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September 28, 2012
(Revision)

This brochure provides information about the qualifications and business practices of Ten Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at (805) 669-8201. The information in this brochure has not been approved or verified by the Department of Corporations of the State of California.

Ten Asset Management, Inc. is an applicant for registration as an investment adviser with the Department of Corporations of the State of California. Registration as an investment adviser does not imply a certain level of skill or training.

Material Changes

This section discusses only material changes since the last annual update of Ten Asset Management's ADV Part 2 on March 29, 2012. It subsumes an update filed on August 1, 2012.

- **We moved our principal offices from San Diego, California to Ojai, California (and changed phone numbers) on August 1, 2012.**
- **We seeking registration with the State of California.**
- **We are no longer eligible for SEC registration.**

Each year Ten will deliver, within 120 days of the end of its fiscal year, to each client a free updated brochure that either includes a summary of material changes or is accompanied by a summary of material changes, or deliver to each client a summary of material changes that includes an offer to provide a copy of the updated brochure and information on how a client may obtain the brochure.

Ten's firm brochure and ADV are available by contacting:

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Advisory Business

Firm Description

Ten Asset Management, Inc. (also referred to as “Ten”, the “Advisor” or the “firm”) is an independently owned institutional investment management firm employing a disciplined quantitative approach coupled with a commitment to fundamental research to develop U.S. equity portfolios. We believe that the best way to build clients’ assets and meet their performance objectives is to invest using a systematic risk-controlled process based upon sound economic principles, careful research and analysis. We manage assets in the traditional long-only equity area and in long/short equity strategies. The firm began operations in December 2004, after three principals departed from their previous firm. Certain of these principles continue to serve on the Board of Directors.

Principal Owners

The principal owners of Ten are Marilyn Wallace, Fred and Alicia Hallett, Dale and Anne Stevens, and former employees of Ten. Employees do not currently participate in the ownership of the firm.

Types of Advisory Services Offered

Ten offers equity portfolio management services to high net worth individuals, trusts, endowments, pension funds and other business entities. We work with our clients to evaluate their investment objectives and risk tolerance, including how our investment strategies might relate to other portions of the client’s investment program. We then recommend an investment management program using one or more of our quantitative security selection strategies to which we may add research and analysis based on the fundamental characteristics of the selected securities. We are responsible for managing the assigned client assets in domestic equity securities on a discretionary basis in accordance with the selected approach. As part of our service, we monitor performance and changing market conditions, and will reallocate clients’ assets among individual investments, as we deem appropriate based on our clients’ investment objectives and any particular investment guidelines provided by the client. Our long-only strategies manage portfolios in various segments of the U.S. stock market (Large Cap Value, Mid Cap Value, Mid Cap Core, Small Cap Value, and REITs), and are meant to provide returns with limited active risk compared to defined benchmark indexes for these asset classes. We also manage strategies that employ short selling to gain additional performance opportunities with either market-like (“130/30”) or market neutral (Governance Long-Short) risk exposures.

Tailored Advisory Services but NOT Financial Planning

Advisory services may be tailored to the needs of specific clients. Clients may impose restrictions on investing in certain securities, or specific investment guidelines, which will be defined in each client's advisory agreement. Ten may work with clients or prospective clients to build additional investment strategies that may meet particular client needs. There are no fees associated with this service. We do not provide financial planning services and we do not receive compensation from the sale of securities, insurance, real estate or other products or services recommended in a financial plan.

Assets Under Management

As of August 1, 2012, client assets managed on a discretionary basis were \$29.77 million, and assets managed on a non-discretionary basis were \$0.

Fees and Compensation

Asset based management fees will be charged quarterly in arrears based on a percentage of the client's assets under management, either as of the last business day of the quarter or as an average of the amount at each month-end during the quarter, unless negotiated otherwise with the client. The compensation for our services (which include developing and implementing an investment strategy, monitoring a client's investment results, and reporting to the client on a quarterly basis) is based on the type of account and the amount under management in a particular account, as follows:

130/30		REIT	
First \$ 50 Million	75 bps	First \$ 50 Million	75 bps
Next \$ 50 Million	70 bps	Next \$ 50 Million	70 bps
Next \$100 Million	65 bps	Next \$ 100 Million	65 bps

Small Cap Value		Large Cap Value	
First \$ 25 Million	95 bps	First \$ 25 Million	60 bps
Next \$ 25 Million	80 bps	Next \$ 25 Million	50 bps
Next \$ 50 Million	75 bps	Next \$ 50 Million	45 bps
Next \$100 Million	70 bps	Next \$100 Million	40 bps

Mid Cap Core		Mid Cap Value	
First \$ 25 Million	70 bps	First \$ 25 Million	70 bps
Next \$ 25 Million	60 bps	Next \$ 25 Million	60 bps
Next \$ 50 Million	55 bps	Next \$ 50 Million	55 bps
Next \$100 Million	50 bps	Next \$100 Million	50 bps

Governance Long-Short			
1% plus 10% of return in excess of benchmark			

Ten's fees are negotiable, and Ten reserves the right to adjust the fee schedule for accounts depending on the size and type of account and the services required. In some cases, negotiation of fees may result in different fees being charged for similar services, which may be less than the stated fee schedule. We believe these fees are reasonable and in line with fees charged by comparable investment advisers with our experience and expertise to comparable clients that have similar levels of sophistication. However, lower

fees for comparable services may be available from other sources.

Investment advisory services begin with the effective date of the Agreement, which is the date the client signs the Investment Advisory Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Ten will prepare an invoice for the client and deliver the invoice to the client or, if so directed by the advisory agreement, to the client's designee.

Clients are billed for fees incurred, generally on a quarterly basis. Clients do not pre-pay fees. Clients should be aware of their responsibility to verify the accuracy of the fee calculation submitted to them by Ten. Client advisory fees are not automatically deducted from client accounts.

Advisory fees charged by Ten are separate and distinct from fees and expenses charged by mutual funds or ETFs, which may be recommended to clients. A description of these fees and expenses are available in each fund's prospectus. Clients will incur brokerage and other transaction costs for the securities transactions executed on their behalf in the portfolios managed by Ten; please see the Brokerage Practices section of this brochure for further information. Additionally, the fees charged by Ten are exclusive of all custodial and transaction costs paid to custodians, brokers or any other third parties. Clients should review all fees charged by Ten, custodians, brokers and others to fully understand the total amount of fees and incurred.

Either Ten or the client may terminate the Agreement at any time as stipulated in the Agreement. The client is responsible to pay for services rendered until the termination of the Agreement. The client may cancel the Agreement without penalty within the first five days after the signing of the Agreement.

Ten may have written arrangements with its marketing personnel that define payments and incentives that may be made to marketing personnel, and which may consist of a defined percentage of the fees earned by Ten for the specified accounts. We will inform you of any such arrangements in writing prior to entering into an Agreement with you. Currently no such arrangements are in place.

Performance-Based fees and Side-By-Side Management

In some cases, Ten will enter into performance-based fee agreements with clients, in which the fees earned by Ten depend upon the total return of the account above a defined benchmark. Such fees may be negotiated individually with each client. Ten believes that such arrangements serve to align the interests of the manager and the client. We will charge all performance fees in accordance with the provisions of the California Code of Regulations Section 260.234.

Ten may manage accounts using the same strategy but may charge some clients a performance fee and others no performance fee. This may create a conflict of interest in which Ten would have an incentive to favor higher fee paying accounts over other accounts in allocating limited investment opportunities. We believe that since a) we invest only in publicly traded securities, b) do not participate in IPOs or private transactions, and c) utilize risk controls to limit the size of positions in individual securities that we have limited the potential for such conflicts in our investment process.

In addition, all accounts in a particular strategy are generally traded simultaneously, further mitigating the chance of potential conflicts of interest. Ten generates transaction lists using our portfolio construction process for each account in a similar way, with differences dependent only on individual client investment guidelines, not on fee structure. The trade lists are then aggregated and traded concurrently. All clients participating in each aggregated order receive the average price and if applicable, pay a pro-rata portion of commissions. If an order is not completed due to liquidity constraints, shares are allocated proportionally to the original trade lists. Accounts within the same strategy are generally traded on different days only to satisfy cash flow requirements.

Types of Clients

Description

Types of clients include but are not limited to qualified individuals, pension and profit sharing plans, and trusts, estates, endowments, or other charitable organizations (generally “qualified clients” as defined in paragraph (d) of Rule 205.3 (17 CFR 275.205-3(d)).

Ten has in the past and may in the future offer investment products structured as pooled vehicles in the form of Limited Partnerships. Limited partners investing in private offerings advised by the firm are generally required to have a net worth of at least \$1,500,000. The firm would also require limited partners to make representations concerning their sophistication as investors and their ability to bear the risk of loss of their investment under the firm’s management. Currently, Ten is not offering or advising any pooled vehicles other than sub-advisory services to a registered investment company.

Account Minimums

Generally, the minimum dollar value of assets required to establish an investment advisory account is \$10 million. However, Ten has discretion to waive the account minimum. Ten may establish accounts of less than \$10 million when the firm expects the client to add additional funds to the accounts bringing the total to \$10 million within a reasonable time. Other exceptions will apply to employees or Board Members of Ten and their relatives, or affiliates of existing clients. Accounts with a small balance may pay a higher annual fee than those normally charged to our other clients or by other investment advisors.

Methods of Analysis, Investment Strategies and Risk of Loss

Ten manages assets using strategies that invest primarily in U.S. stocks. Investing in these securities involves the risk of loss, which clients should be prepared to bear.

Our strategies generally are invested in a particular segment of the stock market. Such a single asset class investment generally forms only a part of a larger investment program. Our clients are generally responsible for allocating assets between different asset classes in their investment program. Our portfolios are essentially fully invested in the target asset class at all times, and no market timing is involved in our strategy. We offer “long-only” strategies in various segments of the U.S. stock market (Large Cap Value, Mid Cap Value, Mid Cap Core, Small Cap Value, and REITs), which are meant to provide returns with limited variance in their returns relative to the returns of defined benchmark indexes for these asset classes. Portfolios in these strategies are exposed to the risk of general declines in the asset class, as well as the risk that our strategy will underperform its benchmark (“active risk”). We also manage strategies that employ short selling to gain additional performance opportunities with either market-like (“130/30”) or market neutral (Governance Long-Short) general market risk exposures. These strategies are subject to additional risks, such as the potentially unlimited risk from holding a short position.

Our investment approach to U.S. equities combines a quantitative factor-driven relative value style with sector-by-sector stock selection and fundamental research analysis. We use a systematic process to find companies with discounted fundamental valuations as well as significant appreciation potential. We further research the investments suggested through our quantitative analysis and may modify our selections based on our analysis of the fundamental characteristics of the investment. Investments are selected based not solely on their return potential, but also considering their risks. Portfolios are constructed in to maximize the expected returns while controlling several different dimensions of risk and the costs of trading.

In many instances, we may evaluate the expected return of each stock in the universe relative to its peers. We would then generate a sector-neutral portfolio that gives us the overall relative return expectation for the levels of risk exposure we wish to achieve. Specifically, we use a quadratic optimization program along with a multi-factor risk model as tools to maximize the expected relative return subject to constraints on the market sector and a variety of other risk factors.

In the portfolio selection process, we examine all stocks within a given investment universe, which is defined for each strategy, considering a number of factors that influence future returns. The factors that define our preferences can be meaningfully placed into a few basic categories:

Fundamental: We seek out firms selling at a discount on basic valuation measures. Future cash flows are the fundamental characteristic that gives value to any security. Historical earnings and cash flows are good indicators for estimating these future cash flows, and their ratios to current price are effective predictors of relative returns. Specifically for REITs, we use the ratio of current Funds from Operations to price, and an estimate of Net Asset Value built up from the property level. These are the most important factors in our model.

Technical: A company's fundamentals are often reflected in advance by its price behavior. We avoid companies that look cheap due to significant price declines. We also capitalize on market overreaction to short term news and underreaction to long-term developments. We use both long-term price momentum (12 months excluding the most recent month) and short term (1 month) price reversal as selection factors.

Market Opinion Signals: Stocks with strengthening patterns of analyst earnings revisions are attractive investments. Analysts also tend to underreact to the flow of developments in companies' performance, so that trends in forecasts tend to continue and also to forecast earnings surprises. Additional information can also be gained by scaling each stock's attractiveness by our confidence in the estimates. We use both a basic measure of the short term trends in earnings forecasts, adjusted to account for company pre-announcements, and a composite measure analyzing trends in short and long-term forecasts and recommendations provided by internally developed revision models.

Management Behavior: When firms repurchase their own shares they are often making a statement that their stock is undervalued, while share offerings can signal the opposite. While there are many other reasons why a company may repurchase shares, some of which are not propitious for shareholders, analysis of the characteristics of the stock can help to identify those cases where perceived under- or over-valuation are motivators. Particularly relevant is the actual net percentage reduction or increase in the firm's equity capital. Our final selection factor is a measure of the quality of reported earnings. Under GAAP accounting, part of a firm's reported income represents concrete cash flows, while part represents estimates and adjustments ("accruals") meant to portray cash flows over the long term. The accruals part of earnings is less predictable and repeatable, so firms with a higher proportion of accruals tend to be more subject to earnings declines and negative earnings surprises, and vice versa. The level of accruals is affected by how conservative or aggressive are the firm's accounting policies and estimates, so this factor is linked to management behavior. Corporate governance quality is critical in transmitting a firm's economic gains to shareholders, and also represents a major financial risk factor. Therefore, we favor companies with good governance quality as reflected in an analysis of corporate governance scores. Additionally, we seek to position the portfolio to benefit from the activities of identified "activist" investors whose goal is often to effect corporate governance improvements that will benefit shareholders.

Each of the factors above is measured for each stock in comparison with its industry peers, and contributes to a single composite measure of expected relative performance. In this composite measure, the fundamental factors have twice the weight of the other

categories, while long-term price momentum is also used in a non-linear way to strongly disfavor those stocks that have performed most poorly relative to their industry.

We believe the factors in our model have been predictive of future relative returns, but there is no guarantee that these factors will continue to successfully predict returns in the future.

Disciplinary Information

None

Other Financial Industry Activities and Affiliations

Dale Stevens, Director, also is a principal of Grasswood Partners, a financial consulting firm. Nathan Wallace, President, a Director and employee of Ten, is also employed part-time as an independent contractor by Grasswood Partners in addition to his full time employment at Ten.

Peter W. Kronberg, Ten's CCO is an attorney. Mr. Kronberg will maintain his law practice in addition to working for Ten but does not have clients in the financial services industry and does not provide legal services to Ten's clients. Mr. Kronberg also serves as CCO for another investment advisory firm on a contract basis.

Ten Asset Management, Inc. has served as the General Partner for the Saxony Road Partners L.P. and the Ten Asset Long Short Market Neutral Fund L.P. private offerings. There are currently no such pooled vehicles being offered or advised by Ten. Ten may offer similar products in the future but presently has no present plans to do so.

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

Ten's policy is that the interest of our clients takes precedence over our interests and the interest of our affiliates, employees and representatives. Accordingly, our personnel will disclose any material relationships that they may have with respect to any investment recommended to clients. In addition, we will make recommendations based upon client suitability and objectives without regard to personal benefit.

To avoid any potential conflicts of interest involving personal trades we have adopted a Code of Ethics which includes a formal code of conduct, employee personal trading policy and procedures, and insider trading policy and procedures. Ten's Code of Ethics requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of Registrant above one's own personal interests;
- Adhere to the fundamental standard that one should not take inappropriate advantage of one's position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on oneself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the federal securities laws.

Our Code of Ethics also requires Employees to: 1) pre-clear personal securities transactions in securities that are eligible for inclusion in client accounts, 2) report personal securities transactions on at least a quarterly basis, and 3) provide the Advisor with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such Employees have a direct or indirect beneficial interest. Copies of brokerage statements are also required. Our employees may buy and sell the same securities that are held and traded for client

accounts; however, to avoid possible conflict of interest, employees are not allowed to trade any stock on the same day that stock is being traded for client accounts.

We have adopted the CFA Institute Asset Manager Code of Professional Conduct, and have incorporated the CFA Code of Ethics and Standards of Practice into our code of ethics for employees. A copy of Ten's Code of Ethics will be provided to any client or prospective client upon request.

Brokerage Practices

In the course of providing our services, we will execute trades for our clients through broker-dealers. When a client has given us broker discretion, we may select any broker to execute client transactions. When we have discretion, we will always trade through broker-dealers who offer the best overall execution under the particular circumstances. With respect to execution, we consider a number of factors in addition to price, including whether the broker has custody of client assets, the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution, our past experience with similar trades, and other factors which may be unique to a particular order. Based on these judgmental factors, we may trade through broker-dealers that charge fees that are higher than the lowest available fees. Products and services other than order execution are not a factor in selecting brokers. Also, in certain instances we may execute over the counter securities transactions on an agency basis, which may result in advisory clients incurring two transaction costs for a single trade: a commission paid to the executing broker-dealer plus the market maker's mark-up or mark-down.

Research and Other Soft Dollar Benefits

The Advisor may receive research products or services that fall within the "safe harbor" established by Section 28(e) of the Securities Exchange Act of 1934, as amended, in connection with its allocation of portfolio brokerage. Section 28(e) permits the use of soft dollars to obtain brokerage and research services that provide lawful and appropriate assistance to an investment adviser in the performance of its investment decision-making responsibilities. Certain client accounts may generate a substantial amount of brokerage commissions. Investment research and brokerage services received through soft dollar arrangements may be used to the benefit of all clients. Alternatively, the investment research and brokerage services may also be used by the Advisor in servicing various clients, and not all such research or services will necessarily benefit all clients.

If a research product or service has both; a soft dollar eligible and ineligible use, an appropriate allocation will be made between such functions, with the soft dollar eligible portion being paid with commission dollars, and the ineligible portion being paid by the Advisor. The allocation of the cost of the product or service will be made according to its use (i.e., the component that provides assistance to the Advisor in its investment decision-making process separate from the component that relates to other activities).

Ten currently has no soft dollar arrangements in place and has not made use of soft dollars during the past fiscal years.

Brokerage for Client Referrals

Broker-dealers that enter into prime brokerage arrangements with the Advisor may occasionally provide introductions to potential investors among other services. Although capital introduction is customarily offered as a free service, conflicts of interest may be presented by such arrangements. For example, while the Advisor does not compensate broker-dealers based on capital introductions, it may have an incentive to use the services of a specific broker due to its ability to raise capital for the Advisor. The availability of introductions and services to the Advisor is not, however, contingent upon its commitment of any specific amount of business to such broker-dealers (e.g., assets in custody or trading commissions). Ten currently has no capital introduction arrangements in place, and client referrals are not a factor in broker selection.

Directed Brokerage

Ten does not recommend, request or require that its clients direct us to execute transactions through a specified broker-dealer. A client may, however, instruct us to direct all or a portion of the trades for its account to a specific broker dealer. In such a directed brokerage arrangement, the client may experience higher execution costs than Ten could otherwise obtain for the client. Specific directions as to the directed brokerage arrangement must be in writing and signed by the client. Ten currently has no directed brokerage arrangements

Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. All clients participating in each aggregated order shall receive the average price and if applicable, pay a pro-rata portion of commissions. Accounts which are beneficially owned by the Advisor or its employees or access persons may participate in aggregated orders under the same conditions as set forth above. Transactions are usually aggregated to seek a lower commission, lower costs, or a more advantageous net price.

Review of Accounts

All client accounts are reviewed on a continuous basis by Jeffrey Kerrigan (Chief Investment Officer) and Nate Wallace (President). Changes and/or alternate investment opportunities are recommended when the Ten's investment team believes it is appropriate to do so. General conditions in the economy and stock market are closely monitored. Factors triggering reviews, and perhaps triggering buy or sell recommendations, include changes in the client's financial circumstances or investment objectives; changes in the general conditions of the financial markets; and events affecting individual securities owned by clients. In addition, a more comprehensive review is conducted by Jeffrey Kerrigan and Nathan Wallace at the time of each regular portfolio rebalancing, which is conducted approximately monthly.

Clients are kept fully informed about their portfolio activity by receiving copies of all transaction confirmations and monthly statements from their brokerage firm and/or custodian. Additionally, Advisor will provide clients with quarterly written reports that identify securities holdings, investment characteristics and portfolio performance, compared with their appropriate benchmark index.

Client Referrals and Other Compensation

Ten does not receive an economic benefit for providing investment advice from anyone who is not our client. Ten does not have any arrangements to compensate any person other than Ten's supervised employees directly or indirectly for client referrals.

Custody

Ten does not maintain or hold custody of client funds or assets, other than those in connection with payment of client fees.

Account Statements

Clients receive regular account statements from the broker-dealer, bank or other qualified custodian which has custody of client funds and securities. Clients should carefully review those statements. Clients will also receive quarterly account reports from Ten Asset Management. We urge all clients to compare the account statements received from their qualified custodians with the reports provided by Ten Asset Management.

Investment Discretion

When a client agrees to discretionary management, Ten will be responsible for selecting the securities and amounts to be bought and sold, and the timing of transactions. The only limitations on the investment authority will be those limitations imposed in writing by the client.

Ten is not obligated to acquire for any account any security that we or our officers, partners, members or employees may acquire for their own accounts or for the account of any other client, if in the Advisor's absolute discretion it is not practical or desirable to acquire a position in such security.

Voting Client Securities

The responsibility for voting proxies for a particular client account is defined by the investment management agreement or other written agreement. Ten will accept authority and responsibility for voting proxies if desired by the client. Those clients who retain proxy voting responsibility will receive proxies and solicitations directly from their custodians. For those clients for whom Ten has undertaken to vote proxies, Ten retains the final authority and responsibility for such voting. In addition to voting proxies for such clients, Ten:

- 1) provides the client with this written proxy voting policy - which may be updated and supplemented from time to time;
- 2) applies its proxy voting policy consistently and keeps records of votes for each client in order to verify the consistency of such voting (including the preparation of exception reports when proxies are voted other than within the written policy);
- 3) documents the reasons for voting, including exceptions;
- 4) keeps records of such proxy voting available for inspection by the client or governmental agencies - to determine whether the votes were consistent with policy and to determine whether all proxies were voted; and
- 5) monitors such voting for any potential conflicts of interest and maintains systems to deal with them appropriately.

In order to facilitate this proxy voting process, Ten has retained Glass Lewis & Co (“Glass Lewis”) as an expert in the proxy voting and corporate governance area to assist in the due diligence process and record keeping related to making appropriate proxy voting decisions related to your account.

Policy

It is the policy of Ten to vote client proxies in the interest of maximizing Shareholder Value. To that end, the Advisor will vote in a way that it believes, consistent with its fiduciary duty, will cause the value of the issue to increase the most or decline the least. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering the optimal vote.

Any general or specific proxy voting guidelines provided by an advisory client or its designated agent in writing will supersede this policy. Clients may wish to have their proxies voted by an independent third party or other named fiduciary or agent, at the client’s cost.

Conflicts of Interest

Although Ten has not currently identified any material conflicts of interest that would affect its proxy voting decisions, it is aware of the following potential conflicts that could exist in the future:

- **Conflict:** Ten retains an institutional client, or is in the process of retaining an institutional client that is affiliated with an issuer that is held in Ten's client portfolios. For example, Ten may be retained to manage Issuer X pension fund. Issuer X is a public company and Ten client accounts hold shares of Issuer X. This type of relationship may influence Ten to vote with management on proxies to gain favor with management. Such favor may influence Issuer X's decision to continue its advisory relationship with Ten.
- **Conflict:** Ten retains a client, or is in the process of retaining a client that is an officer or director of an issuer that is held in Ten's client portfolios. The similar conflicts of interest exist in this relationship as discussed above.
- **Conflict:** Ten's Employees maintain a personal and/or business relationship (not an advisory relationship) with issuers or individuals that serve as officers or directors of issuers. For example, the spouse of a Ten Employee may be a high-level executive of an issuer that is held in Ten's client portfolios. The spouse could attempt to influence Ten to vote in favor of management.
- **Conflict:** Ten or an Employee(s) personally owns a significant number of an issuer's securities that are also held in Ten's client portfolios. For any number of reasons, an Employee(s) may seek to vote proxies in a different direction for his/her personal holdings than would otherwise be warranted by the proxy voting policy. The Employee(s) could oppose voting the proxies according to the policy and successfully influence Ten to vote proxies in contradiction to the policy.
- **Conflict:** Ten has a financial interest in the outcome of a vote, such as if Ten were to receive distribution fees (i.e., Rule 12b-1 fees) from mutual funds maintained in client accounts and the proxy relates to an increase in 12b-1 fees.

Resolution:

The Advisor realizes that due to the difficulty of predicting and identifying all material conflicts, it must rely on its Employees to notify the Chief Compliance Officer and/or Portfolio Manager of any material conflict that may impair its ability to vote proxies in an objective manner. Upon such notification, the Chief Compliance Officer will notify its legal counsel of the conflict who will recommend an appropriate course of action.

In addition, any attempts by others within Ten to influence the voting of client proxies in a manner that is inconsistent with the proxy voting policy shall be reported to the Chief

Compliance Officer. The Chief Compliance Officer should then report the attempt to legal counsel.

Client requests to review proxy votes

Ten will furnish the information requested, free of charge, to the client within a reasonable time. Ten will maintain a copy of the written record provided in response to client's written (including e-mail) or oral request. A copy of the response will be attached and maintained with the client's written request, if applicable and maintained in the permanent file. In order to facilitate the management of the proxy voting record keeping process, and to facilitate dissemination of such proxy voting records to clients, the Chief Compliance Officer and/or Portfolio Manager will distribute to any client requesting proxy voting information the complete proxy voting record of Ten for the period requested. Reports containing proxy information of only those issuers held by a certain client will not be created or distributed.

Disclosure

Ten will ensure that Part 2 of Form ADV is updated as necessary to reflect: (i) all material changes to the Proxy Voting Policy and Procedures; and (ii) regulatory requirements.

Proxy Solicitation

As a matter of practice, it is Ten's policy to not reveal or disclose to any client how Ten may have voted (or intends to vote) on a particular proxy until after such proxies have been counted at a shareholder's meeting. Ten will never disclose such information to unrelated third parties.

The Chief Compliance Officer is to be promptly informed of the receipt of any solicitation from any person to vote proxies on behalf of clients. At no time may any Employee accept any remuneration in the solicitation of proxies. The Chief Compliance Officer shall handle all responses to such solicitations.

Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients. However, should at some future date, Ten file for bankruptcy; the firm may no longer be able to meet its contractual commitments to clients.

Requirements for State Registered Advisers

Nathan Wallace, President & Research Analyst

Mr. Wallace joined Ten in 2007 as a Research Analyst. Since joining he has been involved with almost all aspects of Ten's operations, compliance and investment process. As an analyst Mr. Wallace contributed to the development of Ten's new investment factors focusing on activist investors and corporate governance. Research on proper integration of corporate governance data into portfolio selection is on-going. Mr. Wallace has experience running the trade operations for Ten as well as experience in compliance. Mr. Wallace received his BA from Trinity University in San Antonio, Texas.

Jeffrey K. Kerrigan, CFA, Chief Investment Officer and Vice President

Mr. Kerrigan joined Ten in 2010 as the Chief Investment Officer. He is an integral member of our investment team. Prior to Ten, Mr. Kerrigan was a Senior Portfolio Manager at Gartmore Group where he was responsible for managing global quantitative equity hedge funds and long only funds. Prior to joining Gartmore Mr. Kerrigan held positions at Campbell & Co., Fidelity Management & Research, Putnam Investment Management, and Fleet Investment Advisors. Mr. Kerrigan is a member of the Boston Security Analysts Society, and the Chicago Quantitative Alliance (CQA).

Peter Kronberg, CCO, General Counsel and Vice President

Mr. Kronberg joined Ten in 2011 as a Chief Compliance Officer, Vice President and serves as the firm's General Counsel. He was appointed CFO in 2012. Prior to joining Ten, Mr. Kronberg was a Vice President of Citi Fund Services and provided administrative and regulatory services related to establishing and maintaining investment companies, handling mergers and reorganizations, proxies, registration statements, fund governance issues, exemptive applications, no-action letters and analyzing legal issues that arise concerning investment company operations. Prior to joining Citi in January 2007, Mr. Kronberg was Director and Counsel in the Mutual Fund Administration group of Investors Bank & Trust. Mr. Kronberg received his Juris Doctorate from Boston University School of Law and his Bachelor of General Studies and Bachelor of Fine Arts Degrees from The University of Kansas. He is admitted to practice law in the Commonwealth of Massachusetts. Mr. Kronberg serves as a CCO on a contract basis for

another investment adviser and maintains a law practice. He is also adjunct faculty at Tufts University where he teaches Business Law.

Ten's sole business is providing investment advice.

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding Ten or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.