

# SECOR Investment Advisors, LP

## Part 2A of Form ADV

### The Brochure

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This brochure provides information about the qualifications and business practices of SECOR Investment Advisors, LP (“SECOR”). If you have any questions about the contents of this brochure, please contact us at 212-980-7350. 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.

SECOR is an SEC-registered investment adviser. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about SECOR is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

This Brochure contains information about SECOR, and there have been no material changes since its adoption in November 2011. Notwithstanding, the text of the Brochure has been reformatted and certain disclosures have been enhanced.

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## Item 4: Advisory Business

### **A. General Description of Advisory Firm**

SECOR Investment Advisors, LP (“SECOR”) was established in 2010 and has offices in New York, New York. SECOR is a wholly-owned subsidiary of SECOR Asset Management, LP. Raymond Iwanowski and Duen Li (Tony) Kao collectively hold a majority stake in SECOR Asset Management, LP. (refer to Item 10 for a further description of SECOR Asset Management, LP and SECOR’s industry affiliations).

### **B. Description of Advisory Services**

SECOR generally offers non-discretionary investment advisory and fiduciary management services to U.S. and non-U.S. institutional investors, including employee pension and benefit plans, foundations and endowments. SECOR generally does not generally have discretionary authority over its clients’ portfolios. As of December 31, 2011, SECOR had total assets under management of approximately \$7.1 billion all of which was managed on a non- discretionary basis.

As former plan sponsors, fiduciary mindset is the hallmark of SECOR’s business. SECOR works with clients as an “extension” of their staff, in what we refer to as an insourcing role. SECOR works with each client to determine appropriate risk and return objectives, customizes an investment strategy, tailors an implementation process, provides risk management tools and monitors the program on an ongoing basis. We enhance the investment process through strategy implementation and monitoring on a “real-time” basis to ensure the investment program remains appropriate given the stated objectives. SECOR generally works closely with clients on day-to-day management and investment of the clients’ accounts. SECOR encourage you to visit our website at <http://secor-am.com/> in order to gain a greater understanding of our philosophy and fiduciary management and investment advisor process.

In its capacity as a pension consultant, SECOR designs, implements and monitors investment policy strategies for clients. Specifically, SECOR provides the following services in its capacity as a pension consultant

### **Asset-Liability Management/Investment Policy and Research**

We believe the establishment of the appropriate strategic policy portfolio is the key determinant in the success of a pension program. With this recognition, SECOR believes a highly customizable approach in conducting ALM studies is essential to developing sound long-term investment policies.

- Collaborate with plan stakeholders and its actuary to develop investment plan objectives.
- Creates capital market assumptions including, as needed, new asset classes, overlays, other hedging programs and non-linear strategies and liability proxies.
- Incorporate through SECOR’s propriety ALM model complex liability rules, regulatory rules, benefit structures, and/or contribution rules, if required.
  - Focused priority on the plan’s funded status
  - Incorporate appropriate return generating and risk mitigating strategies
  - Simulate range of median/downside outcomes

- Select optimal portfolio in context of objective
- Employ Monte Carlo portfolio optimization and produce thousands of stochastic projections for each possible portfolio, which incorporates different economic scenarios and potential short-term risk and return-factor views.
- Work closely with the plan stakeholders to evaluate the series of potential investment strategies and select a portfolio that meets the initial plan objectives.
- Develop the Investment Policy Statement; crystallizing the plan's investment objectives and agreed upon strategic investment policy

### **Tactical Asset Allocation and Investment Manager Selection**

Tactical asset allocation and investment manager selection are key components to the implementation of the strategic investment policy.

When implementing the strategic policy portfolio, the speed of the implementation is dictated by the current market environment. Shorter-term market fundamentals and technicals may differ relative to longer-term assumptions embedded within ALM. SECOR believes opportunities remain for skilled investment managers and advisors who can identify, then exploit these market dislocations for the benefit of our clients. Our views are evident across various levels including asset class, sub-asset class, investment manager, sector/industry, and/or risk characteristic/indicative levels.

Investment manager selection is another key component to the implementation of the strategic policy portfolio. SECOR's team has decades of portfolio management and investment manager research experience. The combination of these experiences sets SECOR apart from its competitors. SECOR's investment manager selection due diligence process includes rigorous evaluation of both quantitative and qualitative attributes. We provide the following services within investment manager selection:

- Recommend portfolio weightings, investment vehicles and strategies
- Select, hire, monitor, evaluate and terminate external investment managers
- Advise on investment guidelines and benchmarks
- Assist with investment manager agreements (IMA) negotiations, fees, derivative documentation

SECOR also leverages its decades of deep relationships with investment managers, broker dealers and other advisors for additional research. Of note, SECOR works closely with investment to implement specific market views. This involves a close working relationship with investment managers to modify investment guidelines and benchmarks to reflect any tactical asset allocation views in an efficient and timely manner.

### **Implementation and Portfolio Solutions**

At SECOR, academic research and theory is married with decades of practical experience to assist clients in developing asset allocation strategies that make the client's assets "sweat" as hard for them as possible and at the same time be innovative, cost effective, feasible to implement, and practical to monitor and control. SECOR provides advice on the management and implementation of:

- Derivative overlay and liability hedging programs.
  - Currencies

- Interest rate
- Inflation
- Tail risk hedging
- Beta replication / quantitative indexing
- Manage rebalancing policy guidelines and asset mix re-balancing
- Manage plan cash, funding and liquidity requirements
- Oversee investment manager and strategy implementation and transitions
  - Develop proxy voting procedures.
  - Monitor securities lending program, if applicable.

### **Risk Management, Monitoring and Controls**

Risk management is at the heart of what SECOR does. SECOR believes risk management is a continuous and on-going process. SECOR uses its proprietary integrated ALM implementation “real-time” risk analyzer to evaluate through live market scenarios or stress-test under any historical scenario to sensitivity to macroeconomic factors and capital market valuations impacts on client portfolios. The client receives regular CIO Report© illustrating various scenario analysis.

- Real-time plan-level investment and derivative risk exposure.
- Monitor alignment with strategic objectives
- Counter-party exposures management
- Investment guidelines and regulatory compliance
- Manager performance and mandate compliance
- Investment manager operational assessment

### **Client Communications and Customized Reporting**

As previous plan sponsors, SECOR understands trustees and investment committees’ fiduciary requirements. SECOR customizes educational seminars and materials to help educate trustees and investment committees on the various market and economic developments, investments, strategies, and financial trends.

- Personal client service, (on-site working partnership)
- Conduct regular and frequent client meetings
- Customized and detailed performance and risk reporting
- SECOR CIO© report
- Trustee and Investment Committee reporting
- Compliance reporting
- Customized client education programs

Although, SECOR provides extensive consultative services to its clients, it does not exercise discretion over, actively trade, or maintain custody over client assets.

### **C. Availability of Customized Solutions for Clients**

SECOR’s advisory services emphasize the customization of solutions for each client.

### **D. Wrap Fee Programs**

As of the date of this Brochure, SECOR is not advising clients to participate in any wrap fee programs and is not itself serving as a manager in any wrap fee program.

**E. Assets Under Management**

As of December 31, 2011, SECOR is serving as “pension consultant” with respect to approximately \$7.1 billion assets of pension plans.

## Item 5: Fees and Compensation

### A. Advisory Fees and Compensation

SECOR is compensated for providing advisory services to its clients as set forth in their respective client Investment Advisory Agreement (IAA). SECOR's fee income comes exclusively in the form of advisory service fees. SECOR does not receive performance-based fees.

Advisory service fees typically are a percentage of the pension plan assets for which services are rendered.

#### **Example: Advisory Service Fee Schedule for SECOR**

Client Assets (USD)	Annual Fee Rate
First 2 Billion	<b>X basis points</b>
Next 2 Billion	<b>Y basis points</b>
Next 2 Billion	<b>Z basis points</b>
etc.	<b>...</b>

The percentages are negotiated on a case-by-case basis and are determined based upon a number of factors including but not limited to, the amount and type of work involved, the size of the portfolios or pension plans serviced by SECOR, and the amount of SECOR's resources dedicated to providing the services.

### B. Payment of Fees

Advisory service fees are generally billed quarterly in advance at one fourth the annual rate based on a percentage of the client's portfolio(s) or plan assets receiving services at the end of the previous quarter. The value of the portfolios and/or plan assets includes money market funds and cash balances. Any contributions and/or withdrawals made during the calendar quarter will cause an adjustment to the advisory service fee.

### C. Additional Fees and Expenses

The advisory service fees described above are for advisory services only and do not include any applicable transaction fees, taxes or commissions payable to third parties and are separate and distinct from fees and expenses charged by mutual funds, ETFs, separate account managers, which may be recommended to clients.

### D. Prepayment of Fees

SECOR's service may be terminated by either party upon written or oral notification in accordance with the applicable contractual notice of termination. Upon termination, the fees charged for advisory services will be pro-rated and a refund for any unearned fees will be issued. The client is responsible to pay for services rendered until the termination of the agreement.



**E. Additional Compensation and Conflicts of Interest**

We do not accept, and none of our supervised persons accepts, any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6: Performance Based Fees and Side-by-Side Management**

SECOR does not charge any performance-based fees to clients and therefore is not subject to the potential conflicts of interests that such arrangements create (including managing clients with performance based fee structures “side-by-side” clients without performance based fee structures).

## **Item 7: Types of Clients**

SECOR's clients are expected to be pension plans, endowments, foundations, and other institutions formed in U.S. and foreign jurisdictions.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **A. Methods of Analysis and Investment Strategies**

Set forth below is a summary of key methods of analysis and investment strategies used for SECOR's primary services, listed in Item 4(B) above. SECOR's investment strategy recommendations can vary greatly from one client to another, depending on each respective client's investment objectives and regulatory constraints. Notwithstanding, undertakes the following general steps when implementing a client's investment strategy.

#### **1. Evaluate the pension plan's ("the Plan") funded status.**

SECOR first needs to learn more about its prospective client. SECOR's team will perform its own, proprietary evaluation of the Plan's funded status. Factors that feed into this process are listed below.

##### **Better understand the Plan's liability**

- *Actuarial Study* – An outside actuarial firm will provide SECOR with an analysis of such Plan variables as:
  - Where the Plan is in its life cycle. For example, a new company has few retirees and a growing pool of participants. Older companies might have a large population of retirees and a diminishing number of active employee participants.
  - Average age of Plan participants (retirees vs. active employees)
  - Expected mortality rates
  - Average maturity of expected Plan payments
- *Inflation Indexing (if applicable)* – Some plans require an inflation hedge, while others are not as concerned about inflation.
- *Regulatory framework / contribution requirements* – Expected changes in regulation can affect a Plan's funded status.

##### **Better understand the goals and constraints of the Plan sponsor**

- *Ability to make contributions*
- *Downside risk thresholds*
- *Outcome of previous Asset-Liability Management studies*
- *Key issues and concerns to the Plan trustees*

##### **Work with trustees to define the investment universe and key decisions**

- *Asset classes to be considered*
- *Implementation constraints (size, legal, regulatory, etc.)*
- *Relevant capital market assumptions*
- *Potential need for derivative overlays and risk mitigation strategies (see #2 below)*
- *How to reduce the volatility of the Plan's funded status* – Depending upon the economic environment and implementation constraints, one plan may want to

focus more on hedging its liabilities, while another plan may solely focus on improving the return on its assets (the Plan's portfolio investments).

## **2. Identify ways to mitigate unnecessary portfolio risk.**

Once SECOR gains a better understanding of the Plan's funded status, the team will run an optimization to gauge how sensitive the Plan's funded status is per a broad range of economic scenarios.

### **Translate risk and return into metrics that are intuitive and easy to understand**

- *Simulation* – Run multi-year performance scenarios under various economic conditions to identify unnecessary portfolio risk.
- *Present Portfolio Hedging Ideas* – Re-run performance scenarios with risk mitigation trade ideas included in the analysis. Focus on expected upside and downside cases across a variety of metrics. This is a comprehensive risk analysis.

## **3. Recommend and implement a strategic portfolio.**

Upon presenting the Plan sponsors with its analysis, SECOR then works with the Plan sponsors to select portfolios appropriate to their goals and constraints.

### **Implementing a strategic portfolio**

- *Asset Class Allocation* -- Develop a plan to shift to an asset class mix that will provide stronger risk-adjusted portfolio performance. If approved by the trustees, SECOR will help the Plan to adjust its investments in stocks, bonds, currencies, commodities, emerging markets, real estate, hedge funds and other applicable investment choices.
- *Select Optimal Roster of External Portfolio Managers* – SECOR analyzes all managers within a given investment space (for example, European equity portfolio managers) and recommends to the Plan which managers may provide the best risk-adjusted portfolio performance. If approved by the client, SECOR will help the Plan adjust its current line-up of external portfolio managers.
- *On-going Monitoring and Oversight* – SECOR helps the Plan monitor its investments and re-initiates the portfolio optimization process based upon client feedback.

## **B. Material, Significant or Unusual Risks Related to Investment Strategies**

**General Risks.** SECOR's investment advice entails a significant degree of risk. There is no guarantee that clients' investment objectives will be achieved. There is no guarantee that investment opportunities discussed between SECOR and clients will be available to clients or capable of implementation on a cost-effective or timely basis. Each client must have enough knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of SECOR's investment strategies.

**Limited Information Regarding Portfolio Managers.** Although SECOR receives information, including valuations, from prospective portfolio managers regarding such portfolio manager's historical performance (if any), exposures, and investment strategy, in most cases SECOR will have little or no means of independently verifying the information supplied to it by such portfolio managers and will rely in large part on the limited information provided to it by such portfolio managers.

**Estimates and Valuations from Portfolio Managers.** Interests in a portfolio fund generally are valued in accordance with the methods provided by the instruments governing such portfolio fund. These valuations may be provided by a portfolio manager to the portfolio fund based on the interim unaudited financial records of such portfolio fund, and, therefore, are subject to adjustment (upward or downward) upon the auditing of such financial records. The net asset values received by SECOR from such portfolio managers typically will be estimates only, subject to revision through the end of each underlying portfolio fund's annual audit.

**Risk of Loss.** There is no assurance that SECOR's investment advice will be able to generate returns or that the returns will be commensurate with the risks inherent with the investment strategy. The marketability and value of any such strategic investment advice will depend upon many factors beyond the control of the SECOR. The past investment performance of SECOR's investment strategies cannot be taken to guarantee future results.

**Management Risk.** When any investment adviser provides bespoke investment advice to clients based on its investment skills and analytical abilities, there is a chance that such investment advice will not be successful or will not meet expectations and that subjective decisions made by such investment adviser may cause a client to incur losses or to miss profit opportunities.

**Asset Allocation Risk.** Asset allocation risk is the risk that an investment adviser may allocate or recommend the allocation of a client's assets to an asset class or mandate that underperforms other asset classes or mandates during a given period of time. Moreover, some asset classes may be less liquid or provide less protection against various risks than other asset classes.

**Investment and Market Risk.** All investment recommendations are subject to investment risk, including the possibility of using the entire principal amount. A recommendation to invest in a particular manager or strategy also may involve market risk and information risk. When investment advice is based on information received from clients, investment managers and/or other third parties, there is a chance that such information may be materially inaccurate. In this regard, investment advisers may rely significantly on the accuracy and completeness of the information provided by clients and third parties without independent verification of such information. Furthermore, an investment adviser may not be able to detect fraud by another investment manager. Likewise, an investment adviser may not ensure that an investment manager is complying with stated guidelines that have otherwise been disclosed.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Broker-Dealer Registration Status**

Not applicable.

### **B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status.**

Not applicable.

### **C. Material Relationships or Arrangements with Industry Participants**

SECOR is one of three investment advisory firms that are wholly-owned by SECOR Asset Management, LP (“SAM”); the other firms are SECOR Investment Management, LP (“SIM”) and SECOR Capital Advisors, LP (“SCA”), which are registered with the SEC. SCA provides discretionary investment management services to pooled investment vehicles, managed accounts and other structures. SIM provides discretionary investment management services to institutions. SECOR Investment Advisors (UK), LLP (“SIA UK”), which is indirectly owned by SAM, is a limited liability partnership formed in the United Kingdom and authorized and regulated by the United Kingdom Financial Services Authority (FSA). SIA UK provides non-discretionary investment management services similar to those provided by SIA. SAM owns SECOR Partners (UK) which controls SIA (UK). . SECOR Partners, LLC is the governing entity of SAM and Tony Kao and Raymond Iwanowski are the members.

MassMutual’s Babson Capital Management, LLC (“Babson”) purchased a minority, passive non-controlling interest in SAM in September 2011. Babson owns less than 10% of SAM. SECOR does not believe that Babson’s ownership interest creates any material conflict of interest with clients.

SAM and its current and expected affiliates are collectively referred to herein as the “SECOR Management Group”. Entities within the Group share certain personnel and other resources.

The interrelationships among the above entities present potential conflicts of interest, including but not limited to the following:

- **Resource Allocation:** The managers and other personnel of the SECOR Management Group may have conflicts in allocating their time and services among their clients. Such managers and personnel will devote as much time to each client as is appropriate for the SECOR Management Group to perform its duties in accordance with its management agreements.
- **Trade Allocation:** The managers and other personnel of the SECOR Management Group may face conflicts in allocating limited investment opportunities among clients with similar investment objectives or hedging requirements. Every attempt will be made to allocate such limited investment opportunities on a fair and equitable basis; however, there



is no guarantee that every client will participate in such opportunities as fully as every other client.

- **Potential Impact of Liquidations:** The liquidation of a securities or investment position with limited liquidity in one client's account may temporarily depress the market price of that security or investment instrument, thereby having an adverse impact upon the value of any account holding that position and/or the ability of such account to liquidate its position.
- **Potential Impact of Aggregation:** There is a high likelihood that the positions of clients of the SECOR Management Group will be aggregated for purposes of position limits, reporting requirements and other regulatory requirements and prohibitions. As a result, some clients may not be able to hold as large a position in a particular security than they would be able to hold if their position were not aggregated with those of other clients.

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

We have no disclosures to make under Item 10.D.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **A. Code of Ethics**

SECOR recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act for their benefit. All SECOR personnel must put the interests of its clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All SECOR personnel must also comply with all federal securities laws.

SECOR has adopted a Code of Ethics governing personal trading by its personnel. Among other requirements, all personnel must seek pre-approval from the Chief Compliance Officer (“CCO”) for certain personal trades, must report their personal securities transactions and holdings to the CCO, and must report to the CCO when they believe that a violation of the Code of Ethics has occurred. The Code of Ethics additionally requires the CCO to regularly review all personal trading documents and to address any issues noted during the review, including the appropriateness of imposing a penalty for violations of the Code of Ethics. Clients or prospective clients may obtain a copy of the Code of Ethics by contacting Rob Aurigema (SECOR’s Chief Operations Officer and Chief Compliance Officer) via phone at 212-980-7358. Inquiries can also be sent via email to [info@secor-am.com](mailto:info@secor-am.com).

### **Gifts and Entertainment**

SECOR has considered the risk that employees might be improperly influenced by excessive gifts or entertainment. SECOR has also considered the risk that employees might try to use gifts or entertainment to exert improper influence on another individual or entity. SECOR has established a policy, run by its CCO, to mitigate such risks by establishing limits and reporting obligations relating to the giving and receipt of Gifts and Entertainment.

### **Political and Charitable Contributions**

Political contributions by SECOR or SECOR’s supervised persons to politically connected individuals or entities with the intention of influencing such individuals or entities for business purposes are strictly prohibited.

SECOR strictly prohibits its supervised persons, as well as any affiliated entity, from making political contributions to any state or local government entity, official, candidate, political party, or political action committee.

### **B. Securities In Which SECOR or a Related Person Has a Material Financial Interest**

Not applicable.

### **C. Investing in Securities That SECOR or a Related Person Recommends to Clients**

We require that our personnel obtain preapproval prior to engaging in any transaction in a “reportable security” within the meaning of SEC Rule 204A-1 (with certain limited exceptions).

**D. Conflicts of Interest Created by Contemporaneous Trading**

Our personal trading policy allows employees to purchase or sell similar securities to those purchased and sold for our investment products. In general, we expect that our pre-approval process described in C., above, will serve to lessen the risk of contemporaneous trading. We also review personal trading records, a process which may allow us to identify situations where personal account trading resembles or mirrors client trading.

## Item 12: Brokerage Practices

### A. Factors Considered in Selecting or Recommending Broker-Dealers

#### a. *Research and Other Soft Dollar Benefits*

SECOR does not exercise discretion over or trade individual company securities in its client(s) assets and therefore does not participate in any soft dollar agreements with broker-dealers.

#### b. *Brokerage for Client Referrals.*

Not applicable.

#### c. *Directed Brokerage.*

Not applicable.

### B. Order Aggregation and Trade Allocation

SECOR does not exercise discretion over or trade individual company securities in its client(s) assets and therefore does not aggregate or allocate orders.

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Review of Client Accounts or Financial Plans**

SECOR's review process is systematic. Formal reviews of client portfolios are conducted a monthly and, informally, on a weekly basis. The formal review is constrained to a monthly cycle because SECOR requires the official numbers from the client's custodian before it can properly assess asset allocation and performance. A more informal review of client accounts is done on a weekly basis, using the most recent month-end positioning. Using unofficial and stale position data is not ideal, but it still allows SECOR to extrapolate benchmark returns and create a pro-forma weekly portfolio review.

### **B. Factors Prompting Review of Client Accounts Other than a Periodic Review**

Item 13.B. is not applicable as we do not provide these services to clients.

### **C. Content and Frequency of Account Reports to Clients**

SECOR provides customized reports to clients which are generally completed on a quarterly basis. These risk reports include asset allocation, performance and performance attribution summaries. Additionally, these reports illustrate the underlying risk factors and exposures of the client's pension plan. If clients need a more frequent update on these risk reports, SECOR could produce risk reports on a monthly basis.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits for Providing Services to Clients**

Not applicable.

### **B. Compensation to Non-Supervised Persons for Client Referrals**

Not applicable.

## **Item 15: Custody**

In its capacity as a pension advisor, we do not currently have custody to any client funds or securities. Additionally, SECOR generally sends out invoices to its clients who then generally pay advisory service fees via wire transfer. SECOR does not have any fee debit authority.

## **Item 16: Investment Discretion**

SECOR does not maintain discretionary authority to manage portfolios on behalf of its clients. The scope of SECOR's investment practices and relationships with clients are granted through the investment management agreements.



## **Item 17: Voting Client Securities**

Generally speaking, as a pension consultant, SECOR will not be recommending any individual company securities, so there is a relatively remote chance that it would need to consult its client(s) regarding a proxy vote. However, SECOR may advise its clients to invest in an external manager whose hedge fund is listed on an exchange (e.g. a CUSIP listed in Ireland or Luxembourg). It is possible in this scenario for the hedge fund to call a proxy vote by its investors, at which point SECOR will need to consult with its client (the investor in the hedge fund).

Investment personnel will consider whether SECOR is subject to any material conflict of interest in connection with each proxy vote. SECOR personnel must notify the CCO if they are aware of any potential material conflict of interest associated with a proxy vote.

If the CCO and/or SECOR detect a material conflict of interest in connection with a proxy solicitation, the CCO may seek input from a proxy voting service and/or outside counsel. The CCO will record the third-party recommendation(s) and will then vote the proxy, based upon its determination as to what is in the best interests of the client.

## **Item 18: Financial Information**

### **A. Balance Sheet**

This item is inapplicable as we do not require or solicit prepayment of fees six months or more in advance.

### **B. Financial Conditions Likely to Impair Ability to Meet Contractual Commitments to Clients**

Not applicable

### **C. Bankruptcy Filings**

Not applicable.