

Part 2A of Form ADV: Firm Brochure

ITEM 1: COVER PAGE

Relational Investors LLC
12400 High Bluff Drive, Suite 600,
San Diego, CA 92130
(858) 704-3333
info@rillc.com

www.rillc.com

March 28, 2012

This brochure provides information about the qualifications and business practices of Relational Investors LLC. If you have any questions about the contents of this brochure, please contact us at (858) 704-3333 and/or info@rillc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Relational Investors LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

There have been no material changes since the last annual update of Part 2A of Form ADV.

ITEM 3: TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
1: Cover Page	1
2: Material Changes	2
3: Table of Contents	2
4: Advisory Business	2
5: Fees and Compensation	3
6: Performance-Based Fees and Side-by-Side Management	5
7: Types of Clients	5
8: Methods of Analysis, Investment Strategies and Risk of Loss	6
9: Disciplinary Information	8
10: Other Financial Industry Activities and Affiliations	9
11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
12: Brokerage Practices	11
13: Review of Accounts	13
14: Client Referrals and Other Compensation	13
15: Custody	14
16: Investment Discretion	14
17: Voting Client Securities	14
18: Financial Information	15
19: Requirements for State-Registered Advisers	15

ITEM 4: ADVISORY BUSINESS

A. Description and Principal Owners

Relational Investors LLC (“Relational”) is a registered investment adviser.

Relational was formed in 1996.

Relational is 100% owned by Relational Group LLC, which is 100% owned by Relational Holdings LLC. Relational Holdings LLC is 100% owned by Relational Investors Group, LLC, the principal owners of which are David Batchelder and Ralph Whitworth.

B. Advisory Services Offered

Relational provides investment management services. Clients may elect to open a managed account with Relational and receive these services directly or invest in a limited partnership, of which Relational or a subsidiary serves as general partner. Thereafter, clients may also elect to

contribute additional assets to be invested in specific portfolio companies (“Side-by-Side Investments”). Such assets may be invested through the client’s own trading account or a separate Relational account.

Relational specializes in activist investing. This involves investing in and actively engaging the management and boards of public companies in order to achieve specific changes that Relational believes will improve their long-term performance. Relational’s investment strategy is described in greater detail in Item 8.

C. Limited Tailoring of Advisory Services

Relational manages all client investments in accordance with the same investment strategy. Relational implements its investment strategy across two separate portfolios, a large-cap portfolio and a mid-cap portfolio. Clients may allocate assets to one or both portfolios. Once this allocation is made, Relational typically co-invests all assets within the same portfolio on a side-by-side and pro rata basis.

Relational does not typically tailor its services for the needs of individual clients. However, consistent with their own internal policies, clients may restrict or limit investments in certain securities or types of securities.

D. Non-participation in Wrap Fee Programs

Relational does not participate in wrap fee programs.

E. Assets Under Management

As of February 29, 2012, Relational managed \$6,825,474,902 of client account assets on a discretionary basis and \$9,856,594 on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

A. Advisory Fees

1. Types of Advisory Fees

The terms of each client’s agreement with Relational (“Client Agreement”) will govern the advisory fees they pay Relational. Relational typically charges Clients a combination of Management Fees and Incentive Amounts. However, in the case of Side-by-Side Investments, Relational only charges Incentive Amounts.

a. Management Fees

Relational typically charges an annual “Management Fee” of up to 1.5% of the value of a client’s Capital Commitment or the value of their Account as at the date of determination.

b. Incentive Amounts

Relational charges one of two different types of “Incentive Amounts” depending on the terms of the Client Agreement:

i. Incentive Amounts Charged on Outperformance of a Benchmark

Under this arrangement, clients agree to a benchmark with Relational. This will typically be a variation of the S&P 500 Index for large-cap Client Agreements and a variation of the S&P 400 Index for mid-cap Client Agreements. If over an agreed upon accounting period (typically a calendar year) the client’s portfolio outperforms the benchmark, Relational will charge the client an Incentive Amount of up to twenty percent (20%) of the portfolio’s outperformance. If the client portfolio underperforms the relevant benchmark no incentive fee shall be paid for that period and the negative difference shall be carried forward into future accounting periods as an offset to future outperformance.

Typically, if Relational earns an Incentive Fee, fifty percent (50%) is payable at the time when it is earned; twenty five percent (25%) is payable on each of the first and second anniversaries, provided that, on each such anniversary, the client portfolio has outperformed the relevant benchmark measured since inception; provided further, that any such contingent amounts will not be forfeited and become payable on any subsequent anniversary in which the client portfolio has outperformed the benchmark since inception.

ii. Incentive Amounts Charged on Net Profits

Under this arrangement, Relational charges an Incentive Amount which is calculated as a percentage of the client portfolio’s net profits over an agreed upon accounting period (typically a calendar year). Depending on the terms of the Client Agreement, such percentage may be up to fifteen percent (15%) of absolute net profits or up to (20%) twenty percent of net profits over an agreed upon benchmark. Further, the Incentive Amount may be charged on either realized and/or unrealized net profits and may be net of assumed costs of capital. If the client portfolio has incurred net losses, no Incentive Amount shall be paid for that accounting period and the negative balance shall be carried forward into future accounting periods as an offset to future net profits.

2. Negotiability

Advisory fees may be negotiable in certain circumstances and based on factors, including, but not limited to, the amount of client assets under management.

B. Calculating and Billing Advisory Fees

Management Fees are typically calculated and become payable in advance at the beginning of each calendar quarter. All calculations are subject to pro rata adjustments to reflect contributions to or withdrawals from a client’s Account or increases or reductions in a client’s Capital Commitment.

All Incentive Amounts are calculated at the end of the accounting period net of Management Fees and expenses. All calculations are subject to pro rata adjustments to reflect net additions to or withdrawals from the client account.

Relational bills clients for all Management Fees and Incentive Amounts incurred. Management Fees and Incentive Amounts are then subject to client review and approval. Clients can elect to pay Management Fees and managed account Incentive Amounts directly or authorize their deduction from client assets. Incentive Amounts owed by the limited partnerships are allocated from the client's capital account to the general partner's capital account within the partnership.

C. Other Fees and Expenses

Client Agreements typically require clients to reimburse Relational for certain expenses Relational incurs in connection with performing its investment management services. These expenses are set out in the applicable Client Agreements and include, for example: portfolio expenses, such as research, travel and legal costs; and client specific expenses such as custodian fees (if the client selects their own custodian), brokerage costs and audit and tax preparation. Portfolio expenses are allocated between all clients benefiting from such expenses on a pro-rata basis. Relational's brokerage practices are described in Item 12 below.

D. Advance Payment of Management Fees

Management Fees are payable in advance whereas Incentive Amounts are payable in arrears.

Relational typically requires clients to provide 90 day's advance notice in order to terminate an agreement, withdraw from a limited partnership, reduce a Capital Commitment or withdraw assets from an Account. If this occurs, Relational will adjust its Management Fees accordingly on a pro-rata basis.

E. Non-receipt of Brokerage Compensation

Relational and its employees do not receive any compensation for selling investments to clients.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Relational charges all clients an Incentive Amount. This is discussed in greater detail in Item 5 above.

ITEM 7: TYPES OF CLIENTS

Relational currently provides investment management services to the following types of clients:

- Public funds
- Corporate pension funds

- High net worth individuals
- Non-profit organizations

Such clients may elect to open a managed account with Relational and receive these services directly, or invest in a limited partnership, of which Relational or a subsidiary serves as general partner. Generally, clients must invest at least \$25 million with Relational (or an aggregate of at least \$25 million in the case of related entities). However, Relational reserves the right, in its sole discretion, to accept investments of less than \$25 million, and minimum investment requirements may vary by Client Agreement.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Investment Strategy and Method of Analysis

1. Method of Analysis

Relational seeks to identify, invest in, and create long-term growth in mature companies with strong cash flows from sound core businesses that have significantly underperformed the market and their peers.

Relational uses proprietary research and analysis to determine its investment decisions and the engagement process for each portfolio company.

2. Investment Strategy

Relational specializes in activist investing. This primarily involves investing in shares of public companies that Relational believes to be underperforming and then engaging the management and/or board of that company to achieve specific changes that Relational believes will improve their performance.

Relational engages a company by focusing the attention of its shareholders, management, and board of directors on factors that Relational believes are contributing to the company's underperformance. Relational periodically meets with members of the board of directors and/or management as well as representatives of portfolio companies. The intended result of this engagement is to increase the company's stock price to align with Relational's view of the company's value. In executing its investment strategy, among other techniques, Relational may submit shareholder proposals under Rule 14a-8 of the Securities Exchange Act of 1934 as amended (the "Exchange Act") or pursuant to procedures set forth by the companies, and may seek board representation through negotiation or use of the Exchange Act's proxy rules. Additionally, Relational may participate in proxy contests, tender offers and restructurings of companies in or out of formal bankruptcy proceedings.

Relational implements its investment strategy across two separate portfolios, a large-cap portfolio and a mid-cap portfolio. Each portfolio typically consists of ten to fourteen

investments in equity securities of U.S. or Canadian companies at any given time. Relational has no fixed guidelines for diversification of investments among companies or industries. However, Relational does not invest more than 25% of a client's assets at the time of investment, in the securities of a single company or group of affiliated companies.

Relational typically purchases securities for a holding period to exceed one year. Nevertheless, Relational may sell securities after holding such securities for less than a year if, for example: a company does not respond positively to Relational's engagement; its stock price aligns with Relational's view of the company's value; if Relational needs to liquidate certain holdings in order to fund new acquisitions; or for other reasons.

Further, if permitted by the terms of a Client Agreement, Relational may use margin to fund purchases or increase holdings or use options contracts in order to purchase or sell covered securities in a client's portfolio.

3. Risk Associated with Investing in Securities

Investing in securities involves a risk of loss that clients should be prepared to bear. Relational makes no guarantee or representation that its investment strategy will be successful. Past performance of Relational and/or its clients' portfolios is not a guarantee of future results.

B. Material Risks Associated with Investment Strategy

1. Market Risks

All investments are subject to market risks including but not limited to: investment-specific price fluctuations; economic, political, interest rate and other risks which could result in adverse market price changes; and the difficulty of accurately predicting price movements in particular securities or the market as a whole. Due to the nature of its investment strategy, Relational may have only limited ability to vary a client's investment portfolio in response to changing economic, financial and investment conditions.

2. Engagement Process

There is no guarantee that Relational's engagement of a portfolio company will be successful or that even if it is successful, this will result in an increase in the share price of that company. Further, such engagement may cause a company's management to take defensive or other measures that erode, rather than increase, shareholder value.

3. Concentration

Client investments may be heavily concentrated, at any time, in only a limited number of companies or industries. Poor performance by a single investment could substantially and adversely affect the overall performance of a client's portfolio.

4. Long-Term Nature of Investments

Relational's investment strategy may require clients to hold certain investments for a significant period of time in order to realize a return of or on invested capital. Because of the nature of Relational's investments and investment strategy, there can be no assurance that Relational will be able to realize returns on such investments in a timely manner or at all. Further, even if Relational's engagement of a company is ultimately successful, there may be periods of time during the holding period when economic, financial or investment conditions are unfavorable or when the company's performance has not yet improved. If a client causes Relational to liquidate such investments prematurely by withdrawing assets from their Account or reducing their Capital Commitment, it could cause those clients to realize losses or lesser profits on the sale of such securities.

5. Potential Illiquidity

Relational's engagement of a company may require Relational to agree to certain lock-up or blackout periods on the sale of that company's securities. Alternatively, Relational occasionally makes private investments in public companies. These factors could prevent Relational from being able to sell securities at desired times or prices or at all (in the case of such private investments) and could cause such client to realize losses or lesser profits on any sale of such securities.

6. Use of Margin and Options Contracts

If permitted by the terms of a Client Agreement, Relational may use margin to fund purchases or increase holdings or use options contracts in order to purchase or sell covered securities in a client's portfolio. If Relational uses margin for a client this could magnify the negative effect of any of the other risks described above. If Relational uses an options contract to purchase a security, a client could lose the entirety of the premium paid if Relational does not exercise the option prior to its expiry. If Relational uses a covered call option contract to sell a security and the counterparty exercises the option prior to expiry, it could cause Relational to sell that security for less than its market value.

C. Material Risks Associated with Equity Securities

Each investment in an equity security of a portfolio company is subject to the risks associated with the businesses in which the portfolio company is engaged, including market conditions, changes in regulatory requirements, general economic downturns, (in some cases) changes in commodity prices and other factors. Such conditions may result in a loss of value beyond the control of Relational notwithstanding its engagement of the portfolio company.

ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFILIATIONS

A. No Broker-Dealer Affiliations

Neither Relational nor any management person is registered or in the process of registering as a broker-dealer or a broker-dealer representative.

B. No Futures and Commodities Affiliations

Neither Relational nor any management person is registered or in the process of registering as a future commission merchant, commodity pool operator, commodity trading advisor or an associated person thereof.

C. Arrangements with “Related Persons”

Clients may elect to invest in a limited partnership, of which Relational or a subsidiary serves as general partner. For the purpose of this Brochure, the SEC defines these limited partnerships as Relational’s “Related Persons”.

Relational’s current limited partnerships are, Relational Investors, L.P., Relational Fund Partners, L.P., Relational Coast Partners, L.P., RH Fund 1, L.P., RH Fund 6, L.P., Relational Investors VIII, L.P., Relational Investors IX, L.P., Relational Investors X, L.P., Relational Investors XV, L.P., Relational Investors XVI, L.P., Relational Investors XX, L.P., Relational Investors XXII, L.P., Relational Investors XXIII, L.P., Relational Investors Alpha Fund I, L.P., Relational Investors Mid-Cap Fund I, L.P. and Relational Investors Mid-Cap Fund II, L.P. Relational may form additional limited partnerships for clients to invest in from time to time.

D. No Recommendation or Selection of Other Investment Advisers

Relational does not recommend or select other investment advisers for clients.

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

A. Code of Ethics

Relational places great significance on its Code of Ethics (the “Code”) and the adherence to the policies and procedures within the Code. The Code requires all personnel to:

- Act with competence, diligence, respect, and in a professional and ethical manner;
- Place the integrity of the investment profession and the interests of clients above their own personal interests;
- Use reasonable care and exercise independent professional judgment;
- Promote the integrity of, and uphold the rules governing capital markets; and
- Maintain and improve professional competence.

The Code also incorporates Relational's Personal Trading Policy which is summarized as follows:

- Personnel are not allowed to purchase any publicly traded equity securities. Personnel may purchase mutual funds, other closed end funds, Unit Investment Trusts, municipal securities, ETF's, government securities, and money market funds.
- Personnel that wish to sell an individual equity security that is currently in their portfolio must follow Relational's Pre-clearance Procedures.
- Relational requires duplicate copies of statements and confirmations of all brokerage accounts to be sent to the Compliance Department.
- Personnel are required to review and acknowledge on a quarterly basis all brokerage accounts in their name and/or accounts in which they have an interest.
- Personnel are required on an annual basis to review and acknowledge Relational's Code of Ethics and Personal Trading Policies.
- Violations of the above policies are taken very seriously and, in some circumstances, may lead to termination of employment.

A complete copy of the Code of Ethics and Personal Trading Policy is available to Clients and/or prospective Clients upon written request.

B. Securities in which Relational has a Material Financial Interest

Relational does not recommend or invest client assets in securities in which Relational has a material financial interest.

However, if a Relational principal or employee is appointed director of a portfolio company as part of Relational's engagement of that company, that person may have a financial interest in that company's securities when Relational makes subsequent purchases or sales of those securities. This is because that person may receive compensation for serving as a director in the form of fees, stock or stock options. This financial interest could give rise to a number of conflicts of interest which Relational addresses as follows:

- Relational only seeks board representation if it determines in its sole discretion that it is necessary to increase shareholder value;
- All Client Agreements specify that Relational's Management Fee is to be reduced by 90% of the client's pro-rata share of the value of the compensation received by such persons; and
- All subsequent client investment decisions relating to such securities are made in accordance with Relational's investment strategy.
- Any stock received as compensation for serving as director will be subject to the restrictions on personal trading described above and below.

C. Relational as a Shareholder of Record and Restrictions against Personal Trading

In order to implement its investment strategy Relational may need to be registered as a shareholder of record in certain portfolio companies. To achieve this Relational may need to hold a nominal amount of such companies' shares in a proprietary account. Relational believes that

due to the nominal amount of shares involved, this does not present a conflict of interest. Typically, trades made in this account are made subsequent to and apart from the corresponding client transactions.

As discussed above, personnel are not permitted to purchase individual equity securities and must follow Relational's Pre-clearance Procedures in order to sell such securities within their portfolio. Such pre-clearance will not be granted if the proposed sale will take place around the same time as a client transaction in the same security and Relational determines that the sale will negatively affect the price of the client transaction or be executed at a more favorable price as a consequence of the client transaction.

D. Timing of Shareholder of Record Transactions

As stated above, if Relational buys or sells shareholder of record shares, these transactions take place subsequent to and apart from the corresponding client transactions.

ITEM 12: BROKERAGE PRACTICES

A. Selection of Broker-Dealers for Execution of Client Transactions

Relational periodically evaluates potential brokers and its approved list of brokers, together with the reasonableness of their commission rates against the following factors: reliability; financial responsibility; confidentiality protections; price, size, speed and anonymity of execution ("execution capability"); and the quality of brokerage and research services provided. Relational then ranks these brokers based on its relative valuation of their execution capability and brokerage and research services.

When selecting brokers to execute particular client transactions, Relational uses its evaluation of execution capability to select those brokers it believes will provide best execution, given the nature and circumstances of the transactions in question. If Relational determines that more than one broker may be suitable for a particular transaction, it may (but is not required to) use its rankings to allocate that transaction among those brokers as it determines appropriate.

1. Brokerage and Research Services

In the previous fiscal year, the brokerage services Relational received from its brokers included transaction clearing and settlement, broker connectivity and remote usage of brokers' algorithm software. In the previous fiscal year the research Relational received from such brokers included written reports and analyst advice concerning companies, industries and sectors, remote usage of brokers' valuation software, and trading information. All research received was produced by the broker that provided it. Relational did not receive any third party research.

When Relational receives these brokerage and research services from brokers who execute client transactions, Relational is using client commissions to obtain a benefit because Relational does not have to pay for or produce these services itself. All research received by Relational from

brokers is relevant to the implementation of Relational's activist investment strategy and is used for the benefit of one or both portfolios managed by Relational.

In order to receive the benefit of such brokerage and research services, Relational may have an incentive to select one broker over another. However, as described above, Relational selects those brokers it believes will provide best execution. Generally, when Relational places trades with a broker who provides brokerage and research services, that broker will charge a commission that is greater than that of another broker who may be capable of executing the same transaction. Relational will only pay a broker's commissions if it determines that they are reasonable in relation to the value of the services provided and within the safe harbor provided by section 28(e) of the Exchange Act.

Relational uses the brokerage and research services it obtains to service all clients. However, Relational does not seek to allocate its use of such services to clients in proportion to the commissions or any soft dollars they pay.

2. Client Referrals not a Factor in Broker Selection

Relational does not select brokers to execute client transactions in order to obtain client referrals from such brokers.

3. Client Directed Brokerage

Relational does not currently participate in client directed brokerage.

B. Trade Allocation and Aggregation

1. Trade Allocation

Relational typically co-invests all client assets within the same portfolio on a side-by-side and pro rata basis according to each client's relative amounts of capital available for investment as of the date such investment is made. Relational may deviate from a pro rata allocation if it determines that this would result in a disproportionate or otherwise inappropriate weighting of the investment for one or more clients. Further, Relational may omit individual securities from certain client's holdings in order to comply with client specific restrictions. Finally, Relational may on occasion only trade for a small number of clients or one client at a time if for example, it is investing newly committed assets or liquidating certain positions to fund withdrawals.

2. Trade Aggregation

When co-investing client assets, Relational will typically aggregate all client trades into one or more trade orders. Due to the size of such trade orders, it will often be the case that not all trades within an order will fill at the same price. Further, in order to attempt to minimize the effect on the market of placing large orders, it may be necessary to divide transactions across separate trade orders which take place across several days. Finally, due to market conditions, it may not be possible to complete all trade orders which may result in partial fills. This may in turn

necessitate the placing of further trade orders. To attempt to avoid any potential conflicts of interest that this may cause: all trades within an order are typically pre-allocated on a pro-rata basis; clients pay the mean share price of all trades filled within a trade order; all commissions are allocated on a pro-rata basis; and in the event of a partial fill, all executed trades are allocated to the participating clients on a pro rata basis in accordance with their pre-trade allocations.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

Relational produces daily internal reports which set out the preceding day's transactions, client account balances and holding values. These reports are reviewed daily by at least one principal. Relational's Investment Committee ("Committee") performs more detailed reviews not less frequently than monthly to evaluate factors such as the status of holdings and performance of client accounts.

B. Non Periodic Reviews

Whenever an issue is raised with respect to a particular holding, affected accounts are reviewed as appropriate.

C. Client Reports

Relational provides client reports no less frequently than quarterly. Such reports typically set out account holdings and performance. Actual reporting requirements range from daily to quarterly depending on the terms of the applicable Client Agreement. Supplemental reports may be provided upon request.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. No Compensation Received from Non-Clients

Relational does not receive any economic benefits from non-clients for providing investment management or other services to Relational's clients.

B. Client Referrals

From time to time, Relational engages the services of one or more solicitors consistent with the requirements of Rule 206-4 (3) under the Investment Advisers Act of 1940. Relational currently only engages solicitors to refer Relational to non-U.S. clients. Previously, however, Relational did engage solicitors to refer Relational to U.S. clients. Although these engagements no longer exist, Relational is in some cases still contractually required to pay ongoing compensation for U.S. client referrals which occurred prior to the termination of these engagements.

In general, such solicitors are engaged as independent contractors and are compensated based on a percentage of up to one percent (1%) of capital commitments or contributions made by referred clients and/or a percentage of up to twenty percent (20%) of the Incentive Amounts paid by such referred clients. Relational only pays such compensation from Management Fees and Incentive Amounts actually received from such clients.

ITEM 15: CUSTODY

Relational has custody over limited partnership assets but does not have custody over managed account assets. Limited partnership custodians do not send account statements to the clients who invest in such limited partnerships.

ITEM 16: INVESTMENT DISCRETION

Relational has discretionary authority over all client assets except for certain Side-by-Side Investments. Clients may limit this authority by imposing restrictions on investing in certain securities or types of securities. Clients typically grant Relational this authority by executing their Client Agreement.

ITEM 17: VOTING CLIENT SECURITIES

Voting proxies is an important part of Relational's investment strategy and its engagement of portfolio companies. Consequently, Relational votes clients' securities.

A. Policy

Relational's policy is that each proxy proposal should be individually reviewed to determine whether it is consistent with Relational's investment strategy and in the best interest of its clients, taken as a whole.

B. Procedure

Relational has developed the following procedures for voting proxies:

- The Committee shall be responsible for reviewing the special and/or annual report, proxy proposals and proxy proposal summaries. The Committee shall take into consideration what vote is consistent with Relational's investment strategy and in the best interests of Relational's clients, taken as a whole. The Committee will then vote the proxies in accordance with its policy.
- In reviewing the proxies and making voting decisions, Relational generally performs its analysis internally for each investment; however, from time to time, the Committee may review external sources' commentary such as the RiskMetrics Group and Glass Lewis.

- Relational shall maintain copies of each annual report, proposal, proposal summary, actual vote, and/or any other information required to be maintained for a proxy vote.
- The Committee may direct certain staff members to complete the forms in accordance with specific voting instructions provided by the Committee.
- With respect to proxy votes on topics deemed, in the opinion of the Committee, to be controversial and/or particularly sensitive, the Committee will provide a written explanation for the proxy vote which will be maintained with the record of the actual vote in Relational's files.

C. Client Directed Voting

Relational does not currently allow clients to direct Relational's voting of their securities.

D. Conflicts of Interest

In cases where Relational is aware of a conflict between the interests of a client and the interests of Relational and/or an affiliated person, Relational may abstain from voting or vote the proxy in a manner it believes, in its sole discretion, is consistent with its investment strategy and serves the best interests of its clients, taken as a whole. Relational will review any potential or actual conflict on a case-by-case basis.

E. Further Information

Clients may obtain a copy of Relational's Proxy Voting Policies and Procedures or information about how Relational voted any security by submitting a written request to Relational. Relational will provide requested documents and information within a reasonable period of time.

ITEM 18: FINANCIAL INFORMATION

Relational does not require clients to pay any advisory fees more than six months in advance. Relational has never been the subject of a bankruptcy petition.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Relational is not registered with any state securities authority.