

## **MARVIN & PALMER ASSOCIATES, INC.**

1201 N. Market Street, Suite 2300  
Wilmington, Delaware 19801-1165  
United States of America

Telephone: (302) 573-3570

[www.marvinandpalmer.com](http://www.marvinandpalmer.com)

For additional information, please call:  
Tim McAvoy, Director of Client Service & Marketing – Principal

## **FORM ADV PART 2 BROCHURE**

**March 2012**

This brochure provides information about the qualifications and business practices of Marvin & Palmer Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (302) 573-3570 or [CorporateAffairs@mpainc.com](mailto:CorporateAffairs@mpainc.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 Marvin & Palmer Associates, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

This brochure contains the following material changes from the last annual update dated March 2011:

- Effective November 2011, Lars Harrison, a Portfolio Manager, is no longer employed by Marvin & Palmer Associates.
- In December 2011, the Marvin & Palmer Global Emerging Markets Trust and the Marvin & Palmer Global Equity Trust, both based in Australia, ceased operation.

## TABLE OF CONTENTS

	<u>Page</u>
Advisory Business.....	4
Fees and Compensation.....	5
Performance-Based Fees and Side-By-Side Management.....	9
Types of Clients.....	10
Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Disciplinary Information.....	12
Other Financial Industry Activities and Affiliations.....	12
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Brokerage Practices.....	15
Review of Accounts.....	18
Client Referrals and other Compensation.....	19
Custody.....	19
Investment Discretion.....	20
Voting Client Securities.....	20
Financial Information.....	21

## ADVISORY BUSINESS

Marvin & Palmer Associates is a global equity specialist founded by David Marvin, Chairman and CEO, and Stanley Palmer, Vice Chairman. We offer equity management services for four geographic mandates: Global Equities, Non-U.S. Equities, Emerging Markets Equities and U.S. Equities. Except in connection with the investment entities discussed below, we do not provide other types of advisory services. Established in 1986, we have one of the longest international equity management track records in the money management industry. Our headquarters are in Wilmington, Delaware. We are primarily employee-owned. All our portfolio managers are principals in our firm. The majority of the outstanding shares are owned by Mr. Marvin and Mr. Palmer.

We are able to tailor our services to our clients' needs. Clients may impose restrictions on investing in certain securities or types of securities.

We provide investment supervisory services to our clients whom we bill for our services based on a percentage of assets under management. In certain circumstances, fees are also based, in part, upon the performance of the client's portfolio under management. Such investment supervisory services represent the majority of our business.

We also provide investment supervisory services by providing a model portfolio ("Model Portfolio") to clients ("Model Portfolio Clients") who serve their own investment clients. The Model Portfolio is updated from time to time based upon our agreement with the Model Portfolio Client. Model Portfolio Clients use the Model Portfolio to buy and sell securities for their investment clients. We bill the Model Portfolio Clients for our services based on a percentage of the assets that the Model Portfolio Clients have under management using our Model Portfolio. Such services currently represent only a small portion of our business.

None of the services that we provide is referred to as "financial planning" services or by any other similar terms.

We have formed the following nine investment entities (collectively, the "Investment Entities") for which we make the investment decisions:

- Marvin & Palmer Global Equity, L.P. (the "Global Partnership");
- Marvin & Palmer U.S. Equity, L.P. (the "U.S. Partnership");
- Marvin & Palmer Non-U.S. Equity, L.P. (the "Non-U.S. Partnership");
- Marvin & Palmer Non-U.S. Equity Institutional Fund, L.P. (the "Non-U.S. Institutional Partnership");
- Marvin & Palmer Emerging Markets Equity, L.P. (the "Emerging Markets Partnership");
- Marvin & Palmer Emerging Markets Partners Fund, L.P. (the "Emerging Markets Partners Partnership");
- Marvin & Palmer Global Partners Fund, L.P. (the "Global Partners Partnership" and, together with the Global Partnership, the U.S. Partnership, the Non-U.S. Partnership, the Non-U.S. Institutional Partnership, the Emerging Markets Partnership and the Emerging Markets Partners Partnership, collectively, the "Partnerships");
- Marvin & Palmer Large Cap Growth Fund (the "Large Cap Growth Fund"); and
- Marvin & Palmer Emerging Markets Equity Fund (the "Emerging Markets Fund"), which is based in Ireland.

Except as indicated above, the Investment Entities are based in the United States. The Investment Entities generally invest in publicly traded equity securities that we have identified, in our capacity as general partner, adviser or sub-adviser, as the case may be, as having the potential for increasing the equity of the Investment Entities. The portfolios of each of the Investment Entities are diversified, although the portfolios of the Emerging Markets Partners Partnership and the Global Partners Partnership tend to be more concentrated than the portfolios of the other Investment Entities. The Non-U.S. Partnership, the Non-U.S. Institutional Partnership, the Emerging Markets Partnership, the Emerging Markets Partners Partnership and the Emerging Markets Fund are generally limited to non-U.S. securities. Cash balances may be held as cash, placed in interest bearing accounts or invested in U.S. securities that are cash equivalents. Each of the Investment Entities, except the U.S. Partnership and the Large Cap Growth Fund, may enter into hedging transactions, such as forward foreign exchange contracts, in order to protect the value of their portfolios against declines resulting from currency value fluctuations and broad market changes. We use forward foreign exchange contracts to effect such hedging transactions. In addition, the Emerging Markets Partners Partnership and the Global Partners Partnership may engage in short sales of securities that they own, trade securities on margin, buy and sell synthetic securities representing stock index futures or various groups of securities and options on such synthetic securities for hedging purposes, invest in options and incur leverage. We provide certain administrative services to the Investment Entities (other than the Emerging Markets Fund, the Emerging Markets Partners Partnership, the Global Partners Partnership and the Large Cap Growth Fund), such as the maintenance of the books and records of the Investment Entities, and we receive reimbursement of certain overhead expenses. Certain of our officers, directors, Advisory Board members and employees are investors in the Investment Entities. We may form additional investment funds in the future, and we may close existing funds.

Marvin & Palmer Associates is organized as a Delaware corporation and was registered with the SEC under the Investment Advisers Act of 1940 on July 21, 1986. Marvin & Palmer Associates holds an Australian Financial Services License from the Australian Securities and Investments Commission, is authorized to provide investment advice to qualified residents of Alberta, British Columbia and Ontario, Canada and is authorized to act as an investment manager for collective investment schemes in Ireland.

As of December 31, 2011 we managed \$2.8 billion on a discretionary basis and \$0.0 on a non-discretionary basis.

## **FEES AND COMPENSATION**

We provide investment supervisory services to our clients whom we bill for our services based on a percentage of assets under management. In certain circumstances, fees are also based, in part, upon the performance of the client's portfolio under management.

We invest our clients' assets in accordance with each client's investment objectives. Our basic fee schedule for such services for U.S. accounts and global accounts is 0.75% of the market value of the assets invested for the first \$100 million and is negotiable thereafter. The basic fee schedule for such services for non-U.S. accounts is 0.80% of the market value of the assets invested for the first \$100 million and is negotiable thereafter. The basic fee schedule for such services for emerging markets accounts is 1.00% of the market value of the assets invested for the first \$100 million and is negotiable thereafter. Clients are generally billed in arrears at the end of each quarter. We negotiate our fees, and we sometimes offer lower fees to clients who have business or personal relationships with us. In circumstances where clients request to pay fees in advance, they are able to do so. Where fees are prepaid, the client is entitled to a refund of any unused portion of the advisory fee determined pro rata on the number of days elapsed in the current billing period. Our intent is to provide such a refund to any client who chooses to pay in advance. In general, a client may terminate its agreement with us on written notice.

We manage assets for qualified investors for which we receive fees that, in some instances, include a performance fee component negotiated with the client. The performance fee component of a client's advisory fee is generally calculated either (a) as a percentage of a client's profits over a stated period of time and may be measured in comparison to a specific benchmark or index or (b) as a percentage of the client's assets under management where the amount of the percentage varies according to the performance of the client's portfolio under management, over a period of time, in comparison to a specific benchmark or index. Potential investors should note the following: (i) with a performance fee, the adviser may receive compensation based on unrealized appreciation as well as realized gains, (ii) the period used to measure performance for a performance fee will be based on a limited period and may not reflect the adviser's long-term performance and (iii) the benchmark or index, if any, against which performance is measured for the purpose of calculating the performance fee may not precisely match the investment characteristics of the portfolio managed by the adviser. Having a performance fee creates an economic incentive for the adviser to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. We intend to make comparable investment decisions in all accounts that follow the same investment strategy. When two accounts follow the same investment strategy, we do not intend to make different investment decisions in the two accounts because one account is billed on a performance fee basis and the other is billed on the basis of assets under management.

We bill our separately managed account clients for services rendered. We do not deduct fees from our clients' account. We generally bill our clients quarterly. Clients who have separately managed accounts will incur brokerage costs, transaction costs and custodian costs charged by other service providers in addition to the management fee that we charge. Brokerage practices are discussed under the heading *Brokerage Practices* below.

Each of the Investment Entities (other than the Emerging Markets Fund, the Emerging Markets Partners Partnership, the Global Partners Partnership, the Large Cap Growth Fund and the Non-U.S. Institutional Partnership) pays to us, in our capacity as general partner, adviser or sub-adviser, as the case may be, an annual fee, payable in quarterly installments, based on the fair market value of assets of the Investment Entity at the end of each quarter. As discussed elsewhere, each of the Investment Entities also pays other fees such as legal and accounting fees. The fees for the Emerging Markets Partners Partnership, the Global Partners Partnership and the Non-U.S. Institutional Partnership are payable in quarterly installments, based on the fair market value of the assets at the end of each month in the quarter. The fees for the Emerging Markets Fund and the Large Cap Growth Fund are payable in monthly installments, based on the daily fair market value of the assets. The basic management fees paid by the Investment Entities are as follows:

- U.S. Partnership - 0.75% of the value of the partnership's net assets.
- Non-U.S. Partnership - 1.0% of the value of the partnership's net assets.
- Non-U.S. Institutional Partnership - 1.0% per annum of the Capital Account balances for Partners whose Net Capital Contributions (as defined below) are less than \$25 million and (ii) 0.80% per annum of the Capital Account balances for Partners whose Net Capital Contributions are \$25 million and above. "Net Capital Contributions" means the aggregate capital contributions made by a Partner, reduced by a pro rata portion of such Partner's aggregate withdrawals. If a Partner's Net Capital Contributions are less than \$25 million and such Partner's Capital Account appreciates to \$25 million or more as of the last day of any month, then such Partner's Net Capital Contribution shall be deemed to be \$25 million from such time until such time as, immediately following a withdrawal, such Partner's Capital Account is less than \$25 million.
- Global Partnership - 1.0% of the value of the partnership's net assets if such net assets are less than \$25 million or 1.0% of the first \$25 million and 0.75% of the portion of such assets over \$25 million if such assets exceed \$25 million.
- Emerging Markets Partners Partnership – 1.0% of the value of the partnership's net assets.
- Emerging Markets Partnership - 1.25% of the value of the partnership's net assets.

- Global Partners Partnership - 1.0% of the value of the partnership's net assets.
- Large Cap Growth Fund – 0.65% of the value of the fund's average daily net assets.
- Emerging Markets Fund – 1.0% of the value of the fund's daily net assets.

We negotiate reduced management fees, capped expenses and other terms with investors in some of the Investment Entities, and have the ability to waive fees with respect to any of the Investment Entities. A portion of the assets of our profit-sharing plan may be invested in the Emerging Markets Partnership, the Global Partnership, the Large Cap Growth Fund, the Non-U.S. Partnership, the Non-U.S. Institutional Partnership and the U.S. Partnership. As required under the federal pension laws, our profit-sharing plan does not pay us a management fee or reimburse us for certain other expenses charged to any of the partnerships in which it is invested. Reducing the management fees borne by certain investors (or waiving the fees in the case of our profit-sharing plan) does not cause other investors in the same Investment Entities to bear a higher share of management fees.

We or an affiliate of ours also maintain a capital account in each of the Partnerships and, therefore, we are allocated a pro rata portion of the net profits (or net losses) of the Partnerships.

As the general partner of the Emerging Markets Partners Partnership, we maintain a capital account in such Partnership and, therefore, we are allocated a pro rata portion of the net profits (or net losses) of such Partnership. In addition, the following special allocation of a portion of each year's net profits, subject to recouping prior years' losses, is made to us as the general partner with respect to each year. In each year in which there is a net profit, 20% of the cumulative net profit allocable to a limited partner's capital account will be specially reallocated from the capital account of each limited partner (other than the capital accounts of limited partners who are subject to a three-year lock-up period or certain of our affiliates) to our capital account. The capital accounts of the limited partners who agree to a three-year lock-up period with respect to such limited partners' initial and subsequent capital contributions will instead be subject to a reallocation of 15% of the cumulative net profit allocable to their capital accounts and the capital accounts of certain limited partners who are our affiliates (such as our present and former employees, Advisory Board members and members of the immediate families of the foregoing) will be subject to a reallocation of 10% of the cumulative net profit allocable to their capital accounts .

An affiliate of ours, as the general partner (the "General Partner") of the Global Partners Partnership, maintains a capital account in such Partnership and, therefore, is allocated a pro rata portion of the net profits (or net losses) of such Partnership. In addition, the following special allocation of a portion of each year's net profits, subject to recouping prior years' losses, is made to the General Partner with respect to each year after 1999. With respect to all limited partners who became limited partners on or after January 1, 2006, in each year in which there is a net profit, 20% of the cumulative net profit allocable to a limited partner's capital account will be specially reallocated from the capital account of each limited partner (other than the capital accounts of limited partners who are subject to a three-year lock-up period or certain of our affiliates) to the capital account of the General Partner. The capital accounts of the limited partners who agree to a three-year lock-up period with respect to such limited partners' initial and subsequent capital contributions will instead be subject to a reallocation of 15% of the cumulative net profit allocable to their capital accounts and the capital accounts of certain limited partners who are our affiliates (such as our present and former employees, Advisory Board members and members of the immediate families of the foregoing) will be subject to a reallocation of 10% of the cumulative net profit allocable to their capital accounts. The reallocation of 10% of the cumulative net profit will be made applicable to affiliates who are limited partners as of January 1, 2006. With respect to limited partners who became limited partners before January 1, 2006 (other than our affiliates), if such Partnership had a return in an amount up to 20% in a given year, the return would be allocated as follows: 90% to the Limited Partners and 10% to the General Partner. If such Partnership had a return in excess of 20% up to 40% in a given year, the return would be allocated as follows: the first 20% of return would be allocated 90% to the Limited Partners and 10% to the General Partner, and the next 20% of

return up to 40% would be allocated 85% to the Limited Partners and 15% to the General Partner. If such Partnership had a return in an amount above 40% in a given year, the return would be allocated as follows: the first 20% of return would be allocated 90% to the Limited Partners and 10% to the General Partner, and the next 20% of return up to 40% would be allocated 85% to the Limited Partners and 15% to the General Partner, and the remaining return in excess of 40% would be allocated 80% to the Limited Partners and 20% to the General Partner.

With the exception of the Emerging Markets Fund, the Emerging Markets Partners Partnership, the Global Partners Partnership and the Large Cap Growth Fund, the Investment Entities also pay, or reimburse us for, all fees and expenses incurred by or on behalf of the Investment Entities in the ordinary and usual course of business, including, without limitation, rent, taxes, office overhead and administrative expenses, telephone and all other communications expenses, all as determined in our sole discretion. The Investment Entities also pay for accounting and software expenses, legal expenses, custodial fees and related fees in connection with the safekeeping of the securities of the Investment Entities, brokerage commissions and other fees and expenses related to securities trading, all as determined in our sole discretion. The offering memorandum of each of such Investment Entities provides a full description of such arrangements. Brokerage practices are discussed under the heading *Brokerage Practices* below.

The Large Cap Growth Fund is registered under the Securities Act of 1933, and the Emerging Markets Fund is registered under the laws of Ireland. The other Investment Entities are not registered under the Securities Act of 1933 or the laws of any other jurisdiction and are subject to significant restrictions on sale or transfer. This document is not an offer or an invitation for an offer to purchase interests in any of the Investment Entities.

We act as an adviser or sub-adviser for two U.S. registered mutual funds. We are responsible for the investment and reinvestment of such fund's assets and the placement of brokerage transactions in connection therewith.

For our services as sub-adviser for the Dunham Emerging Markets Stock Fund (the "Dunham Fund"), we are entitled to receive an advisory fee composed of a base fee at an annual rate of 0.60% of the Dunham Fund's average daily net assets plus or minus all or a portion of a fulcrum performance fee of 0.50% of the Dunham Fund's average daily net assets based upon the performance of the Dunham Fund relative to the applicable index. If the performance of the Dunham Fund on an annual basis is equal to the index or within 0.30% of the index, we will receive only the base fee of 0.60%. If the performance of the Dunham Fund on an annual basis exceeds the index by more than 0.30%, we will receive a performance fee in addition to the base fee, and if the performance of the Dunham Fund on an annual basis is less than the index by more than 0.30%, the performance fee will reduce the amount of the base fee that we receive. If the performance of the Dunham Fund on an annual basis exceeds the index by 3.00% or more, we will be entitled to receive a base fee of 0.60% plus a full performance fee of 0.50%, and if the performance of the Dunham Fund on an annual basis is less than the index by 3.00% or more, we will be entitled to receive a base fee of 0.60% minus a full performance fee of 0.50%.

For our services as adviser for the Large Cap Growth Fund, we are entitled to receive an advisory fee at an annual rate of 0.65% of the fund's average daily net assets. Through December 31, 2012, we have contractually agreed to waive our advisory fee and/or reimburse expenses to the extent that the fund's total annual operating expenses exceed 0.80% of the fund's average daily net assets. There is no assurance that we will continue these fee waivers and/or expense reimbursements beyond December 31, 2012. If at any time during the period ended March 4, 2015 the fund's total annual operating expenses for that year are less than 0.80%, we are entitled to reimbursement by the fund of the advisory fees waived and other payments remitted by us to the fund.



We also act as sub-adviser or adviser to investment funds offered in Britain and Ireland, and in the future we may become sub-adviser or adviser to investment funds in other places in the world.

The details of the fee arrangements for all of the funds described in this section are more fully described in the prospectuses for the funds to the extent required by applicable law.

We generally calculate performance in accordance with the standards promulgated by the CFA Institute.

Performance measurement is intended to reflect our management skills. Accordingly, unless a client agrees or instructs otherwise, performance measurement will begin when the portfolio is fully invested or substantially fully invested, which will generally occur within five to seven days after funding an account with cash. Accounts that are funded with securities that reflect our then-current portfolio generally will be deemed to be fully invested upon funding, and accounts that are funded with securities that do not reflect our then-current portfolio generally will not be deemed to be fully invested on funding.

We pay some of our employees, and in some cases third-party solicitors, commissions in connection with the acquisition of new separately managed accounts, the addition of assets to separately managed accounts and the sale of interests in the Investment Entities. All such commissions are paid out of the management fees that we earn from our clients and the Investment Entities, and the clients and investors in the Investment Entities do not pay additional amounts in respect of those commissions. The practice of paying a commission to an employee or a third-party solicitor creates a conflict of interest because it creates an incentive for the employee or the solicitor to sell a service or an investment to a client or an investor regardless of whether acquiring the service or the investment is in the best interest of the client or investor. We address this conflict of interest by disclosing it to prospective clients and investors in this paragraph.

Clients have the alternative of retaining other investment advisers, not affiliated with us, who will purchase for the clients' accounts many of the same securities that we would purchase for the clients' account. Investors have the alternative of purchasing interests in investment entities, not affiliated with us, that would own many of the same securities that we would select for the Investment Entities.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Our standard fees are asset-based fees, but we offer our clients the option of paying performance-based fees. When an investment adviser has some accounts that pay asset-based fees and other accounts, following the same investment strategy, pay performance-based fees, the investment manager has a potential conflict of interest in that he has an incentive to give to the accounts with performance-based fees the investments that are expected to perform better. We intend to make comparable investment decisions in all accounts that follow the same investment strategy. When two accounts follow the same investment strategy, we do not intend to make different investment decisions in the two accounts because one account pays a performance-based fee and the other pays an asset-based fee.

## TYPES OF CLIENTS

The types of clients we serve include the following:

- Pension and profit sharing plans;
- Investment companies, including mutual funds;
- Other pooled investment vehicles;
- Trusts, estates and charitable organizations;
- Corporations and business entities other than those listed above;
- State or municipal government entities;
- Banking and thrift institutions; and
- High net worth individuals.

In our capacity as general partner of an adviser to the Partnerships, we manage the assets and investments of the Partnerships, and in our capacity as investment manager to the Emerging Markets Fund and the Large Cap Growth Fund, we provide investment advice with respect to such funds. The Investment Entities are more fully described under *Advisory Business*, above.

We generally impose a minimum initial value of \$25 million for starting an international account and a minimum initial value of \$10 million for starting a U.S. account. We accept smaller amounts for management, but when we manage an international account of less than \$10 million, we tend to maintain a portfolio that is more concentrated than the portfolio of an international account that is larger than \$10 million.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We offer advice on the following types of investments:

- Equity securities, including (1) exchange listed securities, (2) securities traded over-the-counter and (3) securities of non-U.S. issuers;
- Depositary receipts and equity-linked derivatives;
- Warrants;
- United States government securities;
- Options contracts on securities and swap transactions;
- Futures contracts on intangibles; and
- Exchange traded funds.

In order to protect the value of our clients' portfolios against declines resulting from currency value fluctuations and broad market changes, we may at certain times enter into hedging transactions using instruments such as forward foreign exchange contracts.

We may purchase shares in initial public offerings ("IPO Shares") for accounts that we manage. We generally allocate IPO Shares *pro rata* across eligible client accounts other than the Investment Entities in which our employees, our directors or our Advisory Board members are investors. A client account is eligible to participate in IPO Shares if the investment is consistent with the account's investment objectives and limitations and the account has sufficient funds available for investment. If we are not able to obtain sufficient IPO Shares in a particular issue to give all eligible accounts a meaningful portion of IPO Shares, we will allocate the IPO Shares across one or more designated groups of accounts on a rotating basis. Accounts will be grouped generally according to similarities in investment objectives, limitations and size. We may

adjust IPO Share allocations to allocate round lots. We may also make exceptions to our general allocation methods consistent with equitable principles, provided such exceptions are generally applied with consistency and are approved by our senior administration officer or such officer's designate.

The Model Portfolios created for Model Portfolio Clients do not employ currency hedging. In addition, the Model Portfolios do not include IPO Shares because the purchases and sales of securities for accounts managed according to the Model Portfolios are made by the Model Portfolio Clients and not by us.

We may engage in securities lending on behalf of certain Investment Entities in the future, although we do not do so at present. If we were to engage in securities lending, the securities lending activities would be supervised by a securities lending agent that would be compensated for its services by a portion of the revenues earned from such activities.

Our investment analysis methods include principally fundamental analysis and relative price strength screening. We also rely upon charting and technical analysis.

The main sources of information that we use include the following:

- Inspections of corporate activities;
- Annual reports, prospectuses; filings with the Securities and Exchange Commission;
- Research materials prepared by others;
- Corporate ratings services;
- Financial newspapers and magazines;
- Company press releases; and
- Timing Services.

We use as an additional source of information an Advisory Board composed of individuals who are knowledgeable concerning world events, regional and international economic conditions and trends, financial markets and other similar information. The Advisory Board meets with us generally six times a year, and the members share their views on events, conditions and trends and the implications such events, conditions and trends might have on equity investments.

The investment strategies that we use to implement any investment advice given to clients include the following:

- Long term purchases (securities held at least a year);
- Short term purchases (securities sold within a year);
- Trading (securities sold within 30 days);
- Short sales;
- Margin transactions; and
- Options writing, including covered options, uncovered options or spreading strategies.

The accounts that we manage generally keep small cash balances.

For a small number of our clients, we buy and sell synthetic securities representing stock index futures or various groups of securities and options on such synthetic securities for hedging purposes.

We, and our related people, generally have authority to determine, without obtaining specific client consent, the following:

- Which securities are to be bought and sold;
- The amount of securities to be bought or sold;
- The broker or dealer to be used; and
- The commission rates to be paid.

Except as described above, we, and our related people, generally do not suggest to clients which brokers they should use.

Other than limitations imposed by applicable law, the only qualifications to our broad authority to determine, without specific client consent, the amount and type of securities to be bought or sold, the broker or dealer to be used and the commission rate to be paid are those contained in the specific guidelines, restrictions or limitations of the client relating to investments or brokers or dealers that from time to time we may agree to follow. Such guidelines, restrictions or limitations could have the effect of limiting the selection of brokers or dealers for such client's account or of limiting or otherwise affecting the types and amounts of particular securities to be bought or sold for such client's account or the prices at which such securities are bought or sold.

All investing involves risk. We invest principally in equity securities. The values of securities of individual issuers can vary as a result of a variety of factors, and the values of substantial number of securities in a market also can vary as a result of a variety of factors. In either case the result can be a substantial loss of value. If an individual issuer becomes insolvent, its securities can lose substantially all their value. We manage our portfolios actively, which means that we engage in more portfolio transactions than some other managers. As a result, the portfolios that we manage may incur higher commissions and transactions costs, and high taxes due to realized gains, than portfolios that are traded less actively. Other securities that we invest in are substitutes for owning common shares, and in addition to the risks associated with owning common shares, they also involve counterparty risk. In some of our accounts we engage in currency hedging, which involves additional risks since the relative values of various currency can move rapidly, and the values of futures contracts for foreign currencies, used for hedging, can vary substantially as a result.

Emerging market countries may have relatively unstable governments, weaker economies, and less-developed legal systems that do not protect securities holders. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid.

Investments in foreign countries are subject to currency risk and country-specific risks such as political, diplomatic, regional conflicts, terrorism, war, social and economic instability and policies that have the effect of decreasing the value of foreign securities. Foreign countries may be subject to different trading settlement practices, less government supervision, less publicly available information, limited trading markets and greater volatility than U.S. investments.

## **DISCIPLINARY INFORMATION**

Our firm has not been subject to any material disciplinary actions.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Our principal business activity, and that of our principal executive officers, is providing investment advice. We also sell interests and shares in the Investment Entities, which are described under *Advisory Business*, above, but we generate income from providing advisory services to the Investment Entities and not

from selling interests in them. We make payments to others in connection with sales of such interests, as described under *Fees and Compensation*, above.

We are not registered as a securities broker-dealer, as a futures commission merchant, commodity pool operator or commodity trading advisers, and we do not have any applications pending to become registered as such. We do not have any arrangements that are material to our advisory business or any of our clients with any kind of financial services business or any other business related to the financial services industry.

Interests or shares in the Investment Entities may be offered and sold through certain of our employees who may receive compensation for such sales. We do not act as a broker-dealer, and we are not affiliated with any broker-dealer. We have entered into an agreement with Foreside Fund Services, LLC, a registered broker-dealer based in Portland, Maine ("Foreside"), under which Foreside has agreed to supervise certain of our employees, who are registered representatives of Foreside, in connection with the sale of interests in the Partnerships or shares in the Large Cap Growth Fund. We do not expect to execute any transactions for our clients' accounts through Foreside while the agreement with Foreside remains in effect. The Large Cap Growth Fund has entered into agreements with BNY Mellon Global Investment Servicing (U.S.) Inc., a fund administrator based in Delaware, ("BNY Mellon"), under which BNY Mellon has agreed to underwrite, distribute, maintain custody and serve as transfer agent in connection with the sale of shares in the Large Cap Growth Fund. Marvin & Palmer Funds plc, the parent of the Emerging Markets Fund, has engaged BNY Mellon Global Investment Servicing (Europe) Inc., an affiliate of BNY Mellon, to administer the Emerging Markets Fund.

We are, or an affiliate of ours is, the general partner of the Partnerships. (See *Advisory Business*, above.) We generally invest assets of our advisory clients in separate accounts. We make available information on the Investment Entities with which we are affiliated to our investment advisory clients that are eligible to invest in such Investment Entities, and we anticipate that if any client desired to subscribe to purchase limited partnership interests or shares, we would accept such subscription. Several advisory clients have become limited partners or unitholders, as the case may be, in the Investment Entities. We maintain, or an affiliate of ours maintains, a capital account in each of the Partnerships and, therefore, receive allocations of net profits (or losses) of the Partnerships. In addition, in the Emerging Markets Partners Partnership we serve as the general partner and receive a special allocation of a portion of the profits earned by such partnership, as described under *Our Advisory Services and Fees*, above, and in the Global Partners Partnership, our affiliate that serves as the general partner also receives a special allocation of a portion of the profits earned by such partnership, as described under *Our Advisory Services and Fees*, above. Certain of our officers, directors, Advisory Board members and employees are investors in the Investment Entities. The assets of our profit-sharing plan may be invested in any of the Emerging Markets Partnership, the Global Partnership, the Large Cap Growth Fund, the Non-U.S. Partnership, the Non-U.S. Institutional Partnership and the U.S. Partnership.

Except as discussed in this paragraph, we, and our related people, do not have any arrangements, oral or in writing, under which we are paid cash by, or receive any economic benefit (including commission, equipment or research) from a non-client in connection with giving advice to clients. We receive benefits from the services provided to us by broker-dealers as described under *Investment and Brokerage Discretion, and Proxy Voting*, above.

We have agreed to pay certain of our employees for each new client such persons obtain for us. In general, the payments are based on the amount of assets placed by the client with us for investment. Such employees will generally receive ongoing payments from us so long as such client is retained by us. We have entered into an agreement with a third-party broker-dealer whereby certain employees are licensed as registered representatives for purposes of sales activity with respect to the Investment Entities, as described under *Other Financial Industry Activities or Affiliations*, above.

We also may retain solicitors, including broker-dealers, to refer clients to us and/or enter into selling arrangements with such solicitors to sell interests in the Investment Entities. In general, payments to such solicitors may include a fixed fee, a percentage of amount invested and/or a percentage of the advisory fees earned by us on the accounts of clients referred by the solicitors or a percentage of the advisory fees earned by us on assets invested in the Investment Entities by investors in such entities. Cash payments made in respect of investments in the Investment Entities are paid by us rather than by the Investment Entities. Payment to solicitors will generally be made for so long as such clients are retained by us or invested in the Investment Entities, respectively. Payments for client solicitations will be made in compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940, if applicable. We may direct executions, which generate commissions, to broker-dealers that have referred clients or investors to us, and although we intend to obtain best execution, such transactions may or may not obtain best execution.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

We have a Code of Ethics that is based upon the following general fiduciary principles:

- A. THE DUTY AT ALL TIMES TO PLACE THE INTERESTS OF MARVIN & PALMER ASSOCIATES' CLIENTS FIRST;
- B. THE REQUIREMENT THAT ALL PERSONAL SECURITIES TRANSACTIONS BE CONDUCTED CONSISTENT WITH THIS CODE AND IN SUCH A MANNER TO AVOID ANY ACTUAL, POTENTIAL, OR PERCEIVED CONFLICT OF INTEREST OR ANY ABUSE OF AN INDIVIDUAL'S POSITION OF TRUST AND RESPONSIBILITY; AND
- C. THE FUNDAMENTAL STANDARD THAT INVESTMENT PERSONNEL SHOULD NOT TAKE INAPPROPRIATE ADVANTAGE OF THEIR POSITIONS

Under the Code of Ethics all our employees are deemed to be "Access Persons". The Code of Ethics prohibits Access Persons from purchasing or selling:

- Securities and related securities that are determined by our designated clearing person to be restricted.
- Securities and related securities for which a client has an outstanding order.
- Securities and related securities that were traded on the same day or the prior day, or that the Access Person knows or reasonably should know, are intended to be traded on the same day or the next day, by a client or for a client's account.

Trading in other securities is permitted with prior approval. Certain transactions do not require prior approval, including on-going participation in an issuer's dividend or stock purchase plan, any transaction over which the employee did not have any direct or indirect influence or control, involuntary transactions, such as mergers, inheritances and gifts and transactions involving the purchase and sale of certain debt instruments and of open-end investment companies so long as we are not adviser or sub-adviser to such investment company.

Unless specific permission is received, the Code of Ethics prohibits investment personnel from purchasing or selling:

- Securities being offered as a part of an initial public offering.

- Securities being offered in a privately placed transaction.

The Code of Ethics prohibits Access Persons from engaging in insider trading and from improperly disclosing information concerning clients' holdings and transactions.

The Code of Ethics requires Access Persons to make reports concerning their securities holdings within 10 days after the commencement of employment and annually thereafter. It requires Access Persons to make quarterly reports concerning securities transactions. The Code of Ethics relieves independent directors (non-employees) of the foregoing reporting requirements, except the annual reporting requirement, in most circumstances.

The Code of Ethics also regulates and requires reporting concerning gifts received from and made to persons with whom we do business.

The Code of Ethics also describes how we will manage trading for proprietary accounts.

Clients and prospective clients can obtain a copy of our Code of Ethics (which includes our Insider Trading Policy) and other compliance policies and procedures by making a request to their client service representative or our General Counsel: (1) by fax to (302) 573-8921, (2) by calling (302) 573-3570, (3) by email to [CorporateAffairs@mpainc.com](mailto:CorporateAffairs@mpainc.com) or (4) by writing to Marvin & Palmer Associates, Inc., 1201 N. Market Street, Suite 2300, Wilmington, Delaware 19801-1165, Attention: General Counsel.

We, or the people related to us, may recommend to clients that they buy or sell securities or investment products in which we, or the people related to us, has some financial interest. In addition, we may buy or sell for our own account, and the people related to us may buy or sell for their own accounts, securities that we also recommend to clients. The phrase "the people related to us" refers to our officers, directors, Advisory Board members, employees and any person who directly or indirectly controls us, is controlled by us or is under common control with us.

We are, or an affiliate of ours is, the general partner of the Partnerships, and we have an economic interest in the Partnerships, as described under *Fees and Compensation*, above. We and the people related to us may own or have an interest in client accounts. For example, some of our employees may have investments in mutual funds that we advise or sub-advise. Our policy is not to give preference to such client accounts over other client accounts. Our procedures for aggregating transactions and allocating the proceeds of transactions is described under *Brokerage Practices*, below, and our procedure for allocating IPO Shares is described under *Methods of Analysis, Investment Strategies and Risk of Loss*, above.

We, and the people related to us, do not act (1) as principal to buy securities for ourselves or sell securities that we own to any client, (2) as broker or agent to effect securities transactions for compensation for any client, or (3) as broker or agent for any person other than a client to effect transactions in which client securities are sold to or bought from a brokerage customer.

## **BROKERAGE PRACTICES**

We, and our related people, generally have authority to determine, without obtaining specific client consent, the broker or dealer to be used and the commission rates to be paid. Except as just described, we, and our related people, generally do not suggest to clients which brokers they should use. A client's guidelines, restrictions or limitations could have the effect of limiting the selection of brokers or dealers for such client's account.

With respect to the factors considered by us in selecting brokers and dealers to execute securities trades for our clients, and with respect to the fees to be paid to such brokers and dealers, we will place orders with firms based on the quality, quantity and nature of the services provided, including execution, clearance, wire service quotations and statistical and other research information provided to us. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. The following list describes the permissible types of research:

- Traditional research reports analyzing the performance of a particular company or stock
- Discussions with research analysts
- Meeting with corporate executives to obtain oral reports on the performance of a company
- Seminars or conferences
- Software that provides analyses of securities portfolios, corporate governance research (including corporate governance analytics) and corporate governance rating services
- Consultant advice with respect to portfolio strategy
- Financial newsletters and other financial and economic publications that are not targeted to a wide, public audience
- Trade magazines and technical journals concerning specific industries or product lines that are marketed to, and intended to serve the interests of a narrow audience
- Pre-trade and post-trade analytics
- Software and other products that depend on market information to generate market research, including research on optimal execution venues and trading strategies
- Advice from broker-dealers on order execution, including advice on execution strategies, market color and availability of buyers and sellers (and software that provides these types of market research)
- Market data, including stock quotes, last sale prices, and trading volumes, company financial data and economic data (e.g., unemployment, GDP figures)
- Reports and analyses on issuers, securities and the advisability of investing in securities that are transmitted through a proxy service

Any research information will be available for the benefit of all clients. Because this information is only supplementary to our own research efforts and still must be analyzed and reviewed by our personnel, the receipt of such information by us is not expected to materially reduce our expenses of servicing our clients. If we believe it to be in the overall best interest of our clients, we may place orders with brokers meeting the foregoing qualifications who charge higher commissions than we would be able to obtain if no weight were given to other services provided by such brokers. We consider the research that can be provided by a broker in determining where to execute trades. The amount of the commission charged must be reasonable in relation to the value of the brokerage and the research services provided.

A number of broker-dealers, through which we execute securities transactions for our clients' accounts, provide us with research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934. We have entered into arrangements with approximately seven broker-dealers under which these broker-dealers provide to us, without payment by us, services for which the broker-dealers normally charge a fee (such as providing access to a proprietary trading system or licensing the use of a securities index that is maintained and published by an affiliate – as distinct from other proprietary services as discussed below) or services that are generated by third-party vendors. Such services are provided to us in exchange for our executing securities transactions for our clients' accounts through such broker-dealers. The services provided under such arrangements include those described above. The broker-dealers provide their fee-bearing services, or pay for services provided by third-party vendors, by allowing credits equal to a portion of the commissions generated by the trading activity in the accounts of our clients. Such credits are known as "soft dollars". The amount of the credit that is allowed is generally expressed as a ratio of



commission dollars generated to soft dollar credit allowed. The broker-dealers provide credits to us at rates that range from 1.25:1 to 1.5:1. Some broker-dealers that provide services for a fee will express the cost in soft dollars as a multiple of the cash price - for example, if the cash price of a service is \$20,000, then the soft dollar cost would be \$30,000, with an implicit credit ratio of 1.5:1.

Third-party services that we propose to obtain under soft dollar arrangements are reviewed beforehand by our General Counsel, and services that we receive under soft dollar arrangements are reviewed at least annually. At the beginning of each year our traders put together a soft dollar budget, and through the course of the year they monitor the amount of commissions paid to brokers that provide third-party research under soft dollar arrangements.

In addition to the foregoing, broker-dealers may provide their own proprietary research products to us because we place our clients' trades with such broker-dealers but without any explicit agreement on our part to place trades or on the part of such broker-dealers to provide research.

The services we receive under such arrangements benefit all our clients. Accordingly, the benefits are not limited to just those clients in whose accounts commission dollars were generated to pay for the services provided. Clients may choose not to have commissions for their accounts used to generate soft dollar credits. Clients who elect not to have their trades used to generate soft dollars will not receive reduced commissions.

We also make cash payments to various vendors for services that may not qualify as research under Section 28(e).

In certain instances in which the services obtained are used for both research and non-research purposes, we make an estimate of the portion of the use that is for non-research purposes and pay a pro rata portion of the cost of the service in cash.

When we use client brokerage commissions to generate soft dollars that are used to obtain research and other products or services, we receive a benefit because we do not have to produce or pay for such research, products or services. This arrangement may tend to give us an incentive to select a broker-dealer based upon our receiving the research, product or service rather than on our client's interest in receiving the most favorable execution. We may cause a client's account to pay commissions to broker-dealers that provide research services that are higher than the commissions charged by other broker-dealers – a practice that is known as paying up. In practice we maintain a commission schedule that determines the commissions that we will pay in various markets regardless of whether the broker-dealer provides research, and we adhere to that schedule in most cases.

The research that we obtain under soft dollar arrangements benefits all clients and not just the clients whose commissions are used to generate soft dollar credits. Any given item of research will benefit in the same manner all accounts that are managed according to the same investment strategy. Accordingly, we do not attempt to allocate the research benefits obtained through soft dollar arrangements proportionately to the soft dollar credits that the accounts generate.

We rate all the broker-dealers that we use in terms of the quality of their transactions execution and the quality of the research that they provide, and we use this information to create an annual trading budget that indicates what portion of that year's transactions we intend to direct to each broker-dealer. We also create a soft dollar budget that shows the amount of commission dollars that we have committed to pay to each broker-dealer with whom we have a soft dollar arrangement. Depending upon the quality of service provided by a broker-dealer with whom we have a soft dollar arrangement, we may direct to a broker-dealer whose service is merely adequate just enough commissions to meet the soft dollar commitment, or we might direct a broker-dealer whose service is consistently good substantially more commissions than the minimum needed to meet the soft dollar commitment.

We may consider in selecting a broker-dealer whether we have received client referrals from the broker-dealer. The possibility that we might do so gives or may give us an incentive to select a broker-dealer because the broker-dealer has been helpful to us rather than based upon the client's interest in receiving the most favorable execution. In practice we do not use broker-dealers that provide substandard service. We did not direct client transactions on the basis of broker-dealer referrals during the last fiscal year.

With respect to directed brokerage, consistent with applicable law, clients are permitted to direct brokerage from their accounts to a specific broker or brokers for execution. If a client elects to direct brokerage transactions, we may not be able to obtain best execution for that client and the client may pay higher commissions because we cannot aggregate those orders with orders of other clients and because we have not participated in the negotiation of commission rates for those accounts.

We will aggregate transactions on behalf of our clients when we believe that aggregation is consistent with our duty to seek best execution for our clients and is consistent with the terms of our investment advisory agreement with each client for which trades are being aggregated. In connection with an aggregated order, we will prepare a written statement (the "Allocation Statement") that specifies which client accounts will participate in the aggregated order and the amount of securities intended to be purchased for each such account. If the aggregated order is filled in its entirety, the securities acquired will be allocated among the clients in accordance with the Allocation Statement. If the order is partially filled, the securities acquired will be allocated pro rata based upon the Allocation Statement, subject to rounding to assure that each account receives round lots. Round lots are allocated to client accounts participating in the aggregated order based upon the size of cash positions (relative to account size, instructions with respect to cash and anticipated cash needs) in such client accounts. In addition, if the partial filling of an aggregated order would result in a relatively small purchase by a client account (the "subject account") so that the custodian costs associated with such purchase might be unduly large in relation to the size of the purchase, the securities represented by such purchase may be allocated to other client accounts participating in the aggregated order based upon the size of cash positions (relative to account size, instructions with respect to cash and anticipated cash needs) in such client accounts, provided that portion of the allocation of the subject account remaining to be filled pursuant to the aggregated order will be increased to compensate for the amount of securities reallocated. Our books and records reflect, for each client account, the securities held by, and bought and sold for, such account.

We generally will compensate clients for any material losses resulting from trading errors caused by our negligence. Where a third party's negligence causes a trading error that results in a material loss to a client, we will attempt to recover the amount of the loss from the third party for the client, although we are not responsible for making the third parties compensate the clients in such cases. We will not compensate clients for losses from trading errors when we conclude that the loss is not material.

In connection with the advisory services that we provide to Model Portfolio Clients, we recommend which securities are to be bought and sold and the proportion of each security to be bought and sold in each account that is managed according to the Model Portfolio. The Model Portfolio Clients initiate all the purchases and sales of securities for such accounts and they determine the broker or dealer to be used and the commission rates to be paid.

## **REVIEW OF ACCOUNTS**

We review accounts each trading day to check compliance with clients' investment guidelines and restrictions and to monitor proper asset allocations, performance, asset mix, country weightings and strategy – both at the asset allocation level and at the individual security level. The firm's portfolio managers, all of whom are principals of our firm, review and direct the investments of client accounts. In general, accounts

may be one of four main investment mandates: U.S., non-U.S., global (which includes both U.S. and non-U.S. securities) or emerging markets. All the portfolio managers participate in the decisions affecting the firm's view of regions, countries and sectors. Individual accounts are team managed, and different groups of portfolio managers are involved in the management of the accounts according to the account's investment mandate. One portfolio manager is responsible for reviewing the country, sector and stock positions in each investment mandate. Jay Middleton reviews the U.S. mandate, Todd Marvin reviews the non-U.S. mandate, Stephen Marvin reviews the global mandate, and David Schaen reviews the emerging markets mandate. David Marvin, with the assistance of one or more other portfolio managers, is responsible for reviewing decisions with respect to forward foreign exchange contracts. An Investment Committee, chaired by David Marvin and consisting of all the portfolio managers, meets weekly to review the status of all accounts.

We send a report to each client at month's end setting forth the investments held in such client's account and the value of such investments. The report also provides monthly and cumulative performance results, as well as a comparison to relevant market performance and sets forth a general overview of market conditions and account activity. In addition, if requested, we provide a quarterly report to each client containing quarterly returns and a more detailed review of relevant market and account comparisons. A representative meets with each client upon request.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

In addition to management fees paid by clients, we receive research and other products and services from broker-dealers with whom we have soft dollar arrangements for placing our clients' securities transactions with such broker-dealers, as described under *Brokerage Practices*, above.

We pay some of our employees, and in some cases third-party solicitors, commissions in connection with the acquisition of new separately managed accounts, the addition of assets to separately managed accounts and the sale of interests in the Investment Entities. All such commissions are paid out of the management fees that we earn from our clients and the Investment Entities, and the clients and investors in the Investment Entities do not pay additional amounts in respect of those commissions. The practice of paying a commission to an employee or a third-party solicitor creates a conflict of interest because it creates an incentive for the employee or the solicitor to sell a service or an investment to a client or an investor regardless of whether acquiring the service or the investment is in the best interest of the client or investor. We address this conflict of interest by disclosing it to prospective clients and investors in this paragraph.

## **CUSTODY**

We are deemed to have custody of the assets held by the Emerging Markets Partners Partnership, the Emerging Markets Partnership, the Global Partnership, the Global Partners Partnership, the Non-U.S. Institutional Partnership, the Non-U.S. Partnership and the U.S. Partnership (collectively, the "Limited Partnerships") of which we or an affiliate serve as the general partner. All the assets of the Limited Partnerships are held by commercial banks or broker-dealers. We engage an independent accounting firm to audit the financial statements of the Limited Partnerships annually, and we send copies of the audited financial statements to all the limited partners. All disbursements from the Limited Partnerships are reviewed and approved by two independent accounting firms. Except as just stated, we do not take custody of our clients' funds or securities.

## INVESTMENT DISCRETION

We, and our related people, generally have authority to determine, without obtaining specific client consent, the following:

- Which securities are to be bought and sold;
- The amount of securities to be bought or sold;
- The broker or dealer to be used; and
- The commission rates to be paid.

Other than limitations imposed by applicable law, the only qualifications to our broad authority to determine, without specific client consent, the amount and type of securities to be bought or sold, the broker or dealer to be used and the commission rate to be paid are those contained in the specific guidelines, restrictions or limitations of the client relating to investments or brokers or dealers that from time to time we may agree to follow. Such guidelines, restrictions or limitations could have the effect of limiting the selection of brokers or dealers for such client's account or of limiting or otherwise affecting the types and amounts of particular securities to be bought or sold for such client's account or the prices at which such securities are bought or sold.

Before we exercise investment authority on behalf of a client, we negotiate and enter into a written investment management agreement that grants us the authority to exercise investment discretion and establishes limits on that discretion that have been agreed to by the client and us.

## VOTING CLIENT SECURITIES

We will make decisions on voting proxies in a client's account unless the client specifically directs otherwise. We have engaged the RiskMetrics Group ("RiskMetrics") to administer our proxy voting policy. When we are authorized to make decisions on voting proxies in a client's account, RiskMetrics votes according to our proxy voting policy and the guidelines contained in it. When a client instructs us to vote proxies according to the client's proxy voting policy, RiskMetrics votes the proxies in the client's account according to the client's proxy voting policy, which the client provides to us and we provide to RiskMetrics.

We will make all decisions about how to vote a proxy with respect to a client's account in accordance with the best investment interests of the client, including stated investment objectives and in accordance with applicable statutory and regulatory requirements, and client agreements, and the related factors that we believe to be appropriate, consistent with our fiduciary duties to our clients.

We will vote all proxies in the best interest of our clients. Generally, we will vote proxies as recommended by an issuer's management, although we will pay special attention to all proxies containing proposals that involve stockholder rights or the economics of an issuer, such as the election of an opposition slate of directors, a corporate restructuring related to a hostile takeover, or any proposal that does not appear to us to be in the best interests of stockholders. If management does not provide a recommendation, our policy is to vote according to RiskMetrics' recommendation.

A conflict of interest could arise if we had a reason for voting a proxy one way and our clients' best interests would be served by voting the proxy another way. Our proxy voting policy says that we normally vote with management, and our practice is to sell the securities of a company if we lose faith in the company's management. Given these facts, we believe that a conflict of interest is unlikely to arise. Our employees are prohibited from becoming the directors of a public company. Our proxy voting policy says that if a conflict of interest arises we will inform the client and seek the client's direction. If we do not receive a direction

from the client, our proxy voting policy says that we will vote as recommended by management or, if management does not provide a recommendation, we will vote according to RiskMetrics' recommendation.

Clients can obtain information on how proxies for their accounts were voted by making a request of their client service representative or our General Counsel: (1) by fax to (302) 573-8921, (2) by calling (302) 573-3570, (3) by email to [CorporateAffairs@mpainc.com](mailto:CorporateAffairs@mpainc.com) or (4) by writing to Marvin & Palmer Associates, Inc., 1201 N. Market Street, Suite 2300, Wilmington, Delaware 19801-1165, Attention: General Counsel.

Clients and prospective clients can receive copies of our proxy voting policy on request.

## **FINANCIAL INFORMATION**

Clients and prospective clients can receive copies of our audited financial statements on request.