

FIRM BROCHURE

INDICES-PAC RESEARCH CORP.

50 Chestnut Ridge Road
Montvale, New Jersey
(201) 307-8770 (telephone)
(201) 307-5777 (facsimile)
iprnj.com

This brochure provides information about the qualifications and business practices of Indices-Pac Research Corp. If you have any questions about the information contained in this brochure, please contact us at (201) 307-8770. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any other regulatory authority.

This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of applicable offering and governing documents that contain a description of the material terms relating to such investments, products or services.

Additional information about Indices-Pac Research Corp. also is available on the SEC’s website at www.adviserinfo.sec.gov.

SEPTEMBER 26, 2014

Item 2: Material Changes

The date of the last annual update to our firm brochure was September 27, 2013. No material changes have been made to our firm brochure since the date of our last annual update.

The information set forth in this brochure is qualified in its entirety by the applicable account documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable account documents, such documents shall control.

We encourage all clients to review this brochure in its entirety.

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Item 4: Advisory Business

FIRM DESCRIPTION

Indices-Pac Research Corp., a New Jersey corporation and private investment management firm (“IPRC,” “we,” “us” or “our”), was organized in 1981. We provide investment advisory services to a small number of institutional clients by utilizing internally developed research and computer driven trading strategies. Our investment advice is provided in accordance with the investment objectives, strategies, guidelines, restrictions and limitations contained in the applicable investment management agreements, and the information in this brochure is qualified in its entirety by the information set forth in such documents.

PRINCIPAL OWNERS

Our principal stockholder, founder and chief executive officer is Richard M. Morano.

TYPES OF ADVISORY SERVICES

We provide investment advisory services to a small number of sophisticated clients with respect to investments in securities, financial instruments and other assets. Specifically, we focus on the quantitative analysis of securities price movements and attempt to arbitrage pricing anomalies using mathematically-driven long/short strategies. We have developed and employ many different types of these strategies. We manage client assets using several strategies simultaneously in an attempt to achieve absolute returns with reduced volatility and a low correlation to the overall equity markets.

Client accounts are managed in accordance with the investment objectives, strategies, guidelines, restrictions and limitations set forth in the investment management agreement and/or other applicable contractual arrangement between us and each client. **See Item 8 below.**

INVESTMENT RESTRICTIONS

We tailor our investment advisory services to the individual needs, desires and financial objective(s) of each client. Clients may impose reasonable restrictions and/or limitations on our investment advisory services, including, but not limited to, restrictions on the types of securities purchased, position limits, net exposure limits and leverage limits.

ASSETS UNDER MANAGEMENT

As of June 30, 2014, we had approximately \$61,226,470 in regulatory assets under management. All of these assets were managed on a discretionary basis.

Item 5: Fees and Compensation

DESCRIPTION OF COMPENSATION AND FEE SCHEDULE

In consideration of our advisory services, we generally are entitled to receive management fees and performance fees from our advisory clients. While our fees are described in detail in the advisory contract with each client, a summary of our basic fee schedule is set forth below.

Management Fees

We generally will receive an annual management fee, payable with respect to each calendar month in arrears, equal to 1/12 of 1.5% (1.5% per annum) of the net asset value of each client's account, determined as of the last day of such calendar month.

Performance Fees

Subject to the terms and conditions set forth in the applicable investment management agreement, at the end of each calendar quarter, we may be entitled to receive a performance fee equal to twenty percent (20%) of the net profits (subject to certain adjustments) allocated to a client's account during the applicable period.

Each advisory client is a "qualified client" as such term is defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Our advisory fees are negotiable on a case-by-case basis with each advisory client. Accordingly, our investment advisory fees with respect to any particular advisory client may differ from the basic fee schedule set forth above.

PAYMENT OF FEES

In general, management fees are payable in arrears as of the last day of each calendar month. We do not have the authority to deduct management fees directly from client accounts. Instead, we invoice clients for management fees and clients are required to pay the invoiced amount promptly upon receipt of such invoice. Management fees may be pro-rated with respect to any partial periods.

In general, performance fees are calculated as of the end of each calendar quarter based upon the net profits allocated with respect to each client account during such period. We do not have the authority to deduct performance fees directly from client accounts. Instead, we invoice clients for the performance fees and clients are required to pay the invoiced amount promptly upon receipt of such invoice.

OTHER FEES AND EXPENSES

In addition to management fees and performance fees, clients generally are required to bear all investment-related fees and expenses associated with their accounts, including, without limitation, margin and custodial fees and expenses transfer taxes and other fees and expenses relating to transactions in their accounts. **See Item 12 below.**

COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

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

PERFORMANCE-BASED FEES

As noted under Item 5 above, we generally are entitled to receive performance-based fees from our clients. Performance fees could motivate us to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating performance-based fees may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. Certain of our individual employees, agents and affiliates may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflicts. We attempt to address these conflicts through full and fair disclosure in this brochure.

Item 7: Types of Clients

TYPES OF CLIENTS

We currently provide investment advisory services to corporations, limited liability companies and other investment advisers. We may provide advisory services to other types of clients in the future.

ACCOUNT REQUIREMENTS

Among other things, clients are required to sign investment management agreements (and/or other contractual arrangements), that, among other things, set forth the nature and scope of our investment management authority and the investment objectives, guidelines and restrictions applicable to the management of client accounts. In addition, each client generally must be a “qualified client” as such term is defined in Rule 205-3 under the Advisers Act.

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

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

We analyze price, volume and fundamental data using proprietary technical and mathematical tools in order to detect market inefficiencies. We then construct long and short portfolios in an attempt to capture and profit from such identified market inefficiencies. Theoretical ideal offsetting long and short positions are determined multiple times a day and the current positions are adjusted to replicate the ideal position.

As with all stock market investments, the offsetting portfolios that we design involve certain risks. We attempt to mitigate such risks by positioning a large number of securities on each side and structuring the portfolios to be both substantially dollar and sector neutral. We attempt to mitigate risk by limiting the size of any single position and investing only in relatively liquid securities. In general, we attempt to avoid strategies that are believed to hold significant or unusual risks.

Notwithstanding the foregoing, we provide investment advisory services to each of our clients in accordance with the investment strategies, objectives and guidelines that are applicable thereto.

The investment strategies above are not intended to be comprehensive.

CERTAIN RISK FACTORS

There can be no assurance that clients will achieve their investment objectives or that investments will be profitable. Our investment strategies involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that our investment strategies are low risk or risk free. Our investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. The various risks outlined below are not the only risks associated with our investment strategies and processes and will not necessarily apply to each client.

General Economic and Market Conditions. The success of our investment strategies and recommendations are affected by general economic and market conditions, such as changes in interest rates, availability of credit, competition, industry conditions, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of client investments), trade barriers, unemployment rates, release of economic data, currency exchange controls and national and international political circumstances (including wars, terrorist acts, natural disasters, or security operations). These factors may affect the level and volatility of securities prices and the liquidity of client investments. Volatility and/or illiquidity could impair a client's profitability or result in losses. Clients could incur material losses even if we react quickly to difficult market conditions, and there can be no assurance that clients will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Clients should realize that markets for the financial instruments in which we seek to invest on behalf of our clients can correlate strongly with each other at times or in ways that are difficult for us to predict. Even a well-analyzed approach may not protect clients from significant losses under certain market conditions.

Potential for Fraud. In spite of our desire to invest client assets in reputable and trustworthy companies, there is a risk that we may invest client assets in issuers that engage in fraud. To the extent that we invest client assets in a company that engages in fraud, a client could lose all or a substantial portion of its investment in such company and it could have a material adverse effect on the client's financial condition and results of operations.

Terrorist Attacks, War and Natural Disasters. Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and markets and could prevent us from meeting our respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, acts of war or hostility and recent natural disasters have created many economic and political uncertainties, which may adversely affect the United States and world financial markets and our clients for the short or long-term in ways that cannot presently be predicted.

Investment and Trading Risks Generally. All investments risk the loss of capital. No guarantee or representation is or can be made that our investment strategies will be successful. Our investment strategies involve, without limitation, risks associated with equity investments, limited diversification, short-selling, leverage, equity risks, interest rates, volatility, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in our investment activities. Certain of our investment techniques may, in certain circumstances,

substantially increase the impact of adverse market movements to which clients may be subject. In addition, client investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where we invest client assets.

Our methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Equity Risks. We invest client assets primarily in equity and equity-linked securities. The market price of securities owned by our clients may go up or down, sometimes rapidly or unpredictably. Equity securities in a client's portfolio may decline in value due to factors affecting equity securities markets generally or particular industries represented in those markets. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which we believe are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame we anticipate. As a result, a client may lose all or substantially all of its investment in any particular instance.

Short Selling. Client accounts include short positions. In a short sale, the seller sells a security that it does not own. Because the seller remains liable to return the underlying security that it borrowed, the seller must purchase the security prior to the date on which delivery is required. As a result, we will engage in short sales only where we believe the value of the security will decline between the date of the sale and the date our client is required to return the borrowed security. The making of short sales will expose our clients to the risk of liability for the market value of the security that is sold, which will be an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and our client may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

Highly Volatile Markets. The prices of financial instruments in which clients may invest can be volatile. Price movements of the financial instruments in which client assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. Clients are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearinghouses. In addition, governments from time to time intervene in certain markets, directly and by regulation, particularly in currencies, futures and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause some or all of these markets to move rapidly in the same direction. The effect of such intervention is often heightened by a group of governments acting in concert.

Limited Diversification and Risk Management Failures. Though we attempt to diversify our clients' position, sector, and geographic exposures through use of certain position limits, at any given time, our clients' portfolios may not be diversified to any material extent, and, as a result, our clients could experience significant losses if general economic conditions, and, in particular, those relevant to the issuers whose securities are owned by our clients, decline. In addition, client accounts could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, strategies, countries or geographic regions, and any such concentration of risk may increase losses suffered by such clients. This limited diversity could expose clients to losses disproportionate to market movements in general. Other advisers pursue similar strategies, which creates the risk that many advisers may be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although we attempt to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are

based on observed historical market behavior, but future market behavior may be entirely different. Any inadequacy or failure in our risk management efforts could result in material losses for clients.

Competition. The markets in which we expect to participate are extremely competitive. There can be no assurance that we will be able to identify or successfully pursue attractive investment opportunities in this environment. Clients should expect that their investments will involve substantially more company specific and market risk and associated volatility in the future than in the past. We compete with many firms, some of which may have substantially greater financial resources, more favorable financing arrangements, larger research staffs and more securities traders than are available to us.

Default and Credit Risks. We may invest client assets in debt obligations of both government and corporate issuers. These financial instruments involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. We and/or our clients assume credit risk to our brokers, custodians and other counterparties in connection with brokerage arrangements, derivatives and other contractual relationships. In evaluating credit risk, we often are dependent upon information provided by the obligor, which may be materially inaccurate or fraudulent. Any actual default, or any circumstance that increases the possibility of such a default, could have a material adverse effect on clients.

Relative Value and Directional Investments. The success of clients depends on our ability to accurately predict future price movements or the convergence of market prices toward the theoretical values expected by us. Any such attempt to predict future price movements is inherently risky and inaccurate. Often, price movements will be determined by unanticipated factors, and our analysis of known factors may prove incorrect, in each case potentially leading to substantial losses to clients.

Trading Decisions. Our trading decisions will be based on fundamental, technical and other analysis. Any factor that would lessen the prospect of major trends occurring in the future (such as increased governmental control of, or participation in, the financial markets) may reduce the prospect that a particular trading method or strategy will be profitable in the future. In the past, there have been periods without discernable trends and, presumably, such periods will continue to occur in the future. Moreover, any factor that would make it more difficult to execute trades at desired prices in accordance with the signals of the trading method or strategy (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability. Further, many advisers' trading methods utilize similar analyses in making trading decisions. Therefore, bunching of buy and sell orders can occur, which makes it more difficult for a position to be taken or liquidated. No assurance can be given that our strategies will be successful under all or any market conditions.

"Widening" Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities in which clients invest may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will not be trading at even more "undervalued" levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH OUR INVESTMENT PROGRAM. CLIENTS SHOULD READ THIS BROCHURE AND ANY OTHER APPLICABLE ACCOUNT DOCUMENTS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

Richard M. Morano and Raymond A. Morano are also members of, and we share office space with, Big Board Partners LLC, a private investment advisory firm (“Big Board”). Big Board focuses on intra-day trading and various other strategies that are substantially different from the investment strategies typically employed by us on behalf of our clients. It is possible, however, that we may from time to time invest in the same securities and/or employ the same or similar strategies as Big Board. Richard’s and Raymond’s activities on behalf of Big Board may take up a relatively small portion of their time. We will manage any conflicts of interest presented by this arrangement in accordance with applicable fiduciary requirements and will endeavor to act in the best interests of our clients.

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

CODE OF ETHICS

We have adopted and implemented a code of ethics, which sets forth standards of business conduct for our employees. Our code of ethics is primarily designed to educate employees about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage employees to comply with applicable laws, prevent the misuse of material non-public information, restrict the circulation of rumors and other forms of market abuse and address conflicts of interest that arise from personal trading by employees. Among other things, we impose restrictions on employees relating to the purchase or sale of certain securities for their own accounts and the accounts of certain affiliated persons. Employees are required to submit quarterly reports disclosing personal securities transactions in covered securities and annual reports disclosing personal holdings of covered securities. Such reports are reviewed by our Chief Compliance Officer or his designee. We also maintain certain policies and procedures designed to prevent employees and principals from misusing material non-public information or trading the same security ahead of clients. We will furnish a copy of our code of ethics to our clients upon request.

PERSONAL TRADING

Subject to certain restrictions and requirements, our supervised persons generally will be permitted to buy and/or sell securities for their own personal accounts. Allowing supervised persons to purchase these securities may motivate those employees or principals to engage in “front-running,” which is the practice of attempting to benefit from the increase in price resulting from recommendations to clients. To prevent this practice, we closely monitor the investments made by our supervised persons.

Item 12: Brokerage Practices

SELECTING BROKERAGE FIRMS

In general, we have the authority to select the brokers and other counterparties to be used for client transactions and to negotiate commission rates and other monies paid by clients (subject to the terms and limitations set forth in the applicable investment management agreements). We select broker-dealers on the basis of obtaining the best overall terms available, which we evaluate based on a variety of factors, including, among other things: financial stability of the broker; the broker's "commission" rates or spread; the broker's inventory and availability of the security in question; research, custodial and other services provided by such brokers; websites and other related services; the size and type of the transaction; quality of execution; confidentiality; the operational facilities of the brokers involved (including back office efficiency); and the ability to handle a block order for securities and distribution capabilities. We may pay a commission in excess of that which another broker might have charged for effecting the same transactions, in recognition of the value of the brokerage or research services provided by the broker. Because commission rates in the United States as well as other jurisdictions are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

BEST EXECUTION

In placing orders for the purchase and sale of securities, we seek best net execution, which includes both commissions and execution prices. Orders will be placed with brokers or dealers which we believe to be responsible and provide effective execution of client orders under conditions most favorable to client accounts.

SOFT DOLLAR PRACTICES

We seek to obtain the lowest possible price for client transactions, and we currently do not intend to use soft dollars generated by client accounts to obtain products and services. Nevertheless, we may receive research from brokers who execute portfolio transactions for our clients. This research generally is used to service all client accounts (to the extent such research is applicable to our clients). We do not formally commit to invest any particular level of commissions to brokers who provide research services. Research from brokers through which portfolio transactions for us are executed may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, access to an electronic communication network for order entry and account information, participation in broker-dealer sponsored research and capital introduction conferences and other services providing lawful and appropriate assistance to us in the performance of investment decision-making responsibilities on behalf of clients. We may benefit by not having to produce or pay for research, and receipt of such research or other products or services may create an incentive for us to select or direct more business to particular brokers. We understand that the benefits received through our relationship with broker-dealers generally do not depend upon the amount of transactions directed to, or the amount of assets custodied by, the broker-dealers. We expect that all research reports received in connection with client-related matters will be within the limitations set forth in Section 28(e) of the Securities Exchange Act of 1934, as amended.

BROKERAGE FOR CLIENT REFERRALS

In selecting or recommending brokers, we do not consider whether we or any of our related persons receive client referrals from such brokers.

DIRECTED BROKERAGE

We permit our clients to direct the brokers to be used in executing transactions for their accounts. Clients should be aware that directing brokerage may prevent us from achieving best execution which may end up costing them more money.

AGGREGATION OF CLIENT TRADES

We may aggregate or "bunch" trade orders for multiple clients from time to time when it would be in the clients' best interests to do so. Aggregated orders will be allocated among applicable clients on a fair and equitable basis under the circumstances, but generally *pro rata* per applicable client account.

ALLOCATION OF INVESTMENT OPPORTUNITIES

We generally allocate investment opportunities among clients in a manner we believe to be fair and equitable under the circumstances. If we have determined to invest in the same direction in the same investment at the same time for more than one of our clients, we will generally place orders for all such accounts simultaneously. If all such orders are not filled at the same price, we will, to the extent possible, allocate the trades such that the order for each client is filled at the average price. Similarly, if an order on behalf of more than one client cannot be fully executed under prevailing market conditions, we will allocate the trades among different clients on a pro rata basis based on contributed capital.

TRADE ERRORS

In the course of managing client accounts, we expect that trade errors may from time to time occur. Although there is no standard definition of trade errors, they may include a number of situations, such as:

- Purchasing securities not legally permitted for a client's account, or not within a client's investment guidelines;
- Purchasing or selling the wrong securities or the wrong amount of securities for a client's account;
- Purchasing or selling securities for the wrong client account; or
- Allocating securities to the wrong client account.

A trade error, however, does not include errors that are corrected at the broker-dealer level or otherwise corrected prior to settlement.

If a client incurs costs as the result of a trade error, the client generally will be required to bear such costs unless the trade error was caused by our gross negligence, willful misconduct or violation of applicable laws or regulations. Notwithstanding the foregoing, we may bear the costs of any trade error in our sole discretion.

Trading activity is monitored daily for errors and any errors are reported to the Chief Executive Officer for further review and recordkeeping.

Item 13: Review of Accounts

REVIEWS OF ACCOUNTS

Our Chief Executive Officer conducts reviews of client accounts and their investments on a daily basis.

We invest our clients' assets in securities and other financial instruments. In monitoring the performance of the investments, we perform various levels of review. Among other items, we consider short and long term rates of return, investment performance and risk allocations. In addition, we may periodically review (i) investments made by each client, specifically looking for irregularities, unusual positions and overall allocations in accordance with client objectives, and that investments held by a client are consistent with such client's investment objectives and financial situation and (ii) client holdings to determine whether or not the investments remain consistent with their objectives.

ADDITIONAL REVIEWS

While we generally will conduct reviews of client accounts on at least a daily basis, we may conduct additional or more frequent reviews under certain circumstances, including changes in market or economic conditions or changes in a client's investment objectives or financial situation.

REPORTS

We generally provide advisory clients with daily confirmation statements in electronic format of all transactions involving their accounts. On a monthly basis, we generally provide each advisory client with (a) a statement of the account's assets and liabilities, (b) an accounting of all brokerage commissions and other expenses incurred on behalf of the account, and (c) a report on the account's performance. We also from time to time will provide such other information and reports relating to client accounts as clients may reasonably request. All such statements and reports are written.

Item 14: Client Referrals and Other Compensation

THIRD PARTY COMPENSATION

Except as described in Item 12 hereof, we do not receive any economic benefit from any non-advisory client for providing advisory services with respect to our clients.

REFERRALS

We currently do not compensate any third party for client referrals.

Item 15: Custody

We do not have actual or constructive custody of client funds and/or securities for purposes of Rule 206(4)-2 under the Advisers Act. Client funds and securities are held in the physical custody of one or more qualified custodians that are selected by them from time to time. To the extent that we have or are deemed to have custody, we intend to comply with applicable legal and regulatory requirements.

Item 16: Investment Discretion

DISCRETIONARY AUTHORITY

We generally have discretionary power and authority over the types and amounts of investments to be bought or sold, on behalf of our clients (subject to the restrictions and limitations set forth in the account documents of our clients). We also have the authority to determine the broker-dealer or other counterparty to be used for transactions and the negotiation of commission rates and other consideration to be paid by clients.

LIMITED POWER OF ATTORNEY

Each client generally provides us with a limited power of attorney to enable us to conduct authorized trading on its behalf.

Item 17: Voting Client Securities

Clients typically authorize us to vote proxies on their behalf. Our general policy is to vote proxy proposals, amendments, consents or resolutions in a manner that serves the best interests of our clients, as we determine in our discretion. In general, we vote in favor of matters which follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders and/or compensation plans that are commensurate with enhanced manager performance and market practices. We attempt to identify actual or potential conflicts of interest that could compromise the independence of our voting decision when voting a proxy on behalf of clients. Where a material conflict of interest has been identified, we generally attempt to resolve the conflict before voting a proxy. In general, we either disclose the conflict to the client and obtain its consent or take other steps designed to ensure that a decision to vote the proxy was based on our determination of the client's best interest and was not the product of the conflict. We may determine not to vote proxies in respect of securities of an issuer if we determine that it would be in the client's overall best interest not to vote. Clients generally may direct or otherwise influence our vote with respect to any particular proxy solicitation. Clients may obtain copies of our proxy voting policy, together with information regarding how we have voted past proxies, by contacting us.

Item 18: Financial Information

Not applicable.