Part 2A of Form ADV

Item 1. Cover Page

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This brochure provides information about the qualifications and business practices of Murphy Pohlad Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at 952-948-2300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Murphy Pohlad Asset Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

There are no material changes to this brochure since it was last updated on January 31, 2015. Our business operations have not changed.

Item 3. Table of Contents

Item 4. Advisory Business

A. Firm Description. Murphy Pohlad Asset Management LLC is a Minnesota limited liability company formed in 2000. Our owners are John Murphy and Tom Pohlad. We are an SEC-registered investment adviser. SEC registration does not imply a certain level of skill or training.

B. Advisory Services. We provide the following types of advisory services:

- Portfolio Management;
- Management of Director and Executive Compensation Arrangements;
- Analysis supporting private foundations; and
- Family Office Services/Tailored investment and financial analysis.

(1) *Portfolio Management.* We manage portfolios that are tailored to the objectives of the client. These portfolios are managed under the guidance of an investment policy statement that we develop and agree upon with the client. Depending upon the client's objectives, the portfolio is typically invested in common stocks, bonds, mutual funds, cash and exchange traded funds.

We provide investment advice on a wide range of investments, but primarily focus on the following investments:

- Common stocks or equity securities, including exchange-listed securities, securities traded over-the-counter and foreign issuers;
- Mutual fund shares;
- Certificates of deposit;
- U.S. Government securities; and
- Municipal securities.

Occasionally, we will also provide investment advice on the following types of investments:

- Option contracts on securities;
- Warrants;
- Commercial paper;
- Corporate debt securities (other than commercial paper);
- Publicly traded interests in partnerships investing in oil and gas interests; and
- The investment component of variable life insurance policies and variable annuities.

(2) *Management of Director and Executive Compensation Arrangements.* We provide directors and executives with services relating to corporate compensation arrangements. Our services include:

- Planning and analysis relating to exercising incentive stock options, management of deferred compensation arrangements and distributions from compensation plans;
- Integrating the impact of executive compensation arrangements with cash flow considerations, income tax planning and concentrated stock positions;
- Portfolio accounting and reporting of executive compensation arrangements which details vesting schedules, expiration dates, income tax liabilities, valuation and portfolio balance; and
- Working with the client's other advisers, the sponsoring corporation and when relevant, the client's brokerage firm, to execute option exercises and implement investment strategies on other executive compensation arrangements.

(3) *Analysis supporting Private Foundations.* We offer foundations analysis, planning and reporting services. Our services include the following:

- Illustrating how the foundation's giving strategies and commitments integrate with the foundation's portfolio and impact sustainability;
- Understanding and highlighting foundation risks and developing strategies designed to mitigate the risks;
- Proactively reporting on the foundation's satisfaction of the annual minimum distribution requirement;

- Preparing financial analysis, portfolio accounting, and performance analysis on existing non-marketable foundation assets including real estate, hedge funds, private equity funds and/or interests in non-public companies;
- Supplying portfolio accounting and reporting that integrates all portfolio assets to provide the foundation with a complete and holistic perspective of portfolio balance, structure, performance and risks; and
- Providing the portfolio data to support the preparation of the annual income tax return by the foundation's CPA firm.

(4) *Family Office Services/Tailored investment and financial analysis and reporting*. We provide families and high net worth individuals with financial analysis, reporting and advice to support proactive decision making and management strategies. These services include:

- Portfolio accounting and reporting that integrates all of a client's investment assets to summarize portfolio balance, concentration and risk;
- Cash flow analysis that integrates each source and use of cash flow and details the impact of portfolio distributions on portfolio sustainability;
- Providing the client's CPA firm with portfolio tax information throughout the year that details income, capital gains, required minimum distributions and charitable gifting to support income tax planning and compliance;
- Tailored investment analysis and recommendations relating to existing investment assets;
- Providing detailed performance analysis of portfolios and investments, including portfolios and investments that we are not managing;
- Providing the client's estate planning advisers with portfolio reporting, cost basis information, entity and asset ownership information;
- Preparation of monthly balance sheets that include personal use assets;
- Evaluating the use of low cost basis investments to fund charitable gifts to maximize tax efficiency;
- Analyzing concentrated investments in company stock and developing strategies to reduce the risk of the concentration; and
- Planning and implementing retirement plan distribution strategies which integrate with cash flow, portfolio sustainability and income tax objectives.

C. Tailored Advice. All accounts are provided with investment supervisory services with all advice tailored to the needs of the individual client. A written investment policy, including asset allocation goals, is prepared for each client. Clients may impose restrictions regarding the type and amount of securities to be bought or sold for their account.

D. Wrap Fee Programs. We do not participate in any wrap fee programs.

E. Amount of Assets Managed. As of January 1, 2016, we manage $303,467,722 of assets on a discretionary basis and $0.00 on a non-discretionary basis.

Item 5. Fees and Compensation

A. Advisory Fees. For portfolio management services, we typically charge an investment advisory fee determined as a percentage of market value of assets under management. Our basic fee schedule is as follows:

Assets Under Management	Annual Fee
On the first $10,000,000 of assets	0.90%
On the next $15,000,000 of assets	0.75%
On those assets in excess of $25,000,000	0.60%

We may, in our sole discretion, aggregate assets in related accounts for purposes of the fee break points in the schedule above. Our investment advisory fee for other services is determined on a client by client basis.

The investment advisory fees we charge may vary significantly from client to client, and may be higher or lower than those indicated in the basic fee schedule above, depending on a number of factors, including the amount of assets under management, the nature of the assets, the type of analysis required to manage the account, the level of service required by the client, the time that the client began their relationship with us, and other factors. Our investment advisory fees are negotiable.

In some cases, the client has agreed to pay us a minimum fee if the asset-based fee is smaller than the minimum fee. In such cases, the annual fee expressed as a percentage of assets under management may be substantially higher than the fee schedule shown above and the client may be able to obtain similar investment management services elsewhere for a lower fee.

We have in the past entered into negotiated fixed fee arrangements with a few clients. The amount of the fixed fee depends on the amount of assets under management, the nature of the assets, the type of analysis required to manage the account, the level of service required by the client and other factors. The fixed fee is payable quarterly in arrears.

B. Payment of Fees. We generally deduct fees directly from client accounts, but will bill clients upon request. Our fee is payable at the end of each calendar quarter based upon the value of assets in the client's account as of the close of business on the last business day of the quarter or, upon termination of the account, as of the close of business on the last business day on which the account remains open. If the account was opened or is closed during a quarter, the client pays a prorated fee based on the period of time during the quarter that the account was open. We also reserve the right to charge a prorated fee with respect to any material deposit or withdrawal of assets during any quarter.

C. Other Fees or Expenses. If assets in the client's account are invested in mutual funds (including money market funds), exchange-traded funds, unit investment trusts, annuities or similar investment vehicles, the client's account will bear its proportionate share of the fees and expenses of such investment vehicles, as well as any applicable sales loads (although we expect that most transactions in mutual fund shares will be free from sales loads), in addition to the fees payable to us. Clients whose accounts are invested in such investment vehicles will therefore pay two levels of advisory fees on such assets - one through the vehicle to its investment adviser and one to us. The client will also incur transactional fees charged by a broker-dealer or other intermediary in connection with making investments in mutual funds and other investment vehicles. In some cases the client may be able to avoid transaction fees by effecting transactions in mutual fund shares directly with the fund. Further information regarding our brokerage practices is found in Item 12 of this brochure.

D. Advance Payments. Our clients do not pay our fees in advance.

E. Other Compensation. Our firm and our employees do not accept compensation for the sale of securities or other investment products.

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

Our firm and its employees do not accept performance-based fees. As a result, we have no conflicts of interest between accounts that pay asset-based fees and accounts that pay performance-based fees.

Item 7. Types of Clients

We generally provide investment advice to individuals, trusts, estates, charitable organizations, corporations and certain other business entities. The minimum account size required is $2.0 million, subject to waiver by us in individual cases. For example, we may, in our sole discretion, aggregate assets in related accounts for purposes of minimum account size.

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

A. Methods of Analysis and Investment Strategies.

(1) *Methods*. We study investment securities and markets in the following manner:

- We analyze individual company financial statements, earnings reports and annual reports. We make judgments on the character of management teams, the strength of a company's ongoing competitive advantages, and the level of excess cash flow generated by the business. We pay particular attention to the valuation of the business compared to its cash flow and earnings. We organize our analysis in a proprietary database that we maintain on an ongoing basis.
- We study and compare interest rates available from different types of issuers such as governments and companies. We regularly compare these interest rates against expected levels of inflation and develop judgments on the relative attractiveness of different types of fixed income investments.
- We examine mutual fund investment portfolios and historical performance to develop judgments on which mutual funds are suitable for use in client portfolios. This analysis includes understanding the fund's investment strategy, the longevity of the fund's portfolio manager, the fund's expense level and a determination of how the fund might add balance and diversification to a client portfolio.
- We analyze valuations of the equity markets by comparing current prices to historical price levels and yields on government debt securities. We also review current investor sentiment towards investing in common stocks and U.S. Treasury Securities.

(2) *Strategies*. Our most important investment strategy is to tailor the investment portfolio to the objectives and risk tolerance of the client. Before executing an investment advisory agreement, we work with the prospective client to determine the role that the portfolio is expected to perform. This discussion often includes reviewing the prospective client's cash flow considerations, estimates of portfolio withdrawal rates, balancing existing investment or industry concentrations and any specific financial objective defined by the prospective client. We also discuss the prospective client's prior investment experiences and determine if the prospective

client has any preferences regarding particular types of investments. Based on these discussions, we provide the prospective client with a proposed investment policy statement that includes a recommended portfolio structure.

Depending upon client preferences and objectives, the structure of client portfolios ranges from (a) broadly diversified and balanced investments to (b) focused portfolios consisting of 30 to 35 individual common stocks.

As portfolio managers, our primary objective is to achieve the client's objectives while taking the lowest amount of investment risk to achieve that objective. Our investment strategies for achieving the client's portfolio objectives while minimizing risks include:

- Purchasing investments at valuations which we believe offer favorable investment return potential compared to the underlying risks of the investment;
- Maintaining balance and diversification in portfolios consistent with client objectives;
- Focusing on dividend and interest income as an important component of investment return; and
- Minimizing trading and changes in the portfolio to minimize costs and disruption.

Our investment strategy with individually owned common stocks is to own high quality companies, managed by leaders that we respect, at a price that we believe provides us with a path to a favorable investment return. These companies exhibit strong market positions supported by an ongoing competitive advantage. Their financial attributes include a strong balance sheet and business operations which generate high levels of cash flow after funding capital expenditures and any acquisition activity. We believe that dividends are an important component of investment return and we focus on owning companies which pay annual dividends to their shareholders.

Our investment strategy with fixed income securities is to preserve the investment principal of the fixed income capital while generating current income in the form of interest. In most interest rate environments, we will manage the fixed income component of a portfolio by building bond ladders comprised of bonds which mature on a regular basis. If we believe that intermediate and long term interest rates do not offer favorable investment return potential, we will either (a) build shorter term bond ladders or (b) invest the fixed income capital in short duration investments, including cash.

Investing in securities involves risk of loss that clients should be prepared to bear. As with any investment, there can be no assurance that a client will achieve its investment objective or that a client will not lose a portion or all of its investment.

B. Material Risks.

Because we do not employ a standard investment strategy across all accounts, the material risks attached to each tailored investment strategy will vary to the extent the strategy uses different investment allocations or approaches. Each of the following risks is material to the extent a client's investment strategy uses such investment allocations or approaches.

Stock market risk: the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Fixed income risks: including: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that a strategy's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The strategy would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the strategy's income.

Municipal security risks: municipal bonds are subject to the fixed income risks described above as well as the following risks: *legislative risk*- the risk that a change in the tax code could affect the value of tax-exempt interest income; and *liquidity risk*- the risk that investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer.

Foreign investment risk: investments in foreign securities involve considerations and risks not typically associated with investments in securities of domestic companies. These include, for example, unfavorable changes in currency exchange rates, substantial changes in governmental policies, political and economic instability and changes in relations between nations. Foreign markets are not subject to the same regulation as domestic markets. In addition, there is often less publicly available information about foreign markets and issuers than about domestic markets and issuers.

Concentrated portfolio risk: to the extent a strategy invests in a limited number of stocks, it may have more risk because changes in the value of a single security may have a more significant effect, either negative or positive, on the strategy's performance.

Because all strategies are actively managed, they are all subject to *management risk*, which is the chance that the adviser will not successfully execute the strategies described above even after applying its investment techniques and risk analysis. There can be no guarantee that the adviser's decisions will produce the intended result, and there can be no assurance that an investment strategy will succeed.

C. Primarily Recommended Securities. We recommend primarily the following types of securities:

- Individual common stocks;
- Mutual funds; and
- Fixed income investments such as certificates of deposit, municipal bonds and U.S. Treasury securities.

Such securities are generally subject to the risks disclosed above in connection with our investment strategies.

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 the client's evaluation of their firm or the integrity of their management. We have no information applicable to this Item.

Item 10. Other Financial Industry Activities and Affiliations

None. Further, we do not recommend or select other investment advisers for our clients.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

We have adopted a Code of Ethics (the "Code") which sets forth the standards of business, fiduciary and ethical conduct required of all employees. The Code, which includes our policies relating to compliance with laws and regulations, conflicts of interest, confidentiality, the receipt of gifts and entertainment, personal trading and reporting, and insider trading, is intended to assist employees in carrying out their duties as fiduciaries to clients. Employees must report any violations of the Code to the Chief Compliance Officer. The Code also provides for a range of sanctions that may be applied to employees who violate the Code.

We permit our employees to engage in the trading of securities for their personal accounts. Such trading presents potential and actual conflicts of interest when the securities traded are the same as securities we trade for client accounts. Theoretically, if an employee desires to purchase a security also held in a client account, but does not want to pay current market value for the security, the employee could sell the security out of the client accounts and drive the market price down before making the personal investment. Similar manipulative behavior could occur if the employee desires to sell a personal security holding, but buys it in client accounts first in an effort to drive up the price before the employee sells.

As a practical matter, this conflict does not really exist for us due to the nature of the securities we trade in client accounts and the volume of our trading. In addition, our Code contains various provisions that prohibit this sort of conduct, including a requirement that employees put client interests first and avoid actual and potential conflicts of interest when transacting in securities for their own accounts. Our Code also requires employees to obtain the approval of many types of securities transactions from our Chief Compliance Officer before engaging in such transactions. Where an employee wishes to engage in a personal securities transaction in a security client accounts are also trading on the same day, if approved, the employee trade is aggregated with our client trades and will receive the same average price as and share in the transaction costs on a pro rata basis with our client accounts. This prevents the employee from benefitting from the client trades by trading separately. Our Code also generally prohibits trading a security in a client account that was traded in an employee's personal account within the past five business days, subject to certain exceptions including when such a trade is in the best interests of the client account and the employee account will not benefit from the client transaction.

A copy of our Code is available to clients or prospective clients upon request. If you wish to receive a copy of the Code, please contact us at the address, telephone or fax number provided at Item 1.

Item 12. Brokerage Practices

A. Selecting Broker-Dealers.

(1) *Directed Brokerage*. With the possible exception of transactions in municipal securities, as described below, we do not have discretion to determine the broker-dealer used or the commission rates paid. Each client either maintains or establishes an account with a broker-dealer of the client's choosing, and this broker-dealer acts as the custodian of the client's assets. The client also instructs us to execute all transactions, with the possible exception of transactions in municipal securities as described below, through or with the custodial broker-dealer.

It is the client's responsibility to negotiate commission rates with the custodial broker-dealer, although, if the client selects Charles Schwab & Co. ("Schwab") to serve as its custodial broker-dealer, the client may benefit from the commission rates Schwab makes available to our clients.

Because of these directed brokerage arrangements, we may not be able to achieve most favorable execution of client transactions. Directing brokerage may cost our clients more money. For example, it may result in higher commissions, greater spreads or less favorable net prices than if we selected the broker-dealers to execute transactions. Not all advisers require their clients to direct brokerage.

We may from time to time recommend a custodial broker-dealer to a client if the client requests us to do so. In such cases, we typically recommend Schwab, both because of its execution capabilities, and because it makes competitive commission rates available to our clients.

(2) *Research and Other Soft Dollar Benefits*. Most of our clients use Schwab as their custodial broker-dealer. As a result of clients directing us to execute trades through Schwab, Schwab makes certain research available to us as it does to other investment advisers with clients similarly custodied at Schwab. We do not request such research and do not use the research made available. Making such research available to us is not a factor in selecting Schwab (which we are directed to use) and we do not direct brokerage transactions to Schwab or any other custodial broker-dealer, or recommend any custodial broker-dealers to clients, including Schwab, to pay for any research or services.

(3) *Municipal Security Transactions*. We may determine the broker-dealer used for transactions in municipal securities. Clients must first make appropriate arrangements with their custodial broker-dealer to allow us to make such determinations (*e.g.* enter into an authorizing amendment to the client's custodial broker-dealer agreement). Our primary consideration in selecting a broker-dealer for this purpose is the broker-dealer's ability to provide the most favorable price and execution. In making this determination, we consider price, responsiveness and the quality of the broker-dealer's services.

If a client's custodial broker-dealer charges incremental fees in connection with these arrangements (*e.g*., for accommodating the arrangement), we are unable to determine or negotiate such fees.

Where a client does not provide us with the ability to select broker-dealers to execute transactions in municipal securities, but instead directs us to execute such transactions through the client's custodial broker-dealer, we will treat the client direction as a decision by the client to retain the brokerage discretion that may have otherwise been afforded to us in connection with such transactions. In these situations, clients may forego the possible benefits of providing us with brokerage discretion for this limited purpose. These benefits may include, for example, the negotiation of volume discounts or the execution of "bunched" trades as discussed below. In addition, discretionary transactions in municipal securities may be executed by us in advance of directed transactions in such securities. Thus, a client directing that transactions in municipal securities be effected with its custodial broker-dealer should consider whether, under its direction, markups, markdowns and other commission-rate equivalents, and other transaction costs and benefits, will be comparable to those otherwise obtainable.

B. Aggregated Orders. Given the highly individualized nature of the investment services we provide, securities transactions for client accounts are generally effected separately for each account. However, sometimes a decision is made to simultaneously purchase or sell the same security for a number of clients using the same broker-dealer. In such a case, trades in the same security for clients using the same broker-dealer will be aggregated or "bunched" in a single order in an effort to obtain the best execution at the best price available. If a bunched order is filled at several prices (which may occur in more than one transaction), each client participating in the order will receive the average price, which could be higher or lower than the actual price that would otherwise be paid by the client in the absence of bunching. The transaction costs incurred in the transaction will be shared proportionately based on each client's participation in the transaction.

When placing an aggregated or "bunched" order, we will prepare a written statement regarding the allocation of the order among our clients, and the executed order will then be allocated according to the written statement. If the aggregated order is not filled in its entirety, the partially filled order will be allocated pro rata based on the written statement. If, after placing the order, the allocation must be changed for certain reasons (e.g., a client withdraws cash from an account scheduled to participate in the order), such change in allocation will be recorded in writing and approved by our Chief Compliance Officer.

As most of our clients use Schwab as their custodial broker-dealer, the opportunity to bunch trades for clients using alternative brokerage arrangements is extremely limited. Clients using alternative brokerage arrangements should therefore understand that they may lose the possible advantage that clients using Schwab as their custodial broker-dealer, or clients providing us with brokerage discretion with respect to transactions in municipal securities, may derive from the bunching of orders for several clients in a single transaction for the purchase or sale of a particular security.

In executing equity trades across multiple brokers, we will rotate the order in which such trades are placed or may use some other approach in an effort to ensure that no accounts are systematically favored and that all accounts are treated fairly and equitably over time. Given the nature of the securities typically traded in client portfolios and the size of the orders executed, we do not believe that accounts traded after other accounts will receive less favorable pricing, although it is possible.

With respect to municipal bonds, it is often impractical to allocate a bond purchase across all eligible accounts as account needs differ and block sizes are often too small. In such cases, the portfolio manager has discretion to determine allocations based on the considerations described below. In most instances, it is possible for the portfolio manager to allocate among accounts to meet the best fit and need. Factors considered in such allocation include: specific needs, amount of cash available, current maturity structure of account, and whether the account was allocated bonds in recent purchases. As a result of this approach, not all eligible accounts will participate in every available opportunity. It is our policy to allocate purchases in a manner that is fair and equitable to all clients.

C. Trade Error Policy. Occasionally, a trading error may occur in a client's account, *e.g.,* the wrong security may be bought or sold. We of course seek to keep these errors to a minimum. However, if we do discover a trading error, we immediately contact the broker-dealer to provide notice of the error and to seek to correct it. If feasible, the trade will be canceled. If we were responsible for the trade error, we will bear any net loss. If it is not feasible to cancel the trade, *e.g.,* because the trade has settled, we will instruct the broker-dealer to reverse the trade error. If this results in a net loss to the client, and we were responsible for the trade error, we will reimburse the client. If correcting an error results in a gain in a client's account, the client will keep any such gain unless the client chooses not to. If a client chooses not to keep a gain, we will take measures to ensure we do not benefit from the gain, such as donating the gain to charity. As a general matter, to the extent related trade errors result in both gains and losses in a client's account, they will be netted for the purpose of determining the amount of overall loss or gain.

With respect to clients custodied at Schwab that choose not to retain a gain resulting from correcting a trade error, Schwab will donate the amount of any gain $100 or over to charity and keeps gains under $100. If the correction results in a loss of less than $100, Schwab will absorb the loss to avoid its own additional expense and burden of processing small errors. We reimburse losses of $100 or greater. Schwab's policy therefore relieves us of the financial obligation to reimburse losses of less than $100 with respect to clients custodied at Schwab.

Item 13. Review of Accounts

A. Timing of Review. A Portfolio Manager regularly and continuously reviews client accounts. The individual circumstances of each client account may warrant specific reviews. The current asset mix of the account relative to the client's asset allocation and diversification targets is also reviewed in connection with periodic client meetings.

B. Reports to Clients. We communicate with our clients in a number of ways: meetings, telephone calls, letters, email and portfolio reports. The frequency and mode of personal contact are flexible and usually dependent on what is needed to ensure an effective working relationship. Clients generally receive written monthly financial reports, which are comprised of a portfolio appraisal detailing the securities owned, unit quantity, unit cost, total cost, price, and month end total market value.

Item 14. Client Referrals and Other Compensation

A. Receipt of Economic Benefit from Non-client. We do not receive any economic benefit (*e.g.* sales awards or other prizes) from non-clients for providing investment advice or advisory services to our clients.

B. Payment for Client Referrals. We do not directly or indirectly compensate any person for client referrals.

Item 15. Custody

We are deemed by the applicable SEC rules to have custody of client assets for those accounts where we have the power to deduct our advisory fee directly from the account. All such accounts are physically custodied by an independent third-party custodian. Such custodians provide monthly or quarterly account statements to clients. Clients should carefully review those statements and compare them with the account statements they receive from us. Clients are encouraged to bring any discrepancies to our attention at their earliest convenience.

Item 16. Investment Discretion

We manage accounts on a discretionary basis. This means we have the authority, as set forth in our advisory agreement, to make buy and sell decisions for the client's investment account without first getting client approval for each transaction.

Any investment discretion we exercise is subject to the provisions of the client's account documents, including any applicable investment guidelines or policy statements. Such guidelines or statements address the types of investments we can make on the client's behalf as well as investment objectives and asset allocation.

Item 17. Voting Client Securities

A. Authority to Vote Client Securities. Clients authorize us to vote all proxies solicited by or with respect to the issuers of securities in which assets of the client's account may be invested from time to time.

(1) *Policies and Procedures*. We have adopted "Proxy Voting Policies" pursuant to Rule 206(4)-6 under the Investment Advisers Act, a copy of which is available to clients upon request. We will vote any proxy or other beneficial interest in an equity security prudently and solely in the best long-term economic interest of advisory clients and their beneficiaries, considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote.

All proxies are reviewed by our designated "Proxy Officer". The Proxy Officer votes the proxies according to our Proxy Voting Policies and consults a "Proxy Committee" regarding issues not clearly covered by the Proxy Voting Policies. The Proxy Committee meets when necessary to discuss and determine the votes for issues not clearly covered by our Proxy Voting Polices. In addition, the Proxy Committee reviews, revises and updates the Proxy Voting Policies as necessary and appropriate.

(2) *Client-directed Voting*. As further addressed below, clients may direct our voting of securities when a material conflict of interest exists.

(3) *Addressing Conflicts of Interests*. We make best efforts to avoid material conflicts of interest in the voting of proxies. However, where material conflicts of interest arise, we are committed to resolving the conflict in the clients' best interest. In situations where we identify a conflict of interest, we may disclose the conflict to the relevant client and obtain their consent before voting; defer to the voting recommendation of the relevant advisory clients or an independent third party provider of proxy services; send the proxy directly to the relevant advisory clients for a voting decision; vote the proxy based on guidelines set forth in our Proxy Voting Policies; or take such other action in good faith which protects the interests of our clients.

(4) *Voting Information*. Clients may obtain a record of our proxy votes free of charge by writing to us at the address provided at Item 1.

Item 18. Financial Information

A. Prepayment of Fees. We do not require or solicit prepayment of client fees.

B. Financial Condition. We do not foresee any financial condition that would impair our ability to meet contractual commitments to our client.

C. Bankruptcy Petitions. We have never been the subject of a bankruptcy petition.

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