Updated September 2026

EHLERS & ASSOCIATES, INC. (EA):

FORM ADV PART 2A BROCHURE



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This Brochure provides information about the qualifications and business practices of Ehlers Investment Partners, LLC., the Adviser. If Client have any questions about the contents of this Brochure, please contact us at (651) 697- 8500 or pziermann@ehlers-inc.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Adviser is available on the SEC's website at www.adviserinfo.sec.gov. Adviser's searchable IARD/CRD number is 146385.

Adviser is registered as an investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Building Communities. It's What We Do.

ITEM 2: SUMMARY OF MATERIAL CHANGES

This Item discloses material changes since the last update of this Brochure on September 30, 2025.

» Ryan Miles was promoted to President of Ehlers Investment Partners.

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Company Background

Ehlers Investment Partners, LLC ("EIP" or "Company") was formed in January 2012 when Ehlers Companies ("Holding Company", not to be confused with the affiliates below) acquired BBE Community Investment Partners, LLC, as a wholly owned subsidiary, and renamed it, Ehlers Investment Partners. Continuing the business BBE started in 2007, EIP offers asset management, cash forecasting, treasury management consulting, and investment administration primarily to local governmental entities, i.e., counties, cities, towns, school districts and special districts.

The Joint Marketing Name: Ehlers

EIP and two other companies, Ehlers & Associates, Inc. ("EA"), and Bond Trust Services Corporation ("BTSC"), are wholly owned subsidiaries of Holding Company, which is, in turn, ultimately owned by the Ehlers & Associates, Inc. Employee Ownership Trust (the "Ehlers Trust"). As owner of all (or virtually all) of the membership interests in EIP, Holding Company controls management of EIP and the other two affiliates, including calling of meetings to elect new officers or managers.

EIP, EA, and BTSC have adopted the joint marketing name of "Ehlers". We refer to the three affiliates, jointly and severally, as the "Ehlers Companies," which are owned by Holding Company.

We focus on offering a range of complementary products and services intended to meet the varied needs of local governments and public agencies. Certain services and activities (such as financial management planning and debt issuance & management for municipal issuers) must be performed by a municipal advisor registered pursuant to Section 15B of the Securities Exchange Act of 1934. Similarly, there are certain activities (such as advice regarding securities, and treasury management advice) that require an adviser's services pursuant to the Investment Advisers Act of 1940, in which case EIP will perform the activity. To meet the increasingly complex needs of our Clients, our banking affiliate, BTS, offers financial products and services regulated under state banking laws, such as paying agent services. Activities that do not require licensing or registration may be performed by any of the Ehlers Companies.

EIP's Services

Clients may engage EIP to manage all or a portion of their investment portfolios on a discretionary or non-discretionary basis. When assets are managed on a discretionary basis, EIP has written authority to implement investment decisions on behalf of the Client without first seeking the Client's consent. When assets are managed on a non-discretionary basis, EIP has written authority to implement investment decisions on behalf of the Client after first obtaining the Client's consent. Clients who engage Ehlers on a discretionary basis may, at any time, request reasonable restrictions, in writing, and subject to review and approval, Ehlers will accommodate such requests (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with specific investment ratings, etc.). such as investments of

hospital funds of governmental entities in Minnesota) EIP is permitted to invest according to the governmental entity's written investment policies and procedures, without the usual constraints applicable to investments by such governmental entity. In any event, EIP will honor the reasonable restrictions on investing in certain securities or types of securities imposed by the Client in writing. Refer to Item 8 for further information about our investment recommendations.

In addition to asset management services, EIP also offers consulting services, such as, treasury management consulting. Where EIP provides general consulting services, Ehlers will work with the Client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances. EIP also provides bidding agent services for municipal issuers undertaking an advanced refunding of outstanding debt. The bidding agent is responsible for obtaining bids on a portfolio of approved securities that meet the distribution requirement from the escrow account. EA refers its municipal issuer Clients to EIP for bidding agent services and discloses to its Clients that EIP is an affiliate. The issuer will retain EIP under an agreement separate from EA. See Item 10 for further information.

EIP also participates with EA in presenting educational seminars, often to groups of professionals, on subjects related to the public finance markets. For example, the Ehlers Companies present an annual Minnesota Public Finance Seminar for accountants, lawyers, and assessors to learn about affordable housing programs, Tax-Increment Financing, Environmental, Social & Governance (ESG) housing trends, and similar topics. The majority of the content of these seminars is provided by EA and pertains to the municipal advisor industry; EIP will present for at least one session. A fee is charged to attend the seminars, which varies but is generally less than $350. EIP does not receive a direct share of the seminar fee; however, EA is considered a "related person," that is under common control with EIP. EIP indicated on Form ADV Part 1A, Item 5.G.(11) that we provide educational seminars.

As of 6-30-26 non-discretionary regulatory assets under management were $2,901,272,336 and discretionary regulatory assets under management were $688,397,821. EIP did not manage any regulatory assets under management on a discretionary basis as of 06/30/2026.

ITEM 5: FEES & COMPENSATION

Asset Management Services

For its asset management services, EIP invoices and receives Advisory Fees monthly, in arrears, at the following annual rates (subject to negotiation, as provided below), applied to the average daily assets under management, calculated on the market value of said assets, payable monthly.

Annual Advisory Fee Rate

Annual Advisory Fee Rate	
Less than or equal to $24,999,999.99	0.50%
Next $25,000,000 up to $49,999,999.99	0.40%
Next $50,000,000 up to $99,999,999.99	0.30%
Next $100,000,000 and greater	0.20%

The Advisory Agreement for asset management services will describe the fees and other terms of the Client's relationship with EIP. EIP reserves the right, in its sole discretion, to negotiate all fees, terms and conditions of the Client's Advisory Agreement and relationship with EIP. There is no assurance that fees or terms of our agreements with other Clients reflect the rates shown in the schedule above or will be the same as charged to Client or other Clients. EIP has and will provide discounts, fee reductions, and other terms to some Clients that are not offered to all Clients.

Bidding Agent Services

EIP's fees for bidding agent services are based on the size of the escrow portfolio, are subject to the cap for qualified administrative costs under IRS regulations and are subject to cost-of-living adjustments, as announced by the IRS from time to time. As of August 2018, the maximum bidding agent fee was the lesser of (a) $39,000, or (b) 0.20 percent of the "computational base." Computational base for this purpose means the amount of proceeds initially invested in those investments that make up the aggregate value of the investment portfolio that is successfully purchased from a qualified bidder and delivered to the relevant escrow account. Such fees shall be paid at bond sale closing from the bond sale proceeds on the Client's behalf directly to EIP.

Consulting

EIP charges a flat fee or hourly fee, typically $300 per hour for consulting services. Fees are payable when invoiced.

Payment of Fees

Fees for asset management or consulting services (but not Investment Agent Service) will be invoiced to the Client and are due and payable on a monthly basis, according to the Advisory Agreement executed by the Client. Unless Client instructs EIP in writing on the Schedule of Fees to the Advisory Agreement for asset management or consulting services that all fee payments will be made by Client directly to EIP, all Fee payments will be made by deduction from the custodian account immediately upon presentation of EIP's Advisory Fee invoice to the custodian. Custodian is authorized and directed to deduct the Advisory Fees directly from the custodian's account and pay the Advisory Fees to EIP when due, according EIP's instruction, without prior notice to or further consent form Client.

Trading & Other Costs

Clients may incur additional fees and expenses from brokerage-based activities; Clients should be aware that all custodial and execution fees remain separate and distinct from those fees charged by EIP for its asset management services. For more information on EIP's Brokerage Practices, please refer to Item 12 of this Brochure.
When investing in mutual funds or unit investment trusts ("UITs"), many of the investments EIP expects to select will be "load-waived" investments; however, it is likely that some investments will carry sales charges or other transaction-related expenses that Clients will incur in connection with the purchase, sale, redemption, or exchange of the mutual funds or UITs. With respect to exchange-traded funds (ETFs), these are always purchased and sold on an exchange (like a stock); Clients should expect to incur typical brokerage commissions in connection with the purchase or sale of ETF shares.

Transactions involving mutual funds or UITs and brokerage transactions involving ETFs will generally be affected through the broker-dealer for the Client's custodial account, according to the terms of the Client's custodial agreement, as described in Item 12.

Allocation of Limited Investment Opportunities

Where two or more Clients have cash/cash equivalent available for investment and are interested in a limited investment opportunity, EIP must decide based on client direction which Clients will be able to participate, and the extent of such participation. In such situations, EIP will:

- determine whether EIP became aware of or was introduced to such opportunity by or on behalf of a specific Client; if so, then such opportunity will be offered first to such Client (if qualified to invest, with sufficient cash/cash equivalent available for investment, and such opportunity would be suitable, according to the terms of the Client's investment policy statement); but if not, then,
- after reviewing the Clients with sufficient cash/cash equivalent available for investment and for which the opportunity would be suitable, according to the terms of their investment policy statements; and,
- considering the factors it deems relevant, as described below, and any prior history of equitable allocations involving such Clients, EIP will allocate such opportunity as it determines to be fair under the circumstances, including through use of a rotation or other system, which may be pro rata, or based on allocation to one (or more) of such Clients.
- In determining the Client or Clients to receive an allocation of a limited investment opportunity, EIP may, in its discretion, consider and give greater (or lesser) weight to, among other items, any of the following factors: actual, estimated, or target rates of return; liquidity; investment restrictions; and performance of a Client's account relative to target benchmarks, compared to other Clients relative to their target benchmarks (that is, an allocation may be made to a Client lagging its target benchmark by a greater amount than other Clients that are not lagging or are lagging by lesser amounts). Affiliated accounts will not participate in the allocation of limited investment opportunities.

Such factors may be calculated, derived, or estimated by EIP from any third party or data source EIP believes to be reasonably reliable. Although the selection of one or more Clients to participate in a particular opportunity may, in that instance, work to benefit the participating Client(s) (to the detriment of any non-participating Clients), EIP will use reasonable efforts to manage all Clients fairly and non- preferentially over time.

Investment Company Expenses

As used in this Brochure, the term "Investment Company Expenses" refers to the following internal fees and expenses deducted from the assets of mutual funds, unit investment trusts ("UITs"), or exchange- traded funds (ETFs):

- Mutual funds, UITs, and ETFs (all referred to as a "fund") deduct from their assets the internal "Management Fees," operating costs, and investment expenses they incur to operate the fund. These internal expenses also include recordkeeping fees, and transfer agent (and in some cases, sub-transfer agent) fees, among others. All of these represent indirect expenses that are charged to the fund's shareholders.
- Frequently, these internal expenses also include "Distribution Fees." These amounts are deducted from the fund's assets to compensate brokers who sell fund shares, as well as to pay for advertising, printing, and mailing prospectuses to new investors, and printing and mailing sales literature. Mutual fund internal expenses also commonly include "Shareholder Service Fees" which are amounts deducted from the fund's assets to pay the costs of responding to investor inquiries and providing investors with information about their accounts.
- Distribution Fees and Shareholder Service Fees are referred to collectively as "12b-1 Fees." The 12b-1 Fees are calculated for each class of shares of a fund and are calculated as a percentage of the total assets attributable to the share class. The 12b-1 Fees, internal Management Fees, and other ongoing expenses are described in the fund's prospectus Fee Table. These fees will vary from fund to fund and for different share classes of the same fund. Mutual funds may also impose an early redemption fee if shares are redeemed within a short time period, usually within 180 days from the date of purchase, generally one percent.

EIP does not receive any of the Investment Company expenses.

Termination of Agreement

Each Advisory Agreement is reviewed annually by EIP. The standard Advisory Agreement permits the Client to terminate the agreement without cause at any time by giving EIP written notice at least thirty calendar days prior to the date on which termination is to become effective. In the event of termination, EIP will prorate its fees based on the actual number of days that the account was managed and any fees due to EIP from the Client will be invoiced or deducted from the Client's account prior to termination.

ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

Neither EIP nor any supervised person accepts a performance-based fee from any Client.

ITEM 7: TYPES OF CLIENTS

EIP provides investment advisory, cash forecasting, treasury management consulting and investment administration services to local government entities, charitable organizations, corporations, and business entities.
In addition, EIP provides investment advisory services to Holding Company. Conflicts may arise related to the management of affiliated accounts. Investments made on behalf of the Holding Company are typically not the same as client investments. Refer to Items 8 and 11 for more information regarding our management of these conflicts. EIP does not impose a minimum dollar value of assets for starting or maintaining an account.

ITEM 8: ANALYSIS METHODS, INVESTMENT STRATEGIES & RISK OF LOSS

EIP primarily recommends fixed income or other investments, as permitted by state statutes governing investments by local governmental entities. In those limited situations where state statutes permit EIP to invest according to the governmental entity's written investment policies and procedures without regard to the usual statutory limitations, EIP's recommendations will be consistent with the governmental entity's written investment policies and procedures; and to the extent permitted, EIP's recommendations may include, for example, shares of "index funds" which may be open-end management investment companies (mutual funds) or unit investment trusts ("UITs") whose primary investment objective is to achieve approximately the same return as a particular market index; or shares of exchange-traded funds ("ETFs").

Methods of Analysis

EIP uses Fundamental, Technical, and Quantitative methods for security analysis when formulating investment advice and managing assets.

Fundamental

Fundamental analysis is a general assessment based upon various factors including sale price, asset value, market structure, and history. EIP will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the Company's markets and position among its competitors in order to determine the recommendations made to Clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical & Quantitative

Technical analysis employs the use of statistical models and quantitative methodologies to evaluate performance and value over a specified period of time. Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to Clients and may involve the use of charts to identify market patterns

and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that the firm will be able to accurately predict such a recurrence.

Index Funds & ETF Analysis

The index funds and ETFs that EIP generally recommend are passively managed, except to the extent required to track their stated indices. EIP considers the amount of the fund's internal fees and expenses, and the extent of any overlap with the underlying investments held by other index funds or ETFs owned by the Client. EIP monitors the investments in different index funds and ETFs to identify unexpected concentrations arising from overlapping holdings, fund tracking errors, and the reasonableness of internal fees and expenses.

Risk of Loss

While EIP seeks to diversify Clients' investment portfolios across various asset classes consistent with each Client's investment policy statement in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that Client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Investments in fixed income securities involves some risk of loss, below is a description of several of the principal risks that Client investment portfolios face.

Fixed Income Risks

EIP may invest portions of Client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks.

These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Credit & Default Risk

Credit risk is the risk that the issuer of the debt obligation will be unable to make interest or principal payments on time. A decrease in an issuer's credit rating may cause a decline in the value of the debt obligations held.

Liquidity Risk

Liquidity risk is the risk that holdings which are considered to be illiquid may be difficult to value. Illiquid holdings also may be difficult to sell, both at the time or price desired.

Interest Rate Risk

The value of debt obligations will typically fluctuate with interest rate changes. These fluctuations can be greater for debt obligations with longer maturities. When interest rates rise, debt obligations will generally decline in value and Client could lose money as a result. Periods of declining or low interest rates may negatively impact the Fund's yield.

Market Risk

Prices of securities held by a Client's portfolio may fall. As a result, Client investments may decline in value and Client could lose money.

Index Fund or ETF Risks

As in all investments, past performance of index fund or ETF investments does not guarantee future results. An index fund or ETF that has been profitable in the past may not be able to replicate that success in the future. Further, since EIP does not control the underlying investments in an index fund or ETF, different index funds or ETFs in a Client's account may purchase the same security, increasing the risk to the Client if that security were to fall in value. Investment restrictions applicable to index funds and ETFs, which generally require tracking a particular index, may cause an index fund or ETF to have less flexibility than a non-index fund or ETF with a broader investment mandate when reacting to price declines in the securities contained in the index. Some index funds or ETFs may use derivatives (such as options or futures) to help achieve their investment objectives, which may increase their risks or volatility. Finally, EIP does not control the manager's daily business or compliance operations necessary to track the stated index and comply with regulatory requirements, and EIP may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Allocation of Limited Investment Opportunities

Generally, investment decisions with respect to Client accounts are made as and when (or in anticipation of when) the account will have cash available for investment. This process reduces the potential for conflict between two or more Clients interested and able to purchase the same investment at the same time.

Where two or more Clients have cash available for investment and are interested in a limited investment opportunity, EIP must decide which Clients will be able to participate, and the extent of such participation. In such situations, EIP will:

- determine whether EIP became aware of or was introduced to such opportunity by or on behalf of a specific Client; if so, then such opportunity will be offered first to such Client (if qualified to invest, with sufficient cash available for investment, and such opportunity would be suitable, according to the terms of the Client's investment policy statement); but if not, then,
- after reviewing the Clients with sufficient cash available for investment and for which the

opportunity would be suitable, according to the terms of their investment policy statements; and,

» considering the factors it deems relevant, as described below, and any prior history of equitable allocations involving such Clients, EIP will allocate such opportunity as it determines to be fair under the circumstances, including through use of a rotation or other system, which may be pro rata, or based on allocation to one (or more) of such Clients.

In determining the Client or Clients to receive an allocation of a limited investment opportunity, EIP may, in its discretion, consider and give greater (or lesser) weight to, among other items, any of the following factors: actual, estimated, or target rates of return; liquidity; investment restrictions; and performance of a Client's account relative to target benchmarks, compared to other Clients relative to their target benchmarks (that is, an allocation may be made to a Client lagging its target benchmark by a greater amount than other Clients that are not lagging or are lagging by lesser amounts). Affiliated accounts will not participate in the allocation of limited investment opportunities.

Such factors may be calculated, derived, or estimated by EIP from any third party or data source EIP believes to be reasonably reliable. Although the selection of one or more Clients to participate in a particular opportunity may, in that instance, work to benefit the participating Client(s) (to the detriment of any non-participating Clients), EIP will use reasonable efforts to manage all Clients fairly and non- preferentially over time.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's evaluation of EIP or the integrity of EIP management. EIP has no disciplinary events to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

EIP provides bidding agent services to municipal issuers undertaking an advanced refunding of outstanding debt. The bidding agent is responsible for obtaining bids on a portfolio of approved securities that meet the requirements from the escrow account. EIP serves as bidding agent and is paid a fee for the services based on the size of the escrow portfolio. EIP's fee for bidding agent services is subject to the cap for qualified administrative costs under IRS regulations, as adjusted from time to time. As of August 2018, the maximum bidding agent fee was $39,000 per escrow successfully purchased from a qualified bidder and delivered to the relevant escrow account, subject to cost-of-living adjustments, as announced from time to time. All bidding agent fees are paid directly to EIP from the Issuer of Debt. EIP's affiliate, EA, refers its municipal issuer Clients to EIP for bidding agent services, and discloses to all Clients that EIP is an affiliate of EA.

Clients should be aware of a conflict of interest involving EA. From time to time, when EIP purchases municipal bonds or similar securities, the issuer of the bonds or other securities will be a customer of EA. EA works with many local governmental entities in connection with their

municipal securities offerings. Client may wish to evaluate whether the conflict of interest has influenced EIP to create a false appearance of the actual level of secondary market transaction involving such securities or influenced the reasonableness of the prices for which EIP bought or sold such securities.

The conflict arises from the fact that when EIP makes decisions for the purchase of securities for Client accounts, EIP is in a position to choose the securities of EA' customers rather than the securities that are in the best interest of the Client. This would cause the customer's securities to be purchased based on the economic benefits to our affiliate rather than the Client's interest in the best price and execution. Clients should evaluate these risks and evaluate whether to conduct further assessment or review.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, EIP has adopted a Code of Ethics ("the Code"). The Code governs personal securities trading and investment activity by the related persons of EIP.

The Code of Ethics describes EIP's fiduciary duties and obligations to Clients. All supervised persons are expected to place the needs and interests of every Client ahead of their own personal interests. Supervised persons are expected to avoid any type of behavior that conflicts, potentially conflicts with, or raises the appearance of any actual or potential conflict with the interests of our Clients. In addition, supervised persons of EIP, are not to acquire any personal benefit or advantage as a result of the performance of their normal duties as they relate to Clients.

The Code sets forth policies and procedures to monitor and review the personal trading activities of supervised persons. From time to time, supervised persons may invest in the same securities recommended to Clients. Under its Code, EIP adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of supervised persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage Clients.

The Code also provides for disciplinary action as appropriate for violations. In the event of any identified potential trading conflicts of interest, EIP's goal is to place Client interests first.

Consistent with the foregoing, EIP maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with Client transactions. If a supervised person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

EIP maintains policies intended to prevent conflicts between the management of Holding Company accounts and Client accounts. Affiliated accounts will not participate in block orders along with Client accounts, or trade in same securities as Clients on the same day.

EIP collects and maintains records of securities holdings and transactions made by employees. EIP's Chief Compliance Officer reviews the personal trading practices of Holding Company and its supervised persons to identify and resolve any potential or realized conflicts of interest.

ITEM 12: BROKERAGE PRACTICES

In selecting brokers, EIP will seek to obtain the "best execution" of Client transactions under the circumstances of the particular transaction consistent with its fiduciary duty. In selecting brokers, primary consideration will be given to securing the most favorable price and efficient execution. Within the framework of this policy, the reasonableness of commission or other transaction costs is a major factor in the selection of brokers and is considered together with other relevant factors, including, but not limited to, a broker's financial stability, execution capability, responsiveness, and commission rates; research and other services offered by a broker; and the size and type of the transaction.

EIP participates in U.S. Bank and Pershing's Institutional brokerage program and recommends that Client accounts be held with U.S. Bank or Pershing as custodian. The Client grants EIP authority to effect transactions with or through a broker-dealer selected in EIP's discretion, including the custodian or a broker-dealer affiliated with the custodian. In selecting brokers, EIP will consider the full range and quality of the broker's services, including, among other things, execution capability, cost, financial responsibility, responsiveness, and the value of research and other services; provided, EIP will not recommend a broker solely on the basis of the lowest possible commission cost, but rather, EIP will determine whether the broker has the ability to provide the best overall qualitative execution considering all factors, including services that benefit our firm. Refer also to Conflicts of Interests Involving Recommendation of Custodian, below.

Based on the above criteria, Client accounts will not always pay the lowest commission or commission equivalent as specific transactions can involve specialized services on the part of the broker. This would justify higher commissions (or their equivalent) than other transactions requiring routine services. Most advisory transactions are fixed income investments. Prior to execution, EIP reviews the fixed income investment price against sources such as Bloomberg and dealer relationships to determine whether prices offered are reasonable and competitive.

While EIP does not have any formal soft dollar arrangements, EIP receives economic benefits through its participation in U.S. Bank and Pershing's Institutional programs. Benefits include the following (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving EIP; the ability to have Advisory Fees deducted from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance marketing, research, technology, and practice management products or services provided to EIP by third-party vendors. Under certain circumstances, these programs will also pay for business consulting and professional services, if requested by EIP. The benefits received from these programs do not depend on the amount of brokerage transactions directed to U.S. Bank or Pershing. As part of its fiduciary duties to Clients, EIP endeavors at all times to put the interests of

its Clients first. Clients should be aware, however, that the receipt of economic benefits by EIP in and of itself creates a conflict of interest and provide an incentive that influence EIP's recommendation of U.S. Bank or Pershing for custody and brokerage services.

If EIP is directed by the Client to direct trades to a specific broker-dealer other than the custodian typically used by EIP for trade execution, EIP's ability to negotiate commissions (where applicable), obtain volume discounts or otherwise obtain best execution might not be as favorable as it could otherwise obtain, and as a result, the Client could pay higher transaction costs or receive less favorable execution than accounts where EIP has the ability to select the broker.

Conflicts of Interests Involving Recommendations of Custodians

EIP has and will establish relationships with various financial institutions to provide custodial services for EIP's advisory Clients, and that will also provide additional or other services involving EIP's affiliates. Depending on the particular circumstances, financial institutions provide economic incentives to encourage recommendation of their custodial (and in some cases, additional or other) services, usually in the form of lowered fees as the number of accounts or aggregate assets referred by EIP or its affiliates increase. Although Clients receive the direct benefit of lowered fees,

EIP and, depending on the circumstances, its affiliates are able to attract new or retain existing Clients by being able to offer lower- cost or other custodial or related services. Clients should understand that a conflict of interest exists because the economic benefit EIP derives from being able to offer lower-price services of a financial institution provides an incentive for EIP to recommend the third-party financial institution based on the economic benefits EIP receives rather than the ability of the particular financial institution to meet the custodial or other needs of the Client. EIP addresses this conflict by disclosing it in this Brochure, and through our on-going process of initially reviewing and approving and then monitoring the nature and overall quality of custodial and other services provided by the financial institutions EIP recommends.

Policies Regarding Order Aggregation

EIP aggregates orders for the purchase or sale of securities on behalf of its accounts. Clients should be aware that having their orders aggregated into a "block order" with the orders of other Clients has the potential to offer economic benefits, including volume discounts on their orders, timelier execution, a reduction of adverse market effects from separate, competing orders, mutual sharing and reduction of transaction costs, and the possibility of negotiated price improvements for larger block orders. For our Clients, each order receives the actual price per trade and bears its actual transaction costs. The accounts of Holding Company will not participate in block orders along with Client accounts.

Trade Errors

If EIP or EIP's custodian makes a trade error that results in a loss, EIP or custodian will make the Client whole, according to their respective procedures and mutual agreement. If the correction of a trade error results in an investment gain, the gain will remain in the Client's account unless (i) the

same error involved other Client account(s) that should have received the gain, (ii) it is not permissible for the Client to retain the gain, according to applicable securities laws or SEC regulations, or the custodian's policies regarding trade errors; or (iii) custodian confers with the Client and the Client decides to forego the gain.

Generally, if related trade errors result in both gains and losses in the Clients account, they may be netted.

ITEM 13: REVIEW OF ACCOUNTS

Investment strategies and portfolio decisions for asset management Clients are made by the investment advisor representative in consultation with the Client. The lead investment adviser representative assigned responsibility for the Client account meets periodically, but not less than annually, to discuss strategies, the outlook for the securities markets and the general economic and operating conditions that may affect investment objectives. The President of EIP or qualified individual he/she/they designate(s) reviews the Client portfolios on an annual basis to ensure strategies agreed upon by the Clients and the Clients' investment policies are complied with.

Cash forecasting, treasury management consulting, investment administration service, and Investment Agent Service Clients do not receive periodic reviews, but reviews are available upon Client request. The nature of the review would depend upon the Client's request and would be conducted by an investment analyst and reviewed by the lead investment advisor representative.

Asset management Clients will receive monthly or quarterly statements directly from the custodian. Confirmation statements will be issued by the custodian for all trading activity. EIP provides asset management Clients monthly portfolio analyses and valuations that summarize all portfolio activity, list the securities in the portfolio, and report gains and losses at the end of the period.

ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION

As described in Item 12, EIP participates in U.S. Bank and Pershing's Institutional programs. EIP recommends U.S. Bank or Pershing to Clients for custody and brokerage services. There is no direct link between EIP's participation in such program and the investment advice it gives to its Clients, although EIP receives economic benefits through its participation in U.S. Bank and Pershing's programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate Client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving EIP's Clients
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts)

- Ability to have Advisory Fees deducted directly from Client accounts
- Access to an electronic communications network for Client order entry and account information

Certain services made available through these programs are intended to help EIP manage and further develop its business enterprise and Client relationships. The benefits received by EIP or its personnel through participation in the broker's or custodian's program do not depend on the amount of brokerage transactions or assets directed to the broker or custodian.

As part of its fiduciary duty, EIP endeavors to put the interests of its Clients first. The receipt of these economic benefits creates a conflict of interest because EIP does not have to pay for these services out of its own funds. Although EIP strives to address this conflict in a manner consistent with its fiduciary duties, such benefits provide an incentive to recommend U.S. Bank or Pershing based on the benefits EIP will receive rather than the Client's need for such services or the overall quality of U.S. Bank or Pershing's services. To help mitigate this conflict, EIP has adopted procedures to analyze periodically the services provided by or available through U.S. Bank or Pershing, to evaluate the usefulness of these services in relation to the costs of the services, and to assess the overall quality of the services.

Refer to Item 12, Conflicts of Interests Involving Recommendations of Custodians, for information about the conflict of interest that arises from EIP's and its affiliates' relationships with third-party financial institutions, and the ability to attract new and retain existing Clients by being able to offer lower-cost custodial and other services. Clients should understand that a conflict of interest exists because EIP's consideration of the benefits EIP derives from being able to offer lower-priced services of a financial institution provides an incentive to recommend a financial institution based on such benefits rather than the ability of a financial institution to meet the custodial or other needs of the Client. EIP addresses this conflict by disclosing it in this Brochure, and through our on-going process of initially reviewing and approving and then monitoring the nature and overall quality of custodial services provided by the financial institutions EIP recommends.

ITEM 15: CUSTODY

Client assets are maintained with a qualified custodian. Unless the Client instructs EIP in writing to bill the Client directly for payment of EIP's Advisory Fees, EIP Advisory Fees will be deducted from the Client's account. Consequently, EIP is deemed to have custody of these Clients' assets because it deducts Advisory Fees from Client accounts. Other than these Client-authorized Advisory Fee deductions, EIP does not maintain or accept custody of Client funds or securities. Clients are urged to carefully review the account statements sent by the custodian and compare them with any reports provided by EIP and report to us promptly any discrepancies.

ITEM 16: INVESTMENT DISCRETION

Clients may engage EIP to manage all or a portion of their investment portfolios on a discretionary or non-discretionary basis. When assets are managed on a discretionary basis, EIP has written authority to implement investment decisions on behalf of the Client without first seeking the

Client's consent. Clients who engage EIP on a discretionary basis may, at any time, request reasonable restrictions, in writing, and subject to review and approval, Ehlers will accommodate such requests (i.e., limit the types/amounts of certain securities purchased, require specific investment ratings to purchase securities, etc.).

ITEM 17: VOTING CLIENT SECURITIES

As a policy and in accordance with its Client agreement, EIP does not have, and will not accept, authority to vote on Client securities or administer corporate actions. Clients will receive their proxies or other solicitations directly from the custodian. Clients may contact EIP at (651) 697-8500 with questions about a particular proxy or solicitation. However, EIP does not typically research nor develop a firm opinion with regard to a particular proxy or solicitation.

ITEM 18: FINANCIAL INFORMATION

Item 18 requires an SEC-registered investment adviser subject to one of the following conditions to provide a balance sheet or make certain financial disclosures: (i) the adviser solicits or requires prepayment of more than $1,200 in fees per Client, six months or more in advance, (ii) the adviser has discretionary authority or custody over Client funds or securities and is subject to a financial condition reasonably likely to impair its ability to meet Client contractual commitments, or (iii) the adviser has been the subject of a bankruptcy petition within the past ten years.

EIP is not subject to any of the conditions described in Item 18 and is not required to provide a balance sheet or provide additional disclosures.