund. Currently the average expense ratio assessed by our recommended funds is 0.28%.

TRANSACTION FEES

We have established transaction fee schedules with discount brokers Charles Schwab Institutional and TD Ameritrade Institutional, who compete for our business. These fees are generally equal to or below retail fees offered by these firms.

1. For our complete fee schedule see our SEC filing (ADV Part 2A), available at www.americaninvestment.com. Fee schedule applies to new AIS client accounts as of 4/1/2016. 2. Calculated as a weighted average of mutual funds utilized in the AIS Moderate Risk Portfolio. 3. First-year transaction fees may be higher if there is significant trading involved. Subsequent years' transaction fees typically involve only occasional rebalancing and therefore could be lower. For a complete transaction fee schedule, see our Overview of Fees insert, or visit our web site www.americaninvestment.com.

