

Nicolet

WEALTH MANAGEMENT

NICOLET ADVISORY SERVICES, LLC

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Nicolet Advisory Services, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about our firm is available on the SEC's website at www.adviserinfo.sec.gov. Nicolet Advisory Services, LLC (dba Nicolet Wealth Management) is a registered investment adviser. Registration does not imply any level of skill or training.

Investments and insurance products and services are subject to risks, including possible loss of principal, and are:
NOT FDIC INSURED; NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY; and NEITHER DEPOSITS OR OTHER
OBLIGATIONS OF, NOR GUARANTEED BY, Nicolet National Bank or any of its affiliates.

Item 2. Material Changes

We have made no material changes to the information in this brochure since its last annual updating amendment, dated March 31, 2023.

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Item 4. Advisory Business

We offer a variety of advisory services, including investment management, financial planning, and consulting services. We first registered as an investment adviser in May 2016 and are wholly owned by Nicolet Bankshares, Inc. As of December 31, 2023, we had \$3,664,001,650 of assets under discretionary management and \$1,410,099 under non-discretionary management. Prior to us rendering any advisory services, clients are required to enter into one or more written agreements with us setting forth the relevant terms and conditions of the advisory relationship.

This brochure generally discusses the services we offer, but certain sections also discuss the activities of our supervised persons (e.g., our officers, partners, directors, and employees).

Financial Planning and Consulting Services

We offer clients a broad range of financial planning and consulting services, including business planning, estate planning, investment consulting, insurance planning, retirement planning, risk management, and corporate retirement planning. These services are generally provided in connection with our investment portfolio management services as part of a comprehensive wealth management engagement.

We often recommend that clients engage us or our supervised persons (in their individual capacities as insurance agents, registered representatives of a broker-dealer, or other professional capacities) to implement recommendations made as part of our financial planning and consulting services. When making such recommendations, a conflict of interest exists when our employees offer to implement financial planning and consulting services recommendations by executing transactions that pay commissions to or otherwise benefit us.

This conflict is mitigated by each Client retaining absolute discretion over all decisions regarding the implementation of any recommendations made by us or our employees and remaining under no obligation or expectation to implement any recommendations through us or our employees—or to act upon any of recommendations made at all.

In performing financial planning and consulting services, clients expressly authorize us to rely on information received from their other professional advisors (e.g., attorneys, accountants, etc.) without taking additional steps to verify any such information. Clients retain the sole responsibility of promptly notifying us of any changes to their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising our recommendations.

Investment Management and Wealth Management Services

We generally manage client investment portfolios on a discretionary basis. In addition, we can be engaged to provide wealth management services which include a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-

discretionary management of investment portfolios. We primarily allocate client assets among various mutual funds, exchange-traded funds (ETFs), and individual debt and equity securities. Where appropriate, we also provide advice about legacy positions or other investments held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by us unless specifically agreed upon.

In order to receive investment management services, clients must open institutional brokerage accounts at a third-party custodian (unaffiliated with us) by completing a client agreement directly with the custodian. We have existing relationships with certain custodians, such as Charles Schwab & Co., Inc. (“Schwab”) and Fidelity Brokerage Services LLC (“Fidelity”).

Clients can engage us to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, we direct or recommend the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider.

We tailor our advisory services to meet the needs of our individual clients and seek to ensure that client portfolios are managed in a manner consistent with those needs and objectives. We consult with clients on an initial and ongoing basis to assess their individual risk tolerance, time horizon, liquidity constraints, and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify us if there are changes in their financial situations or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if we determine, in our sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to our management efforts.

Alternative Solutions

We also offer alternative investment options such as access to limited public and private offerings as well as a separately managed account solution for high-net-worth individuals.

Limited Offerings

We work with service providers who act as a marketers or placement agents for a selection of investment offerings in securities products (particularly, private and registered investment funds, such as hedge funds). Product offerings available through these providers are limited to the menu of products of which they have completed operational due diligence and opted to make available on their platforms. Most of the products that are available through these platforms have minimum investment requirements, some of \$100,000 or more. These platforms do not open or hold accounts for our clients, rather, products are purchased through them and are held by

the custodian (or other financial intermediary) holding our clients' assets. These service providers do not separately monitor any client's specific investments in an ongoing manner.

In addition to product offerings through third-party marketers and placement agents, we also consider direct investments with private hedge funds, private equity, and debt funds. Such direct investments are discussed individually with qualified clients who meet applicable minimum investment criteria and for whom such investments can provide a suitable option as part of a broader investment strategy.

Unified Managed Accounts

We also offer access to a unified managed account ("UMA Platform") that provides our clients an opportunity to invest in some or all of the following products within a single unified account: mutual funds (including open-end and closed-end funds), exchange-traded funds, and separately managed accounts ("SMAs"). An SMA is a portfolio of individually owned securities that can be tailored to fit each client's investing preferences.

For clients participating in the SMA program, we recommend an actively managed or indexed investment portfolio managed by a roster of independent asset managers (each, a "Sub-Manager") with a variety of disciplines. In your agreement with us, you authorize designated Sub-Managers to exercise discretion to select securities for your account. The UMA Platform helps us identify individual asset managers and investment vehicles that correspond to the asset classes and styles we propose. We also have the option to independently identify and utilize the services of specific Sub-Managers. The UMA Platform retains Sub-Managers who provide portfolio management services under the SMA program through separate agreements entered into directly between the UMA Platform and the Sub-Manager. For many Sub-Managers, the UMA Platform has entered into a licensing agreement with the Sub-Manager, under which the UMA Platform performs overlay management, administrative and/or trade order placement duties pursuant to the investment directions of the Sub-Manager.

For clients participating in the UMA Platform, we generally recommend a single customized portfolio consisting of one or more asset managers (including Sub-Managers) or funds representing various asset classes. We utilize the tools available through the UMA Platform to customize asset allocation models or select from proposed asset allocations for types of investors fitting the client's profile and investment goals. We can further customize portfolios by selecting specific underlying investment strategies or funds to meet each client's specific needs. Once we establish the content of the portfolio, the UMA Platform provides overlay management services for UMA accounts and directly places trade orders with the custodian based on the investment strategies contained in the UMA portfolio.

Envestnet charges an annualized fee to access its platform in addition to the fees charged by the individual sub-managers selected to manage client assets. Additional services, such as tax overlay and impact overlay services, are also available at an additional cost. In negotiating the platform fee with Envestnet to minimize the additional

costs to our clients, we committed to placing enough assets on the Envestnet platform to reach a certain minimum aggregate platform fee. If we do not reach that minimum, we agreed to directly compensate Envestnet on a quarterly basis the difference between the committed amount and the actual aggregate platform fees received by Envestnet from the clients on the platform. Accordingly, we have an incentive to recommend the Envestnet platform to clients to reduce any out-of-pocket expense we would have to cover if we do not reach the minimum commitment.

Sponsor and Manager of Wrap Program

We also provide investment management services as the sponsor and manager of the Nicolet Advisory Services Wrap Fee Program (the "Wrap Program"). A wrap program is an arrangement under which fees for advisory services and certain brokerage commissions and transaction costs are combined (or, wrapped) as one fee paid by the client. We pay a portion of the fee we receive for sponsoring and managing the Wrap Program to the broker-dealer executing transactions in client accounts to cover transaction costs.

We manage assets in the Wrap Program in substantially the same manner as those we manage under a non-wrap arrangement. Participants in the Wrap Program may pay a higher or lower aggregate fee than if each service was purchased separately. Additional information about the Wrap Program is available in our Wrap Brochure.

Many custodians, including Schwab, have eliminated many transaction fees for online trades of U.S. equities, ETFs, options, and certain classes of Mutual Fund shares. This means that transactions in these types of securities are excluded from the asset-based fee we pay to cover transaction fees in client accounts.

This presents a conflict of interest because we have a financial incentive to maximize our compensation by seeking to invest in securities for which transaction fees have been eliminated (i.e., securities exempted from the ongoing asset-based fee to cover transaction costs). This conflict arises in situations, among others, where a certain mutual fund offers both a no-transaction fee share class and an institutional class that is subject to transaction fees. No-transaction fee share classes are often subject to higher ongoing costs that are priced into the ongoing internal costs of these securities (lowering overall returns) but would be exempt from the asset-based fee covering transaction costs that we pay as part of your agreement with us. We seek to minimize or eliminate this potential conflict by first selecting appropriate securities through our internal due diligence process and then investing in share classes with the lowest ongoing internal expenses, irrespective of whether they are no-transaction fee funds or subject to the asset-based fee we pay to cover transaction costs.

Item 5. Fees and Compensation

Our fees are based on assets under management by us. Additionally, certain of our employees, in their individual capacities, offer

securities brokerage services and/or insurance products under a separate commission-based arrangement. For investment management fees associated with participation in the Wrap Program, please see the Wrap Brochure.

Our fees are separate from (and in addition to) other fees charged by third parties that are separate from, but related to our services (for example, Sub-Managers in a Unified Managed Account) and varies depending on the size and composition of a client's portfolio and the type of services rendered. Please review the "Other Charges" subsection below for additional information about what is not covered by our fees.

Our fees generally align to the following schedule:

Asset Under Management	Base Fee (annualized)
Under \$500,000	1.25%
Next \$500,000	0.75%
Next \$1,000,000	0.60%
Next \$8,000,000	0.50%
Over \$10,000,000	0.40%

Our fees can be individually negotiated between clients and our investment adviser representatives and could vary based upon certain criteria, such as related accounts and relationships, account composition, pre-existing/legacy client relationship, and account retention considerations, among other factors. We encourage all clients and potential clients to discuss fees with their investment adviser representatives.

Unless expressly stated otherwise, our annual fee is prorated, based on the number of days we provided services, and charged monthly, in arrears, based upon the market value of the assets under our management on the last trading day of the previous billing period. Our fee is not adjusted based on whether assets are deposited into or withdrawn from an account within a billing period. Our fee for the final billing period is prorated through the effective date of the termination and any outstanding portion of the fee is charged to the client (or, if we collected fees in advance for any reason, any unearned portion of our fee will be refunded on a pro-rata basis).

Direct Fee Debit

Clients generally authorize us to directly debit their accounts for payment of our investment advisory fees. Clients will receive custodial statements reflecting transactions within their accounts, including our fees, not less frequently than each calendar quarter (but generally monthly) directly from the account custodian.

Other Charges

In addition to our fees, clients also incur certain charges imposed by other third parties separate from, but related to, our services, such as those imposed by broker-dealers, custodians, trust companies, banks, and other financial institutions.

Clients are responsible for certain charges imposed by custodians and third-party firms, including but not limited to advisory fees of third-party managers, IRA and qualified retirement plan fees, alternative investment processing and custody fees (as applicable), administrative servicing fees for trust accounts, fees based on cash or money market deposits, and other charges required by law and imposed by the executing broker/dealer and custodian. Clients also pay charges imposed directly by any mutual fund, index fund, or exchange traded fund as disclosed in the respective fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, and other fees and taxes on brokerage accounts and securities transactions. To the extent a fixed income transaction is executed through a broker-dealer other than the client's account custodian, the executing broker-dealer generally charges a commission, markup, markdown, or other fee for the transaction (we do not receive any portion of these costs as they are reflected in the price paid for the security).

Account Additions and Withdrawals

Clients can make additions to and withdrawals from their account at any time, subject to our right to terminate an account. Additions can be made in cash or securities (provided that the custodian is willing and able to hold the asset). Unless specifically directed otherwise, we reserve the right to liquidate any transferred securities or decline to offer advice regarding particular securities added into a client's account. Clients can withdraw account assets on notice to us subject to the usual and customary securities settlement procedures. However, we generally design our portfolios as long-term investments and withdrawing assets could impair our ability to work toward achieving previously determined investment objectives.

We encourage clients to consult with their investment adviser representatives about the options and implications of transferring securities. Liquidating securities can result in transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge), and/or tax ramifications depending on many factors, such as the types of securities liquidated and the type of account in which they are held. We attempt to consider tax ramifications in connection with our recommendations but neither us or our investment adviser representatives are tax professionals and we do not offer tax or legal advice. Clients are encouraged to discuss our services with their tax professionals.

Commissions and Sales Charges for Recommendations of Securities

Clients can engage certain persons associated us to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with us.

Under this arrangement, our employees, in their individual capacities as registered representatives of Private Client Services, LLC ("PCS"), provide securities brokerage services and implement securities

transactions under a separate commission-based arrangement. We also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PCS.

We have implemented procedures to ensure that any recommendations made by such employees to engage in a brokerage relationship (separate from our advisory services) are in the best interest of that client. Clients should understand that the investments made under a brokerage relationship are not considered advisory services from us.

Item 6. Performance-Based Fees and Side-by-Side Management

We do not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Item 7. Types of Clients

Types of Clients

We offer services to individuals, pension and profit-sharing plans, banking and thrift institutions, trusts, estates, charitable organizations, corporations, and business entities.

Minimum Account Requirements

We generally require a minimum portfolio value of \$250,000 to establish a general investment management relationship with us and a \$1 million dollar account minimum to establish a separate fixed-income account at a reduced management fee. We reserve the right to waive these requirements on a case-by-case basis based on a variety of factors, such as, for example, total assets under management, anticipated future earning capacity, anticipated future additional assets, related accounts and relationships, account composition, pre-existing/legacy client relationship, account retention, pro bono activities, and other potential factors.

As referenced above, certain products and services available through us impose minimum account or investment requirements apart from any minimums we impose. Certain outside managers referenced in the Alternative Solutions under Item 4, above, impose various minimum account requirements. Any account minimums will be discussed with clients as applicable.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

We utilize a combination of fundamental and technical analysis in providing advisory services to our clients. The main resources we use in providing our services include research from industry sources and investment companies as well as other information gathered through

public websites. Other resources include financial newspapers, magazines, publications, white papers, research materials prepared by third party sources, rating services, annual reports, prospectuses, press releases, and SEC filings.

Our representatives offer a variety of strategies for clients, depending on their individual needs. While most of our services are provided through our model portfolios, in certain situations our representatives will offer alternative recommendations about particular securities given a client's individual circumstances. We oversee and supervise each representatives' investment decisions and, in all cases, our recommendations are intended to be in the best interest of each client.

Wealth Management

Our primary investment strategies are strategic risk-based asset allocation and active risk-based asset allocation. These strategies can be coupled with strategic targeted objective strategies as applicable. If clients feel they don't fit well with any of our current strategies, we can create custom strategies to meet specific needs and objectives.

Strategic risk-based asset allocation strategies

Our strategic risk-based asset allocation strategy is broadly diversified among major asset classes and is primarily invested in passively managed index ETFs and mutual funds. This strategy makes limited (typically one or two changes per year, but sometimes none) allocation changes as market conditions change. Use of this strategy will be guided by the individual client's objectives, financial and tax status, risk tolerance and other factors.

Active risk-based asset allocation strategies

Our active risk-based asset allocation strategy is also broadly diversified among major asset classes and primarily invested in passively managed index ETFs and mutual funds. This strategy makes regular (three to four changes per year) allocation changes as market conditions change. Use of this strategy will be guided by the individual client's objectives, financial and tax status, risk tolerance and other factors.

Strategic targeted objective strategies

Our strategic targeted objective strategy is diversified among selected asset classes and is primarily invested in passively managed index ETFs. In most cases, this strategy is utilized in only a small portion of a client's overall portfolio. Use of this strategy will be guided by the individual client's objectives, financial and tax status, risk tolerance and other factors.

Custom strategy

Custom strategies will be reserved for any client who feels their objectives and needs cannot be met with the other strategies above. These portfolios will be guided by the client's objectives, financial and tax status, risk tolerance and other factors.

Wealth Accumulation Offering

The primary investment strategy used inside client accounts is generally the strategic risk-based asset allocation.

Portfolio Manager Selection and Evaluation

We provide investment management services, primarily through model portfolios, and wealth management services, including a broad range of comprehensive financial planning and consulting services. We do not provide tax, accounting, or legal services. Clients are encouraged to consult with their legal, tax, and other advisors before engaging us to provide investment management services on their behalf.

Although we act as portfolio manager as well, discussed below, we also select outside managers in certain cases where we feel outside management is appropriate. Portfolio manager selection and review is completed by the Nicolet Wealth Investment Research Team, comprised of experienced investment professionals under the supervision of the Nicolet Wealth Management Investment Committee.

In selecting outside managers, we review the following qualitative and quantitative factors to filter out managers who are not a good fit:

Qualitative

Firm	People	Process	Structure
Structure	Experience	Clearly defined	Investment Strategy
Culture	Tenure	Consistently applied	Investment Universe
Resources	Incentives	Repeatable	Position concentration
Operations	Team Dynamics	Active Share	Regulation
Risk Management	Risk Management	Competitive advantage	Risk Management

Quantitative

Performance	Costs	Liquidity
Long-term results	Expenses	Fund Size
Risk-adjusted returns	Turnover	Underlying securities
Factor analysis/ Style drift	Trading Costs	ETF volume
Peer analysis	Fees	ETF trading spread
Scenario analysis	Taxes	ETF sponsor support

Before selecting a manager, we typically engage in multiple meetings with representatives of the firms which often includes an on-site due diligence meeting. The Nicolet Wealth Investment Research Team completes an internal research report which is then vetted by the Nicolet Wealth Investment Committee before becoming an approved asset for use by our investment adviser representatives. All performance is reviewed and our sourced from Morningstar Direct.

For client accounts managed internally, the portfolio managers responsible for clients' accounts have access to all information under our control about their clients.

For clients utilizing the UMA platform, the UMA platform will have access client data entered on the platform. Client information is not made available to the portfolio managers or fund strategists utilized on the platform. While these service providers do not have direct access to our clients' non-public personal information through the platform, certain information can be provided to them in the normal course of business when their services are utilized.

Portfolio Management Services

We offer six core risk-adjusted model portfolios designed to meet the needs of our clients:

1. Capital Preservation
2. Moderate Conservative
3. Moderate
4. Moderate Growth
5. Growth
6. Maximum Growth

The asset allocation within our models attempt to provide consistent, risk-adjusted performance but we cannot make any guarantees that our model allocations will produce the desired results. Results depend upon a variety of factors and risks, some of which are outlined below and many of which are beyond our control. Although we continually monitor our models, client positions are rebalanced not less frequently than quarterly.

We primarily allocate client assets among various mutual funds, exchange-traded funds ("ETFs"), and individual debt securities in accordance with each client's stated investment objectives.

ETF prices, like stocks, can fluctuate over a wide range in the short term or over extended periods of time. These price fluctuations result from factors affecting individual companies, sectors or the securities market as a whole. When buying or selling an ETF, you will pay or receive the current market price, which can be more or less than the underlying net asset value of its individual holdings. There is no guarantee that the stock or bond markets or any particular mutual fund, ETF, or other security will increase in value.

We tailor our advisory services to meet the needs of our individual clients and we seek to ensure, on a continuous basis, that our clients' portfolios are managed in a manner consistent with those needs and objectives. We consult with clients initially, at the outset of our relationship, and continually in an ongoing manner to assess each of their specific risk tolerance, time horizon, liquidity constraints, and other related factors relevant to the management of their portfolios as they change over time. Clients are instructed and encouraged to promptly notify us if there are changes to their financial situations or if they wish to place any reasonable restrictions or limitations on the management of their portfolios (so long as we determine that the conditions would not materially affect the performance of a management strategy or prove overly burdensome to our ability to provide our services).

Advisory Business

When establishing a relationship with us, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as other factors pertinent to their specific financial situations. After reviewing this information, we assist clients in developing an appropriate strategy for managing their assets. We generally manage our clients' investment portfolios on a discretionary basis, but we also offer options for non-discretionary services.

Risk Factors

While the risk factors identified below are relevant, they are not intended to be a complete list or explanation of all risks associated with investing or our investment management activities.

Market Risks. All investing involves risk, including the potential loss of principal. The profitability of our recommendations or investment decisions largely depends upon correctly assessing the future course of price movements of stocks, bonds, and other marketable securities. We can provide no assurance that we will be able to predict those price movements accurately or capitalize on any such assumptions.

Credit Risk. This refers to the possibility that a particular bond issuer will not be able to make expected interest rate payments and/or principal repayment. Typically, the higher the credit risk, the higher the interest rate on the bond.

Interest Rate Risk. Interest rate risk is the possibility that a fixed-rate debt instrument will decline in value because of a rise in interest rates. Whenever investors buy securities that offer a fixed rate of return (such as bonds and preferred stock), they are exposed to interest rate risk.

Business Risk. Business risk is the measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Most businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a stock or a bond could go bankrupt or, with respect to debt securities, be unable to pay ongoing interest or principal.

Taxability Risk. This applies to municipal bond offerings and refers to the risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity.

Call Risk. Call risk is specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.

Inflationary Risk. Inflationary risk is the chance that the value of an asset or income will be eroded as inflation shrinks the value of a

country's currency. Put another way, it is the risk that future inflation will cause the purchasing power of cash flow from an investment to decline.

Liquidity Risk. Liquidity risk refers to the possibility that an investor is not able to buy or sell an investment as and when desired, or in sufficient quantities, at a desired price because opportunities are limited. A good example of liquidity risk is selling real estate. In many cases, real estate can be difficult to sell at any given moment for a given value should the need arise (unlike government securities or blue-chip stocks with a well-defined market).

Reinvestment Risk. In a declining interest rate environment, bondholders who have bonds coming due or being called face the difficult task of investing the proceeds in bond issues with equal or greater interest rates than the redeemed bonds. As a result, they are often forced to purchase securities that do not provide the same level of income, unless they take on more credit or market risk and buy bonds with lower credit ratings. This situation is known as reinvestment risk: it is the risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.

Social/Political/Legislative Risk. Risk associated with the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value is called social or political risk. Because the U.S. Congress has the power to change laws affecting securities, any ruling that results in adverse consequences is also known as legislative risk.

Currency/Exchange Rate Risk. Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated vis-à-vis one's home currency adds risk to the value of that security.

Mutual Funds and ETFs. Investments in mutual funds and ETFs involve similar risks as other securities, including the loss of principal. Mutual fund and ETF shareholders are subject to the risks stemming from the individual issuers making up the fund's portfolio of securities. Holders of mutual funds and ETFs are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares can differ significantly from the NAV during periods of market volatility, which can, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies can cause ETFs shares to trade at a premium or discount to their NAV. There is also no guarantee that an active secondary market for ETF shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder could have no way to dispose of shares held.

Risks Related to Custodians and Brokers. The bankruptcy of a broker-dealer or custodian could cause excessive costs or loss of investor funds. If a broker or custodian holding our clients' assets becomes insolvent or bankrupt, we may be unable to recover all or even a portion of those assets. We attempt to mitigate this risk by partnering with large, well-known institutions and conducting due diligence on the broker-dealers and custodians with whom we conduct business and recommend to our clients.

Item 9. Disciplinary Information

We have not been involved in any legal or disciplinary events that are material to our clients' evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Activities and Affiliations

Broker-Dealer Representatives and Licensed Insurance Agents

Certain of our supervised persons are registered representatives of Private Client Services, LLC ("**PCS**") and offer securities brokerage services under a separate commission-based arrangement. Additionally, several of our supervised persons are licensed insurance agents and offer certain insurance products on a fully disclosed commissionable basis.

In their capacity as registered representatives of PCS or insurance agents, our supervised persons can provide advice about legacy positions and other investments held by clients, such as variable life insurance and annuity contracts and assets held in qualified tuition plans (i.e., 529 plans). These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Prior to effecting any transactions, clients are required to enter into a separate account agreement with PCS or the applicable insurance carrier. Clients are under no obligation to engage our supervised persons to effect securities or insurance transactions and are free to choose brokers or agents not affiliated with us.

A conflict of interest exists to the extent that commissions or other additional compensation could affect recommendations to purchase

securities or insurance products. In addition to internal procedures designed to ensure that all recommendations are made in the best interest of our clients, none of our supervised persons receive commissions or other compensation resulting from transactions in insurance products.

These supervised persons are subject to FINRA rules that restrict registered representatives from conducting securities transactions away from their broker-dealer without its written consent. Therefore, supervised persons of ours who are affiliated with PCS are limited to conducting securities transactions through PCS if they have not secured written consent to execute securities transactions through a different broker-dealer. Absent such written consent, these supervised persons are prohibited from executing securities transactions through any broker-dealer other than PCS under its internal supervisory policies.

We have developed procedures designed to ensure that recommendations made by our supervised persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and any others that we, in our sole discretion, deem appropriate, we can provide investment advisory services on a fee-offset basis. In this scenario, we can offset our fees by an amount equal to the aggregate commissions and 12b-1 fees earned through transactions effected through PCS.

Related Bank

We operate under common control with Nicolet National Bank, a community bank serving Wisconsin, Michigan, and Minnesota, that offers solutions for commercial, residential, and private banking. In addition, some of our supervised persons own shares of stock or debt instruments issued by Nicolet Bankshares, Inc., the sole owner of ours and Nicolet National Bank. Because of the common ownership and connection between us, our supervised persons, and the bank, a conflict of interest exists to the extent that we recommend the banking services of Nicolet National Bank or discuss any investment in stock or debt instruments of Nicolet Bankshares.

In the event a client requires banking services, we will recommend Nicolet National Bank. We do not receive any portion of any compensation received by Nicolet National Bank and we do not receive any form of referral fee in connection with banking services that the bank renders to our clients.

While clients can purchase securities issued by Nicolet Bankshares, we do not give advice on the purchase, sale, or retention of such securities. If clients request, our investment adviser representatives will discuss publicly available information regarding these but will not make any recommendations regarding them and clients will be required to sign a form confirming that no recommendations were given in the event they request us to engage in any transactions involving securities issued by Nicolet Bankshares.

Item 11. Code of Ethics

We have adopted a Code of Ethics in compliance with applicable securities laws that sets forth the standards of conduct expected of our employees. Our Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices, such as the use of material non-public information by us and our supervised persons and trading securities ahead of clients to take advantage of pending orders.

Our Code of Ethics also requires certain of our personnel to report their personal securities holdings and transactions as well as obtain pre-approval before making certain investments. However, our supervised persons are permitted to buy and sell securities that we recommend to clients if done in a fair and equitable manner that is consistent with our internal policies and procedures. Our Code of Ethics recognizes that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets. Therefore, under limited circumstances, exceptions are made to our general policies.

No supervised person who has access to information regarding securities transactions we are (or intend to) engage in on behalf of clients is permitted to knowingly effect for themselves or members of their immediate family (e.g., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction for clients has been completed;
- the transaction for the supervised person is completed as part of a batch trade with clients; or
- an affirmative decision has been made not to engage in the transaction for the client without regard to the supervised person's interest in engaging in the transaction.

These requirements are not applicable to: (i) direct obligations of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients are encouraged to contact us at any time (via the contact information on the cover page) to request a copy of our Code of Ethics.

Item 12. Brokerage Practices

Recommendation of Broker-Dealers for Client Transactions

For accounts managed by us, we generally recommend that clients utilize the custody, brokerage, and clearing services of Schwab, an unaffiliated SEC-registered broker-dealer and member of FINRA, SIPC, and the NFA. Schwab offers services to our clients such as custody of securities, trade execution, and clearance and settlement of transactions. In addition to these services that directly benefit our

clients, we receive certain benefits from Schwab that it provides to service providers similarly situated to us through its institutional customer program.

In addition to Schwab, we also recommend the custody, brokerage, and clearing services of Fidelity Brokerage Services LLC, and National Financial Services LLC, divisions of Fidelity Investments Inc., ("Fidelity"), and unaffiliated SEC-registered broker-dealers and members of FINRA/SIPC. Fidelity also offers services to clients such as custody of securities, trade execution, and clearance and settlement of transactions. In addition to these services that directly benefit our clients, we receive certain benefits from Fidelity that it provides to service providers similarly situated to us through its institutional customer program.

Before recommending Schwab, Fidelity, or other broker-dealers to clients, we consider their respective financial strength, reputation, execution, pricing, research, and other services.

Transactions can be cleared through other broker-dealers with whom we or the custodians holding client accounts have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, clients are generally required to sign an additional agreement which will identify any additional fees (outside of our fees) to be borne by the client.

Software and Support Provided by Financial Institutions

We receive certain investment research and services that help us conduct business from broker-dealers executing transactions in clients' accounts and institutions managing products in which we invest on behalf of our clients. Receiving investment research products and services from these institutions can pose a conflict of interest between us and our clients because we are generally not separately charged for these products and services. We periodically and systematically review our policies and procedures regarding the recommendation of service providers in accordance with our duty to seek best execution.

Because of the amount of clients who hold assets at Schwab and Fidelity, each of these custodians offer at no cost to us computer software and related systems that allow us to better monitor client accounts maintained at on their respective platforms. These benefits are not offered in connection with any particular volume of securities transactions of clients executed in client accounts.

In fulfilling our duties to clients, we always endeavor to put the interests of our clients before our own. While these services do create efficiencies for us in servicing client accounts and therefore indirectly benefit clients, receiving them at no cost can create a potential conflict of interest between us and these service providers as we would otherwise have to pay for these services. This conflict is at least partially mitigated through standard industry practice as many custodians offering similar services also offer similar solutions at no additional cost to similarly situated firms.

Specifically, we receive the following benefits from Schwab (or its affiliates) and Fidelity:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

There is no direct link between our participation in Schwab's institutional customer program or Fidelity's services and the investment advice we provide to clients. Some of the products and services made available by Schwab and Fidelity, however, generally benefit us but not our clients directly and are typically not available to general retail investors. These products or services assist us in managing and administering client accounts (such as the ability to deduct advisory fees directly from client accounts and access an electronic communications network for client order entry and account information) including accounts not maintained at Schwab or Fidelity (such as, for example, investment research and discounts on compliance, marketing, research, technology, and practice management products or services provided by third-party vendors). Other services made available by Schwab and Fidelity are intended to help us manage and further develop our business in general.

Schwab Advisor Services Advisory Board and Client Experience Panel

PJ Madson, President of Nicolet Advisory Services, LLC, serves on the Schwab Advisor Services Advisory Board (the "Advisory Board").

As discussed above, we recommend that clients establish brokerage accounts with Schwab to maintain custody of our clients' assets and effect trades for their accounts. The Advisory Board consists of representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions regarding the services offered by Schwab Advisor Services to independent advisory firms, like us, and their clients.

Generally Advisory Board members serve two-year terms. Mr. Madson's term ends March of 2025. In connection with serving on the Advisory Board, members enter nondisclosure agreements with Schwab under which they agree to not disclose confidential information shared with them. Such information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange (ticker: SCHW). The Advisory Board meets in person or virtually approximately twice per year in addition to periodic conference calls scheduled as needed. Advisory Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse members' travel, lodging, meals, and certain incidental expenses incurred as a result of attending meetings.

Brokerage for Client Referrals

We do not consider, in selecting or recommending broker-dealers, whether we receive client referrals from any broker-dealers or other third parties.

Directed Brokerage

Clients may direct us in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer and we will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution at potentially better prices through other firms alongside other accounts managed by us (as described above). As a result, such clients may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to our duty to seek best execution, we may decline a client's request to direct brokerage if, in our sole discretion, we determine that a directed brokerage arrangement would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

Commissions or Sales Charges for Recommendations of Securities

As discussed above (under Item 10), certain of our employees are registered representatives of PCS. These employees are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless that broker-dealer provides written consent. Therefore, clients are advised that certain of our advisors are required to conduct securities transactions through PCS if they have not secured written consent from PCS to execute securities transactions through a different broker-dealer. Absent such written consent or authorization from PCS, these advisors are prohibited from executing securities transactions through any broker-dealer other than PCS under its internal supervisory policies. We are cognizant of our duty to seek best execution and have implemented policies and procedures reasonably designed in such pursuit.

PCS supervises all of its registered representatives' activities, including transactions and assets we manage held at other custodians and not directly involving PCS.

Trade Aggregation

Transactions for each client are effected independently, unless we purchase or sell the same securities for several clients at approximately the same time (such as in connection with our model portfolios). We may (but are not obligated to) combine or "batch" orders in connection with our duty to seek best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will

generally be averaged as to price and allocated among our clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that we determine to aggregate client orders for the purchase or sale of securities, including securities in which our employees may invest, we generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. We do not receive any additional compensation or remuneration as a result of aggregating trades.

In the event that we determine that a prorated allocation is not appropriate under particular circumstances, allocations will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, we may exclude the account(s) from the allocation; the transactions may be executed on a prorated basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Item 13. Review of Accounts

Account Reviews

We monitor general positions held by clients on an ongoing basis while regular client-specific account reviews are conducted on at least an annual basis by our investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with their investment adviser representatives and to keep us and them informed of any changes to the information that could affect our services and recommendations. We attempt to contact ongoing investment advisory clients at least annually to review ongoing services and discuss any changes in our clients' financial situation or investment objectives.

Account Statements and Reports

Clients receive transaction confirmations and periodic account statements summarizing account activity and positions directly from the custodians holding their accounts. From time-to-time or as otherwise requested, we also provide written or electronic reports prepared by us or an outside service provider containing certain account and market-related information, such as an inventory of account holdings

or account performance. Clients are encouraged to compare any account statements they receive directly from their custodian with any documents or reports we provide.

Item 14. Client Referrals and Other Compensation

Client Referrals

We do not currently provide compensation to any third-party solicitors for client referrals.

Other Compensation

We receive economic benefits from Schwab and Fidelity. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

Item 15. Custody

The agreement clients sign with us generally authorizes us to debit client accounts for payment of our fees and directly remit those funds to us in accordance with applicable custody rules. The custodians holding client accounts, from which we retain the authority to directly deduct fees, have agreed to send statements detailing all account transactions, including any amounts paid to us, to clients not less than quarterly.

In addition, as discussed in Item 13, we may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by their account custodians and compare them to those received from Nicolet Advisory Services.

We have entered into a discretionary investment management agreement with Nicolet National Bank to manage certain assets held in trust accounts at the bank. We do not have direct client relationships with the underlying trust clients of the bank and controls have been implemented to restrict any ability of our representatives to have direct or indirect access to or authority to obtain possession of trust department client assets (see Item 10, above, for additional details of our relationship with Nicolet National Bank).

Item 16. Investment Discretion

We generally maintain discretionary authority to manage assets on behalf of our clients. We are considered to exercise investment discretion over clients' accounts if we can direct transactions without first seeking the consent of our clients. Clients grant us this authority through a power-of-attorney included in our standard investment management agreement. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). We act with discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and

- The timing of transactions to be executed.

Item 17. Voting Client Securities

Except as expressly stated otherwise in our agreement with a client, we do not accept authority to vote our clients' securities (i.e., proxies or other legal notices) on their behalf. Clients should receive proxy materials and other shareholder communications directly from the custodians holding their assets (generally Schwab and Fidelity). If requested, we can offer advice on voting certain proxies, as well as corporate and legal actions, but all decisions regarding proxy voting remain with our clients. Clients can contact us with questions about any such issuer solicitations.

Item 18. Financial Information

No additional financial disclosures are required by us because:

- We neither require nor solicit the prepayment of more than \$1,200 in fees six months or more in advance of providing services;
- We do not have a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients; and
- We have not been the subject of a bankruptcy petition at any time during the past ten years.