



General Re-New England Asset Management, Inc.

Form ADV Part 2A

March 30, 2012

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This brochure provides information about the qualification and business practices of General Re-New England Asset Management, Inc. If you have any questions about the contents of this brochure, please contact General Re-New England Asset Management, Inc. at 860-676-8722. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

General Re-New England Asset Management, Inc. is a Registered Investment Adviser, registered with the United States Securities and Exchange Commission under the Investment Advisers Act of 1940. This designation does not imply a certain level of skill or training.

Additional information about General Re-New England Asset Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

There have been no material changes since the date of our last Form ADV Part 2A brochure dated March 30, 2011. There were a number of non-substantive clarifying changes.

Our brochure may be requested at any time, free of charge, by contacting our Chief Compliance Officer at 860-676-8722 or kmorais@gneam.com.

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Item 4 - Advisory Business

General Re-New England Asset Management, Inc. (GR-NEAM) is registered as an investment adviser with the Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940. We specialize in offering investment management services to the insurance industry.

GR-NEAM was founded under the name of New England Asset Management (NEAM) in 1984 by its current Chief Executive Officer, Gerard T. Lynch. In 1995, NEAM was acquired by General Re Corporation and renamed General Re-New England Asset Management, Inc. In December 1998, General Re Corporation was acquired by Berkshire Hathaway Inc., a publicly traded company. Our principal office is located in Farmington, CT, with a client service office in San Diego, CA.

In July 2009, GR-NEAM established GR-NEAM Limited, located in Dublin, Ireland, as a wholly owned subsidiary which began operations in January 2010. GR-NEAM Limited is regulated by the Central Bank of Ireland and is registered with the German Federal Financial Supervisory Agency in Germany and the Financial Services Authority in the United Kingdom.

Types of Services Offered

GR-NEAM offers Asset Management and Client Reporting services to our clients, as well as Enterprise Capital and Risk Management and Investment Accounting Services.

Asset Management Services/Client Reporting

GR-NEAM provides asset management services to clients. The services provided are specified in a written investment management agreement between GR-NEAM and each client. Clients authorize GR-NEAM to monitor and direct the investment of securities on a discretionary or non-discretionary basis, in accordance with written client investment guidelines and other client instructions or restrictions. GR-NEAM also provides clients with periodic client reports, market commentary and newsletters at no additional charge.

Fixed Income Mandates

GR-NEAM client portfolios are actively managed relative to benchmarks within a controlled risk framework. The key risks we consider in managing fixed income securities are duration, convexity, credit and structure. Our yield driven, total return investment process typically emphasizes “spread sectors” (corporate bonds, municipal bonds, mortgage backed securities, and other structured products) with the objective of enhancing portfolio yield and generating stable (or growing) levels of investment income. We believe that this approach generates competitive levels of total return over full market cycles.

Equity Mandates

GR-NEAM provides asset management services for a variety of equity strategies. These strategies include index replication using optimization technology, Exchange Traded Funds (ETFs), enhanced index replication and active management. GR-NEAM discusses the different choices of strategies with the client so the client can select one or more of these strategies in combination.

For clients who prefer generic equity exposure to one or more selected benchmarks, we use index ETFs or an indexed separate account. The choice between the two will depend upon size,

concentration limitations and tax considerations. Small accounts (under \$10 million) typically use ETFs since it may be difficult to achieve a satisfactorily low tracking error to the benchmark for such an account. For larger accounts we have constructed index funds from individual securities, by replicating the benchmark or, more often, sampling the benchmark to reduce the number of holdings. Finally, for sufficiently large accounts, tax considerations could favor the use of individual stocks over ETFs to allow for occasional gain or loss harvesting.

GR-NEAM's investment process for active equity management is the Focused Value Equity Management ("FVEM") strategy or the Dividend Select equity strategy. FVEM's investment objective is to apply a value driven approach for seeking out equity investments primarily among the top 1500 U.S. capitalized stocks and selected international stocks and construct a portfolio of investments that will outperform target peer groups and benchmarks with less volatility over full market cycles. The Dividend Select equity strategy is similar. The difference is that the objective is focused on investments that we expect to generate a higher dividend yield than the S&P 500.

Enterprise Based Capital Management Services

Depending on the complexity of a client's business operations, GR-NEAM may provide prospective and/or current insurance clients with an enterprise based asset allocation study. The study includes enterprise asset allocation work which is aligned with the client's corporate financial goals and risk tolerance, and encompasses enterprise based asset/liability analysis, portfolio optimization scenarios and financial statement simulation analysis.

Investment Accounting Services

In addition to our investment management services, GR-NEAM also offers assistance to insurance company clients in Schedule D data preparation on an annual and quarterly basis. Clients receive a hard copy of Schedule D data and can also access, via GR-NEAM's website, data formatted to the NAIC uniform filing, specifically for importing into the client's annual statement package software.

Pooled Investment Vehicles/Private Funds

GR-NEAM serves as general manager for several CDOs; certain clients are invested in the CDOs which are close to final maturity. GR-NEAM also serves as investment manager and managing trustee for the General Re-New England Asset Management Focused Value Equity Management Fund (the "FVEM Fund"). Several of GR-NEAM's clients are invested in the FVEM Fund.

The interests in these funds are offered as privately placed security offerings that are exempt from registration under the Securities Act of 1933, and the funds, therefore are exempt from the Investment Company Act of 1940 in reliance on an exemption from registration.

Management of Non US Dollar Assets - "Global Mandates"

Clients may utilize the services of GR-NEAM's wholly owned subsidiary, GR-NEAM Limited, to provide investment management services for non-U.S. dollar denominated investment mandates. Please see Item 10 for more information about GR-NEAM Limited.

GR-NEAM's tools and services have been built primarily for its insurance company clients. Therefore, services for non-insurance clients are tailored since certain services, such as assistance with investment accounting is not applicable.

Clients may impose restrictions on investing in certain securities or types of securities by notifying GR-NEAM in writing. If applicable, GR-NEAM then incorporates these client restrictions and constraints into our investment trading system to monitor and abide by such restrictions on an automated basis.

As of 12/31/2011, GR-NEAM managed \$55,721,430,005 of client assets on a discretionary basis, and managed \$29,089,981,563 of client assets on a non-discretionary basis for a total of \$84,811,411,568 in total assets.

Item 5 - Fees and Compensation

Fees are specified on a fee schedule within an investment management agreement signed with each client. GR-NEAM's fees are based on the market value of the assets in the account as of the last trading day of each calendar month. The month-end value of the client's assets are determined under the oversight of GR-NEAM's Pricing Committee.

Fixed Income Mandates

The standard advisory fees for new clients are based upon the following fee schedule for core fixed income portfolios:

25 basis points First \$50 million of market value of assets managed;
 20 basis points on next \$50 million of market value of assets managed;
 15 basis points on next \$150 million of market value of assets managed; and
 10 basis points above \$250 million of market value of assets managed.

The advisory fee schedule may also be subject to a minimum annual fee which varies, depending on the nature of the agreed upon fee schedule.

GR-NEAM may negotiate fees with clients to reflect certain circumstances that apply to a specific client or account such as the size and types of securities in the account. For example:

- fees for management of equities may differ from fees for management of other types of assets;
- fees may be subject to a minimum annual fee amount if a client's accounts only contain equity holdings;
- accounts with special investment guidelines or other circumstances or requirements may be charged differently based on the services rendered
- existing clients may pay different fees that are not available to new clients; and
- accounts managed for affiliates of GR-NEAM are charged differently.

Equity Mandates

GR-NEAM's fees for managing equity portfolios are:

Equity Management with Index/ETF Strategy

20 basis points First \$25 million of market value of assets managed;
 15 basis points Next \$25 million of market value of assets managed; and
 10 basis points Above \$50 million of market value of assets managed.

Focused Value Equity Management (FVEM) Strategy - Separate Account Basis

70 basis points First \$25 million of market value of assets managed
 55 basis points Next \$25 million of market value of assets managed; and
 40 basis points Above \$50 million of market value of assets managed.

Dividend Select Strategy

50 basis points of market value of assets managed.

This strategy requires a minimum \$10 million investment, which may be waived at GR-NEAM's discretion.

Fees are inclusive of all our investment management services, including access to the following CARA® analytical tools:

- **Market Monitors:** A collection of “rich/cheap” tools used to analyze broad market indices, yield curves, spreads and specific asset classes.
- **Risk Portal:** A comprehensive suite of reports to aid in managing and assessing the risk in a portfolio. The suite of reports covers many topic areas including summary analysis, comparison analysis, concentration risk, surveillance, quality & ratings, transactions and liquidity analysis.

If GR-NEAM provides investment accounting services, the client will also have access to:

- **Data Warehouse:** Ability to access holdings, analytics and security master details to develop and prepare reports to meet client's ad hoc reporting requirements.

Consulting Services

Fees may be charged for access to certain CARA® analytical tools or other consulting services. For access to certain CARA® analytical tools, fees are charged if GR-NEAM does not provide investment accounting services and the client requests that the unmanaged assets be included in the CARA® analytical toolset. The amount of the fee depends on the size of the portfolio, the nature of the underlying assets, and how frequently the unmanaged asset data is populated into GR-NEAM's system.

Other consulting services include impairment and cash flows testing analysis for client structured securities that are not managed by GR-NEAM. The amount of the fee is negotiated based on the number of securities reviewed, the type of analysis requested and the frequency of the analysis.

Fees for these consulting services are negotiated on an individual basis and payable either during the quarterly billing process, in agreed upon installments or once the project is complete.

Investment Accounting Services

Generally, the fee for investment accounting services is an additional 1 basis point on the market value of assets managed by GR-NEAM and accounted for, and 2 basis points on unmanaged assets but accounted for with a \$30,000 annual minimum. Depending on the date that investment accounting services begins, GR-NEAM may charge a one-time flat fee for conversion of the investment data into its accounting system.

GR-NEAM's fees are payable at the end of each calendar quarter for services provided by GR-NEAM during the prior three months. GR-NEAM sends quarterly invoices directly to the client for payment of fees. In any partial period, the fees are reduced pro rata based on the number of days the account was managed.

Clients may elect by written directive, for GR-NEAM's fees to be paid directly from their custodian account. For such arrangements, GR-NEAM sends the quarterly invoice to the client's

custodian with a copy to the client. The fees are deducted from the client's custody account and sent to GR-NEAM. GR-NEAM confirms that the custodian sends clients quarterly statements reflecting the fee deductions. .

In addition to GR-NEAM's fees, clients will incur custodial fees, brokerage commission for equity transactions, fixed income commissions (included in net price of bonds) and other costs and expenses related to securities transactions. To the extent that GR-NEAM invests client assets in exchange traded funds as part of our investment strategy, participating clients as well as all other holders of such funds will bear a proportionate share of the expenses of those funds. In general, GR-NEAM does not utilize mutual funds in its investment approach with the exception of money market mutual funds. Money market funds are typically used in connection with a client's custodial banking arrangements and GR-NEAM generally does not provide advice or recommendations on these funds. Certain of these funds may have conditions or restrictions regarding the purchase or holding of fund shares, including minimum purchase requirements and fees for redemption of shares within a specified period. Clients should carefully review the Fund's prospectus for details pertaining to fees and expenses. The charges, fees and commissions associated with funds are exclusive of and in addition to GR-NEAM's fee, and GR-NEAM does not receive any portion of these additional fees.

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

Investment management agreements may be terminated without penalty by either the client or GR-NEAM upon prior written notice (generally 30 days). Since fees are billed in arrears, clients will not receive a refund of advisory fees. Upon termination of the investment management agreement, any earned, unpaid fees will be due and payable. If the investment management agreement is terminated prior to month end, the fees for the final partial month are pro-rated and calculated based on the prior month end valuation.

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

Clients should be aware that performance-based fee arrangements may create an incentive to recommend investments which may be riskier than those which would be recommended under a different type of fee arrangement.

GR-NEAM charges different fee schedules for different accounts. Certain investment advisory clients are charged a flat fee and others are charged a fee based on the value of the assets in the account(s). Currently, none of GR-NEAM's investment advisory clients pay performance fees. GR-NEAM serves as general manager for several CDOs that have performance-based fees and may have an incentive to favor those accounts because the amount of compensation we receive from the CDOs is more directly tied to the performance of the securities in the accounts. GR-NEAM addresses the conflict of having different fee arrangements and avoids favoritism by aggregating and allocating similar trades when applicable, subject to GR-NEAM's trading and allocation procedures as further described in Item 12 - Brokerage Practices. This is monitored by the CEO performing an independent review of a daily trade report.

Item 7 - Types of Clients

GR-NEAM provides investment management services primarily to insurance companies (affiliated and unaffiliated with GR-NEAM). Other types of clients include corporations, pension/profit sharing plans, governmental entities, and high net worth individuals.

GR-NEAM prefers each new client to have an initial minimum asset account size of \$1 million to manage an account and does not impose minimum asset size conditions for maintaining an account.

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

Fixed Income Mandates:

GR-NEAM's decision-making and portfolio management process can be divided into four broad categories: "Enterprise Capital Return and Risk Management," "Policy and Strategy," "Portfolio Implementation" and "Investment Discipline":

Enterprise Capital Return and Risk Management Support Services

GR-NEAM's Enterprise Capital Return and Risk Management™ methodologies (ECRRM™) provide a framework and key analytics to assist institutional clients in achieving their financial goals. The scope of ECRRM™ methodologies embraces capital structure and allocation, asset allocation, product mix and design, reinsurance structures and acquisitions and divestitures.

Our enterprise-based framework is designed to meet the differing needs of insurance companies. The underlying technologies include optimization and financial statement simulation and stress testing of company balance sheets and investment portfolios. The framework can be adapted to multiple regulatory/jurisdiction and taxation schemes and is rating agency responsive.

Policy and Strategy

GR-NEAM's Policy Committee, comprised of members of Senior Management, meets monthly to review GR-NEAM investment policy based on prevailing economic policy. The committee formulates recommendations regarding portfolio duration, yield curve exposure and sector weightings. At a macro level, all aspects of investment decision making at GR-NEAM are predicated on achieving the client's investment objective(s), utilizing an integrated balance sheet approach. Our investment decision making, therefore, considers balance sheet, income statement and regulatory implications. Our portfolio analytical systems provide an opportunity for our clients to optimize their portfolios within external constraints, and also allow the client's business objective(s) and risk tolerance to be incorporated.

Portfolio Implementation

Utilizing the macroeconomic and capital market forecasts and recommendations from our Policy Committee, the Client Strategy group customizes and implements the fixed income investment strategy in client's portfolio tailored to each client's specific guidelines and constraints.

Once an objective has been determined, we can systematically generate an investment program intended to meet that objective within the client constraints. When portfolio rebalancing is undertaken, the optimization process will identify sales candidates from portfolio holdings and offsetting purchases utilizing GR-NEAM's reinvestment universe.

The Asset Class Specialists (traders) rely on quantitative tools and qualitative judgments when making security transaction decisions. Asset Class Specialists and Client Strategists meet as needed to review status or make any necessary adjustments to ongoing programs.

Investment Discipline

Our investment discipline for determining when to purchase or sell sectors or securities is one that utilizes both quantitative and qualitative measures. We use fundamental research, valuation models and an extensive historical securities database. We proactively attempt to identify and predict changes in credit ratings of particular bonds. Following from this quantitative screening process, we apply rigorous qualitative methods to validate our purchase or sell decisions.

GR-NEAM's fixed income investment strategy focuses primarily on high quality securities (average quality rating AA) and short-to-intermediate maturities to control volatility. Portfolio configurations do vary widely by account however, since each client has distinct objectives and benchmarks. Incremental returns are generated primarily through (i) a structural overweight to spread sectors, (ii) adjustments between sectors based upon spread relationships and supply-demand considerations and (iii) duration and yield curve adjustments based upon interest rate outlook and spread products.

The overall objective of GR-NEAM's fixed income credit process is to generate attractive yields (or spreads) in a controlled risk framework. Given that credit risk varies significantly by asset class, we have developed credit procedures which address the unique attributes of the major fixed income market sectors. Broadly defined, we segregate our credit processes into corporate obligations, structured securities and municipal securities.

GR-NEAM's investment process incorporates both the global economic environment and sector-specific considerations when determining appropriate interest rate, yield curve, and sector positioning. Our investment conclusions and recommendations are incorporated into client portfolios taking into account each client's operating results, tax considerations (if applicable), regulatory considerations, and investment guidelines. The client's benchmark, guideline constraints, legal entity framework, regulatory and/or accounting considerations and risk tolerance all influence GR-NEAM's ability to fully implement our preferred investment profile. In general, GR-NEAM's emphasis on providing attractive total returns via generation of high levels of investment income is an effective strategy over medium to long time horizons. Additionally, it allows us to meet client income targets. However, over shorter periods, particularly at times of high volatility, we would expect this approach to exhibit (perhaps material) market fluctuations which could result in underperformance versus a stated benchmark.

Equity Mandates

GR-NEAM's approach for equity investing is to combine quantitative analysis and qualitative judgments to make investment decisions on securities that we expected to produce material excess return compared to the benchmark (the S&P 500) over time. Quantitative tools are utilized within the first stage of our investment process to identify areas of particular opportunity. The universe of stocks we screen on a periodic basis is the top 1500 US stocks, together with certain foreign-domiciled issues. The screening criteria are typical valuation measures, primarily price/earnings ratios. Valuations are measured relative to benchmark valuations, principally the S&P 500, and Treasury bond yields. The most attractive candidates are then analyzed in more detail, including discounted cash flow internal rates of return on the current stock prices.

This completes the screening and quantitative part of our process. Such candidates are then subjected to the judgmental disciplines.

The qualitative, judgmental process is in our view as important, or more important, than the quantitative work. The role of a firm's competitive advantage is central to our confidence in our

ability to judge its economic value. The sources of research information that we use to make our investment decisions include primary sources, such as government economic data, company financials and disclosures, conferences, visits and telephone contact. We also use secondary sources, such as Wall Street, industry and academic research.

Our investment philosophy is a fundamentally driven, valuation based, controlled risk investment approach. We begin our research by screening the top 1500 U.S. capitalized stocks and selected international stocks on typical valuation measures. Next, we create a subset of stocks after evaluating capital allocation, earnings quality, changes in company fundamentals and other factors.

From there, we focus on return on capital as the essential profitability ratio as it measures a company's ability to generate cash flow relative to the capital it has invested. We study the trend, level and historical deviation of the return on capital as well as operating margins. We compare our valuation conclusion to a discounted cash flow internal rate of return. Lastly, we supplement our valuation work with a thorough analysis of company fundamentals, including evaluating the competitive environment and industry structure and creating a range of potential outcomes. In this way, we can develop conviction of the expected future cash flows and thus the intrinsic value of the company. Our fundamental analysis results in an actionable list of candidates with stable and/or improving return on capital, low valuation, and basing earnings.

Investing in all securities involves risk of loss that clients should be prepared to bear.

Investment in fixed income securities is integral to GR-NEAM's investment strategies. GR-NEAM focuses on credit risk, interest rate risk, pre-payment risk, liquidity risk, reinvestment risk and structural risk when analyzing fixed income securities.

Credit Risk: The risk that an issuer will fail to pay interest and or principal in a timely manner. Fixed income securities are subject to varying degrees of credit risk as illustrated by ratings assigned by national statistical rating organizations. Securities that are rated below investment grade bear the highest degree of credit risk. GR-NEAM may invest in non-investment grade and unrated securities if allowable per pursuant to individual client guidelines.

Interest Rate Risk: The value of fixed income securities is directly related to the level of interest rates. Consequently, fluctuations in rates will cause investment prices to fluctuate. Securities with the longest average lives (and/or "durations") will exhibit the most price volatility. Floating rate or variable rate instruments are less susceptible to price volatility vs. fixed rate securities since their coupon (cash flows) will adjust up or down periodically based on the general level of rates.

Pre-Payment Risk: This is the risk that a security's cash flows deviate from those originally anticipated due to a change in interest rates or due to structural characteristics (optionality) of the security.

Liquidity Risk: In some circumstances, the markets for fixed income securities can become "illiquid." In other words, the spread between the "bid" (level where a market participant would buy) and the ask (level at which one would sell) becomes very wide. In these instances, it may become difficult or even impossible to transact in the affected securities. Periods of diminished liquidity are relatively frequent and generally persist only for short periods of time.

Reinvestment Risk: This is the risk that future cash flows from existing investments may have to be reinvested at lower rates of return than the rates originally achieved. This risk is amplified in the case of securities which have embedded optionality which may cause prepayments to accelerate as rates decline.

Structural Risk: For structured securities, this is the risk that adverse developments in the collateral pool supporting the security put payment of interest and principal at risk for one or more classes of the structured transaction. We have devoted resources to monitor and efficiently assess structural risk for changes in underlying collateral.

GR-NEAM's investment strategies are also subject to the following risks:

Securities Investment Risk Generally: All securities investments include the risk of loss of capital. GR-NEAM believes that its investment approach and research efforts moderate this risk through a careful selection of securities.

Sector Risk: The risk that the value of securities in a sector or sectors is adversely impacted by developments specific to that sector. Examples of developments that might cause adverse outcomes on a sector's valuations include legislative actions, regulatory changes, tax or accounting changes and technical conditions specific to that market segment.

Currency /Country Risk: Investments in foreign currency-denominated securities are subject to the risk that those currencies will decline in value relative to the U.S. dollar. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons. This includes changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. Additionally, investments in non – U.S. markets in general may carry a high degree of risk, particularly those in “emerging” markets that may not have the depth and liquidity of markets in the U.S. or Western Europe.

Risk Management

No guarantee or representation is made that any of GR-NEAM's investment strategies will be successful. GR-NEAM utilizes risk management and risk measurement when analyzing fixed income securities for client portfolios. Our technology has been developed to provide daily review of the key risk characteristics of portfolios such as interest rate, credit and prepayment risk for individual securities. Risk reports display individual security and portfolio duration calculations, convexities, credit quality, book and market yields, gain/loss position on multiple accounting bases, horizon returns and key rate durations. These reports are available to clients through a secure web-enabled reporting platform on a password-protected basis.

In addition to the risk reporting capabilities, GR-NEAM has a quarterly process for the assessment of “other than temporary” in market value declines. This risk management process allows us to identify emerging credit trends that may result in sale recommendations on related impairment adjustments. Our credit risk management process leverages proprietary technology to provide advance warning signals to the investment group personnel of negative credit trends, so that appropriate portfolio actions may be taken in the impacted client accounts. This technology supports a qualitative /quantitative review for potential impairments that is available to the Client Strategy group.

GR-NEAM utilizes a trade order management system to monitor guideline compliance on a pre-trade and post-trade basis. Additionally, we utilize this system to monitor compliance with internally developed risk management guidelines. These risk management guidelines are applied to client portfolios to monitor that holdings are broadly diversified and do not contain undue risk concentrations.

Item 9 - Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of or the integrity of GR-NEAM or its management personnel.

Item 10 - Other Financial Industry Activities and Affiliations

Neither GR-NEAM nor any of its employees are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

GR-NEAM has the following relationships that we consider to be material to our investment advisory services and /or clients:

Other Investment Adviser:

GR-NEAM Limited, located in Dublin, Ireland, is a wholly owned subsidiary of GR-NEAM. GR-NEAM Limited serves as an asset manager to clients with non-dollar mandates and is regulated by the Central Bank of Ireland. GR-NEAM Limited is not registered with the SEC.

Global mandates exist when clients execute an investment management agreement directly with both GR-NEAM and GR-NEAM Limited. Each entity is responsible for meeting its responsibilities under its respective investment management agreement in accordance with applicable laws. Global mandates require coordination and communication between both entities to effectively manage the different currency portfolios and to optimally service client requirements and meet client expectations. Aspects of coordination may include for example the setting-up and transition of portfolios, the coordination of investment policy, the coordination of guideline compliance, cash-flow management, day-to-day management of the client relationship and most importantly, effective communications with the client.

GR-NEAM has entered into several services agreements with GR-NEAM Limited, including (1) an IT Services Agreement for assistance with data processing activities including systems and applications support, modifications, and equipment requirements; (2) a Legal Services agreement for assistance via its parent company with "in-house" legal advice on legal and regulatory issues relating to GR-NEAM Limited; and (3) an Accounting Services Agreement for GR-NEAM Limited to provide accounting services for certain clients. None of the fees incurred for these services are billed to clients.

GR-NEAM's relationship with GR-NEAM Limited may be material to its advisory business at any particular time depending on the number of GR-NEAM clients or the amount of GR-NEAM client assets managed by GR-NEAM Limited. GR-NEAM may recommend or select GR-NEAM Limited to manage the assets for those GR-NEAM clients that pursue non-U.S. dollar denominated investment mandates for all or a portion of their assets under management. GR-NEAM Limited will receive compensation in the form of advisory fees from such clients, which may indirectly benefit its parent, GR-NEAM.

Due to the additional economic benefit to GR-NEAM from recommending or selecting GR-NEAM Limited, a conflict of interest exists between the interests of our clients and the interests of GR-NEAM. GR-NEAM addresses this conflict by having clients execute the investment management agreement directly with GR-NEAM Limited and all fees are paid by the client directly to GR-NEAM Limited.

Pooled Investment Vehicle

GR-NEAM may recommend that clients invest in the FVEM Fund for which GR-NEAM earns investment management fees.

Due to the additional economic benefit to GR-NEAM from recommending investments in the FVEM Fund, a conflict of interest exists between the interests of our clients and the interests of GR-NEAM. GR-NEAM addresses this conflict by having the client read the entire Offering Memorandum and completing a Subscription document in making a determination to invest in the FVEM Fund. Additionally, when calculating assets under management for fee billing purposes, the client's holding in the FVEM Fund is excluded.

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

GR-NEAM has adopted a Code of Ethics (the "Code"), which sets forth standards of business and personal conduct for all supervised persons. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading and reporting procedures.

GR-NEAM's Supervised Persons are required to follow GR-NEAM's Code. All new Supervised Persons must certify that they read, understand and will comply with the terms of the Code; all Supervised Persons certify whenever the Code is amended, which is generally on an annual basis.

The Code incorporates the following general principles, which all Supervised Persons are expected to uphold and apply to all of their conduct:

- We must at all times place the interests of our clients first.
- All personal securities transactions must be conducted in a manner consistent with the Code and avoid any actual or potential conflicts of interest or any abuse of a Supervised Person's position of trust and responsibility.
- Supervised Persons must not take inappropriate advantage of their positions at the Firm.
- Information concerning the trading activities, identity of securities and financial circumstances of the Firm's clients must be kept confidential.
- Independence in the investment decision-making process must be maintained at all times.

As part of the Code, the Firm has adopted personal securities transaction and reporting policies. Each Supervised Person is required to report to the Firm securities transactions in personal

accounts as well as initial and annual securities holdings reports, which are subject to periodic review by the Compliance Department.

If there is a conflict by a trader relative to a transaction, the trader may not participate in the trading decision making process and will escalate to the head of trading to determine how to appropriately address the conflict. This includes situations where the trader has a business or personal relationship or other material interest in the client, the issuer or its affiliates.

It is GR-NEAM's policy that purchasing and selling the same security or its equivalent (including options and futures) within 30 days is not permitted.

Supervised Persons may not undertake business activities outside of the Firm that may cause, or appear to cause, any conflict of interest, and Supervised Persons must disclose and obtain prior approval from the Chief Compliance Officer to:

- serve on the boards of directors of any outside company
- engage in outside employment or receive compensation for services outside of GR-NEAM
- engage in outside business ventures (such as consulting engagements or public/charitable positions)
- accept any executorships, trusteeship or power of attorney (except for a family member)
- serve on a creditors committee except as part of the Supervised Person's duties at the Firm.

GR-NEAM's clients or prospective clients may request a copy of the firm's Code by contacting our Chief Compliance Officer at 860-676-8722 or kmorais@grneam.com.

Certain clients of GR-NEAM are investors in the various CDOs and/or the FVEM Fund which are managed by GR-NEAM. Therefore, conflicts may arise between a client's interest as investor, and GR-NEAM's duties and interests as portfolio manager for the CDOs and the FVEM Fund. To manage the conflict of interest when GR-NEAM traders buy, sell or hold securities for the funds that GR-NEAM traders also may buy, sell or hold for its other clients, traders aggregate trades when applicable, subject to GR-NEAM's trading and allocation procedures as further described in Item 12 - Brokerage Practices. The trading activities and allocations are monitored by the CEO performing an independent review of a daily trade report.

Personal trading by Supervised Persons is allowed, but client trades take priority over Supervised Persons' personal trading to reduce the conflict of interest.

GR-NEAM's Code is designed to seek to assure that the personal securities transactions, activities and interests of GR-NEAM's Supervised Persons 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.

GR-NEAM's Supervised Persons may buy, sell or hold securities in their personal accounts that GR-NEAM buys, sells or holds in client accounts. GR-NEAM addresses this conflict by maintaining a list of securities that have been bought or sold for client accounts and not allowing Supervised Persons to buy or sell any securities on this list until 2 days after trade date. This is controlled by requiring pre-clearance for personal trades and disallowing pre-clearance approval if the security is on the restricted list.

To manage the conflict of interest that arises if a trader has any personal ownership of the security the trader is buying or selling in a client account, the trader must obtain written pre-approval from the CEO or senior member of the trading group prior to executing.

GR-NEAM's ultimate parent company, Berkshire Hathaway Inc., is a publicly traded company. To manage the conflict of interest that arises if GR-NEAM is trading shares of its parent company, GR-NEAM refrains from trading in Berkshire Hathaway Inc. in our client accounts or from expressing an opinion on the investment.

Certain of GR-NEAM's clients are publicly traded companies. There is a conflict of interest if a Supervised Person personally transacts in securities of clients which are publicly traded. GR-NEAM addresses this conflict by maintaining a list of securities for any publicly traded clients and not allowing Supervised Persons to buy or sell any securities on this list. The Compliance Department also monitors this by requiring special pre-clearance approval by a member of the compliance department for personal trades in any insurance company.

The Compliance Department monitors reported personal securities trading activities. This includes a quarterly review of the reported trading activities of all Supervised Persons, compared to the pre-approval records.

GR-NEAM may recommend or effect the purchase or sale of securities that its affiliates buys, holds or sells for itself.

In addition, where investment opportunities believed by GR-NEAM to be desirable and appropriate for one or more clients are limited, GR-NEAM will allocate them among eligible clients (which may include clients affiliated with GR-NEAM) on a basis GR-NEAM believes to be fair and equitable. GR-NEAM affiliates also may participate with other GR-NEAM clients in aggregated orders pursuant to the procedures described in Item 12, Brokerage Practices.

In the course of providing its services, GR-NEAM and its affiliates may come into possession of material, non-public information which, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, GR-NEAM and its affiliates are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, including GR-NEAM's clients.

It is GR-NEAM's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer; GR-NEAM has no such affiliations.

Transactions internally crossed or effected between two or more clients are permitted, but only if the transaction is deemed appropriate and fair to both parties at the time of the transaction. Cross trades are completed through independent unaffiliated broker-dealers and are allocated among eligible accounts utilizing the same methodology used for other transactions. GR-NEAM does not receive any commissions or transaction based compensation from such trades.

Item 12 - Brokerage Practices

GR-NEAM has policies and procedures in place to monitor that transactions are completed on a fair and equitable basis, including oversight by the trading group supervisors for best execution for each client involved.

Unless otherwise directed by a client, GR-NEAM traders have discretionary authority to select the broker-dealer for trade executions that are on GR-NEAM's list of "approved broker-dealers".

The majority of transactions executed on behalf of our clients will be fixed income transactions effected on a principal basis, which generally have no stated commission. However, the price at which such fixed income transactions are executed usually includes a dealer commission or markup.

Although GR-NEAM generally seeks competitive commission rates and dealer spreads, it will not necessarily pay the lowest commission or commission equivalent. In any transaction for its clients, GR-NEAM uses reasonable diligence to ascertain the best market for the security and buy or sell in such market so that the resultant price to the client is as favorable as possible under prevailing market conditions.

In selecting brokers, dealers or banks to execute portfolio transactions for its clients, GR-NEAM seeks to obtain the best execution available. In so doing, GR-NEAM will consider all matters it deems relevant, which may include the following: GR-NEAM's knowledge of negotiated commission rates and spreads currently available; the character of the market for the security or instrument to be purchased or sold; the nature of the security or instrument being traded; cost (by comparing the yield or price of bonds of comparable quality, coupon, maturity and type quoted by various broker, dealers or banks), the size and type of the transaction; the desired timing of the transaction; the activity existing and expected in the market for the particular security or instrument; confidentiality of trading activity; the execution, clearance, and settlement capabilities, as well as the reputation, quality of service and perceived soundness of the broker, dealer or bank selected and other brokers, dealers or banks considered; GR-NEAM's knowledge of actual or apparent operational problems of any broker, dealer or bank; and the reasonableness of the commission, if any, for the specific transaction.

If GR-NEAM traders are working on a buy or sell program for a client that involves a high degree of concentration in any individual security, sector or state, best execution in the aggregate may be achieved by working with a more limited subset of dealers. Such a strategy may result in the client not achieving the best price on any individual transaction, but is expected to minimize the market impact of the execution

Transactions may involve specialized services on the part of the broker, dealer or bank involved, and thereby justify higher commissions or their equivalents than would be the case with other transactions requiring more routine services. For certain secondary market transactions where the execution capability of two broker-dealers is judged to be of substantially similar quality, GR-NEAM may randomly select one of them.

While GR-NEAM's traders are primarily responsible for the transactions of securities in client accounts, their actions must be consistent with GR-NEAM's policies and practices including gifts and entertainment activities which are subject to review by GR-NEAM's senior management.

A sampling of trades is reviewed quarterly by GR-NEAM's Policy Committee for overall execution quality. The Policy Committee also monitors and approves the broker-dealers on GR-NEAM's approved broker-dealer list.

GR-NEAM does not participate in soft dollar arrangements.

GR-NEAM does not receive client referrals from any broker-dealers or other third parties.

Clients may limit GR-NEAM's discretionary authority by directing GR-NEAM to use a particular broker, dealer or bank to execute transactions for its account. When a client directs the use of a particular broker, dealer or bank, GR-NEAM may not be in a position to freely negotiate commission rates or spreads, or to select brokers, dealers or banks on the basis of best price and execution. In addition, transactions for a client who directs brokerage may not be aggregated for execution with transactions in the same securities for other clients. As a result, directed brokerage transactions may result in higher commissions, greater spreads or less favorable net prices than would be the case if GR-NEAM were authorized to choose the brokers, dealers and banks through which to execute transactions from the client's account.

GR-NEAM's traders strive to aggregate individual account orders into larger orders in order to improve speed and efficiency of execution. At a minimum, orders are aggregated daily (each morning), but may be aggregated more frequently at the trading group's discretion. The decision to aggregate more frequently as additional orders are created depends primarily on two factors. First, the amount of open orders impacts the aggregation decision. If there are many orders and/or trades pending to fill those orders, the traders may decide to wait before they aggregate those orders in with existing orders. That is done in fairness to the accounts whose orders were submitted first. Additionally, there are instances where client strategists will indicate (via notations) specific requirements or preferences on certain orders. GR-NEAM traders may not be able to aggregate orders based on factors such as available cash in the account, account-specific investment guidelines, client directed securities purchase or sales and/or client imposed restrictions. In instances where aggregation is not appropriate or feasible, the traders will execute those orders separately.

When aggregating orders, each client participating in the aggregated order receives the same execution price. In instances where the orders are partially filled, we utilize a random allocation process to allocate bonds across participating accounts. The allocation logic chooses accounts at random and fills selected accounts to their minimum allocation level to avoid having allocations of odd or small lot sizes in client accounts. If there are additional bonds to allocate after each account receives its minimum, the remaining bonds will be allocated in the same sequence used in the original random allocation. Bonds will be allocated in that fashion until all securities have been distributed. In the case of equity transactions orders are allocated on a pro-rata basis, using each account's order size relative to that of the total order.

Item 13 - Review of Accounts

GR-NEAM implements the investment management and client service process through client-specific teams. Each client is assigned a Client Strategist who is responsible for conducting reviews to monitor that the client's accounts are being managed in a manner consistent with established objectives for the account per the client's written investment guidelines and the terms of the client investment management agreement.

GR-NEAM participates in regularly scheduled meetings with clients covering portfolio status, portfolio transaction activity, performance and risk analytics to keep clients informed of the investment policy and strategy being used in the management of their portfolios in accordance with client's stated investment guidelines. The Client Strategist and his/her team, including other investment professionals, are available to speak with clients on a daily basis.

GR-NEAM's Chief Executive Officer reviews and approves the daily transaction reports for all trades and the GR-NEAM's Chief Investment Officer also reviews and approves the equity trades. The reviews focus on consistency of portfolio investments with firm policy and asset allocations. The Client Strategists review client accounts on an ongoing basis for consistency with client guidelines, objectives and restrictions. GR-NEAM also performs documented reconciliations of client assets at custodian banks.

Client Reporting Package:

We work closely with our clients to produce a reporting package that meets their investment accounting and reporting needs. Each client is assigned an Account Manager who is responsible for preparing written client reports.

GR-NEAM's policy is to prepare accurate client reports and deliver them to clients on a timely basis, in accordance with the agreed upon delivery deadlines. The reports to be provided are agreed to by GR-NEAM and the client in each client's IMA and include: 1) monthly appraisal reports and detailed holdings reports, showing current book values, securities valuations, unrealized gains and losses, book yields and average life; 2) quality and maturity distribution reports and 3) performance reports.

Clients who receive investment accounting services generally also receive the following reports:

- Investment Income Earned;
- Securities on Deposit - By State;
- Summary of General Ledger Journal Entries;
- Trial Balance; and
- Schedule D data, including NAIC Rating information.

Clients generally agree to obtain the reporting package via the Firm's website, www.grneam.com. However, the Client has the right to request receipt of hard copies at any time.

Client Investment Committee Reports/Board Reports

In addition to our normal cycle of frequent communication, monthly reports and periodic client meetings, many members of the team are available on an as needed basis for on-site portfolio reviews and to discuss client needs and objectives. Board reports are prepared and generally include a capital market overview, summary of portfolio activity, review of transactions, presentation of performance and other issues of interest.

Access to GR-NEAM's Website – Reporting Portal

In addition to the client reporting package, GR-NEAM clients have access to GR-NEAM's risk reporting system on GR-NEAM's website. Risk reports display individual security and portfolio duration calculations, convexities, credit quality, book and market yields, gain/loss position on multiple accounting bases, horizon returns and key rate durations.

Current investors in the FVEM Fund receive a monthly report listing the value of their investment, an annual K-1 and a copy of the annual audited financial statements.

Item 14 - Client Referrals and Other Compensation

GR-NEAM does not receive any economic benefit from anyone who is not a client in connection with providing advice or other advisory services to our clients.

GR-NEAM does not compensate any person for client referrals.

Item 15 — Custody

Clients identify to GR-NEAM in the investment management agreement, the qualified custodian bank which holds their assets.

At a client's request, fee payments may be billed to the account custodian and debited from the client's account. In such arrangements, GR-NEAM's finance department sends a duplicate invoice directly to the client at the same time as the invoice is sent to the custodian. The invoice identifies the amount of the fees, the value of the account assets on which the fees are based and how the fees were calculated.

Clients with such a billing arrangement should receive account statements directly from the custodian at least quarterly.

We urge clients to carefully review these reports and compare the statements that they receive from their custodian to the reports that we provide, including the asset listing. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16 - Investment Discretion

GR-NEAM ordinarily exercises total discretionary authority over a client's account to make all investment decisions in compliance with the client's investment guidelines along with any written restrictions. Clients may limit this authority by giving us written instructions. For example, certain clients prefer that GR-NEAM obtain their approval prior to executing trades.

By signing the investment agreement, the client gives GR-NEAM discretionary authority at the outset of an advisory relationship. This authority gives GR-NEAM complete discretion to select the brokers, dealers, or banks, through which to execute transactions for the client's account. This authority also includes the execution of all documentation related to the purchase or sale, assignments, transfers and ownership of any securities, and documentation relating to restructuring, reorganization or other action of or relating to the issuer.

GR-NEAM obtains from its clients the names and specimen signatures of each individual who is authorized to give directions to GR-NEAM on client's behalf.

Item 17 - Voting Client Securities

Clients can request in their investment management agreement that GR-NEAM vote proxies on their behalf. It is the policy of GR-NEAM to ensure that all proxies for client securities are voted in the best economic interests of our clients. We seek to do this by ensuring that proxies are voted in a manner that, in our judgment, will further the objective of maximizing total return to the client as an investor in the securities being voted.

Proxy voting is guided by written proxy voting policies and procedures ("Proxy Policies"), including guidelines for voting certain specific types of proxy proposals ("Proxy Voting Guidelines"). We have engaged an independent third party vendor to develop Proxy Voting Guidelines and to vote each proxy in accordance with the Proxy Voting Guidelines. Our Policy Committee periodically reviews and approves the firm's Proxy Policies, reviews and approves the Proxy Voting Guidelines developed by the third party vendor and evaluates the performance of the vendor.

It is our policy to ensure that proxy voting decisions for our clients are not influenced by any material conflict between our interests and client interests. We avoid such conflicts of interest by ensuring that proxies are voted in accordance with the independent vendor's recommendations. If for any reason the vendor does not provide a voting recommendation on a particular matter, or in the event that the vendor's interests conflict with those of a client, we request client direction on how to vote or take other appropriate action to resolve the conflict as provided in the Proxy Policies. The proxy voting process is overseen by our Compliance Department.

To direct us to vote a proxy in a particular manner, clients should contact their Client Strategist and/or the Compliance Department.

If you would like a copy of the Proxy Policies, including Proxy Voting Guidelines, or if you are a client and would like information on how proxies were voted on your behalf, please contact us in writing, by calling 860-676-8722 or via email at kmorais@grneam.com.

GR-NEAM will not provide legal advice or act for Client in any legal proceedings involving companies whose securities are held in the client's account(s). This includes the filing of bankruptcy documentation or "Proof of Claims" in class action suits. If desired, clients may direct us to forward class action notices if such documentation is received by GR-NEAM. In such situations, GR-NEAM will forward documentation to client in a timely manner on a best efforts basis.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition.

GR-NEAM 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.