

Part II, Page 2, Section 1A, D

The applicant provides investment advisory services via "Financial Planning" and ongoing monitoring of investment portfolios termed "Wealth Management" to ensure proper allocations given client objectives.

The investment advice clients receive may include recommendations to purchase products from the American Funds on a direct-way basis, for which the Investment Advisor or Salesperson receives additional compensation in the form of sales commissions. This creates a monetary incentive for the Investment Advisor or Salesperson that could possibly bias his recommendations toward products or services that have high commissions. This monetary incentive to make biased recommendations while charging a fee for such recommendations constitutes a substantial conflict of interest. Investment Advisors or Salespersons nevertheless undertake to provide objective and unbiased recommendations for their client's, and any actual bias in the investment advice would constitute a breach of understanding to render objective advice for which the fee is paid.

With the exception of certain pension plan arrangements, American Funds investments generally occur through Charles Schwab, Fidelity or TD Ameritrade utilizing the no-load F series of shares. However, in the limited circumstances where such arrangements are not possible or where it may be beneficial to utilize the American Funds in smaller pension plans, for example, the American Funds may be purchased directly at the fund group and the client will incur a charge. The share class generally utilized will be C shares through WFCG Securities, Inc. as the broker dealer.

For pension accounts, most commonly the share class used is referred to as an R share that results in the Investment Advisor or Salesperson potentially receiving a revenue sharing commission ranging from 0% to 1% annually. However, in general this revenue sharing income is not collected by the Investment Advisor or Salesperson, but instead is applied against the pension administration firm's fee. In the case of individuals, the use of American Fund's A shares will result in the Investment Advisor or Salesperson receiving a commission from 0%-5.75% depending on the amount invested.

There are three basic Wealth Management investment advisory client profiles. They are Pension Plan Wealth Management Pools, Pension Plan Wealth Management Menus and Individual Wealth Management clients. Each are provided unique services.

Pension Plan Wealth Management Pools receive custodial statements, at a minimum an annual review with investment committees and/or participants, unlimited consultations in office or on the telephone, portfolio reallocation advice on a regular basis, discretionary trading and educational materials, publications, and/or webinars as we deem appropriate.

Pension Plan Wealth Management Menu clients receive custodial statements, at a minimum an annual review with investment committees and/or participants, unlimited consultations in office or on the telephone, employee benefit booklets on request, menu composition advice on a regular basis, discretionary and non-discretionary menu content decision making and educational materials, publications, and/or webinars as we deem appropriate.

Individual Wealth Management clients receive custodial statements, money management services, an annual performance review; consultations in our office, on the telephone, via e-mail or through our web page as needed to keep the client abreast of market conditions; Tax data sufficiency check upon client request; access to our website www.ncm-inc.com; Portfolio reallocations as we deem appropriate; Professional monitoring economic and market conditions on a continuous basis; IRA distribution assistance annually for those over age 70 1/2; Discretionary Trading and additional educational materials, publications, and/or webinars as we deem appropriate.

Fees for Wealth Management are negotiable. However, our standard fee structure is 1% annually on all mutual fund, long term stock, bond, certificate of deposit, limited partnership (generally valued at \$0 due to

a lack of marketability), annuity and cash positions whose aggregate total is under \$1,000,000. Aggregate assets in excess of \$1,000,000 are assessed a fee of .5% annually.

With certain clients we may elect to charge a flat fee annually or utilize a combination of a percentage charge for assets described above and a flat fee amount for employer sponsored retirement plans.

Fee structures are determined by account size and intensity of the management responsibilities. Northern Capital Management, Inc. fees are in addition to the normal management fees associated with mutual funds and any transaction charges which may result at Charles Schwab, Fidelity or TD Ameritrade.

Fees for Wealth Management are payable on a six month lagging basis, semi-annually. The fee is based upon the assets under management at the billing date, without regard to deposits and withdrawals. Some long-time clients initially elected to pay their fee on a lagging basis annually; a practice which continues today.

In the event a client wishes to terminate the services of Northern Capital Management, Inc. they are liable for only the amount due for services rendered to that date. We do not have a termination penalty.

In the event the client elects to terminate within the first 30 days of the Wealth Management relationship, there are no Wealth Management fees or charges assessed with the exception of any fees or commission directly incurred in the implementation of the pre-determined allocation. These fees and commissions are non-refundable. Our contract allows termination by either party to take effect within 30 days of the request being received in writing.

Fees may be deducted directly from client accounts. If a client has specifically authorized, a direct and automatic withdrawal is allowed. Our standard billing procedure is to send each client an itemized bill. Upon receipt, if they elected to pay by check, they will then do so. In the event they have elected to pay by automatic fee deduction, the itemized bill indicates the amount deducted and the calculation of the amount. This procedure is the same for all Wealth Management clients. Fee deductions are confirmed on mutual fund and brokerage statements received by the client directly from the custodian.

Client Publications:

The Week In Review Publication is posted to our website on Fridays. This publication designed to keep clients abreast of current market conditions, future trends and best guess expectations of the Investment Committee. Our office also conducts periodic Webinars conducted by members of the Investment Committee. Clients can view and listen to the Webinar online at no cost. Clients that listen to Webinars through the telephone feature are charged by their telephone company the rate for long-distance phone calls.

Educational materials and publications are provided at no additional cost and generally avoid specific security recommendations.

Financial Planning services vary in scope, but may include the construction of a full comprehensive plan encompassing estate planning, insurance planning, investment allocation, education funding alternatives and retirement projections. Limited engagements may focus solely on any single specific topic mentioned. These services are not actively marketed as a stand alone engagement but instead are generally a part of the new client integration exercise. Consequently, there is no additional fee assessed for financial planning work.

Part II, Page 3, Section 4C(2)

Investment Strategies Used:

The core component of Northern Capital Management, Inc.'s overall trading practices is long term purchases (securities held at least one year). Long term investing is the primary goal and focus of the Northern Capital Management, Inc. Investment Committee.

Short term purchases (securities sold within one year) are not a part of Northern Capital Management, Inc.'s core trading practices. However, in certain circumstances, when a short term trade is suitable and in the best interest of the client, the Northern Capital Management, Inc. Investment Committee will recommend short term trades for clients. Examples of strategies used in the past include market distortion opportunities and tax loss harvesting strategies. Short term trades are selective and not commonly used.

Part II, Page 4, Section 5

All portfolio reviews and rebalances are completed by an individual with a bachelor's degree. Alternatively, a reviewer may have a minimum of six year's industry experience, be a licensed securities principal and have an AA degree. In addition to this qualification, the individual **must be in** good standing with FINRA and the Securities Exchange Commission, have a minimum of two years relevant investment industry experience, maintain at least a Series 6, 7, or 63 license and maintain the national securities license Series 66.

Part II, Page 4, Section 6

The Northern Capital Management, Inc. Investment Committee is comprised of the following individuals:

James Karl Wilson was born in 1963. Educational background includes the designation of Certified Financial Planner and two degrees from Whitworth College - one in Accounting and one in Business Management. Jim holds the following licenses:

- FINRA General Securities Representative Series 7
- FINRA Uniform Securities Agent Law Series 63
- FINRA Uniform Investment Advisors Law Series 65
- FINRA General Securities Principal Series 24
- FINRA Financial Operations Principal Series 27

Employment History:

- **June 2003-Present** Northern Capital Management, Inc. (formerly Bergeron & Wilson, Inc., Wilson Financial Consulting Group and then Wilson, Miller & Associates) – Spokane, WA
- **March 1998-Present** W.F.C.G. Securities, Inc. (formerly Bergeron & Wilson Securities, Inc.) – Spokane, WA
- **April 2001 - June 2003** Wilson, Miller & Associates – Spokane, WA
- **April 1998 - March 2001** Wilson Financial Consulting Group – Spokane, WA
- **February 1992 - March 1998** Bergeron & Wilson, Inc. – Spokane, WA
- **September 1993 - March 1998** Bergeron & Wilson Securities, Inc. – Spokane, WA

David B. Holloway was born in 1961. Educational background includes a degree in Economics from the University of Washington and Masters of Business Administration for the University of Idaho. David holds the following licenses:

- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66
- FINRA General Securities Principal Series 24

Employment History:

- **June 2003 -Present** Northern Capital Management, Inc. – Spokane, WA
- **May 2003 -Present** W.F.C.G. Securities, Inc. – Spokane, WA
- **May 2003 - June 2003** Wilson, Miller & Associates – Spokane, WA
- **June 2001 - May 2003** Linsco/Private Ledger – Spokane, WA
- **January 2001 - June 2001** Financial Forum – Spokane, WA
- **April 1998 - December 2000** Spector Group – Carlsbad, CA
- **April 1991 - March 1998** Steinley's Photochart Systems – Dalton Gardens, ID

Michelle L. Warner was born in 1977. Educational background includes an AA degree from Spokane Community College. Michelle holds the following licenses:

- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66
- FINRA General Securities Principal Series 24

Employment History:

- **June 2003 - Present** Northern Capital Management, Inc. (formerly Bergeron & Wilson, Inc., Wilson Financial Consulting Group and then Wilson, Miller & Associates)-Spokane, WA
- **March 1998 - Present** W.F.C.G. Securities, Inc. (formerly Bergeron & Wilson Securities, Inc.)-Spokane, WA
- **April 2001 - June 2003** Wilson, Miller & Associates – Spokane, WA
- **April 1998 - March 2001** Wilson Financial Consulting Group – Spokane, WA
- **May 1997 - March 1998** Bergeron & Wilson, Inc. – Spokane, WA
- **May 1997 - March 1998** Bergeron & Wilson Securities, Inc. – Spokane, WA

Sarah Miller was born in 1980. Educational background includes an AA degree from Spokane Falls Community College and a Bachelor of Science degree in Organizational Communications from Eastern Washington University. Sarah holds the following licenses:

- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66
- FINRA General Securities Principal Series 24

Employment History:

- **August 2004-Present** Northern Capital Management, Inc. – Spokane, WA
- **August 2004 -Present** W.F.C.G. Securities, Inc. – Spokane, WA
- **April 2003-January 2004** Scrapbook Restaurant – Spokane, WA

Molly Chase was born in 1980. Educational background includes a Bachelor of Arts degree in Business Administration from Eastern Washington University. Molly holds the following licenses:

- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66

Employment History:

- **May 2008-Present** Northern Capital Management, Inc. – Spokane, WA
- **May 2008-Present** W.F.C.G. Securities, Inc. – Spokane, WA
- **September 2003-May 2008** Metlife Financial Advisors – Spokane, WA
- **January 2003-May 2008** Chase Honey Company – Spokane, WA

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Rose Martin was born in 1986. Educational background includes a Bachelor of Arts degree in Speech Communication from Whitworth College. Rose holds the following licenses:

- FINRA General Securities Representative Series 7
- FINRA Uniform Combined State Law Series 66

Employment History:

- **August 2007-Present** Northern Capital Management, Inc. – Spokane, WA
- **August 2007-Present** W.F.C.G. Securities, Inc.-Spokane, WA
- **September 2006-August 2007** Spokane Athletic Club – Spokane, WA
- **January 2006-February 2006** Internship with Transitions Women’s Health – Spokane, WA
- **May 2005-August 2005** Delia’s Restaurant – Grants Pass, OR
- **September 2004-May 2005** Whitworth Spanish Lab – Spokane, WA

Part II, Page 4, Section 7B

Northern Capital Management, Inc. Inc. is a corporation registered in the State of Washington. Revenue is derived from Wealth Management fees.

Financial plans may include estate planning, investment planning, college funding analysis, retirement feasibility, disability projections and premature death analysis. A separate fee is not charged for Financial Planning.

Financial Plans, as well as investment planning, may result in representatives of the Northern Capital Management, Inc. recommending the purchase of mutual funds or variable annuities that pay commissions to WFCG Securities, Inc., a registered broker/dealer.

Representatives of Northern Capital Management, Inc. are also licensed registered representatives of WFCG Securities, Inc. and would receive compensation as a result of the implementation of recommendations through WFCG Securities, Inc. However, it is our standard practice to avoid the use of any commission generating products. The Charles Schwab variable annuity does not pay any commissions of any kind to registered representatives of WFCG Securities, Inc.

Part II, Page 4, Section 8C(1)

Broker/Dealer Arrangement - WFCG Securities, Inc. is 100% owned by James K. Wilson. Northern Capital Management, Inc. is 100% owned by James K. Wilson. James Wilson is also a registered representative of WFCG Securities, Inc.

Recommendations from Northern Capital Management, Inc. which are commissionable and implemented through WFCG Securities, Inc. will result in compensation being paid to the representative both on an initial and ongoing basis.

Additional Broker/Dealer Arrangement - Northern Capital Management, Inc. representatives may recommend Charles Schwab, TD Ameritrade or Fidelity to clients for the liquidation and purchase of individual securities, to hold securities and to purchase non-commissioned and commissioned mutual funds. There is a formal agreement with Charles Schwab, TD Ameritrade and Fidelity whereby they provide Northern Capital Management, Inc. with asset tracking software, general research information and other services in return for directing trades to them.

Additional benefits taken advantage of by Northern Capital Management, Inc. specifically through Charles Schwab include discounts on subscriptions to Morningstar research data, software subsidies of Performance

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Technology fees, periodic conference admission fee discounts or waivers and the use of a technology back office consultant to evaluate firm efficiency.

Part II, Page 4 8C(6)

Bank Arrangement - Northern Capital Management, Inc. utilizes a variety of banking relationships for technical information relating to advice rendered to clients. There is no formal arrangement for information to be received. Northern Capital Management, Inc. and its representatives often recommend banks to their clients. No compensation is received or paid as a result of referrals from or to banks.

In Washington State - Our lead referral recipient is Kenneth Hunt at American West Mortgage Lending Services in Spokane, WA. Kenneth Hunt also has a history of referring clients to Northern Capital Management, Inc. and WFCG Securities, Inc.

In Washington State - Our lead referral recipient for Private Banking is Paul Ellyson at America West Bank in Spokane, WA. At present Paul Ellyson does not have a history of referring clients to Northern Capital Management, Inc. although he has expressed an intent to do so.

In Idaho State - Our lead referral for personal banking is Community 1st Bank in Post Falls, ID. Northern Capital Management, Inc. has a branch office located in the Community 1st Bank building in Post Falls, ID. Due to the location of this branch, banking customers are referred to Northern Capital Management, Inc.

Part II, Page 4, Section 8C(7)

Accounting Firm Arrangement - Northern Capital Management, Inc. utilizes a variety of accounting firms for technical information relating to advice rendered to clients. There is no formal arrangement for information to be received. Northern Capital Management, Inc. and its representatives often recommend accounting firms to their clients. No compensation is received or paid as a result of referrals from or to accounting firms.

Our lead referral recipients are Jim McDirmid and Andrew McDirmid of McDirmid, Mikkelsen, and Secrest, P.S.

McDirmid, Mikkelsen, and Secrest, P.S. also has a history of referring clients to Northern Capital Management, Inc. and WFCG Securities, Inc.

Part II, Page 4, Section 8C(8)

Law Firm Arrangement - Northern Capital Management, Inc. utilizes a variety of law firms for technical information relating to advice rendered to clients. There is no formal arrangement for information to be received. Northern Capital Management, Inc. and its representatives often recommend law firms to their clients for legal and estate planning implementation. No compensation is received or paid as a result of referrals from or to law firms.

Our lead referral recipients are Kit Querna of Randall and Danskin and Phil Carstens of Lukins and Anis. Both firms have a history of referring clients to Northern Capital Management, Inc. and WFCG Securities, Inc.

Part II, Page 4, Section 8C(9)

Insurance Agency Arrangement - Northern Capital Management, Inc. utilizes a variety of insurance relationships to implement insurance recommendations. Northern Capital Management, Inc. receives no compensation directly or indirectly from any of these organizations.

Our lead referral recipient is Larry Wolf of Wolf & Associates for long-term care, Medicare supplements and Medicare Drug Plans. Our primary referral recipient is Gary Markham of Northwestern Mutual for disability and life coverage. Larry Wolf has a history of referring clients to Northern Capital Management, Inc. and WFCG Securities, Inc. To date Gary Markham does not have a history of referring clients to Northern Capital Management, Inc. and WFCG Securities, Inc.

Part II, Page 4, Section 8C(10)

Pension Administration Firm Arrangement - Northern Capital Management, Inc. utilizes a variety of pension administration firms for technical information relating to pension plan advice rendered to clients. There is no formal arrangement for information to be received. Northern Capital Management, Inc. and its representatives often recommend pension administration firms to their clients for pension plan installation and implementation. No compensation is received or paid as a result of referrals from or to pension administration firms.

Our lead referral recipients are Randall & Hurley and McDirmid, Mikkelsen, and Secrest, P.S. Both firms have a history of referring clients to Northern Capital Management, Inc. and WFCG Securities, Inc.

Part II, Page 5, Section 9B

Additional compensation can be provided to registered persons who are also registered with the broker/dealer WFCG Securities, Inc. and to the extent this relationship is fully disclosed to the client. This compensation agreement must be disclosed by providing the client a prospectus for the investment, as well as a verbal commission compensation disclosure. Compensation agreements exist between the broker/dealer and various mutual funds and variable insurance companies. It is rare WFCG Securities, Inc. is used for individual clients.

The primary function of WFCG Securities, Inc. is to collect revenue sharing offered by mutual funds used in pension plans with substantial assets and where a structured menu of funds is used for the plan. In these instances, revenue sharing arrangements exist where a portion of the funds normal management and 12B1 fee is paid to the advisor or third party administrator resulting in lower pension management costs to the client. Additional compensation may also take the form of C share revenue derived from the use of the American Funds for small pension plans.

Part II, Page 5, Section 9D

Often representatives of Northern Capital Management, Inc. purchase shares of mutual funds and variable annuities which they recommend to clients. Currently there are no policies or procedures in place to prevent this from occurring. Duplicate mutual fund statements for all employee transactions are maintained and monitored by the Northern Capital Management, Inc.'s Co-Chief Compliance Officer. Prior to purchasing individual stocks representatives of Northern Capital Management, Inc. must have the prior approval of a registered principal.

Part II, Page 5, Section 9E

Often representatives of Northern Capital Management, Inc. purchase shares of mutual funds and variable annuities which they recommend to clients. Currently there are no policies or procedures in place to prevent this from occurring. Duplicate mutual fund statements for all employee transactions are maintained and monitored by the Northern Capital Management, Inc.'s Co-Chief Compliance Officer. Prior to purchasing individual stocks representatives of Northern Capital Management, Inc. must have the prior approval of a registered principal.

Part II, Page 5, Section 10

Northern Capital Management, Inc. manages investment advisory accounts and holds itself out as providing financial planning. We impose a minimum initial account size of \$250,000. However, our minimum account size may be waived upon the sole discretion of Northern Capital Management, Inc. Extenuating

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circumstances may include the source of the referral, family legacy accounts and potential future funding. Additionally, if an account falls below the minimum initial account size, Northern Capital Management, Inc. reserves the right to terminate the relationship. This seldom occurs unless Northern Capital Management, Inc. or the client determine the minimum fee is too significant given the size of the account.

Part II, Page 5, Section 9

Code of Ethics Statement of General Policy - This Code of Ethics (“Code”) has been adopted by Northern Capital Management, Inc. and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”).

This Code establishes rules of conduct for all employees of Northern Capital Management, Inc. and is designed to, among other things, govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that Northern Capital Management, Inc. and its employees owe a fiduciary duty to Northern Capital Management, Inc.'s clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by Northern Capital Management, Inc. continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

Northern Capital Management, Inc. will provide a complete copy of our Code of Ethics to any current or prospective client upon request.

Part II, Page 5, Section 11A

In December 2006, the firm fundamentally changed the way it conducts reviews.

Client specific reviews are conducted upon client request, during their annual review or as a result of unscheduled meetings. Other events which may prompt a review include client requests, prior/post/upon notification of death or disability or upon other disclosed material changes to a client’s financial profile or objectives. **Client wide reviews** occur semi-annually. Rebalances are conducted as needed through our Tamarac trading system and are designed to keep account allocations consistent with the Investment Objective defined in the Financial Advisory Agreement. Portfolios are reviewed and rebalanced by a licensed individual. **Fund manager reviews** are generally conducted on an ongoing basis as information regarding the various vehicles becomes available through subscriptions, articles, newspapers, conversations with fund sponsors or meetings of the Investment Committee. Additionally, quarterly portfolio manager performance analysis occurs upon receipt of Morningstar research data. However, during times of extreme downward moving markets, when a manager’s capability to mitigate losses becomes unachievable given the magnitude of forced redemptions, testing may be suspended until such time as the Investment Committee determines conditions have adequately changed. Reviews do NOT necessarily result in trades. **Reviewers** - The reviewers of portfolios are licensed securities individuals and must have a bachelor's degree. Alternatively, reviewers of portfolios may have a minimum of six year’s industry experience, be a licensed securities principal and have an AA degree. Reviews will be conducted by James K. Wilson, David Holloway, Sarah Miller, Molly Chase, Rose Martin, Josh McLaughlin or Michelle Warner. Client specific reviews include evaluation of investment manager returns, portfolio allocations relative to investment objective, income requirements, Investment Committee policy and risk tolerance.

Part II, Page 5, Section 11B

Clients receive independent statements from applicable custodians to include, but not limited to, Charles Schwab & Company, TD Ameritrade, Fidelity, the American Funds, Lincoln National, Jackson National and Great West. As of February 2009, Northern Capital Management, Inc. does not provide in-house reports to clients.

Part II, Page 6, Section 12A(1)&(2)

Northern Capital Management, Inc. maintains discretionary trading relationships with all clients, with the exception some of its self-directing menu 401(K) retirement plans and a very small group of individual clients.

The discretionary trading authority allows Northern Capital Management, Inc. to initiate sales and purchases of investments consistent with objectives of the client and without limitation. Notwithstanding, sales and purchases may not be initiated without client consent if they result in commission revenue to WFCG Securities, Inc. unless they are part of a pre-determined and agreed upon portfolio allocation.

Northern Capital Management, Inc. requires that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Company, Inc. (Schwab), a registered broker-dealer, member SIPC, Fidelity Institutional Services, a registered broker-dealer, member SIPC, TD Ameritrade, a registered broker-dealer, member SIPC, AST Trust Company, First Mercantile or Trustlink to maintain custody of clients' assets and to effect trades for their accounts.

Northern Capital Management, Inc. is independently owned and operated and not affiliated with any of the custodians cited above. Schwab, Fidelity, TD Ameritrade, AST Trust Company, First Mercantile and Trustlink provides Northern Capital Management, Inc. with access to its institutional trading and custody services, which are typically not available to their retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them and are not otherwise contingent upon Advisor committing to the custodian any specific amount of business (assets in custody or trading). Schwab, Fidelity, TD Ameritrade, AST Trust Company, First Mercantile and Trustlink services may include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Northern Capital Management, Inc.'s client accounts maintained in their custody, Schwab, Fidelity and TD Ameritrade generally do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through them. AST Trust Company, First Mercantile and Trustlink pension accounts generally do charge separately for custody and may also be compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through them. AST Trust Company, First Mercantile and Trustlink pension accounts generally do charge separately for custody and may also be compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through them.

Schwab, Fidelity, TD Ameritrade, AST Trust Company, First Mercantile and Trustlink also makes available to Northern Capital Management, Inc. other products and services that benefit Northern Capital Management, Inc. but may not benefit its clients' accounts. Some of these other products and services assist Northern Capital Management, Inc. in managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Northern Capital Management, Inc.'s fees from client accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these

services generally may be used to service all or a substantial number of Northern Capital Management, Inc.'s accounts, including accounts not maintained exclusively at Schwab, Fidelity, TD Ameritrade, AST Trust Company, First Mercantile or Trustlink. Schwab, Fidelity, TD Ameritrade, AST Trust Company, First Mercantile and Trustlink also may make available to Northern Capital Management, Inc. other services intended to help Northern Capital Management, Inc. manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab, Fidelity, TD Ameritrade, AST Trust Company, First Mercantile and Trustlink may make available, arrange and/or pay for these types of services rendered to Northern Capital Management, Inc. by independent third parties.

Schwab, Fidelity, TD Ameritrade, AST Trust Company, First Mercantile and Trustlink may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Northern Capital Management, Inc. While as a fiduciary, Northern Capital Management, Inc. endeavors to act in the best interest of its clients, and Northern Capital Management, Inc.'s recommendation and/or requirement that clients maintain their assets in accounts at Schwab, Fidelity, TD Ameritrade, AST Trust Company, First Mercantile or Trustlink may be based in part on the benefit to Northern Capital Management, Inc. of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

It is the policy of Northern Capital Management, Inc. to periodically conduct a cost-benefit analysis of brokerage relationships to include overall cost, client benefits, advisor benefits and other factors. Presently, TD Ameritrade maintains the lowest overall cost structure. However, deficiencies such as higher fund minimums and inferior tax basis tracking features limit Northern Capital Management, Inc.'s ability to utilize their services on a cost effective basis.

The services and cost of Charles Schwab and Fidelity traditionally have been roughly equivalent, although operational difficulties have arisen with Fidelity and pension administration firm Randall & Hurley in 2005. Recently, Charles Schwab and Fidelity have both reduced trading commission costs for individual security transactions. These reductions have not materially altered our assessment of comparability between the two custodians. A majority of Northern Capital clients are presently directed to Charles Schwab.

Northern Capital Management, Inc. will continue to monitor the cost structures of various custodians in a bid to minimize trading costs while maximizing benefits. WFCG Securities, Inc. does not currently have any agreement or responsibility to provide Northern Capital Management, Inc. with any research, products or services. The client does not pay higher or lower commissions as a result of using WFCG Securities, Inc. versus other broker/dealers.

AST Trust Company, First Mercantile and Trustlink pay commissions, or more concisely revenue sharing fees, when used as a platform for structured menu pension plans. Fees can be used to offset the agreed upon investment advisory fee of Northern Capital Management, Inc., can serve as the sole compensation to Northern Capital Management, Inc. or may be used to defray the cost of the third party pension administration firm. If collected to defray or act as the sole source of compensation for Northern Capital Management, Inc. these fees flow through WFCG Securities, Inc. and not Northern Capital Management, Inc. to no significance.

Part II, Page 6, Section 13A&B

Although an arrangement is not in place, periodically a non-client entity, such as an attorney or tax advisor, for example, may send Northern Capital Management, Inc. a nominal gift such as a gift basket, gift certificate or provide a discount on services rendered to Northern Capital Management, Inc. or WFCG Securities, Inc. in thanks for a referral. Periodically, if an existing client refers business to Northern Capital Management, Inc., a nominal gift such as a basket or gift certificate may be mailed thanking them for the referral.