



McKINLEY CAPITAL MANAGEMENT, LLC

1. DISCLOSURE BROCHURE

McKINLEY CAPITAL MANAGEMENT, LLC

FORM ADV PART 2A: Uniform Application for Investment Adviser Registration

CRD 106173 SEC 801-138751

April 18, 2012

McKinley Capital Management, LLC (“McKinley Capital”) is a Registered Investment Adviser under the U. S. Securities and Exchange Commission (“SEC”) Investment Advisers Act of 1940.

The information contained herein is provided to Clients and prospective clients regarding the qualifications and business practices of McKinley Capital. The information in this brochure has not been approved or verified by the SEC, nor by any other federal or state securities related authorities. Questions, comments and request should be directed to the firm at:

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3301 C Street, Suite 500
Anchorage, AK 99503
Telephone: 907.563.4488

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www.mckinleycapital.com

Unless otherwise stated, all information is provided as of December 31, 2011.

Additional information is also available on the SEC’s website at: www.adviserinfo.sec.gov.

2. MATERIAL CHANGES 2012

- McKinley Capital changed the name of the Chairman's Opportunity Fund, L.P., a Delaware Limited Partnership, to the McKinley Capital Onshore Dividend Growth Fund.
- McKinley Capital established an office in Walnut Creek, California:
McKinley Capital Management, LLC
2121 N. California Boulevard, Suite 290
Walnut Creek, CA 94596
Telephone: 925.974.3315
Fax number: 925.974.3506
- McKinley Capital changed its Chicago, Illinois office address:
McKinley Capital Management, LLC
John Hancock Center
875 N. Michigan Avenue, Suite 3161
Chicago, IL 60611
Telephone: 312.794.7863
Fax number: 312.794.7868
- McKinley Capital closed the Small/Mid Cap Growth (SMID) Discipline in March, 2012.
- McKinley Capital initiated new solicitation relationships in 2012.
- McKinley Capital became registered/licensed in 2012 to conduct investment management business in Australia through the Australian Securities and Investments Commission.

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4. ADVISORY BUSINESS

THE COMPANY

McKinley Capital is registered as an investment adviser under the SEC Investment Advisers Act of 1940 (“Advisers Act”). McKinley Capital is an independently owned, private limited liability company. Robert B. Gillam founded Alaska based McKinley Capital Management in 1990 which is today, McKinley Capital Management, LLC, a single member managed Delaware limited liability company wholly owned by McKinley Capital Management, Inc., a Delaware corporation (MCM, DE). MCM, DE is wholly owned by employees of McKinley Capital and family trusts. 100% of the voting stock is held or controlled by or for the benefit of Robert B. Gillam. As of December 31, 2011, approximately 24% of the issued and outstanding non-voting shares of MCM, DE are held by or for the benefit of employees of McKinley Capital other than Robert B. Gillam. Robert B. Gillam remains McKinley Capital’s President and Chief Executive Officer (“CEO”).

INVESTMENT SERVICES

McKinley Capital is an independent global investment adviser that specializes in growth equities including U.S., non-U.S., active extension, and global strategies across all capitalization spectrums. The firm utilizes a disciplined quantitatively driven investment process across a diverse array of growth equity core and derivative investment products. McKinley Capital directs 100% of its resources to growth equity related investing, and can accommodate portfolios that include multiple disciplines. In addition to common stock equivalent investing, the firm also provides clients with specialized investing in government, social and corporate governance (“ESG”), leveraged products, short selling, swaps, futures, options, initial and secondary public offerings, private placements, non-exchange traded instruments, master and limited partnerships, real estate investment trusts, dividend enhancement portfolios, securities lending programs, and other customized management techniques.

The firm acts as an investment adviser to various types of institutional clients, individual clients, and registered and non-registered funds. (Please refer to item #7 for additional details.) McKinley Capital also participates as a sub-adviser in various wrap fee programs and provides emulation or model portfolios to clients. In addition, the firm is the general partner and/or investment adviser to multiple commingled investment funds including, but not limited to, offshore and onshore limited partnerships, a statutory trust and Ireland based Undertakings for Collective Investment in Transferable Securities (UCITS) funds.

CLIENT RELATIONSHIPS

McKinley Capital, within the scope of its quantitatively driven growth equity process and products, can tailor its advisory services to the individual needs of each client. The firm has experience constructing portfolios with environmental, socially responsible and other client imposed restrictions. Due to the need for additional supervisory and portfolio management oversight requirements for such accounts, McKinley Capital generally limits customized portfolios and other tailored services to institutional accounts. Most non-institutional accounts are managed according to McKinley Capital’s established firm guidelines within the designated discipline. McKinley Capital commingled funds are also available to clients.

WRAP FEE PROGRAMS

McKinley Capital participates in wrap fee programs by providing portfolio management services. The firm manages wrap fee accounts in the same manner as it manages other individual accounts within the same discipline. The services and reporting packages are individually agreed upon with each wrap

sponsor. Generally, wrap programs are considered to be directed brokerage accounts. McKinley Capital receives a portion of the wrap fee for its management services.

ASSETS UNDER MANAGEMENT

As of December 31, 2011, McKinley Capital managed approximately \$8.58 billion in discretionary assets. In addition, the firm manages several client accounts on a non-discretionary basis including several model portfolio arrangements (no assets held or managed) and a student directed academic/learning account for a university.

5. FEES AND COMPENSATION

Standard Fee Schedules

Non-US Growth

On amounts up to \$300 million

Cumulative Fee Schedule

Institutional Separate Account

First	\$ 10,000,000	0.75%
Next	\$ 15,000,000	0.65%
Next	\$ 25,000,000	0.60%
Next	\$100,000,000	0.50%
Next	\$150,000,000	0.48%

Non-US Growth

On amounts not less than \$300 million

Cumulative Fee Schedule

Institutional Separate Account

First	\$300,000,000	0.50%
Next	\$300,000,000	0.45%
Thereafter		0.40%

Non-US Developed Growth

On amounts up to \$250 million

Cumulative Fee Schedule

Institutional Separate Account

First	\$ 10,000,000	0.75%
Next	\$ 15,000,000	0.65%
Next	\$ 25,000,000	0.60%
Next	\$100,000,000	0.50%
Next	\$100,000,000	0.47%

Non-US Developed Growth

On amounts not less than \$250 million

Cumulative Fee Schedule

Institutional Separate Account

First	\$250,000,000	0.45%
Next	\$250,000,000	0.40%
Thereafter		0.37%

Global Growth

On amounts up to \$200 million

Cumulative Fee Schedule

Institutional Separate Account

First	\$ 10,000,000	0.750%
Next	\$ 15,000,000	0.650%
Next	\$ 25,000,000	0.600%
Next	\$100,000,000	0.500%
Next	\$ 50,000,000	0.480%

Global Growth

On amounts not less than \$900 million

Cumulative Fee Schedule

Institutional Separate Account

First	\$900,000,000	0.350%
Thereafter		0.320%

U.K. Growth in GBP

Cumulative Fee Schedule

Institutional Separate Account

First	25,000,000	0.70%
Next	25,000,000	0.65%
Next	100,000,000	0.55%
Next	100,000,000	0.50%
Thereafter		0.45%

Global Growth

On amounts not less than \$200 million

up to \$900 million

Cumulative Fee Schedule

Institutional Separate Account

First	\$200,000,000	0.500%
Next	\$100,000,000	0.450%
Next	\$100,000,000	0.400%
Next	\$100,000,000	0.350%
Next	\$100,000,000	0.300%
Next	\$100,000,000	0.250%
Next	\$200,000,000	0.225%

U. S. Equity Income Growth

Fee Schedule

Institutional Separate Account

Flat	\$ 10,000,000	0.50%
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Non-U.S. Developed Growth 130-30

Cumulative Fee Schedule

Institutional Separate Account

First	\$ 50,000,000	1.50%
Next	\$100,000,000	1.10%
Thereafter		1.00%

U.S. All Cap Growth

Cumulative Fee Schedule

Institutional Separate Account

First	\$ 10,000,000	1.00%
Next	\$ 15,000,000	0.85%
Next	\$ 25,000,000	0.60%
Next	\$100,000,000	0.50%
Over	\$150,000,000	Negotiable

U.S. Large Cap Growth

Cumulative Fee Schedule

Institutional Separate Account

First	\$ 10,000,000	0.70%
Next	\$ 15,000,000	0.60%
Next	\$ 25,000,000	0.55%
Next	\$100,000,000	0.50%
Over	\$150,000,000	Negotiable

U.S. Small Cap Growth

Cumulative Fee Schedule

Institutional Separate Account

First	\$ 10,000,000	1.00%
Next	\$ 15,000,000	0.85%
Next	\$ 25,000,000	0.75%
Next	\$100,000,000	0.60%
Over	\$150,000,000	Negotiable

U.S. Equity Income Accounts

Cumulative Fee Schedule

Individual (non-institutional) and Wrap Account

First	\$ 1,000,000	0.65%
Next	\$ 1,000,000	0.55%
Thereafter		0.50%

Equity Wrap Accounts

Cumulative Fee Schedule

Individual (non-institutional) Separate Account

First	\$ 500,000	1.00%
Thereafter		0.75%

McKinley Capital ceased to market and closed the Small/Mid Cap Growth (SMID) Discipline in March, 2012 and no longer publishes a fee schedule for that product. There are no longer any clients invested in this product. The firm continues to manage its Small Cap Growth and other product disciplines.

McKinley Capital acts as a subadviser for various registered investment company funds. Fees vary depending on the level of assets managed and the products and services provided. Separate account fees do not necessarily apply to subadvised relationships. Individual fund management fees are fully disclosed and are included with each fund's prospectus disclosure document.

McKinley Capital provides non-discretionary investment advisory services to several registered /non-registered investment funds. Fees vary depending on the level of assets and the products and services provided. Institutional and individual account fees may not apply to non-discretionary investment advisory service relationships. Fees for these services may be higher or lower than those stated above.

McKinley Capital acts as an investment adviser to non-registered funds, trusts and family of funds complexes. Fees vary depending on the level of assets managed and the products and services provided. Separate account fees do not necessarily apply to fund relationships. Fees for these services may be higher or lower than those stated above.

McKinley Capital acts as the General Partner for certain non-registered funds and family of funds complexes to which it also provides investment management services. Currently, McKinley Capital manages commingled funds in the international growth, global growth, non-U.S. growth, dividend growth, emerging markets and 130-30 disciplines.

In certain circumstances, the firm may charge an investment adviser fee for a separate account and an affiliated commingled fund may charge clients for investments in that fund. In other instances, some or all fund related management fees and administrative charges may be waived or reduced. Fee reductions, waivers and other charges depend on a number of investment factors, including, but not limited to, total assets managed, and the type of products and services provided.

As the non-registered funds are considered to be private placements and only open to qualified investors, marketing information and fee schedules are not publicly available. Individual fund management fees are fully disclosed and are included with each fund's disclosure documents. Inquiries regarding these investment vehicles should be directed to McKinley Capital.

McKinley Capital acts as the investment adviser to McKinley Capital Management Funds, plc (the "Funds") and manages its Irish registered Undertakings for Collective Investment in Transferrable Securities (UCITS). Fees are negotiable and vary depending on the type of investment strategy and services, and level of assets managed. Separate account fees do not necessarily apply to fund relationships. Individual fund management fees are fully disclosed and are included with each fund's prospectus disclosure document. McKinley Capital may, in limited circumstances, enter into other management fee agreements with individual UCITS fund shareholders who may also be clients of McKinley Capital.

McKinley Capital does not act as a marketer or distributor for the Funds, but may in limited situations, and if directly approached by the client, provide additional services, fee considerations and incentives to advisory clients who are also investors in the Funds.

McKinley Capital acts as portfolio manager on several wrap fee programs. Fees for wrap programs will vary depending on the product and services provided, and total size of the assets managed by McKinley Capital. Wrap investors should consult the individual wrap program sponsor for complete fee information. McKinley Capital will rely upon the wrap program's sponsor's client account suitability pre-

clearance. McKinley Capital will not be responsible for individual suitability for wrap account investments as long as the investments comply with the product's guidelines and restrictions.

In addition, McKinley Capital markets its products and services to individuals and high net worth clients. Fee schedules for individuals are similar to Wrap Account arrangements, and not all products or level of services may be available. Specific client requirements and suitability factors may affect McKinley Capital's ability to provide any investment services.

McKinley Capital may, in limited circumstances, waive its management fees normally charged to an individual client account.

Comparable services may be available from other sources at higher or lower fees for the same or similar investment services

McKinley Capital will only engage in revenue sharing plans and/or solicitation arrangements with brokers, broker-dealers, custodians, consultants, auditors, similar business associations or third-party solicitation arrangements to the extent permissible by SEC regulation.

McKinley Capital reserves the right to negotiate fees and minimal requirements for all accounts and all products. Fees may vary due to the circumstances of the client, including but not limited to, the existence of multiple accounts with McKinley Capital, the custodial arrangements and client servicing requirements.

FEE INVOICES

Management fees are assessed and invoiced in accordance with each individual agreement. Clients may be billed directly or indirectly via a third party designee, custodian or consultant. In addition, fees may be invoiced monthly or quarterly in advance or in arrears as pre-defined in writing with the client. Clients may also designate in writing that the fees may be automatically and directly debited from the stated custodial account. In such instances, McKinley Capital will send the invoice to the client's custodian and the custodian will debit the client account for the amount and forward it to McKinley Capital.

Certain individual clients may be invoiced in advance for periods up to but no longer than three months in advance (a calendar quarter in advance). A client agreement may be terminated at any time by mutual consent of the parties, or without such consent, by either party giving to the other thirty days written notice of termination (unless the investment advisory agreement specifically states otherwise). Termination of the agreement shall not, in any case, affect or preclude the consummation of any transactions initiated prior thereto. If the agreement is terminated, any unearned portion of a prepaid management fee will be refunded on a pro-rata basis from the date of closure to the client.

Clients are responsible for all trading related commissions and similar fees and charges, custody and all other investment related services and relationships not specifically included in the McKinley Capital agreement.

6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

McKinley Capital engages in performance-based fee arrangements with certain registered funds, commingled funds and separate institutional client accounts, in accordance with Rule 205-3 under the Advisers Act. Performance-based fees are based on a percentage of the capital appreciation of the assets

in a fund or accounts. Performance fees vary but are typically 20% of assessed profits. These fees are specific to each Fund strategy or discipline, may include hurdle rates or high water marks, are paid in arrears according to the agreed upon terms and may be significantly higher or lower than asset-based fees.

POTENTIAL FOR CONFLICT OF INTEREST

A performance-based fee arrangement inherently creates a conflict of interest for the investment adviser because of the potential for higher compensation for accounts that perform exceptionally well or at least better than asset-based fee accounts. For example, McKinley Capital may have an incentive to direct potentially better investments and/or continually allocate favorable trades to performance-based fee accounts.

McKinley Capital recognizes that it must closely monitor such accounts to ensure that potential conflicts are adequately managed.

- All accounts within the discipline (i.e. all U. S. small cap growth accounts) are managed in the same manner, and the same trading policies and procedures are applied.
- All accounts are reviewed by the portfolio team daily and dispersion between accounts within a discipline is monitored on a monthly basis. Material exceptions are brought to the attention of the Chief Investment Officer for further review.
- Portfolio managers, working within a team structure, are required to act in the best interests of all clients regardless of the fee structure. Incentive based compensation for performance-based portfolios is only a small portion of the overall management compensation package.
- Trading based policies and procedures are fairly and consistently applied across all accounts regardless of the fee based structure. Accounts treated on an exceptional basis would be noted in the following day's portfolio and compliance review and immediately reviewed and addressed.

Client transactions are supervised and periodically reviewed to ensure potential conflict of interests between McKinley Capital, any employee, and the issuer are adequately addressed. In the event a conflict arises, the client would be contacted to discuss possible resolutions.

LONG-SHORT PORTFOLIO MANAGEMENT

McKinley Capital manages both long-only portfolios and long-short portfolios and may simultaneously hold the same security in fully owned portfolios and short margined portfolios. There is a possibility that the portfolio management team may decide that a long-short portfolio should sell or sell short a security while the long-only portfolios continue to purchase or hold the same security. In order to avoid trading, cross trading, and pricing conflicts in such situations, McKinley Capital will not enter or execute an opposite-side of the market order for one strategy while a security is being actively traded in another strategy. For example, if the firm has a buy order on the desk for a security in the long-only strategy, the trading desk will not normally accept any sells or shorts for that same security in the long-short strategy until after the purchase is completed.

All accounts within each discipline are jointly and actively managed for available cash, deposits and withdrawals. Therefore, there is always the opportunity for one client's account to be purchasing a security while another account may be selling the same security. In such instances, the trading desk will ensure that all orders are put out to the applicable broker for execution in the open market.

Cross trading may be permitted on an exception basis but only in accordance with trading policies and procedures and the approval of Compliance.

7. TYPES OF CLIENTS

McKinley Capital provides investment management services to institutional, individual and high net-worth investors. Since its inception in 1990, McKinley Capital has been awarded substantial mandates from a diverse group of institutional clients, consisting primarily of foreign and U.S. domiciled corporate, state or municipal government and public retirement plans, foundations, charities, endowments, Taft Hartley, union, private investment funds, partnerships, trusts, public and private education plans, registered, and non-registered funds, and sub-advisory relationships.

While McKinley Capital has a greater number of individual, high net-worth and wrap program clients, the majority of assets under management are for institutional accounts. The firm has a diverse array of client types and broad diversification among the top 10 institutional clients.

Current Wrap Programs include:

- Envestnet Premier Asset Management Program
Sponsored by Envestnet Asset Management
- SEI
Sponsored by SEI
- Advisors Services & Investments, LLC
Sponsored by Schwab Institutional
- LPL Manager Access Select
Sponsored by LPL Financial LLC
- LPL Manager Select
Sponsored by LPL Financial LLC
- Wells Fargo N.A. Investment Management
- Wells Fargo Masters

McKinley Capital reserves the right to waive minimum investments for initial and on-going relationships. Not all products offer the same exact investment services.

The suggested minimum investment level for individual and wrap accounts is generally \$150,000 for U.S. equity income, \$200,000 for equity growth and \$250,000 for U. S. large cap, global and Non-U.S. growth programs. Each individual wrap program clearly defines its minimums in the account documentation provided by the wrap sponsor.

The suggested minimum investment level for institutional accounts is \$10 million, with the exception of the Non-U.S. Growth and Non-U.S. Developed Growth disciplines which request a minimum investment of \$50 million.

Non-registered Commingled/Pooled Fund investments are available only to qualified investors and minimums range from \$500,000 to \$5 million depending on the investment.

McKinley Capital acts as the general partner for various limited liability partnerships. Investment limits and guidelines are included in the applicable offering memorandum. Please refer to Item 10 for details.

McKinley Capital acts the sub-adviser to various U. S. domiciled registered funds. Investment fees, limits and guidelines are included in the applicable prospectus.

McKinley Capital acts the investment adviser to various foreign domiciled registered (UCITS) funds. Investment limits and guidelines are included in the applicable prospectus.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

McKinley Capital invests primarily in growth equity related disciplines. This includes listed and over-the-counter equities and related derivatives and swaps. The firm reserves the right to invest in other financial instruments including but not limited to, warrants, rights, equity-linked instruments, corporate debt, commercial paper, certificates of deposit, municipal securities, investment company securities, U. S. government securities, futures, limited partnerships, registered and non-registered commingled funds, exchange traded funds, and public securities offerings if deemed appropriate and consistent with the specific product's investment guidelines and protocol.

McKinley Capital uses a proprietary quantitative based model screening process with a qualitative overlay to construct and manage firm disciplines and investment portfolios. Modern Portfolio Theory (MPT) is applied along with additional multi-factored processes to create the disciplines unique to McKinley Capital.

The McKinley Capital process is designed to capture excess returns (consistent with the idea that markets are inefficient) based on a combination of return/risk analysis that identifies stocks that outperform the benchmark index and the misidentification of earnings acceleration potential. Focus is on relative rather than absolute rates of acceleration because the firm believes these are better predictors of future relative performance. McKinley Capital believes its philosophy will be successful versus the competition in large part because its process is systematic and therefore repeatable.

Investment decisions for traditional disciplines are based on the philosophy that excess market returns can be achieved through the construction and active management of a diversified, fundamentally sound portfolio of inefficiently priced common stocks whose earnings growth rates are accelerating above market expectations.

McKinley Capital uses a bottom-up growth approach to portfolio management. Attribution based on style and risk factors demonstrate consistently high exposure to growth factors such as momentum, earnings growth and selection. The output of the quantitative research effort produces a nominated securities list by screening the entire universe of investable securities on a weekly basis. Further qualitative analysis by the portfolio management and qualitative research analyst teams is restricted to this narrow list of candidates. The quantitative process is one of "selection" while the qualitative process is one of "elimination."

McKinley Capital has several disciplines which specialize in alternative investment strategies. These customized products use a combination of equity growth core portfolios and related derivatives and swaps whose values are linked to certain dividend paying equities. Leverage may or may not be permitted in individual portfolios. The objective is to capture dividends based on the ability to forecast dividend streams and purchase them at a discount to the stream of income actually paid over time. Dividends provide an inflation hedge while not suffering from multiple contractions and future risk premium associated with equity pricing. Dividends are attractive to long-term investors as they exhibit low correlation to commodities, short term bond rates and corporate bonds.

Investment Process: Quantitative

Risk-Adjusted Returns:

Using proprietary quantitative models, McKinley Capital systematically searches for and identifies signs of accelerating growth. Its initial universe consists of approximately 10,000 U.S. stocks and 30,000 non-U.S. stocks, including growth and value stocks from all capitalization categories in more than 60 countries. The primary model includes a risk-adjusted relative return measurement to identify common stocks that are inefficiently priced in the client's base currency relative to the market while adjusting for risk.

Liquidity

The candidates are filtered and scrutinized for liquidity factors including, but not limited to the following: marginable securities only, initial minimum market capitalization equivalent to USD \$100 million, and buy-in positions not to exceed three times average daily trading volume.

Earnings

The firm's earnings model identifies securities with strong earnings growth acceleration. McKinley Capital searches for substantive reasons for continued acceleration in each stock by reviewing forward estimates of earnings, cash flow, and/or revenue growth models, percent surprise, and superior characteristics of revisions. The focus is on relative forward growth as opposed to historical and absolute growth.

Investment Process: Qualitative

The qualitative review begins after the quantitative process has identified candidates for possible inclusion in the portfolio. The purpose of the qualitative analysis is to confirm that the earnings picture revealed through the quantitative analysis is both reasonable and sustainable. New ideas are taken from the quantitative screening process but confirmed qualitatively.

The portfolio team focuses their attention on the qualitative portion of the discipline, which involves the following:

Qualitative Data Check:

- Compare data across multiple sources to ensure accuracy
- Review formulas to highlight drivers

Street Research Overview:

- Who: Determine the top analyst
- What: Top analyst's expectations vs. the Street's
- Why: Why the top analyst's opinion is different from the Street's
- Cross Reference: Research the top analyst's opinion and other sources

The final portfolio is a concentrated pool of securities providing diversification and risk control by systematic exposures such as issue, industry, sector, and country.

Sell Discipline:

Sells are triggered by the following strict objective criteria:

- A consecutive and sustained deterioration in risk-adjusted relative return
- Estimate deceleration
- Negative earnings surprises
- Relative forward valuation multiples exceeding relative forward growth estimates
- Risk controls
- Fraud (earnings re-statements)
- Country factors (nationalization, capital controls, etc.)

Research

Qualitative research is performed by the portfolio management and qualitative research analyst teams. Typically, research is not conducted in the traditional sense of visiting companies. Instead, the research staff and systems support the portfolio team by providing them with meaningful investment data linked to and coordinated from a wide variety of sources. Specific research is directed towards the application of financial database screening tools, proprietary models, and analyst earnings expectation analysis.

Research Technology

The list of technology sources includes but is not limited to: 1) Thomson Reuters; 2) FTSE, MSCI, Barra Russell, Worldscope, and Bloomberg for general and benchmark fundamental, liquidity, and index information; 3) I/B/E/S, Reuters and StarMine for earnings revisions estimates, earnings forecasts and surprises; and 4) SAS, APT, Barra, Factset, and ClariFI for back testing portfolio construction and risk management. In addition, the firm employs numerous proprietary processes to compile and present data from various sources. Bloomberg is the primary pricing source but the firm may engage a third-party pricing vendor when appropriate.

Important Disclosure

No security is profitable all of the time and there is always the possibility of selling it at a loss. Past performance does not guarantee future returns. Future investments may be made under different economic conditions, in different securities, using different investment strategies. Global investing also carries additional risks and/or costs including but not limited to, political, economic, financial market, currency exchange, liquidity, accounting, and trading capability risks. Investing in securities involves the risk of total investment loss that clients should be prepared to accept. The use of leverage in any portfolio carries additional loss potential.

Investment Risks

Risk assessment and risk control are essential to McKinley Capital's style and disciplines. McKinley Capital continually reassesses and addresses primary investment risk elements throughout the trading day.

While McKinley Capital seeks to minimize the risk of loss to clients in a declining market, the factor risk exposure to Momentum, Growth and Selection cannot be totally eliminated. Client portfolios may underperform if these specific risk factors do not perform according to expectation. In addition, active investment management may lead to higher transaction expenses and market impact costs.

McKinley Capital's core equity products generally consist of publicly held equities that are liquid and trade in well established markets. If for any reason a security is not actively traded, its valuation is addressed by the McKinley Capital Fair Value Pricing Committee.

Business Interruption risk may be defined as an external event that reduces access to the tools and data used to construct the firm's proprietary investment process, or that may reduce access to available marketplaces.

McKinley Capital's alternative investment portfolios may include derivatives, swaps, and other non-traditional instruments that carry additional and unique investment risks. As alternative instruments involve special risks and costs, losses greater than the original investment or assignment of the underlying position are possible. The price of any such instrument may move unexpectedly, adversely, and more quickly than a traditional equity, especially in abnormal market conditions. In addition, correlation between a particular derivative and the underlying asset or liability may negatively affect expectation. Alternative investment portfolios may also be "leveraged or margined", which magnifies or otherwise increases potential loss, charges and fees. Further, derivatives involve legal risk which is the risk of loss due to the unexpected application of a law or regulation. This short description does not include all associated risks and every client should carefully consider its investment objectives along with these and other incremental risks prior to investing in alternative investments.

Counterparty risk is defined as the potential an investment firm that holds the other side of an over-the-counter transaction, trades with, or custodizes assets on behalf of McKinley Capital, will be unable to meet its commitments. Counterparties are frequently reviewed by the Trading Committee, senior management, the trading team and compliance. All firms must be well established in the market place, appropriately well managed and adequately funded.

Currency risk exposure is typically client portfolio transaction based. McKinley Capital manages unhedged portfolios, although currency impact is considered at two separate points within the discipline and is a residual of its bottom-up investment process. However, the firm has the systems and dedicated foreign exchange trading expertise in place to provide for currency hedging and may do so in the future.

Compliance risk is defined as the failure to follow specific client, portfolio, and regulatory guidelines. Compliance risk management is a component of McKinley Capital's policies and procedures, which are all designed to sufficiently and effectively address the protection of client assets. Overall, McKinley Capital believes that applicable client investment and firm management risks are adequately addressed, monitored and supervised and continually reassessed and reevaluated.

Separate account investment risks are specific to the discipline and explained to clients prior to signing a management agreement. Additional risks associated with investing in other types of investments such as limited partnerships, non-registered funds, or other specialized funds or programs, may require additional disclosure which is included in the offering memorandum, program documentation or prospectus.

Client Restrictions

McKinley Capital monitors for compliance with the various investment limitations on a daily and weekly basis. Portfolio Managers ("PMs") and Portfolio Assistants ("PAs") each check for compliance with applicable rules before the trade is submitted to the trading desk for execution. On a weekly basis, the compliance officer performs additional compliance testing.

9. DISCIPLINE INFORMATION

None to report.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As noted in Item #4, McKinley Capital is a wholly owned subsidiary of McKinley Capital Management, Inc., a Delaware corporation.

McKinley Capital's sole business is in investment advisory services.

McKinley Capital acts as the general partner for various limited partnerships and trusts. Investment limits and guidelines are included in the applicable offering memorandum.

McKinley Capital International Growth Fund, L.P.

Domiciled: U.S., account at U.S. Custodian.

Where the fund is invested: Across non-U.S. and developed and EM markets (certain non-U.S. exposure (ADRs) may be held in the U.S.).

McKinley Non-U.S. Developed / (130/30) Growth Master Fund, L.P.

Domiciled: Cayman Islands, account at U.S. Prime Broker.

Where the fund is invested: Across developed markets within EAFE plus Canada.

McKinley Non-U.S. Developed / (130/30) Growth Onshore Fund, L.P.

Domiciled: U.S., account at U.S. Prime Broker.

Where the fund is invested: Across developed markets within EAFE plus Canada.

McKinley Global Growth Master Fund, L.P.

Domiciled: Cayman Islands, account at U.S. Custodian

Where the fund is invested: Across developed and EM markets (inclusive of the U.S.).

McKinley Global Growth Onshore Fund, L.P.

Domiciled: U.S., account at U.S. Custodian.

Where the fund is invested: Across developed and EM markets (inclusive of the U.S.).

McKinley Onshore Dividend Growth Fund, L.P.

Domiciled: U.S., account at U.S. Prime Broker.

Where the fund is invested: Primarily invested in European equity dividend derivative products.

Chairman's Income Fund, L.P.

Domiciled: U.S., account at U.S. Prime Broker.

Where the fund is invested: Primarily invested in income and dividend paying products.

McKinley Capital Emerging Markets Growth Fund

Domiciled: U.S., account at U.S. Custodian.

Where the fund is invested: Across EM markets

McKinley Capital is the investment adviser to **McKinley Capital Management Funds, PLC**, an Irish domiciled holding company for various Undertakings for Collective Investments in Transferrable Securities (UCITS) investment products. These products are generally directed to institutional investors. Investment limits and guidelines are included in the applicable publicly available prospectus. The registered funds currently include:

McKinley Capital Global Growth Fund

Domiciled: Ireland, account at international custodian located in Ireland
Where the fund is invested: Across all global markets including the U.S.

McKinley Capital Dividend Growth Fund

Domiciled: Ireland, account at international custodian located in Ireland
Where the fund is invested: Across all global markets including the U.S.

McKinley Capital Emerging Markets Fund

Domiciled: Ireland, account at international custodian located in Ireland
Where the fund is invested: Across all emerging markets.

McKinley Capital Management, LLC is also registered and/or licensed to conduct investment management services in the following jurisdictions:

- Australia - Australian Securities and Investment Commission
- Canada - British Columbia Securities Commission
- Canada - Ontario Securities Commission
- Canada - Quebec Financial Markets Authority

11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.

Code of Ethics and Personal Trading

McKinley Capital's primary responsibility has always been and will continue to be the protection of client assets.

McKinley Capital has adopted a Code of Ethics ("COE") for all employees and established policies and procedures to adequately address the firm's culture of high ethical standards and business conduct, the fiduciary duty owed to all clients and the rules governing personal trading, gifts and entertainment, political contributions, and outside activities. Compliance with the COE and all reporting requirements is mandatory.

As a best practice, all directors, officers and employees are required to act in a manner as a "prudent person" would. That is, each individual owes every client the same standard of care, behavior, and consideration as a reasonable person would under the same or similar circumstances. However, McKinley Capital holds all personnel to higher fiduciary standards. These include the requirement to: act solely in the interest of clients; make decisions and take such actions with the purpose of benefiting the clients; and only engage in activities that do not create an undue conflict of interest with clients.

In addition, access persons are subject to Personal Trading Policies and Procedures which include black-out periods and personal securities transactions pre-clearance. Each individual is required to certify at the time of hire, and annually thereafter that he/she has read, understands, and agrees to comply with all requirements and standards included in the COE.

As a global investment adviser, McKinley Capital is exposed to investing in and dealing with countries, firms, organizations, and/or individuals that may have terrorist or related ties. Therefore, McKinley Capital and all personnel must take extra precautions in order to fully comply with the U. S. Department of Homeland Security rules and regulations. All personnel are required to pass periodic personal background checks and to refrain from dealing or associating with any known or suspected terrorist country, organization, or individuals. In addition, McKinley Capital personnel may not engage in, or in any way assist in, any money laundering schemes, programs, or other similar activities with or on behalf of clients or themselves. Employees are further prohibited from personally accepting or delivering investment assets to, for, or from the firm's clients.

McKinley Capital does not trade for itself or compete with client trading, and employees are not permitted to individually trade at the same time as client accounts. Personnel are prohibited from trading, either personally or on behalf of others, while in possession of material nonpublic information.

McKinley Capital may periodically provide seed capital to initially fund a new discipline or pooled investment vehicle. In addition, employees may invest in McKinley Capital managed disciplines and pooled funds. Employees must sign investment management agreements and such investments are included with all other accounts traded for the same discipline. Employee accounts will not be accorded better pricing or trade allocations than provided to other clients.

Political Contributions

Firm and employee political contributions to U. S. or non-U. S. government officials, if not prohibited by law or regulation, may raise potential conflicts under the Advisers Act Rule 206(4)-5, the "pay-to-play" rule. As a result, McKinley Capital has implemented policies and procedures which limit contributions to, and require periodic reporting for, applicable political candidates or elected officials.

Violation of any COE rules or standards is considered to be serious regardless of the issue and appropriate action, including but not limited to, personal trading restrictions, additional education, fines, suspension and/or termination may be imposed.

A copy of the COE is provided to every employee at the time of hire and annually thereafter. A copy of the COE is available to Clients upon request.

12. BROKERAGE PRACTICES

Best Execution

McKinley Capital carefully monitors and evaluates transaction costs and quality across all accounts and all disciplines. Best execution is based on multiple conditions including but not limited to: specific market and trading impact, number of shares being traded, share price, liquidity, research services, and additional trading costs. The traders track their average execution price on each order relative to the volume weighted average price (VWAP) while the order is exposed to the market. The Trading Committee reviews the relative performance of the brokers through which client trading is regularly executed.

Additionally, McKinley Capital has subscribed to an independent third party transaction cost analysis platform to measure, analyze and control the full range of trading costs.

Trade Allocation

The allocation process is automated within the order management system. When an aggregated order is filled in its entirety, the order will be allocated to participating accounts in accordance with the preliminary allocation schedule, or on a pro-rata basis if the order is only partially filled. Deviations from the preliminary allocation and appropriate justification must be documented in writing. Allocations are sent to the broker on trade date in accordance with this process.

McKinley Capital may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts managed by McKinley Capital or with accounts of affiliates, officers and/or related personnel of McKinley Capital. In such event, the average price of all securities purchased or sold in such transactions may be determined and a client may be charged or credited, as the case may be, the average transaction and commission price. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts. In addition, if a client directs McKinley Capital to use a particular broker, that client may not participate in certain aggregate transactions. For example, some wrap and individual client brokers require McKinley Capital to enter securities orders such that McKinley Capital has no control over the timing of trade executions. As a result, McKinley Capital may enter those orders after entering orders for McKinley Capital's other clients, and therefore those orders may receive less favorable execution. In addition, for those instances where McKinley Capital has limited or no executing broker selection discretion, not all clients may be able to participate in new or additional secondary offerings. McKinley Capital may also cause a client to buy or sell securities directly from or to another client if such a cross-transaction is in the interest of both such clients. However, cross trades must comply with applicable SEC, federal banking and ERISA regulations, and will only be executed under Compliance supervision.

Broker Selection

The Trading Committee oversees the brokerage selection process. The Trading Committee meets periodically to review the overall execution quality and research capabilities of the brokers who execute trades on behalf of McKinley Capital's clients, taking into account the broker evaluation criteria, research quality and other factors. The traders will select a broker based on best execution, research and client directed brokerage. McKinley Capital's primary intent on a per trade basis is to obtain best overall execution, regardless of any existing directed brokerage or soft dollar arrangements.

Trading Partners

McKinley Capital will always seek the most overall favorable client trading commission rates given the trading circumstances at the time. That does not always mean that every trade will be executed at the absolute lowest available commission rate of any broker. McKinley Capital will take into account many factors when choosing a broker-dealer for any trade execution. Execution pricing and negotiated commission rates are only two of these multiple considerations. McKinley Capital will always attempt to balance and negotiate commission rates against the value of additional services provided, including but not limited to: understanding/knowledge of and ease of access to the market place; liquidity of the market/industry/security; ability to provide capital; ability to execute large trading volumes with minimal market impact; research material; research services; prime brokerage services; and/or access to on-line and other settlement capabilities and other related criteria.

In selecting a broker for any transaction or series of transactions, McKinley Capital may consider a number of factors, including, net price, clearance, settlement, reputation, financial strength and stability,

efficiency of execution, block trading and block positioning capabilities, willingness to execute difficult related or unrelated transactions in the future, notification and communications order, offering on-line access to computerized data regarding clients' accounts, access to stock information, the availability of stocks to borrow for short trades, referral of prospective clients and other matters involved in the receipt of brokerage services. This process may create a potential conflict of broker-dealer execution where client trading expenses may not always be lower than an alternative.

McKinley Capital may pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction in recognition of the value of the brokerage, research and other services and soft dollar relationships. In such a case, however, McKinley Capital will determine in good faith that such commission is reasonable in relation to the value of brokerage, research and other services and soft dollar relationships provided, viewed in terms of either the specific transaction or McKinley Capital's overall responsibilities to the portfolios over which McKinley Capital exercises investment authority.

Counterparties

McKinley Capital enters into agreements with other financial intermediaries for the trading of securities for its clients' portfolios. To assess counterparty risk, McKinley Capital will conduct initial due diligence on financial intermediaries prior to the execution of any trading agreement and ongoing due diligence for those financial intermediaries with executed agreements ("trading partners"). Trading agreements are executed for the purchase and sale of equity and fixed income securities, and for trading in options, futures and other derivative investments.

Swaps or forward contracts, which are arranged directly between McKinley Capital and the counterparty, will involve greater counterparty risk than those entered into through a registered derivatives exchange. McKinley Capital will attempt to reduce the risk of non-performance by the counterparty by dealing primarily with established, reputable organizations that demonstrate creditworthiness.

The Trading Committee will periodically reassess and reaffirm each counterparty relationship to ensure all known risks are adequately monitored and considered.

Research and Other Soft Dollar Benefits

Securities Exchange Act of 1934, section 28(e) Soft Dollar Policy and Procedures.

In accordance with the safe harbor requirements as defined under the SEC 1934 Act, Section 28(e) Soft Dollar Interpretative Release effective July, 2006, McKinley Capital may utilize soft dollar payments for eligible research services including but not limited to second and third party research reports, trade analytics, advice on execution strategies, and execution services. Not all services must benefit all clients to the same degree or for the same services. McKinley Capital may, upon reasonable, and conservative consideration designate "Research Services" to include those that furnish: advice as to the value of securities; the advisability of investing in, purchasing, or selling securities; analyses and/or reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy; the performance of accounts; and software that provides analyses of securities portfolios. Certain market research that may be eligible under Section 28(e) safe harbor can include 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. In addition, advice from broker-dealers on order execution, including advice on execution strategies, market color, and the availability of buyers and sellers will be considered. This practice may create the potential conflict of entering orders solely to generate soft dollar commissions.

McKinley Capital participates in wrap fee programs through which a client will pay a fee based on assets under management to a brokerage firm/wrap fee sponsor (the "wrap fee sponsor") as consideration for all of the client's brokerage transactions executed through that broker-dealer. It is the client's responsibility to determine if such fees are suitable for that client. When McKinley Capital believes that it may receive better execution by executing a transaction for a wrap fee client through a broker other than the wrap fee sponsor, or its designee, it will execute the transaction through the other broker, unless the client has directed McKinley Capital to execute all trades via the client's designated broker, or unless the client's designated broker does not permit McKinley Capital to execute such transactions with or through other broker-dealers. The other broker-dealer will charge commissions/markups/mark downs for such transactions that will be paid by the wrap fee client in addition to the fee paid to the wrap fee sponsor.

McKinley Capital executes client securities trades with brokers who are able to effectively supply research appropriate to its investment decision making process. Brokers who provide investment research services to McKinley Capital in connection with the generation of client brokerage commissions can be divided into "bundled service" brokers, who have in-house research departments, and "third party" brokers, who acquire research from independent providers and make it available to McKinley Capital. In the former case, research is made available as part of an ongoing trading relationship, and the level of commissions is based on McKinley Capital's evaluation of the research. Any receipt, use and evaluation of research services and products from a bundled service or third-party broker is solely done in accordance with the guidelines set forth under the safe harbor provisions of Section 28(e). In the event McKinley Capital obtains any mixed-use products or services on a soft dollar basis, McKinley Capital will make a reasonable allocation of the cost of the portion which is eligible as research or brokerage services, and the cost of that portion which is not so qualified. The portion eligible as research or other brokerage services will be paid for with discretionary client commissions and the portion which is not eligible for the Section 28(e) safe harbor will be paid for with McKinley Capital's own funds.

Directed Brokerage

In order to fulfill its fiduciary obligations for obtaining best overall execution for client portfolios, McKinley Capital will typically direct discretionary transactions to broker-dealers in accordance with the current best execution policies and procedures. Clients may request that McKinley Capital direct certain trades or all trading activity to a single broker-dealer or group of broker-dealers based on (among other qualities) the broker's ability to execute a trade at a favorable price given the circumstances, and to accommodate the broker-dealer for services such as prime broker, custody, research, commission recapture programs, etc., that the brokerage provides directly to the client. Any client directed brokerage instructions to McKinley Capital are to be in writing.

McKinley Capital will, to the best of its ability, follow such execution requests to the extent allowable by law and in compliance with its best execution fiduciary responsibilities to the client. Each client must understand and agree that where the client directs brokerage to a particular broker-dealer, including a wrap fee arrangement, the client may be foregoing certain benefits (including lower commissions or greater reliability and efficiency in executing orders) which might be obtained if McKinley Capital were to designate a broker-dealer on the client's behalf. McKinley Capital generally will not be able to negotiate more favorable commission rates from broker-dealers selected by clients. In addition, client directed trades will generally not be blocked along with all other client trading and will also generally be sent to the broker after firm/client trading. Thus, client directed trades may not receive the same averaged price as other clients for the same security transaction. In certain circumstances, a client may not be able to participate in the timely purchase/sale of a specific security due to the directed broker-dealer's inability to accommodate the transactions. This is a concern for any new issue or limited stock availability.

Because many individual accounts are maintained through wrap programs or through directed brokerage relationships, they are not blocked or traded along with institutional accounts. Each account is traded directly with the specific broker after the institutional trading is completed. Thus, blocking or average pricing may not coincide with institutional trading.

McKinley Capital is the general partner for several investment limited partnerships and sponsors a statutory trust. McKinley Capital may be perceived to benefit from exposure to non-investment adviser trade and industry associations. McKinley Capital may select one or more firms as a prime broker for its 130-30 discipline programs and may further benefit from access to other services provided by that broker-dealer as a result of this association. Examples may include customized reporting, securities lending programs and prospective client introductions.

13. REVIEW OF ACCOUNTS

Reviews:

McKinley Capital engages Ashland Partners and Company, LLP to conduct quarterly and annual Global Investment Performance Standards (GIPS®) compliance and verification of firm product composites. A copy of the annual verification letter and individual annual GIPS® verified composite performance data is available on request.

Research is reviewed and updated daily. Portfolio holdings are reviewed no less than weekly using external and proprietary quantitative screening tools. Securities are generally sold from client accounts if certain criteria generates a “sell” signal (the criteria includes, but is not limited to: a sustained decline in relative performance; earnings deceleration; or negative changes in earnings expectations). Securities may also be sold from client accounts to scale appreciating positions to conform to stated risk controls. Portfolio trading is reviewed daily by the PMs and PAs. Additional reviews are completed weekly and reviewed by Compliance. Accounts are reconciled to the custodian statement on a monthly basis. Portfolios are managed in a team environment and all decisions must be unanimous. McKinley Capital reviews individual client portfolios using a two-tiered process. PMs and PAs are required to ensure that each client portfolio is permitted to engage in trading a security. 1) Under the supervision of the PMs, PAs conduct daily reviews of all client activity to ensure adequate clearance and settlement for new transactions. A stated number of portfolios are not assigned to any one PA. The assigned daily review process depends on the product and daily volume of trading activity and other client specific and compliance assignments. 2) PMs then review portfolios daily/weekly as dictated by product/market/client directed activity. The portfolio management (i.e. dispersion analysis, risk management, characteristic analysis, etc.) overview is allocated to various PMs on a rotational basis with an emphasis on balancing the activities and experience of the individual managers against the client portfolios in a given discipline. PMs administer between 10 – 50 portfolio reviews depending on the account size, product, client specific directives, etc. No less than quarterly, all portfolios are reviewed by the Portfolio Team for compliance with product and client specific requirements.

The nature and frequency of reports to clients are determined primarily by the particular needs of each client. As a general rule, clients or their custodians receive either quarterly or monthly reports of all transactions for the reporting period, current portfolio holdings and current market environment comments. Also, through telephone calls, video conferences, and in-person meetings, clients are kept regularly informed of investment policies and strategies being used to seek achievement of clients' investment objectives. Investment company shareholders are provided daily/monthly/quarterly/annual reports of securities transactions, as well as other required data and regulatory filings directly from the fund administrators.

Wrap and individual clients should compare McKinley Capital records and statements to the client's custodian or brokerage statements and use the custodial information for actual reporting records.

14. CLIENT REFERRALS AND OTHER COMPENSATION

McKinley Capital may pay finders fees, one-time or on-going cash referrals, travel and other expenses, to designated solicitors, but will only do so if the arrangements fully comply with Advisers Act Rule 206(4)-3. The firm currently has unaffiliated written third party solicitation agreements in place. Each applicable client is provided with the necessary written documentation and fee schedules prior to signing the investment management agreement. Clients are not charged initial or on-going fees for these introductory services. All solicitor related compensation is paid directly by the investment adviser. As necessitated by applicable regulatory authorities, solicitors may be required to be independently licensed or registered. McKinley Capital does not sponsor or hold such licenses or registrations on behalf of any solicitors.

McKinley Capital does not engage in any other type of referral or compensation arrangements except as may be defined elsewhere in this document.

15. CUSTODY

McKinley Capital does not provide custodial services to or maintain custody for its institutional or individual separate account clients. Clients designate and appoint the custodian which is usually a qualified bank or registered broker-dealer. Clients should ensure that copies of monthly/quarterly/annual custodial statements are forwarded directly to them from the custodian, and should periodically compare those statements to reports if/as provided by McKinley Capital. McKinley Capital records may differ from custodial statements based on accounting procedures, valuation methodologies, currency conversion rates, and other reporting related processes.

McKinley Capital may upon written direction from the client, debit advisory fees directly from the custodial account. McKinley Capital does not consider this practice to indicate custody and it fully complies with custody requirements under Rule 206(4)(2) and subsequent SEC directives.

McKinley Capital is the general partner for various non-registered funds and limited partnerships and as such is considered to have custody of investor assets. In addition, McKinley Capital may, upon written client direction, have the ability to move assets to and from a specific client's custodian to a commingled fund in which that client also invests. All clients receive copies of custodial statements and all accounts are closely monitored and annually audited by a qualified CPA firm.

McKinley Capital also has an annual SSAE No. 16 audit performed by a qualified certified public accountant.

16. INVESTMENT DISCRETION

McKinley Capital has both discretionary and non-discretionary relationships. Each is outlined in the client agreement.

Because McKinley Capital is actively engaged as an investment adviser and manages more than one account, conflicts of interest may periodically arise regarding McKinley Capital's time devoted to

managing any one account and the allocation of investment opportunities among all accounts managed by the firm. McKinley Capital attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. Some clients may not be able to participate in new/additional issuer offerings due to product, client portfolio, or brokerage related operational constraints, guidelines and/or restrictions. As discussed below, McKinley Capital may provide advice and initiate actions for a single client that may materially differ from that taken with respect to any or all other clients so long as it is McKinley Capital's policy, to the extent practicable, to allocate investment opportunities within each investment strategy fairly and equitably over a period of time. McKinley Capital is not obligated to acquire for any account any security that McKinley Capital or its affiliates, directors, officers and/or employees may acquire for its or their own accounts or for the account of any other client, if in the absolute discretion of McKinley Capital, it is not practical or desirable to acquire a position in such security for that account.

Unless otherwise specified in the client agreement, McKinley Capital will manage each client portfolio on a fully discretionary basis subject only to client specific written guidelines and restrictions. Each of McKinley Capital's investment strategies is managed by a team of experienced professionals. Each client account managed within a specific investment strategy typically owns a majority of the same securities. Regardless, deviations among accounts within the same investment strategy may occur based on: (a) account specific guidelines and restrictions; (b) timing of investments within client accounts (for example, based on the availability of or the need for liquidity within an account); (c) availability of cash balances; and/or (d) different allocations of securities to clients within the same investment strategy. In addition, client accounts in one investment strategy may own the same or similar securities as are held in accounts in other investment strategies. Client accounts in one investment strategy may buy the same security (or be net long a security or short) at the same time as accounts in a different investment strategy may be selling the same security or covering a short. More specific information regarding each investment strategy is available upon request.

McKinley Capital has several non-discretionary arrangements wherein it provides advice and services to individual and institutional clients. Such relationships may include timely growth equity research and trading information, emulation or model portfolios, and/or other assistance associated to existing or client specific products. Information and services may or may not be concurrent with actively traded discretionary accounts. Furthermore, McKinley Capital does not control trading activity for such accounts and executions and overall returns may be significantly different than that obtained for discretionary clients.

17. VOTING CLIENT SECURITIES

Proxy Voting Policies and Procedure

McKinley Capital Management, LLC ("McKinley Capital") must comply with regulatory and client directed proxy voting policies as described below.

Regulatory Requirement

A registered investment adviser with voting authority over proxies for clients' securities must adopt policies and procedures reasonably designed to ensure that the adviser votes proxies in the best interests of clients; discloses information to clients about those policies and procedures; and describes to clients how they may obtain information about how the adviser has voted the clients' proxies (these requirements are in Rule 206(4)-6 under the SEC Investment Advisers Act of 1940 (Advisers Act)).

An adviser who votes proxies on behalf of clients must also retain certain records, including proxy voting policies and procedures; the proxy statements received regarding client's securities (the Rule provides some alternative arrangements); records of the votes cast on behalf of clients; records of client requests for proxy voting information; and any documents that were material to making a decision as to how to vote or that memorialized the basis for a decision (these requirements are described in the Advisers Act Rule 204-2(c)(2)).

Procedures and Practices

McKinley Capital is generally authorized by its clients, as a term of its Investment Advisory Agreement, to vote proxies for the securities held in clients' investment accounts. At their election, however, clients may retain this authority, in which case McKinley Capital may consult with clients regarding proxy voting decisions as requested.

To assist in its voting process, McKinley Capital currently engages Institutional Shareholder Services ("ISS"), a subsidiary of MSCI, Inc. ISS is a service provider that specializes in providing a variety of fiduciary level proxy related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. ISS also provides McKinley Capital with reports that reflect proxy voting activities for McKinley Capital's client portfolios which provide information for appropriate monitoring of such delegated responsibilities.

ISS is generally responsible for:

- providing McKinley Capital with analytical and independent research and advice on all proxy proposals
- notifying McKinley Capital of proxy proposals in advance of the meeting cut-off date
- voting all proxies on behalf of McKinley Capital and individual clients (as applicable and provided for via contract)
- maintaining appropriate books and records
- providing McKinley Capital with quarterly/annual reports
- providing McKinley Capital with additional support as from time to time agreed upon

McKinley Capital has currently delegated to ISS the authority to vote McKinley Capital's clients' proxies consistent with the pertinent proxy policy. ISS further has the authority to determine whether any extenuating specific company circumstances exist that would mandate a special consideration of the application of these voting parameters. If ISS makes such a determination, the matter will be forwarded to the CCO for review. Likewise, ISS will present to McKinley Capital any specific matters not addressed within this document.

At least annually, or more often as needed, McKinley Capital will review the ISS voting guidelines and suggestions for individual proposals and after careful consideration of all factors, provide ISS with its general voting decisions.

Certain proxy voting issues may fall outside of McKinley Capital's pre-established voting guidelines. ISS refers such issues to McKinley Capital for voting on a case-by-case basis. Absent material conflicts, the CCO will determine how McKinley Capital should vote the proxy in accordance with applicable voting guidelines. The Portfolio Management Team will be consulted as needed. All proposals marked as referral or case-by-case situations, will be individually reviewed and voted by McKinley Capital in a timely and appropriate manner. Clients providing McKinley Capital with individual voting policies will be notified of any special situations if/as requested.

Clients that self-direct proxy voting policies should be aware that McKinley Capital may vote other client shares in a manner inconsistent with that client's vote. In addition, foreign proxy voting notification and distribution policies and procedures may significantly differ from those that are standard for companies registered in the United States. Meeting notification and voting capability time lines may be extremely truncated and may be further exacerbated by time zones. Therefore, occasions may arise where ISS and/or McKinley Capital may not receive the proxy information in sufficient time to vote the proxies.

In addition, there are certain countries with complex legal documentation or share blocking requirements that may make it difficult, costly and/or prohibit McKinley Capital from voting a company's proxy. McKinley Capital will, at all times, seek to vote every proxy for every applicable security and account, however there can be no guarantees that this will occur.

All unvoted proxies will be so noted in the quarterly and annual compliance reports. In order to minimize such situations, McKinley Capital will no less than annually, discuss these specific issues and alternative solutions with the proxy voting agent during periodic due diligence and annual contract renewal meetings.

In addition to voting proxies for clients, McKinley Capital:

- Provides clients with a summary of its proxy voting policy, which includes information describing how clients may obtain a copy of this complete policy, and information regarding how specific proxies related to each respective investment account are voted. McKinley Capital provides this summary to all new clients upon request
- Votes proxies according to its proxy voting policies and maintains records of votes for each client through ISS
- Retains records of proxy voting for inspection by each client or governing regulatory agency - to both determine whether the votes were consistent with policy and to determine whether all proxies were voted
- Monitors voting for any potential conflicts of interest and maintains systems to deal with these issues appropriately
- Maintains a written proxy voting policy, which may be updated and supplemented from time to time
- Although no proxy vote is considered "routine," outlined below are general voting parameters on various types of issues when there are no extenuating circumstances, i.e., company specific reasons for voting differently

Affirmative votes are generally cast for ballot items that:

- Are fairly common management sponsored initiatives
- Increase total shareholder value while mitigating associated risks
- Promote long term corporate responsibility and accountability and sound corporate governance
- Provide the intent of maximizing long-term benefits of plan participants and beneficiaries

Negative votes are generally cast for ballot items that:

- Present social or environmental initiatives or proposals submitted by special interest groups which appear to be self serving, show little interest in the welfare of the company and shareholders as a whole, and have little regard for the potential economic impact that may result from such actions
- Have a potential substantive financial or best interest impact favoring officers, directors, or key employees
- Provide for boards that are not considered independent

Conflicts of Interest

McKinley Capital monitors its proxy voting process for material conflicts of interest. By maintaining the above-described proxy voting process, most votes are made based on overall voting parameters rather than their application to any particular company thereby eliminating the effect of any potential conflict of interest.

Furthermore, McKinley Capital monitors its business, financial and personal relationships to determine whether any conflicts of interest exist and, at least annually, assesses the impact of any conflicts of interest.

McKinley Capital may have a conflict of interest related to voting certain securities of publicly held companies to which the firm provides investment advisory services. For example: conflicts may arise in a situation if the:

- Firm's Board Chair, CEO or CIO also serves on the board of a publicly held company
- Publicly held company is also a client of the firm
- Firm's director or executive officer has a personal or significant relationship with a counterparty of a publicly held company

McKinley Capital will generally vote those proxies in the same manner, using the same processes and pre-established guidelines in place for all client accounts. Any case-by-case proposals will be individually reviewed by the CCO or designee for further consideration. In the event of a vote involving a conflict of interest that does not meet the specific outlined parameters above or requires additional company-specific decision-making, McKinley Capital will vote according to the voting recommendation of ISS. In the rare occurrence that ISS does not provide a recommendation, McKinley Capital may request client consent or rely on other external research services.

Client Requests for Information

Clients may request information regarding McKinley Capital policies and procedures and actual proxy votes cast for any applicable period by contacting the firm via telephone, e-mail or in writing. (Please see contact information on Page 1 of this document.)

All client requests will be responded to in writing as soon as reasonably practicable. Information will include but is not limited to: the name of the issuer, the proposal voted upon, and how McKinley Capital voted the client's proxy with respect to each proposal.

Recordkeeping

McKinley Capital will retain the following proxy records in accordance with the SEC's five-year retention requirement:

- Policies and procedures and any amendments
- Each proxy statement received
- A record of each vote cast
- Any document created that was material to making a decision on how to vote proxies, or that memorializes that decision including any periodic reports, if applicable
- A copy of each written request from a client for information on how the firm voted such client's proxies, and a copy of any written response

18. FINANCIAL INFORMATION

Please refer to Item #5 for fee schedule details.

McKinley Capital has no financial commitments that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.

19. ADDITIONAL DISCLOSURE INFORMATION

CLIENT PRIVACY NOTICE

McKinley Capital Management, LLC (McKinley Capital) is committed to safeguarding the use of all client related “personal” information as defined under the privacy rules published under section 504 of the Gramm-Leach-Bliley Act. Section 504 and as periodically amended. McKinley Capital is prohibited from disclosing nonpublic personal information about consumers to nonaffiliated third parties, unless McKinley Capital provides certain information to the consumer and the consumer has not elected to opt out of the disclosure, with the exception of residents of California, New Mexico, North Dakota and Vermont who must “opt in” in order for McKinley Capital to share this same information.

As an institutional investment adviser, McKinley Capital does not generally obtain or have the need to obtain personal information about its institutional clients. However, McKinley Capital may in connection with a limited number of existing individual clients, and in its capacity of serving as the general partner, or that of its directors, officers or affiliates while serving as the general partner to various investment limited partnerships, collect non-public personal information about its clients and investors in the investment limited partnerships including, but not limited to, the following:

- Name, address, telephone number, tax identification number
- Assets, income, bank and investment accounts, credit information, and/or other specific investment activities and accounts
- Applications, subscriptions or other related forms with similar information
- Suitability and related questionnaires
- Legal documents such as trust agreements, retirement accounts, property ownership records
- Transactions with McKinley Capital, its affiliates or others

McKinley Capital does not disclose non-public personal information concerning its clients, former clients, or investors in the investment limited partnerships to anyone, except as permitted and/or required by law.

McKinley Capital, to the best of its abilities, restricts access to non-public personal information concerning its clients, former clients and investors in the investment limited partnerships to those personnel who need to know that information. McKinley Capital also maintains physical, electronic and procedural safeguards that comply with federal standards to safeguard the personal information of its clients, former clients and investors in the investment limited partnerships.

McKinley Capital does not sell non-public personal information to any unaffiliated or outside sources and does not redistribute this information to unrelated third party providers unless necessary for business purposes in connection with the servicing and management of client assets.

McKinley Capital will only share non-public information with third party service providers and relationship entities as necessary in order to provide services and products consistent with applicable law. McKinley Capital may also disclose non-public personal information to other financial institutions with which McKinley Capital and/or its clients have a joint business arrangement in connection with the management of servicing its client accounts. In addition, such information will be provided to legal and regulatory authorities as permitted and/or required by law. Finally, any third party, affiliate or associated entity in receipt of client related non-public personal information is

advised that the information must remain strictly confidential and used solely for the specific purpose(s) originally provided. McKinley Capital further recognizes that certain states have enhanced private information communications and encryption requirements and will at all times comply with such laws to the extent possible. However, McKinley Capital cannot guarantee clients against information theft which is beyond its reasonable technological abilities and controls.

Clients are provided with McKinley Capital's notice of privacy statement policy annually or until the account is closed. McKinley Capital reserves the right to periodically review and revise its privacy policy and will provide updated copies to clients annually or when/as/if materially changed. At all times, the client may notify McKinley Capital to restrict (opt out) all non-public personal information from being distributed to any parties other than its own personnel and/or appropriate regulatory entities. In states that require opt-in notification, clients must specifically advise McKinley Capital that the firm is permitted to distribute non-public personal information as described above to any parties other than its own personnel and/or appropriate regulatory entities. Clients should be forewarned that failing to provide McKinley Capital with the ability to share information as needed and described herein, may inhibit and/or restrict McKinley Capital's capacity to properly conduct business for/on behalf of the client. Please contact McKinley Capital at 1.907.563.4488 or 1.800.563.9969 or at 3301 C Street, Suite 500, Anchorage, Alaska 99503 for more information or to specifically request to opt out (or opt-in for residents of applicable states).