

Firm Brochure
(Part 2A of Form ADV)

ALEXANDER INVESTMENT SERVICES COMPANY

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This brochure provides information about the business qualifications, practices and services of Alexander Investment Services Company, the "Advisor". The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA) or by any state regulatory authority.

Additional information about the Advisor is available on the SEC's website at www.Adviserinfo.sec.gov, FINRA's website at www.finra.org and the Advisor's website at www.AISretirement.com.

This Update: September 1, 2016

Brochure Content Clarification, Material Changes, Updates and Availability

Content, Explanation or Clarification

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring Advisors to provide a Firm Brochure in narrative “plain English” format. The new final rule also specifies mandatory sections and organization. If there are any questions concerning the content or interpretation of this brochure, please contact Andrew Hanlein, President by telephone at 502-736-1336 or email at louisville@aisweb.com.

Annual Update

The *Material Changes Since Last Update* section of this Firm Brochure will be updated when material changes occur after the previous release. Clients may request a copy of an updated copy at any time, but a general distribution will only be performed annually.

Material Changes Since Last Update

- Through August 31, 2016: (a) updated and clarified Advisory and wrap fee definitions and data, (b) terminated the TD Ameritrade Institutional Additional Services Program, (c) updated Adviser Professional Certifications & Credentials and clarified the primary advisory investment approach as a model utilizing selected funds.
- Through August 27, 2015: (a) updated and clarified Advisory Account types and added additional employee information.
- Through July 31, 2014: (a) updated “Adviser Certifications.”
- Through January 31, 2014: (a) updated Advisory Fees by Account Type descriptions and fee schedules.
- Through October 31, 2013: (a) updated disclosures within “TD Ameritrade Institutional Additional Services Program,” and (b) clarification of “Investment Strategy.”
- Through September 4, 2013: (a) corporate address change and (b) information elimination for deceased registered representative under “Adviser Certifications.”
- Through January 1, 2013: (a) updated disclosures for “TD Ameritrade Institutional Additional Services Program,” and (b) added new Registered Representative under “Adviser Certifications.”
- Through June 25, 2012: (a) updated investments under management values within “Types of Investment Advisory Services.”

- Through March 29, 2011: (a) updated disclosures for “TD Ameritrade Institutional Additional Services Program.”
- Through December 31, 2011: (a) updated information within “Types of Agreements, (b) updated disclosures within “TD Ameritrade Institutional Additional Services Program,” and (c) added new Adviser under “Adviser Certifications.”

Firm Brochure Availability

Clients may request the latest copy of this Firm Brochure (Part 2A of Form ADV) by contacting Sheila Heckel at the Advisor by telephone at 502-736-1339 or by email at sheckel@aisweb.com. It may also be viewed and printed from the Advisor’s website: see the “ADV” link at the bottom of the Advisor website’s home page at www.AISretirement.com.

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Advisory Business

Firm Description

The Advisor (a firm which employs individual investment Advisers), Alexander Investment Services Company (Incorporated), dba, Alexander Investment Services, was founded in 1965.

The Advisor, operating under its SEC registration and through its investment Advisers, offers personalized, confidential investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, medical and dental practices and small businesses. AIS also designs and administers retirement plans of all types.

Advice includes identification of financial concerns and objectives, cash flow budgeting and management, insurance contract reviews, portfolio investment management, education funding and retirement and estate planning. The Advisor is in the business of offering stocks, mutual and exchange-traded funds, corporate and Federal government bonds and agencies, certificates of deposit (CDs) and other financial products to its Advisory clients. The Advisor is not compensated by, nor receives economic benefit from financial providers in connection with giving investment advice to its Advisory clients. The Advisor bills directly for its investment advice by debiting Advisory client accounts.

The Advisor, operating under its FINRA Broker-Dealer registration, may offer retail mutual fund, variable annuity, life insurance, limited partnerships (LPs) and hedge fund products to its retail clients. The Advisor receives compensation in the form of sales commissions and 12b-1 marketing service fees from such product providers.

The Advisor does not directly or indirectly compensate anyone for client referrals, nor does it receive compensation for such.

Investment advice consists of securities allocation strategies and recommendations typically using a proprietary model. The Advisor does not act as a custodian of client assets, and the client always maintains asset control. The Advisor places trades and maintains accounts for clients under an *Advisory Services Agreement*.

A examination and evaluation of each client's financial situation and issues is discussed with the client, often in the form of an multiple asset allocation presentations by means of performance and risk analysis. Periodic portfolio reviews are communicated to clients as reminders of specific courses of action that need to be performed or maintained. Clients are asked to meet with their Adviser at least once per year where practical, or more often at the client's request.

Other professionals (financial planners, attorneys, accountants, insurance agents, etc.) may be engaged directly by the client on an as-needed basis.

Conflicts of interest with the Advisor or its Advisers will be disclosed to the client in the unlikely event they should occur.

Initial consultations, which may transpire by meeting, telephone or electronic communication, are free of charge and considered exploratory to determine the extent to which the Advisor's investment analysis and management services may be beneficial to the client.

Advisor Ownership

Leo Andrew Hanlein is a 50% shareholder, Richard Lynn Fox is a 20% shareholder, Gerald Andrew Wells is a 20% shareholder and Thomas Craig Wilson is a 10% shareholder.

Types of Investment Advisory Services

The Advisor manages investment Advisory accounts through securities trading and custodial services and provides investment advice through consultations involving tables, charts and other aids which clients may use to evaluate potential securities and their suitability.

The Advisor may also furnish advice to clients on matters not involving securities such as retirement planning, life insurance and variable annuities, education and estate analyses as well as retirement income forecasting and planning.

As of September 1, 2016 the Advisor managed over \$1 billion in assets for more than 3,000 clients of which approximately \$163 million represented Advisory accounts.

Tailored Client Relationships

The investment strategies and protocols for each client are documented within an *Advisory Services Agreement*. Clients may impose restrictions on investing in certain securities, types of securities or specific amounts.

An *Advisory Services Agreement* may not be changed or assigned without written client consent.

Types of Advisory Agreements

The following types of agreements define the types of client relationships that may be pursued and maintained by the Advisor:

- **Advisory Services Agreement**

Most clients choose to have the Advisor manage their assets in order to obtain ongoing in-depth investment advice and life planning. All aspects of the client's financial status are reviewed, including those of their children, potential inheritances, life and health insurance, etc. Realistic, measurable goals are discussed to attain agreed upon objectives. As goals and objectives

may change over time, recommendations are made and may be implemented on an ongoing basis.

The scope of work and fees within an *Advisory Services Agreement* is provided to the client at the start of the relationship. The Advisory Services Agreement includes investment selection and allocation maintenance (including performance reporting), education planning, retirement planning and estate planning as well as the implementation of recommendations within each area.

The quarterly Advisory Services Agreement fee is based on a percentage of the assets managed. There is no minimum annual fee and fees may be negotiable. Current client relationships may exist where fees are higher or lower than advertised fees. Fees are not based on any performance criteria.

The Advisory Services Agreement is an ongoing agreement and continued adjustments may be required. The length of service to the client is at the client's or the Advisor's discretion. The client or the Advisor may terminate the Advisory Services Agreement by written notice to the other party. At termination, fees are not adjusted on a *pro rata* basis for the quarter billed.

Return on investment calculations and cost basis analysis and reporting may be performed under the Advisory Services Agreement.

- **Asset Management Engagements**

The Advisory Services Agreement AUM (assets under management) are invested primarily in no-load and load waived mutual funds and exchange-traded funds through the Advisor's clearing broker and custodian, TD Ameritrade Institutional. Additional investments may include individual equities, warrants, corporate debt securities, commercial paper, certificates of deposit (CDs), U. S. government securities and interests in limited partnerships (LPs). No individual or direct options or futures contracts are permitted but may be employed within some exchange-traded and mutual funds.

Fund companies charge fund shareholders an investment management fee, a.k.a., an annual expense ratio that is disclosed within a fund's prospectus. Moreover, TD Ameritrade Institutional, as custodian and clearing agent, may charge a small transaction fee, or ticket charge, to buy or sell individual securities and funds. The Advisor does not receive or have a share in any transaction fees charged by TD Ameritrade Institutional.

Initial Public Offerings (IPOs) are not permitted to be transacted through the Advisor.

- **Retirement Plan Services Agreement**

The Advisor provides Third Party Administration (TPA) retirement plan administration services for ERISA and other types of retirement plans. If so engaged, a retirement plan sponsor enters into a *Retirement Plan Services*

Agreement with the Advisor. Such an agreement details the services to be performed and the associated administrative fees, direct and indirect.

- **Retainer Agreement**

In some circumstances, a *Retainer Agreement* may be executed in lieu of an *Advisory Services Agreement* when it is more appropriate to work with a client on an open-ended basis. The minimum fee for a Retainer Agreement is \$1,000 billed at a rate of \$200 per hour and is negotiable.

- **Investment Management Agreement**

See *Retainer Agreement* above.

- **Financial Planning Agreement**

This type of service is recommended to clients by referral to third party financial planning specialists for which the Advisor receives no fee or other compensation.

- **Tax Preparation Agreement**

Tax preparation services are not included within an *Advisory Services Agreement* or a *Retainer Agreement*. Tax preparation is outside the scope of the Advisor's services. The Advisor may recommend client tax preparation to third party preparers or specialists.

- **Hourly Financial And Retirement Planning Engagements**

The Advisor provides financial analysis and retirement planning services for clients who need advice on a limited scope. The hourly rate for limited scope engagements is \$200 and may be billed separately from all other services and agreements.

Termination of Agreements

A client may terminate any of the aforementioned agreements at any time by notifying the Advisor by mail or email and paying any applicable rate for the time contracted by the related agreement prior to notification of termination.

The Advisor may terminate any of the aforementioned agreements at any time by notifying the client by mail or email.

Fees and Compensation

Description

The Advisor bases its Advisory fees on a percentage of assets under management. Hourly analysis and audit fees as well as retirement plan administration fees may be billed separately under different agreements. Advisory fees originating within tax-deferred accounts such as retirement plans and IRA's are eligible for income tax deductibility only if such fees are

clearly identified on an account statement (not hidden within fund pricing) and are paid with monies originating from outside the account.

Some Advisory Services Agreements and Retainer Agreements may be priced based on the complexity of anticipated work demands especially when asset management may not be the most significant part of the client relationship.

Advisory Fees by Account Type

- **Declining-Fee (Breakpoint) Account**

Managed through TD Ameritrade Institutional as custodian, clearing agent and bookkeeper. This type of account allows clients to hold and trade specific asset classes and economic sectors within their portfolios. These accounts may also be used to transfer assets to the Advisor for the purpose of asset management at discount broker rates or to maintain assets “under one roof” for convenience and investment flexibility. Finally, this type of account may be used to avoid retail mutual fund commissions and distribution and marketing services (12b-1) fees when it is determined through client consultation that expense ratios and other fees may be reduced.

Fee Schedule

<u>Assets Under Management</u>	<u>Annual Fee</u>	<u>Fee Debited Quarterly Per Account</u>
> \$0	0.39%	0.9750% or \$97.50 per \$100,000 managed
> \$1,000,000	0.35%	0.0875% or \$87.50 per \$100,000 managed
> \$5,000,000	0.30%	0.0750% or \$75.00 per \$100,000 managed
> \$10,000,000	0.25%	0.0625% or \$62.50 per \$100,000 managed

This is an discretionary fee schedule that may be modified by an Adviser. The actual fee schedule utilized must be disclosed in the AIS Advisory Services Agreement.

- **Scaled-Fee Account**

Managed through TD Ameritrade Institutional as custodian, clearing agent and bookkeeper. This type of account is utilized for clients that may require

frequent account review, continual reallocation of assets, more concentration in terms of personal contact or other services as well as a broader variety of investment products and sophistication in accomplishing investment goals. The account's Adviser recommends a graduated fee scale subject to client consultation and approval. The fee may be biased per the types, number and value of assets managed as well as the customized support demands of the client.

Fee Schedule

The negotiated fee for this type of account is established through the mutual consent of the client and the Adviser as detailed within the Advisory Services Agreement. Such quarterly fees typically range from 0.50% to 0.80% (\$50 to \$80 per \$100,000 under management).

- **Independent Account**

Managed by the client through TD Ameritrade Institutional as custodian, clearing agent and bookkeeper, or an outside Broker-Dealer or Advisor, and reported by the Advisor through its Group Report system. This type of account is made available to clients who wish to independently manage a portion of their assets without the advice of the Advisor. Such accounts are made available only to clients who maintain substantial Advisory or retail account balances with the Advisor.

Fee Schedule

A \$125 flat fee is debited annually in January from such a client account, or invoiced to the client if such an account is held elsewhere, for administrative and reporting services only.

Fee Billing

Advisory account fees are calculated for a full quarter and debited in advance, based on the prior quarter's ending net asset value with no adjustment or reimbursement for market losses, in-service or premature distributions, transfers, withdrawals or account terminations. Account openings or additions (purchases, transfers or rollovers) are treated as being made on the first day of a new calendar quarter. Advisory fees are applied to account totals regardless of their equity or fixed income positions (including money market and cash balances). This approach provides for a neutral Advisory fee attitude concerning account management during market volatility or asset reallocations.

Advisory Services Agreement fees are deducted directly from a client's account by liquidating assets or from a liquid balance maintained within a

money market fund or cash position. The value of the latter may represent anticipated fees for a period of up to two consecutive quarters. In many cases, Advisory fees are tax deductible.

The client must consent in advance to direct debiting of their investment account on the associated TD Ameritrade Institutional account application.

Performance-Based Fees

The Advisor's fees are never based on a direct share of the capital gains or appreciation of securities managed within an Advisory account.

The Advisor never utilizes a performance-based fee structure because of the potential conflict of interest. Performance-based fees may create an incentive for an Adviser to recommend an investments that may carry a greater degree of risk or higher fee to the client.

Other Fees

TD Ameritrade Institutional may charge transaction fees, also known as ticket charges, on some securities transactions: purchases or sales of load waived mutual funds, exchange-traded funds and individual securities. These transaction fees are typically small and incidental to the selection or trade of a security. TD Ameritrade Institutional does not share such fees with the Advisor or its Advisers. Several thousand mutual funds are available for trading without a transaction fee as well as 150 exchange-traded funds.

An Adviser, at its discretion with client disclosure, may waive and/or change a non-standard Advisory fee based upon certain criteria. For example: historical client relationship, type of assets to be managed such as certificates of deposit (CDs) or large bond positions, anticipated future deposits, account allocation complexity or other negotiations with client.

Expense Ratios

Mutual, exchange-traded and closed-end funds charge an annual management fee for their services as investment managers and custodians. Their annual management fee is called an expense ratio. For example, an expense ratio of 0.70 indicates that the fund company annually charges 0.70% (\$700 per \$100,000 of assets managed) for their services. These fees are in addition to the Advisory fees paid by a client to the Advisor.

Performance figures quoted by fund companies in various publications are calculated *after* their fees have been deducted.

Expense ratios may contain distribution and marketing services fees, also known as 12b-1 fees, that may be shared by fund companies with a Broker-Dealer but not with the Advisor in its Advisory role. Selection of such funds may be avoided unless (a) no suitable allocation substitute exists, (b) the selection avoids higher commissions or transaction fees or (c) the selection is mandated by a client.

Past-Due Accounts and Termination of Agreement

The Advisor reserves the right to cease engagement with or services for any account that is more than 45 days overdue per any contractual agreement. A late fee of 1% per month may be imposed after 60 days overdue. In addition, the Advisor reserves the right to immediately terminate any agreement or engagement where in a client has willfully concealed or has refused to provide pertinent information where necessary and appropriate, in the Advisor's judgment, to facilitate accountable, accurate and lawful financial services.

TD Ameritrade Institutional Disclosures

- The Advisor and TD Ameritrade Institutional are separate and unaffiliated entities.
- TD Ameritrade Institutional offers services to independently registered investment Advisors. The Advisor may recommend TD Ameritrade Institutional to clients for custody and brokerage services including the following which are provided without cost: receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor's clients; access to block trading (which provides the ability to aggregate securities transactions for execution and then reallocate the appropriate number of shares to client accounts); the ability to have Advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual and exchange-traded funds with waived or no transaction fees and to certain institutional money managers.
- TD Ameritrade Institutional provides the above services to the Advisor at its sole discretion and expense.
- The Advisor's receipt of the above services does not diminish the Advisor's duty to act in the best interests of its clients, including seeking the best execution of trades for client accounts.
- The Advisor does not participate in any TD Ameritrade Institutional additional services rebate or fee sharing programs which would entitle the Advisor to receive indirect or hidden compensation from TD Ameritrade Institutional.
- TD Ameritrade Institutional has affiliated itself with outside or third party software providers for which its Advisors may be offered a discount.

Types of Advisor Clients

Description

The Advisor generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and professional business entities.

Client relationships may vary in scope of engagement depending upon the duration and type of services rendered.

Account Minimums

There is no minimum account size or fee for assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security and asset-type analysis methods may include prices and sales volume trend charting, fundamental analysis, technical correlation analysis and cyclical analysis.

The main sources of information and data include financial printed and electronically transmitted media, inspections of company activities, research materials prepared by others, company rating services, timing services, company quarterly and annual reports, fund prospectuses, company filings with the SEC and company press releases.

Other sources of information that the Advisor utilizes include Morningstar[®], eSignal[®] and Steele[®] securities information, data tracking and analysis software as well as TD Ameritrade Institutional research, fund company information and internet search data. Such sources may be expanded or eliminated at any time by the Advisor.

Investment Approach

The investment strategy developed for every client is determined by a review of their financial objectives and life status as discussed during meetings as well as electronic communications. A client review meeting is recommended a minimum of once per annum. Specific financial objectives and investment suitability based on age, risk tolerance, net worth, family status, health, etc. is discussed with the client.

A primary investment approach utilized within Advisory portfolios relies on a non-discretionary Core & Satellite Model utilizing selected fund allocations. A client approved fixed income percentage target is used to dial volatility up or down as well as provide a non-volatile distribution pool during equity market declines.

An Adviser may also utilize alternative investment strategies as long as they remain non-discretionary and are disclosed for client approval.

Alternative Investment Approaches

- Clients may request alternative investment approaches that may focus on a dividend or growth stock portfolio, a fixed income portfolio including CDs, portfolio models that offer a range of investment objectives (balanced, conservative, growth, etc) or customized portfolios negotiated with the client. An Adviser may elect to negotiate such investment services and associated fees as required.

Risk of Investment Loss

All investment programs have certain risks that are borne by the investor. An Adviser's investment approach constantly keeps the risk of loss in focus. Investors face the following investment risks:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond or fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic or social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. Loss in purchasing power lowers investment returns.
- **Currency Risk:** Foreign investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return, for example, a lower interest rate. This primarily relates to fixed income securities such as bonds, certificates of deposit, money market funds, etc.
- **Business Risk:** These risks are associated with a particular world region, country, industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before the process can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Borrowing to finance a business' operations may increase the probability of profitability, because the company can meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The Advisor, its Advisers and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

The Advisor is registered as a Broker-Dealer (BD) with FINRA (Financial Industry Regulatory Authority), as a Registered Investment Adviser (RIA) with the SEC (Securities Exchange Commission) and is a member of SIPC (Securities Investor Protection Corporation). The Advisor's retirement plan investments and plan administration activities are monitored by the DOL (Department of Labor). The Advisor is also subject to state law and regulatory agencies where applicable.

Affiliations

The Advisor has no arrangement or affiliation that is material to its Advisory services or its clients or with a related person or entity who is a Broker-Dealer, Registered Investment Adviser, investment company, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer or an entity that creates or packages limited partnerships (LPs).

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

Code of Ethics

The employees of the Advisor have committed to a *Code of Ethics* that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics by mail or electronic communication.

It may also be viewed and printed from the Alexander Investment Services website: see the “Code of Ethics” link at the bottom of the AIS website’s home page at www.AISretirement.com.

Participation or Interest in Client Transactions

The Advisor and its employees may buy or sell securities that may also be held or traded by clients. Employees may not trade individual securities (stocks primarily) ahead of client trades. Employees comply with the provisions of the Advisor’s *Policies and Procedures Manual*.

Advisory Employee Trading

The Chief Compliance Officer (CCO) of the Advisor is Rick Fox. His trades are reviewed by Wayne Collett, General Securities Principal. The Advisor’s Compliance Manager is Larry Edwards, CPA. Registered Principals of the firm review all other employee and client trades. Such trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are nominal mutual or exchange-traded fund transactions, these trade’s timing and values are not enough to affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

The Advisor does not have any affiliation with financial product providers. Specific custodian recommendations are made to clients based on client needs for such services. The Advisor recommends custodians based on the proven integrity and financial responsibility of the provider and the best execution of orders at reasonable commission rates.

The Advisor utilizes TD Ameritrade Institutional for all Advisory services. Expenses that may be paid for by TD Ameritrade Institutional may include, but are not limited to vendors who provide investment research and recommendations, securities pricing, record keeping and archiving services and information security services.

Best Execution & Fee Oversight

The Advisor reviews the execution of client trades on a weekly basis. The review is documented in the Advisor’s *Policies and Procedures Manual*. Any transaction fees are reviewed as well. The Advisor does not receive any portion of a transaction fee.

Order Aggregation

Most trades are mutual or exchange-traded funds where trade aggregation does not result in any client benefit. Trading volumes in individual securities such as stocks are typically not large enough to result in any client benefit.

Review of Accounts

Periodic Reviews

Investment Advisers and their supervisory principals perform frequent and systematic account reviews per the Advisor's Policies & Procedures Manual as required by its regulators.

Other Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information and changes in a client's personal or financial situation.

Regular Reports

Account reviewers are instructed to consider a client's current asset positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive in depth analyses of their portfolios primarily through meetings. The analysis details portfolio and position performances, risk characteristics, asset styles and market capitalizations, all fees including advisory and transaction charges, geographic and economic sector data, bond fund durations, sectors, yields and quality, portfolio income yields, etc.

Client Referrals and Other Compensation

Incoming Referrals

The Advisor grows its business primarily by referrals. The firm does not typically advertise or market its services. Referrals originate from clients, attorneys, accountants, employees other similar sources. The firm does not compensate referring parties for referrals.

Referrals Out

The Advisor does not accept referral fees or any form of compensation from other financial, financial planning, legal or accounting professionals when they refer a prospect or client to them.

Other Compensation

The Advisor's employees may be offered and may accept expense paid trips to investment tradeshow and research meetings by its custodians and fund companies. Spouses and non-firm members are not included in such arrangements.

Custody

Account Statements

All client assets are held at qualified custodians that provide account statements directly to the Advisor as well as to clients at their address of record at least quarterly, usually monthly. Most custodial statements, as well as trade confirmations, are available at associated websites or are provided through daily emails (optional per client request) and at least quarterly by regular mail. In addition, the Advisor provides a monthly or quarterly statement of account positions and values (Group Account Reports) by mail or email per client option.

Performance Reports

Clients are urged to compare the account statements received directly from custodians to the Advisor's Group Reports and to notify the Advisor immediately of any discrepancies.

Financial Planning Reports

Clients are provided financial planning reports including tables and graphs that are generated by the firm's analysis and planning applications located on the Advisor's website at AISretirement.com. Account back-testing and hypothetical projections may also be used for long-term financial, education, retirement and estate planning.

Investment Authority

Authority for Trading

The Advisor may maintain account allocations on behalf of clients per a Advisor proprietary investment menu. The Advisor does not receive any portion of transaction fees paid by a client to TD Ameritrade Institutional for trading transactions.

Limited Power of Attorney

The Advisory Services Agreement provides the trading authorization for account allocation maintenance. Clients approve such an agreement so that the Advisor may execute a scope of trades to maintain a model's allocations.

Voting Client Securities

Proxy Votes

The Advisor does not vote proxies for securities. Clients are expected to vote their own proxies as provided by custodians.

When assistance on voting proxies is requested, the Advisor may provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

Financial Information

Financial Condition

The Advisor does not have any financial impairment that would preclude the Advisor from meeting contractual services or commitments to clients. The Advisor is required to maintain quarterly minimum net capital levels and reporting as established by FINRA.

Clients are not provided with the Advisor's balance sheet and other operating financials because the Advisor does not serve as a custodian for client assets and does not take possession of client assets or associated certificates in fact or in the name of the Advisor. All investments are transacted and processed by direct deposit through custodians for the benefit of client accounts or by direct transfer between custodians for the benefit of client accounts. All client checks are required to be made out to a custodian, not the Advisor. No third party checks are processed through the Advisor.

Business Continuity Plan

General

The Advisor maintains a *Business Continuity Plan* that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key personnel.

Disasters

The Advisor's *Business Continuity Plan* covers natural disasters such as snowstorms, hurricanes, tornados, flooding and fire. The plan also covers man-made disasters such as loss of electrical power, loss of water pressure, bomb threats, nuclear, chemical or biological events, communication outages, internet outages and non-acts of God. Electronic files are backed up daily and stored offsite at multiple locations for retrieval if necessary.

Alternate Office Locations

Alternate office locations have been established to support ongoing operations in the event the Advisor's principal offices become unavailable. It

is the Advisor's intention to contact all clients within a practical time of a disaster that dictates moving operations to alternate locations.

Loss of Key Personnel

The Advisor has key principals located at two widely separated offices to support ongoing functions and services in the event of a key employee's disability or death.

Information Security Program

Information Security

The Advisor maintains an information security program to minimize the risk that a client's personal and confidential information may be accessed by non-authorized personnel.

Privacy Notice

The Advisor is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of non-public information that we collect from clients may include information about personal finances, information about health situations to the extent required for financial consideration, information about transactions between clients and third parties such as banks, mortgage companies, attorneys and accountants and information from consumer reporting agencies.

With client permission, the Advisor may disclose limited information to attorneys, accountants and lenders with whom clients are considering or have established a relationship. Clients may opt out from the Advisor's sharing of information with nonaffiliated third parties by notifying us at any time in writing. Without client permission, the Advisor shares information about clients with securities custodians in order to establish trading accounts and to comply with governmental regulations and laws, for example, the Patriot Act of 2001.

The Advisor maintains a secure office environment to ensure that client information is not placed at unreasonable risk of disclosure. We employ a electronic fire-wall, secure data encryption techniques and password authentication procedures within our electronic environment.

The Advisor does not provide client information to mailing list vendors or solicitors for financial or consumer products. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants and auditors. Federal and Kentucky securities regulators may review our company records and your personal records as required and permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and Kentucky securities laws. After that time, information may be destroyed by a bonded shredding service.

The Advisor Privacy Policy may be viewed and printed from the Alexander Investment Services website: see the "Privacy Policy" link at the bottom of the Advisor's website's home page at www.AISretirement.com.

Firm Brochure Supplement
(Part 2B of Form ADV)

Education and Business Standards

The Advisor requires that its investment Advisors and Registered Representatives have a minimum four year college degree and further coursework demonstrating knowledge of financial analysis and trading processes. Additionally, Advisers must have work experience that demonstrates their aptitude for financial analysis and investment management. The Advisor may support internships for college students in order that the latter may attain various securities licensure and registrations as they approach graduation.

FINRA oversees the personnel of Advisors and Broker-Dealers that offer stocks, bonds, funds and other securities. To check on a Registered Representative or an Adviser, one may search the FINRA website at <http://brokercheck.finra.org/>. A link to this website is also provided on the Advisors website at AISretirement.com. Type in a current or prospective person's name and firm to see their employment history, certifications and licenses as well as regulatory actions, violations or complaints one might like to know. In addition, FINRA's website provides information about Broker-Dealer and Advisor firms.

Professional Certifications & Credentials

Financial regulators and the associated industry utilizes certifications and credentials that are required to be defined in detail:

FINRA & SEC CERTIFICATIONS

Advisor or Registered Investment Adviser (RIA)

A state or SEC registered Investment Adviser (RIA). Alexander Investment Services is a SEC RIA.

Adviser or Investment Adviser (IA)

An registered employee of an Advisor who is entitled to provide and transact investment advice for a client. Advisers must have attained Series 65 or 66

as well as 63 FINRA registrations. A Series 7 registration is also required by the Advisor.

Advisor

A Firm licensed to conduct Advisory business.

Advisory

Pertains to Adviser and Advisor firm dealings and account activities covered under a Advisory Services Agreement, for example, an *Advisory* account.

Chief Compliance Officer

A General Securities Principal appointed by a firm to develop, maintain and enforce the firm's policies and procedures relating to FINRA, SEC and state regulatory compliance oversight and regulations.

Financial & Operations Principal (Series 27)

FINRA registration entitling the holder to manage, direct and supervise an investment or financial firm's monetary and fiscal operations. This is a required registration for a firm's Chief Financial Officer (CFO).

General Securities Principal (Series 24)

FINRA registration entitling the holder to supervise Advisors, Registered Representatives and other office personnel as well as manage branch activities. This is a required registration for a firm's Chief Compliance Officer (CCO). A FINRA Series 7 prior registration is also required.

General Securities Registered Representative (Series 6 or 7)

FINRA registration entitling the holder to sell all types of securities except commodities and futures. A Series 6 registration limits a holder to mutual fund and variable annuity sales activities.

Municipal Securities Principal (Series 53)

FINRA registration entitling the holder to manage, direct or supervise 529 Plan (education savings) activities as well as municipal securities. The Advisor only deals with municipal securities funds, not individual municipal securities.

Registered Representative (RR)

An employee of a Broker-Dealer who is FINRA registered to participate in securities transactions for a client. A RR may transact mutual fund and variable annuity business if Series 6 FINRA registered. A general securities RR may transact general securities business (excluding futures and commodities) if Series 7 FINRA registered.

EDUCATIONAL CREDENTIALS

Certified Financial Planner (CFP®)

Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board as described at www.cfp.net.
- Successful completion of the 10-hour CFP Certification Exam.
- Five-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Consultant (ChFC®)

Chartered Financial Consultants are designated by The American College. ChFC designation requirements:

- Successful completion of eight college-level courses and written exams covering financial planning, estate and retirement issues, income taxation, employer-sponsored retirement plans, investments and macroeconomics as described at www.theamericancollege.edu.
- A minimum of 30 hours of continuing education every two years.
- Three years of qualifying full-time work experience.
- Meet ethics standards, including compliance with The American College of Ethics and Procedures.

Chartered Life Underwriter (CLU®)

Chartered Life Underwriters are designated by The American College. CLU designation requirements:

- Successful completion of eight college-level courses and written exams covering aspects of insurance planning, group benefits, taxation, business insurance and risk management as described at www.theamericancollege.edu.
- A minimum of 30 hours of continuing education every two years.
- Three years of qualifying full-time work experience.
- Meet ethics standards, including compliance with The American College of Ethics and Procedures.

Master of Business Administration (MBA)

A degree awarded to university graduate students who have successfully completed designated course work in a specific business field or major:

- Requires a prior Bachelor's degree from an accredited college or university.

- A Masters of Business Administration degree is achieved upon successful completion of 48 credits of graduate level university courses with a 3.25 GPA including a written thesis defended before a review committee composed of a thesis adviser and course professors.

Advisor Professional Certifications, Credentials & Oversight

Adams, Drew [Drew Stephenson Adams] General Securities Registered Representative and Investment Adviser.

Credentials & Certifications

Age and Educational Background:

- Date of birth: October 10, 1982
- University of Kentucky, BS, Agricultural Economics and Business (2006)
- FINRA licensure: Series 7, 63, 65
- Business Experience:
- Neogen, Territory Sales Manager (2006 – 2010)
- Alexander Investment Services, Registered Representative (2010 – Present), Investment Adviser (2015 – Present)

Outside Business Activities: None

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Oversight: Rick Fox supervises Drew Adams' activities through office, travel and electronic interactions and review.

Collett, Wayne [Claude Wayne Collett] General Securities Principal and General Securities Registered Representative.

Credentials & Certifications

Age and Educational Background:

- Date of birth: February 26, 1944
- Lincoln Memorial University, BS (1981)
- FINRA licensure: Series 7, 24, 63
- Business Experience:
- Eastover Mining Company, Mine Superintendent (1973 – 1975), Training Director (1976 – 1982)

- Bailey Hill Mining Company, Safety Director (1982 – 1984)
- Kentucky Department of Mines and Minerals, Mine Safety Analyst (1984 – 1986), Mine Safety Analyst and Instructor (1991 – 2008)
- Great Western Coal Company, Industrial Relations Manager (1989 – 1991)
- Alexander Investment Services, Registered Representative (1986 – Present), Registered Principal (2008 - Present)

Outside Business Activities: None

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Oversight: Rick Fox supervises Wayne Collett's activities through office, travel and electronic interactions and review.

Fox, Rick [Richard Lynn Fox] Share Holder, Vice President - Sales, Chief Compliance Officer, General Securities Principal, Registered Representative and Investment Adviser.

Credentials & Certifications

Age and Educational Background:

- Date of birth: October 9, 1952
- Morehead State University, BS (1971 - 1975)
- FINRA licensure: Series 7, 24, 63, 65 (SEC grandfathered)
- Business Experience:
- Southern Wholesale (1971 – 1984)
- Alexander Investment Services, Registered Representative (1984 – Present), Registered Principal (1999 – Present), Chief Compliance Officer (2015 – Present)

Outside Business Activities: None

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Oversight: Wayne Collett supervises Rick Fox's activities through office, travel and electronic interactions and review.

Frymire, John [John Marlowe Frymire] General Securities Principal, General Securities Registered Representative, Investment Adviser, CFP, ChFC and CLU.

Credentials & Certifications

Age and Educational Background:

- Date of birth: August 27, 1960
- Centre College, BA (1982)
- Stonier Graduate School of Business (1990)
- CFP® Board Certification (2005)
- The American College, ChFC® (2006), CLU® (2006)

FINRA licensure: Series 7, 24, 63, 65

Business Experience:

- Citizens Fidelity Bank, Assistant Branch Manager (1982 – 1985)
- Professional Bank Services, Inc., Senior Consultant (1986 – 1998)
- Morgan Stanley, Registered Representative (1998 – 2009)
- Alexander Investment Services, Registered Representative (2009 – Present), Registered Principal (2012 – Present)

Outside Business Activities: None

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Oversight: Andy Hanlein supervises John Frymire's activities through office, travel and electronic interactions and review.

Hanlein, Andy [Leo Andrew Hanlein] Share Holder, President, General Securities Principal, General Securities Registered Representative, Investment Adviser and MBA

Credentials & Certifications

Age and Educational Background:

- Date of birth: May 8, 1941
- Fordham University, BS (1963)
- University of Pittsburgh, MBA Finance (1964)

FINRA licensure: Series 7, 24, 63, 65 (SEC grandfathered)

Business Experience:

- Corning Glass: Production Supervisor (1965 – 1967), Advanced Market Development Analyst (1967 – 1970)
- Electro-Nucleonics: Manager, Separation Systems (1970 – 1974)
- Altex Scientific: Marketing Manager (1974 – 1975)
- Chemetrics / Worthington Diagnostics / Millipore (series of associated acquisitions): Vice President, Sales (1976 – 1982)
- Sequoia-Turner: Vice President, Sales and Marketing (1983 – 1988)
- PDx Diagnostics: Vice President (1988 – 1992)
- Alexander Investment Services: President (1997 – Present), Registered Representative (1993 – Present), Chief Compliance Officer (2004 – 2015)

Outside Business Activities: None

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Oversight: John Frymire supervises Andy Hanlein's activities through office, travel and electronic interactions and review.

Stillwagon, Brad [John Bradley Stillwagon] General Securities Registered Representative and Investment Adviser

Credentials & Certifications

Age and Educational Background:

- Date of birth: January 5, 1970
- Ohio State University, BSBA (1992)

FINRA licensure: Series 6, 7, 65

Business Experience:

- Carlson Marketing Group, Travel Director (1992-1993)
- Putnam Investments, Vice-President & Wholesaler (1993-1998)
- The American Funds, Vice-President & Wholesaler (1998-2012)
- Alexander Investment Services, Registered Representative (2012-Present)

Outside Business Activities: None

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Oversight: Rusty Wells supervises Brad Stillwagon's activities through office, travel and electronic interactions and review.

Wells, Rusty [Gerald Andrew Wells] Share Holder, Chief Financial Officer, Financial & Operations Principal, General Securities Principal, General Securities Registered Representative and Investment Advisor.

Credentials & Certifications

Age and Educational Background:

- Date of birth: March 21, 1956
- DePauw University, BS Economics (1974)

FINRA licensure: Series 7, 24, 27, 63, 65 (SEC grandfathered)

Business Experience:

- Kmart (1978 – 1981)
- Thomson McKinnon Securities, Registered Representative (1981 – 1983)
- Alexander Investment Services, Registered Representative (1983 – Present), Registered Principal (1985 – Present), Chief Financial Officer (1994 – Present)
- Citizens Financial Group (CFIN), Director (2007 – Present)
- Lyndon Fire Department, Trustee (2011– Present)
- City of Hurstbourne, Public Works Commissioner (2013 – Present)

Outside Business Activities:

- Millennium Capital LLP, Founder (2000 – Present)
- Croyden Ventures LLP, Founder (2001 – Present)
- Williamsburg Place LLC, Founder (2008 – Present)
- Lyndon Center LLC, Founder (2010 – Present)
- All above are real estate investment, management and/or development entities.

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Oversight: Andrew Hanlein supervises Rusty Wells' activities through office, travel and electronic interactions and review.

Wilson, Craig [Thomas Craig Wilson] Share Holder, Personnel Manager, Municipal Securities Principal, General Securities Registered Representative and Investment Advisor.

Credentials & Certifications

Age and Educational Background:

- Date of birth: June 11, 1961
- University of Kentucky, BS (1983)

FINRA licensure: Series 7, 53, 63, 65 (SEC grandfathered)

Business Experience:

- Olde & Company: Registered Representative (1985 – 1987)
- Alexander Investment Services, Registered Representative (1988 – Present), Registered Municipal Bond Principal (2004 – Present)

Outside Business Activities:

- None

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Oversight: Rusty Wells supervises Craig Wilson's activities through office, travel and electronic interactions and review.