

Item 1 – Cover Page

Kaspick & Company
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www.Kaspick.com
March 16, 2012

This Brochure provides information about the qualifications and business practices of Kaspick & Company, LLC “Kaspick”. If you have any questions about the contents of this Brochure, please contact us at (650) 585-4100. 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.

Kaspick & Company, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information to determine whether to hire or retain an Adviser.

Additional information about Kaspick & Company, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure dated **March 16, 2012** is a document prepared according to the SEC's requirements and rules. This Item will discuss only specific material changes that have been made to the Brochure and provide clients with a summary of such changes. The last annual update of our Brochure was dated March 11, 2011.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business's fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting **Thomas Grenville, Kaspick's Chief Compliance Officer** at (650) 585-4100 or tgrenville@kaspick.com. Our Brochure is also available in the secure area of our website www.kaspick.com.

Additional information about **Kaspick & Company** is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with **Kaspick** who are registered, or are required to be registered, as investment adviser representatives of **Kaspick**.

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Item 4 – Advisory Business

Kaspick & Company, LLC (“Kaspick”) is an investment adviser registered with the US Securities and Exchange Commission (the SEC) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Kaspick was founded in 1989. Kaspick is an indirect subsidiary of Teachers Insurance and Annuity Association of America, a New York life insurance company (TIAA). Primarily, Kaspick provides investment management and gift administration services to charitable organizations and other nonprofit institutions through investment management and gift administration agreements with the charitable organizations, which act as trustee for donors (and their beneficiaries) participating in their planned giving programs. Each trust has an account under umbrella investment management and gift administration agreements between Kaspick and the trustee/charitable organization. The charitable organization is Kaspick’s direct client for purposes of the disclosures contained below. Kaspick also provides investment management services for endowments, pension plans, and other assets. In addition, Kaspick provides investment management services to a limited number of individuals.

Kaspick’s investment advisory services consist of providing continuous investment advice for a client’s investment portfolio taking into account the individual needs of the client. Kaspick manages most client accounts on a discretionary basis, according to the clients’ individual investment guidelines. In certain cases, however, clients may grant only discretion as to the price and timing of security purchases or sales, a definite amount of which has been approved in advance by the client. In other cases, certain limited assets within a client account may be advised on a non-discretionary basis, while the remainder of the account is advised on a discretionary basis. Generally, the specific arrangements for each client account are determined when an account is opened. As of December 31, 2011, Kaspick managed \$4,078,554,205 in discretionary assets and \$47,530,987 in nondiscretionary assets for a total of \$4,126,085,192 in regulatory assets under management. Kaspick’s total consolidated assets under management, which includes both regulatory assets under management and gift administration only assets, was \$4,322,882,179 as of December 31, 2011.

Item 5 – Fees and Compensation

Kaspick’s compensation for its investment advisory services is based on a percentage of the market value of the assets under management in each client’s sub-accounts. Pursuant to written client investment management agreements, fees are calculated at the sub-account level and based on the market value of the sub-account at the end of the calendar quarter. Fees are payable quarterly in arrears. Clients may elect to be billed directly for fees or to authorize Kaspick to debit fees from client accounts. In most cases, and as authorized by clients in their custodial agreements, fees are paid to Kaspick by having the fees deducted directly by the custodian from each sub-account.

In addition to the investment advisory services described in this planned giving ADV, Kaspick also offers gift administration services to clients. Fees charged for gift administration services are computed in accordance with the agreement between the parties and are billed separately from investment management fees. In most cases, Kaspick's gift administration fees are calculated based on assets under administration.

Generally, investment management fees are prorated for each capital contribution and withdrawal that exceeds 10% of the account's market value made during the applicable calendar quarter. Investment accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of any investment account any earned, unpaid fees are due and payable. Kaspick mails invoices to the client (or as otherwise directed by the client) for review six (6) business days prior to the automatic debiting of the client accounts by the custodian. Partial quarters are prorated based on the number of days the portfolio was under management versus the total number of days in the quarter. Investment advisory agreements may be terminated by either party with thirty days written notice, unless otherwise agreed in writing.

For institutional clients and their related accounts, investment management fees are charged in arrears according to the following schedule:

Planned Giving Services for Larger Programs:

<u>Types of Accounts</u>	<u>Portfolio Market Value</u>	<u>Annual Portfolio Management Fee</u>
Income Orientation	N/A	0.30%
100% Tax Exempt	N/A	0.30%
Other Accounts:	First \$10 Million	0.66%
	\$10 - \$15 Million	0.55%
	\$15 - \$30 Million	0.50%
	\$30 - \$50 Million	0.45%
	Over \$50 Million	Separately Negotiated

There is a minimum fee of \$140,000 per calendar year taking into account the combined investment management and the gift administration fees for a specific client organization.

Planned Giving Services for Mid-Sized Programs:

<u>Types of Accounts</u>	<u>Annual Portfolio Management Fee</u>
Income Orientation	0.30%
100% Tax Exempt	0.30%
Other Accounts:	0.575%

There is a minimum fee of \$85,000 per calendar year taking into account the combined investment management and the gift administration fees for a specific client organization. Clients that receive Kaspick's planned giving services for mid-sized programs may be charged for special services, based on work performed, or asked to reimburse Kaspick for certain costs, such as travel costs for onsite training sessions for client staff. Clients are asked to approve these items in advance.

From time to time, Kaspick may enter into negotiated fee arrangements that may result in fees that differ from those charged under Kaspick's standard fee schedule. Some of the factors that may give rise to such individualized fee arrangements include (without limitation): the type of relationship with Kaspick; the complexity and extent of services provided; the number of different accounts and total assets under management for that client (and its affiliates); the investment product mix selected by the client; and other circumstances or factors as Kaspick, in its sole discretion, may deem relevant.

Kaspick's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be borne by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment firms, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees and other expenses, which are disclosed in each fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to Kaspick's fee. Kaspick does not receive any portion of these commissions, fees, or costs.

Item 12 further describes the factors that Kaspick considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

Kaspick does not charge any performance-based fees (i.e., fees based on a share of capital gains or capital appreciation of the assets of a client). Kaspick only manages accounts that are charged an asset-based or flat fee. Therefore Kaspick does not engage in the side-by-side management of accounts that are charged a performance-based fee and accounts that are charged an asset-based, flat or hourly fee.

Item 7 – Types of Clients

The majority of clients for whom Kaspick provides portfolio management and gift administration services are non-profit institutions either in the educational, religious, environmental, or social services sector. Kaspick also provides services to high net worth individuals, trusts, and pension plans. Additionally, in limited instances Kaspick provides discretionary investment management services to Retirement plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Pursuant to ERISA Section 408(b)(2), this makes Kaspick a fiduciary to such accounts and a covered service provider. Section 408(b)(2) requires Kaspick provide such

accounts with certain disclosures about the expenses and fees it will charge the account, including the investment management fee. These expenses and fees are contained in our separate investment management agreement.

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

Kaspick uses a multi-asset strategy in its investment management services. This approach recognizes that the choice and weightings of asset types are important determinants of overall investment performance. The investment approach involves combining several different asset types in an investment portfolio to realize two important objectives: 1) protecting a portion of the portfolio against the potentially damaging effects of economic extremes (high inflation or deflation), and 2) taking advantage of low correlations among the various asset types to either reduce risk (in terms of portfolio standard deviation or volatility) compared to that of a traditional large capitalization stock and fixed income portfolio, or increase returns while holding risk constant. Of course, performance cannot be guaranteed. Investing in securities involves the risk of loss that *clients* should be prepared to bear.

Since Kaspick's investment approach involves asset allocation and manager selection, not stock picking, the execution of Kaspick's investment strategy is different from that of traditional asset managers. Kaspick has developed eight strategic asset allocations, ranging from the Kaspick Aggressive all-equity allocation to the Kaspick All Fixed Income allocation. Kaspick's investment process uses both quantitative and qualitative decision-making. The quantitative approach calculates the risk, return, and correlation characteristics of the various asset classes to create efficient mixes of assets. Since different assets have different risk, return, and correlation characteristics over time, and because Kaspick also desires to provide hedges against the economic extremes of inflation and deflation, Kaspick's portfolio managers apply their experience and judgment to modify the purely quantitative results.

Asset classes implemented in the portfolio include domestic large and small capitalization stocks, international large and small capitalization stocks, emerging markets stocks, domestic and international fixed income securities, domestic and international real estate equity securities, and cash equivalents. Kaspick implements its multi-asset strategy through the use of multiple no-load mutual funds, some of which are only available to institutional investors. Individual securities held in a client's account are usually held at the direction of the client, although Kaspick includes such securities in its overall management of a client's account. Kaspick does not take responsibility for individual stocks and bonds that are held at the client's direction.

By using mutual funds, Kaspick believes it can take advantage of the diversification, low transaction costs, ease of asset allocation changes, ease of record keeping, and the expertise and research capabilities of the fund managers. When clients' assets are invested in mutual funds, as shareholders of the mutual funds, Kaspick's clients pay their share of mutual fund costs, including the fund managers' advisory fees.

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 your evaluation of Kaspick or the integrity of Kaspick's management. Kaspick has had no relevant legal or disciplinary events to report on this Item.

Item 10 – Other Financial Industry Activities and Affiliations

In addition to its investment advisory services, Kaspick also provides gift administration services to educational, religious, environmental, social services, and other nonprofit institutions.

Kaspick is a wholly-owned subsidiary of TIAA-CREF Redwood, LLC, which is a wholly-owned direct subsidiary of TIAA. Kaspick and TIAA have entered into a service arrangement whereby TIAA, directly or through its subsidiaries, may provide a variety of services to Kaspick that may be deemed material to Kaspick's investment advisory services. Such services include corporate, human resources, legal, compliance, and marketing services.

TIAA-CREF Individual & Institutional Services, LLC ("Services"), a duly registered broker-dealer and investment advisor registered with the SEC, a subsidiary of TIAA and a Kaspick affiliate, will make referrals of potential clients to Kaspick. Kaspick's President, Lindy Sherwood, is a registered representative of Services. Also, another Kaspick affiliate, TIAA-CREF Trust Company, FSB, a federal savings bank and an indirect subsidiary of TIAA (TIAA-CREF Trust) will from time to time refer potential clients to Kaspick.

Item 11 – Code of Ethics

Kaspick has adopted a Code of Ethics (the "Code"), pursuant to Rule 204A-1 of the Advisers Act. The Code includes provisions that set forth: standards of business conduct for Kaspick's supervised persons requiring compliance with all applicable federal securities laws; provisions that require Kaspick's supervised persons who may have access to non-public information ("access persons") to report personal securities transactions periodically and a requirement that Kaspick's Chief Compliance Officer ("CCO") or his designee review these reports; provisions that require supervised persons report violations of the Code to the CCO; and provisions that require supervised person be provided with the Code and acknowledge receipt of it. Kaspick's clients or prospective clients may request a copy of the Code by contacting Kaspick's CCO.

The Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of the employees of Kaspick will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these

would not materially interfere with the best interest of Kaspick's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between Kaspick and its clients. In all situations, clients' interests take priority over employees' interests.

If appropriate, Kaspick may invest a portion of client portfolios in mutual funds or other securities sponsored by entities affiliated with TIAA ("TIAA-CREF Funds"). A client's account could have a material portion of its assets invested in TIAA-CREF Funds and that proportion could change over time based upon Kaspick's investment discretion. Affiliates of Kaspick are compensated for providing services to TIAA-CREF Funds. The fact that revenue is derived by Kaspick's affiliates from the TIAA-CREF Funds is disclosed to clients so as to permit clients to consider such revenues in evaluating Kaspick's services and in deciding whether to employ Kaspick to provide advisory services. As detailed in the disclosure documents for these investment vehicles, including their prospectuses, TIAA-CREF Funds pay their own fees and expenses, including fees for investment management and/or administrative services to affiliates of Kaspick, which may pay a portion of these fees to other affiliates. These payments to Kaspick's affiliates are in addition to the fees clients pay directly to Kaspick for its services. Kaspick does not receive a direct economic benefit from client investments in TIAA-CREF Funds.

Kaspick has established procedures intended to minimize its inherent conflict of interest in arranging for client investments in TIAA-CREF Funds. First, the TIAA-CREF Funds are generally structured as low fee investment vehicles, thereby diminishing any economic incentive by Kaspick to inappropriately invest client assets in these funds. Second, Kaspick does not receive a direct economic benefit from client investments in TIAA-CREF Funds. Third, the Kaspick Investment Committee monitors the procedures and methodology used by Kaspick's investment team in formulating investment advice to ensure that the advice is based on reasonable objective criteria and is in the best interests of clients.

Item 12 – Brokerage Practices

Kaspick clients generally establish brokerage accounts with the Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer and a member of SIPC to maintain custody of clients' assets and to effect trades for their accounts. In certain cases, clients are required by state law to use certain types of custodians for their accounts. In those cases, the client will establish custodial relationships that permit the client to comply with applicable state laws. Additionally, a custodial relationship may be established at other firms pursuant to client direction.

Kaspick determines the brokers or dealers to be used and the commission rates to be paid without specific client consent when granted the authority to do so in the investment management agreement. In selecting the broker-dealer to effect transactions on behalf of its clients, Kaspick seeks to obtain best execution, which means prompt and efficient execution of transactions, the

best obtainable price, and payment of commissions that are reasonable in relation to the value of the brokerage and other transaction services provided.

Kaspick determines the securities to be bought or sold and/or the amount of securities to be bought or sold without obtaining specific client consent when the client has authorized Kaspick to do so in the investment management agreement entered into between the client and Kaspick. As a general rule, most client accounts are set up on this basis.

Currently, Kaspick executes over 95% of mutual funds transactions and a majority of its other client trades through Schwab. In addition to Schwab, Kaspick uses a number of other broker-dealers to transact certain of its stock and bond investments in clients' accounts.

Kaspick believes that by using Schwab as the primary broker-dealer to execute transactions for its clients, it is obtaining best execution for these client accounts. Factors that Kaspick takes into account when it is considering whether Schwab and other brokers are providing best execution include: net price, reputation, financial strength and stability, and efficiency of execution and error resolution. Kaspick believes that its allocation of brokerage transactions to Schwab is in the best interest of its clients. Kaspick is not affiliated with Schwab. Schwab provides Kaspick's clients with access to its institutional trading and custody services. For Kaspick's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts as well as through float on certain types of transactions and vehicles and products for sweeping un-invested cash. Schwab also makes available products and services that benefit Kaspick in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information, and market data; facilitate payment of Kaspick's fees from its clients' accounts; and assist with back-office functions, recordkeeping, and client reporting. Many of these services generally may be used to service all or a substantial number of Kaspick's accounts, including accounts not maintained at Schwab. Schwab makes available to all of the advisers using its institutional trading and custody services, including Kaspick, other services intended to help the advisers manage and further develop their business enterprises. Such products and services may benefit Kaspick in its provision of advisory services to its clients, generally, but may not specifically benefit client accounts. These services may include consulting, publications, and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to the advisers by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to the advisers.

While as a fiduciary, Kaspick always endeavors to act in its clients' best interests. The benefit to Kaspick of the availability of some of the foregoing products and services from Schwab may create a potential conflict of interest with Kaspick's obligations to its clients. Although Schwab offers and provides to advisers using its trading and custodial services, including Kaspick, a number of unsolicited services in addition to execution-related services, Kaspick's selection and

use of Schwab is based upon the execution and related services for client accounts available through Schwab. Kaspick may use certain of these additional services offered through Schwab, from time to time. These additional non-execution services could be construed as soft dollar services. However, Kaspick has not entered into a soft dollar arrangement with Schwab (or any other broker-dealer) through which use of Schwab (or other broker-dealers) is contingent upon receipt of such additional services.

Kaspick may aggregate (“block”) the purchase or sale of securities when it is determined that it is in the best interests of the client. Kaspick will allocate blocked trades equably and will generally allocate trades to clients on a pro-rata basis.

In connection with obtaining best execution of client securities transactions, Kaspick may from time to time enter into cross transactions on behalf of two or more accounts under a single institutional client relationship. In such transactions, Kaspick has conflicting obligations to both the buying and the selling accounts. In order to minimize this conflict, Kaspick will obtain independent pricing information from at least one unaffiliated broker-dealer and will obtain specific approval from the institutional client. Kaspick takes the average of the highest bid price and the lowest ask price and uses the average as the executing price for the buy and sell. Kaspick will only engage in cross trades when such trades benefit both accounts involved in the trade. Kaspick will not receive any commission or additional compensation in connection with arranging such cross-trades.

It is Kaspick’s policy to reasonably ensure that clients are made whole, as expeditiously as possible, for any losses incurred that are due to trade errors for which Kaspick is responsible.

For trade errors in accounts held in custody at Schwab, Kaspick has the choice of either (a) instructing Schwab to correct the error, or (b) instructing Schwab to execute correcting trades without notifying Schwab that there has been an error. If Kaspick instructs Schwab to execute correcting trades any trade error losses are absorbed by Kaspick and all trade error gains are kept by the clients. If Kaspick instructs Schwab to correct a trade error and the correcting trade resulted in a gain, the gain will remain in the client’s account unless the same error involved other client account(s) that should have received the gain or the client opted to forego the gain (e.g., due to tax reasons). If the client decides to forego the gain, Schwab will maintain the gain up to \$100 and any remaining amount will be donated by Schwab to a charity. If the correcting trade resulted in a loss and the loss is less than \$100, Schwab will absorb the loss to minimize and offset its administrative time and expense. If the trade error loss is equal to or greater than \$100, Kaspick will be obligated to absorb the loss. If related trade errors result in both gains and losses in a particular client’s account, Schwab will generally net the gains and losses.

For trade errors in accounts held in custody at a custodian other than Schwab, Kaspick instructs the broker/custodian to execute correcting trades without notifying the custodian that there was an error. For these accounts, any trade error losses are absorbed by Kaspick and all trade error gains are kept by the clients.

Item 13 – Review of Accounts

Abigail Benton Mason, Chief Investment Officer; Damon Longstreet Whelchel, Director, Investment Management; and Bernard Bearman, Jr., Director, Investment Management, are the senior members of Kaspick's Investment Management Committee and are responsible for the performance of all portfolio management services on behalf of Kaspick. Investment advisory and management services require a constant general awareness of the economic environment and activities in the financial markets. Although not trading on a day-to-day basis, the investment personnel of Kaspick maintain an ongoing awareness of these areas.

Individual client portfolios are monitored by investment personnel at least monthly for conformance with target asset allocations. Adjustments are made as necessary. Portfolio holdings are also monitored monthly by investment personnel for performance and quarterly for conformance with stated objectives. Christopher Singer, Trading Manager, conducts monthly reviews of client accounts under supervision of senior members of the Investment Committee. The Investment Committee consists of the above individuals and the members of the Trading and Investment departments.

Portfolios are rebalanced based on multiple factors: how far the actual allocations are from their target weights, market conditions, the likely short-term gains that would be created from rebalancing (for relevant accounts), and cash levels. Historically, when all these factors have been considered, Kaspick has rebalanced portfolios every 6 to 12 months.

Kaspick offers a wide array of written reports to clients and beneficiaries to meet client needs for regular information with respect to client assets. Kaspick offers several reporting packages, including Oversight Reporting for staff and trustees, Beneficiary Reports, Trust Administration Reports, Accounting Reports and Tax Reports. Each reporting package may include multiple reports, at the client's discretion.

For instance, Kaspick's Oversight reporting package includes endowment quality investment reports and other quality oversight reports so that a client's staff and trustees can review key information about their planned giving program and policies. Kaspick also produces, as part of its Oversight Reporting package, an Investment Report (Quarterly) which provides information about each portfolio (type, investment objective, current asset mix, portfolio yield) and net of fee performance at both the portfolio and the program level relative to market benchmarks. The Oversight Reporting Package also includes annual Present Value, Program Overview and Comparative Statistics Reports. The contents and frequency of Kaspick's reporting package are subject to negotiation.

Item 14 – Client Referrals and Other Compensation

As disclosed in Item 10 above, TIAA-CREF Individual & Institutional Services, LLC ("Services"), an affiliated broker-dealer registered with the SEC will make referrals of potential institutional planned giving or endowment clients to Kaspick. Similarly, another Kaspick affiliate, TIAA-CREF Trust, a federal savings bank will from time to time refer potential clients to Kaspick. Neither Services nor TIAA-CREF Trust is directly or indirectly compensated by

Kaspick for such referrals. However, individual employees of Services and or TIAA-CREF Trust will be compensated in connection with referrals to Kaspick by their respective employers.

Item 15 – Custody

Accounting reports and notification of receipt of assets are sent to clients by Schwab, the custodian for almost all of Kaspick client accounts. Most Kaspick clients receive such statements electronically. Clients also have electronic access to their accounts directly from the custodian. The custodian will send the following information to clients: prospectuses, statements, and trade confirmations. Client statements are sent monthly directly to clients by the custodian.

In limited circumstances where the client account requires use of a corporate trustee or state law requires use of a bank custodian, TIAA-CREF Trust may serve as trustee or custodian at the client's election.

Kaspick urges clients to carefully review such statements and compare such official custodial records to the account statements that Kaspick provides. Kaspick's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Kaspick usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold when the client authorized Kaspick to do so in the investment management agreement. As a general rule, most client accounts are set up on this basis. In all cases, however, such discretion is exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Kaspick observes the investment policies, limitations, and restrictions of the clients it advises. Under certain circumstances, Kaspick's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Investment guidelines and restrictions must be provided to Kaspick in writing.

Item 17 – Voting *Client* Securities

Kaspick has proxy voting policies to guide its voting of clients' proxies. It is Kaspick's policy to vote proxies based upon the best interests of Kaspick's clients. Any conflicts between client and personal or firm interests will be resolved in Kaspick's clients' favor. Kaspick generally votes proxies on behalf of clients whose underlying investment management agreement expressly

requires Kaspick to vote proxies received in connection with their securities, or who have provided written instruction separate from the investment management agreement indicating that they would like Kaspick to vote proxies on their behalf.

Kaspick will not vote proxies if: the client explicitly retains proxy voting authority in the investment management agreement, Kaspick does not have discretionary authority over the security that is issuing the proxy, or the investment management agreement is silent with respect to proxy voting and Kaspick has not been granted discretionary investment authority over the clients' securities. Kaspick will not vote proxies when it determines that the benefit of voting individual stock proxies is small relative to the undue burden of voting those proxies (e.g. Kaspick has sold the security but the proxy record date occurs before the settlement date). In February 2009, Kaspick began to use ProxyEdge, an internet-based proxy voting system, provided by a third-party service provider, Broadridge Investor

Communication Solutions, Inc. (Broadridge), to receive proxy ballots electronically, to vote proxies online, and to maintain proxy voting records.

Clients may obtain a copy of Kaspick's complete proxy voting policies and procedures upon request. Clients may also obtain information from Kaspick about how Kaspick voted any proxies on behalf of their account(s) by contacting Kaspick's CCO at (650) 585-4100.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Kaspick's financial condition. Kaspick has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.