

PART 2A OF FORM ADV: FIRM BROCHURE

ITEM 1. COVER PAGE

**BESSEMER INVESTMENT MANAGEMENT LLC**  
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**New York, New York 10111**  
**212-708-9100**

**This brochure provides information about the qualifications and business practices of Bessemer Investment Management LLC. If you have any questions about the contents of this brochure, please contact Don Andrews by telephone at 212-708-9100 or email at [AndrewsD@Bessemer.com](mailto:AndrewsD@Bessemer.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Bessemer Investment Management LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The use of the terms “registered investment adviser” or “registered” by us does not imply a certain level of skill or training.**

March 4, 2015

## ITEM 2. MATERIAL CHANGES

Since our last annual update on March 24, 2014, we have revised the amount of client assets we manage, updated the fee schedule to include fees charged to a new fund client and updated the list of sub-advisers contained in Item 5 and the risk disclosures contained in Item 8.

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#### ITEM 4. ADVISORY BUSINESS

Bessemer Investment Management LLC (“BIM” or “We” or “Our”) was formed in 2001 and is a wholly-owned subsidiary of Bessemer Trust Company, N.A. (“BTNA”), a national banking association which in turn is a wholly-owned subsidiary of The Bessemer Group, Incorporated (“BGI”). BTNA and other subsidiaries of BGI advise or provide investment, fiduciary and personal banking services with total assets under supervision of \$103.4 billion as of December 31, 2014. We act as investment adviser to Old Westbury Funds, Inc., a family of mutual funds affiliated with us, and supervise sub-advisers who are responsible for making the day-to-day investment decisions for a portion of Old Westbury Funds, Inc.’s assets. In addition, we act as an investment adviser to OWF Real Return Fund Ltd., an exempt company organized under the laws of the Cayman Islands and wholly-owned subsidiary of Old Westbury Real Return Fund, and to OWF Strategic Opportunities Fund Ltd., an exempt company organized under the laws of the Cayman Islands and wholly-owned subsidiary of Old Westbury Strategic Opportunities Fund. When offering investment advice on a discretionary basis, we will generally tailor our advice to the individual needs of a client and allow a client to impose reasonable investment restrictions. We also provide non-discretionary advisory services, including information regarding our model portfolios, to BTNA. BTNA, however, retains discretionary authority over its investment advisory accounts and makes all investment decisions and recommendations for these accounts. As of December 31, 2014 our assets under management were approximately \$27.5 billion.

#### ITEM 5. FEES AND COMPENSATION

In connection with our advisory services, we charge an annual fee based on a percentage of the net assets managed or advised, valued at market. Our fees are negotiable and may either be refunded or pro-rated upon the termination in writing of the investment management agreement. With respect to discretionary investment management services, these clients will also incur charges imposed directly by the client’s custodian, brokerage and other transaction charges imposed by the broker-dealer executing transactions for the client’s account, and fees and expenses imposed directly by mutual funds held in the client’s account. For further discussion concerning our brokerage practices see Item 12 below.

##### Investment Companies Management

We receive an advisory fee from each fund, computed daily and payable monthly in arrears, in accordance with the following schedule:

<u>Fund</u>	<u>Advisory Fee Rate</u> <u>Average Net Assets</u>
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<b><u>Fund</u></b>	<b><u>Advisory Fee Rate Average Net Assets</u></b>
Old Westbury Large Cap Core Fund	First \$500 million - 0.70% \$500 million to \$1 billion - 0.65% Over \$1 billion - 0.60%
Old Westbury Fixed Income Fund	First \$500 million - 0.45% \$500 million to \$1 billion - 0.40% Over \$1 billion - 0.35%
Old Westbury Municipal Bond Fund	First \$500 million - 0.45% \$500 million to \$1 billion - 0.40% Over \$1 billion - 0.35%
Old Westbury Small & Mid Cap Fund	0.85%
Old Westbury Real Return Fund	0.85%
Old Westbury Strategic Opportunities Fund	First \$1.25 billion - 1.10% \$1.25 billion to \$2.5 billion - 1.05% Over \$2.5 billion - 1.00%
Old Westbury Large Cap Strategies Fund	First \$1.25 billion - 0.90% \$1.25 billion to \$2.5 billion - 0.85% Over \$2.5 billion - 0.80%
OWF Real Return Fund Ltd.	0.85%
OWF Strategic Opportunities Fund Ltd.	First \$1.25 billion - 1.10% \$1.25 billion to \$2.5 billion - 1.05% Over \$2.5 billion - 1.00% thereafter, on the average net assets of OWF Strategic Opportunities Fund Ltd. plus the Old Westbury Strategic Opportunities Fund in the aggregate.

We supervise the following sub-advisers who are responsible for making the day-to-day investment decisions for a portion of Old Westbury Funds, Inc.'s assets. We pay each of the sub-advisers a percentage of our advisory fees, set forth above, that we receive from a sub-advised fund.

#### Sub-Advisers

Dimensional Fund Advisors, L.P. (“Dimensional”) located at 6300 Bee Cave Road, Building One, Austin, Texas 78746, serves as a sub-adviser to the Old Westbury Small & Mid Cap Fund. In this capacity, Dimensional is responsible for the day-to-day management of a portion of the Old Westbury Small & Mid Cap Fund subject to our oversight. Dimensional is organized as a Delaware limited partnership and is controlled and operated by its general partner, Dimensional Holdings Inc., a Delaware corporation. David G. Booth and Rex A. Sinuefield may be deemed controlling persons of Dimensional.

Champlain Investment Partners, LLC (“Champlain”), located at 180 Battery Street, Burlington, Vermont 05401, serves as a sub-adviser to the Old Westbury Small & Mid Cap Fund. In this capacity, Champlain is responsible for the day-to-day management of a portion of the Old Westbury Small & Mid Cap Fund subject to our oversight. Champlain is an employee-owned investment management firm founded in 2004.

Mondrian Investment Partners Limited (“Mondrian”), located at 10 Gresham Street, London, United Kingdom, EC2V 7JD, serves as a sub-adviser to the Old Westbury Small & Mid Cap Fund. In this capacity, Mondrian is responsible for the day-to-day management of a portion of the Old Westbury Small & Mid Cap Fund subject to our oversight. Mondrian was founded in 1990 and is owned by its employees.

Franklin Advisers, Inc. (“Franklin”), located at One Franklin Parkway, San Mateo, California 94403, serves as a sub-adviser to the Old Westbury Strategic Opportunities Fund. In this capacity, Franklin is responsible for the day-to-day management of a portion of the Old Westbury Strategic Opportunities Fund subject to our oversight. Franklin is a wholly-owned subsidiary of Franklin Resources, Inc., a publicly traded global investment organization operating as Franklin Templeton Investments.

BlackRock Financial Management Inc. (“BlackRock”), located at 40 East 52<sup>nd</sup> Street, New York, NY 10022, serves as a sub-adviser to the Old Westbury Strategic Opportunities Fund. In this capacity, BlackRock is responsible for the day-to-day management of a portion of the Old Westbury Strategic Opportunities Fund subject to our oversight. BlackRock is an indirect wholly-owned subsidiary of BlackRock, Inc., a publicly traded global investment services company.

Sands Capital Management, LLC (“Sands”), located at 1101 Wilson Boulevard, Suite 2300, Arlington, Virginia, 22209, serves as a sub-adviser to the Old Westbury Large Cap Strategies Fund. In this capacity, Sands is responsible for the day-to-day management of a portion of the Old Westbury Large Cap Strategies Fund subject to our oversight. Sands is owned by Sands Capital Management LP (“Sands LP”). Frank Sands, Sr., Majorie R. Sands, and Frank M. Sands, Jr. own indirectly a majority interest in Sands LP with the remaining minority interest held by officers and employees of Sands.

Muzinich & Co., Inc. (“Muzinich”), located at 450 Park Avenue, New York, New York 10022, serves as a sub-adviser to the Old Westbury Strategic Opportunities Fund. In this

capacity, Muzinich is responsible for the day-to-day management of a portion of the Old Westbury Strategic Opportunities Fund subject to our oversight. Muzinich is owned by George Muzinich and Justin Muzinich, as well as Muzinich family trusts.

Harding Loevner LP (“Harding Loevner”), located at 400 Crossing Boulevard, Bridgewater, New Jersey 08807, is responsible for the day-to-day management of a portion of the Old Westbury Large Cap Strategies Fund subject to our oversight. Affiliated Managers Group, Inc., a publicly traded company, holds approximately 60% of the equity interests in Harding Loevner.

The Prospectus and Statement of Additional Information for Old Westbury Funds, Inc. has more information about us, the sub-advisers, the fees and expenses of the funds, and the other service providers of Old Westbury Funds, Inc.

#### Non-Discretionary Advisory Services

We provide non-discretionary investment advisory services to BTNA, an affiliate, in accordance with bank/regulatory standards. We receive a fee from BTNA, billed quarterly in advance, in accordance with the following fee schedule:

<u>Portfolio</u>	<u>Fee Rate</u>
U.S. Equities	0.20%
Fixed Income	0.05%
Non-US Equities	0.40%
Strategic Currency	0.20%

The fee is equal to the product of the total assets of the portfolios managed or advised by BTNA multiplied by the fee rate specified.

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

We do not charge performance-based fees.

#### ITEM 7. TYPES OF CLIENTS

We provide advisory services to investment companies and banking institutions.

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

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

Fundamental and quantitative research underpin our security selection process. We use a disciplined investment process focused on expected earnings growth and valuation.

Sector and country allocations are driven primarily by stock selection and secondarily by an assessment of top-down, fundamental prospects. In addition to qualitative research, we use quantitative tools across all disciplines. Our proprietary analytics help us screen stocks, develop financial models, assess valuations, and monitor portfolio risk. In building a client's portfolio, we look to maximize portfolio returns at a given level of risk by selecting attractive securities based on fundamental research, valuation metrics, and volatility analysis.

We may employ various investment strategies to seek to achieve a client's investment objective. We may invest in U.S. and non-U.S. companies (representing large and medium market capitalizations), fixed-income securities, inflation-protected securities such as Treasury Inflation Protected Securities, commodity-linked instruments, convertible securities, structured notes, private placements, real estate investment trusts, municipal securities, and exchange-traded funds. We may also invest in collectibles, which are rare objects collected by investors, and commodity-linked instruments. We may also engage in short selling and enter into derivative transactions, such as interest rate, commodity, equity and volatility swaps; equity and currency options; futures and options on futures; and forward foreign currency exchange contracts. We may use derivatives instruments for hedging and speculative purposes.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. Investment decisions made by us in using any investment strategy may not produce the returns expected, or may cause a client's portfolio to underperform. Exposure to foreign markets through issuers or currencies can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. The risks of foreign investments are increased in emerging markets which may experience hyperinflation and have far lower trading volumes and less liquidity than developed markets. Privately placed and other restricted securities are subject to restrictions on resale as a matter of contract or under federal securities laws, we could therefore find it more difficult to sell such securities when we may want to do so or we may sell them at prices lower than if such securities were more widely held. Over-the-counter instruments (investments not traded on an exchange) may be illiquid and are subject to the risk that the other party will not meet its obligations. Investing in structured notes is subject to certain risks, including credit risk and the normal risks of price changes in response to changes in interest rates.

The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying security, asset, index or reference rate, which may be magnified by certain features of the derivatives. These risks are heightened when we use derivatives to enhance returns or as a substitute for a position or security, rather than solely to hedge or offset the risk of a position or security held by a client. There is also a risk that the derivative will not correlate well with the instrument for which it is substituting. The use of derivatives to leverage risk also may exaggerate a loss, potentially causing a client to lose more money



than if it had invested in the underlying security, or limit a potential gain. The success of our derivative strategies will depend on our ability to assess and predict the impact of market or economic developments on the underlying security, asset, index or reference rate and the derivative itself, without necessarily the benefit of observing the performance of the derivative under all possible market conditions. Other risks arise from a potential inability to terminate or sell a client's derivative positions as a liquid secondary market for such positions may not exist at times when we may wish to terminate or sell them. Short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment.

The value of commodities may be affected by, among other things, changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity. The operations and financial performance of companies in the agricultural, natural resources and related industries may be directly affected by commodity prices. This risk is exacerbated for those companies that own the underlying commodity.

Exchange-traded funds or ETFs are subject to many of the same risks associated with individual stocks, including market risk where the market as a whole, or the specific sector in which an ETF invests, may decline. U.S. government securities that are not direct obligations of the U.S. Treasury have more credit risk than securities directly supported by the full faith and credit of the U.S. government. Smaller companies may be more vulnerable to market downturns and adverse business or economic events. Fixed income securities are subject to the risk that interest rates will rise, which generally causes bond prices to fall. Prices of municipal securities rise and fall in response to interest rate changes and local political and economic factors may adversely affect the value and liquidity of these securities. Fixed income securities and municipal securities are subject to the risks associated with a lack of liquidity in the municipal bond and fixed income markets. Convertible securities are subject to interest rate risk, the risk that the issuer will not be able to pay interest or dividend when due, the risk that their market value may change based on changes to the issuer's credit ratings or the market's perception of the issuer's creditworthiness, and the risk that their value may not increase or decrease as rapidly as the underlying common stock. Currency management strategies may a client's exposure to currency exchange rates and could result in losses to clients if currencies do not perform as we expect. Real estate investment trusts or REITs carry risks generally incident to the ownership of real property, as well as additional risks such as limited diversification, poor performance by the manager of the REIT and adverse changes to the tax laws. The value of an inflation-protected debt security generally will fall when real interest rates rise.

## ITEM 9. DISCIPLINARY INFORMATION

None.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Rebecca Patterson, Marc Stern, Don Andrews, and Frank Mariani, are registered representatives of our affiliate Bessemer Investor Services, Inc., a registered broker-dealer.

We are registered as a commodity pool operator under the Commodity Exchange Act, as amended, with respect to our management of OWF Real Return Fund Ltd. Our pool operator registration will also apply to our management of OWF Strategic Opportunities Fund Ltd. Rebecca Patterson is registered as an associated person under the Commodity Exchange Act, as amended.

We act as investment adviser to Old Westbury Funds, Inc. an open end registered investment company affiliated with us. We also act as an investment adviser to OWF Real Return Fund Ltd., an affiliate and subsidiary of Old Westbury Real Return Fund and to OWF Strategic Opportunities Fund Ltd., an affiliate and subsidiary of Old Westbury Strategic Opportunities Fund. We are owned by BTNA, a national bank, and are an investment adviser to BTNA. Certain employees are also officers of both our firm and BTNA and provide investment advisory services to certain commingled vehicles and other accounts advised by BTNA. Also see the description under Advisory Business Item 4 above.

Like other investment professionals with multiple clients, a portfolio manager for a client may face certain potential conflicts of interest in connection with managing both the client's assets and other accounts at the same time. The paragraphs below describe some of these potential conflicts, which we believe are faced by investment professionals at most major financial firms but which we believe are adequately addressed by our current policies and procedures. We have adopted policies and procedures that are designed to address certain of these potential conflicts.

A potential conflict of interest may arise when a client and other accounts managed by us or our affiliates purchase or sell the same securities. On occasions when a portfolio manager considers the purchase or sale of a security to be in the best interests of a client as well as other accounts managed by us or our affiliates, the orders for such transactions may be combined in order to obtain the best execution and lower brokerage commissions, if any. Aggregation of trades may create the potential for unfairness to a client or another account if one account is favored over another in allocating the securities purchased or sold – for example, by allocating a disproportionate amount of a security that is likely to increase in value to a favored account. We believe that our policies and procedures relating to trade aggregation and allocation are reasonably designed to prevent such results.

“Cross trades,” in which one account managed by us or our affiliates sells a particular security to another account managed by us or our affiliates (potentially saving transaction costs for both accounts), may also pose a potential conflict of interest. Cross trades may be seen to involve a potential conflict of interest if, for example, one account is permitted to sell a security to another account at a higher price than an independent third party would pay. We and our affiliates have adopted procedures that provide that any

transactions between a client and another account advised by us or our affiliates are to be made at an independent current market price.

Another potential conflict of interest may arise based on the different investment objectives and strategies of a client and other accounts. For example, another account may have a shorter-term investment horizon or different investment objective, policies or restrictions than a client. Depending on another account's objectives or other factors, a portfolio manager may give advice and make decisions that may differ from advice given, or the timing or nature of decisions made, with respect to a client. In addition, investment decisions are the product of many factors in addition to basic suitability for the particular account involved. Thus, a particular security may be bought or sold for certain accounts even though it could have been bought or sold for other accounts at the same time. Moreover, a particular security may be bought for one or more accounts managed by a portfolio manager when one or more other accounts are selling the security (including short sales). There may be circumstances when purchases or sales of portfolio securities for one or more accounts may have an adverse effect on other accounts.

Portfolio managers who are responsible for managing multiple accounts may devote unequal time and attention to the management of those accounts. As a result, the portfolio manager may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if he or she were to devote substantially more attention to the management of a single account. The effects of this potential conflict may be more pronounced where accounts overseen by a particular portfolio manager have different investment strategies.

Our portfolio managers may be able to select or influence the selection of the brokers and dealers that are used to execute securities transactions for clients. In addition to executing trades, some brokers and dealers provide us and our affiliates with brokerage and research products and services which may result in the payment of higher brokerage fees than might have otherwise been available. These products and services are used by us and our affiliates and may be more beneficial to certain clients or accounts managed by us and our affiliates than to others. Although the payment of brokerage commissions is subject to the requirement that we and our affiliate determine in good faith that the commissions are reasonable in relation to the value of the brokerage and research products and services provided, the decision as to the selection of brokers and dealers could yield disproportionate costs and benefits among a client and/or accounts that we and our affiliates manage.

Portfolio managers may also face other potential conflicts of interest in managing a client's assets, and the description above is not a complete description of every conflict that could be deemed to exist in managing both the client's assets and other accounts. In addition, portfolio managers may also manage other accounts (including their personal assets or the assets of family members) in their personal capacity. The management of these accounts may also involve certain of the potential conflicts described above. Our investment personnel, including portfolio managers, are subject to restrictions on engaging in personal securities transactions pursuant to a Code of Ethics adopted by us and our affiliates.

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

Investment personnel, including portfolio managers, are subject to restrictions on engaging in personal securities transactions pursuant to a Code of Ethics adopted by us and our affiliates, which contain provisions and requirements designed to identify and address certain conflicts of interest between personal investment activities and the interests of clients. Employees are generally required to pre-clear securities transactions (which may include securities purchased by clients) with the Compliance department and to report all transactions on a regular basis. The Chief Compliance Officer or his designee has the responsibility for interpreting the provisions of the Code of Ethics, for adopting and implementing procedures for the enforcement of the provisions of the Code of Ethics, and for determining whether a violation has occurred. In the event of a finding that a violation has occurred, the Chief Compliance Officer or his designee shall take appropriate action.

A copy of our Code of Ethics is available upon request.

Our related persons may buy or sell for themselves or accounts they advise investment products recommended to clients. We and our affiliates may give advice and make decisions that may differ from advice given, or from the timing or nature of decisions made, with respect to a particular client. Portfolio managers responsible for managing clients' assets will also provide investment advisory services to clients of our affiliates. Also see the description under Other Financial Industry Affiliations Item 10 above.

## ITEM 12. BROKERAGE PRACTICES

For discretionary accounts, we have authority to determine the type and amount of securities to be bought and sold, the broker/dealer to be used and the commission rates to be paid. In executing portfolio transactions and selecting brokers or dealers, we will seek to obtain the best net price and the most favorable execution. We will consider factors we deem relevant, including the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer and the reasonableness of the commission, if any, for the specific transaction and on a continuing basis. Purchase and sale orders for clients may be combined and executed together with orders for clients of our affiliates. An order that is partially filled, will, as a general matter, be allocated pro rata in proportion to each client's original order or account size. There is no certainty that the allocation process will in fact result in fair allocations, or that they will be allocated to all clients or allocated equally among clients participating in the aggregated transactions or according to any established standard.

Among the types of research products and services that we and our affiliate receive in consideration of brokerage commissions generated by accounts managed by us and our affiliates or other types of selling compensation are reports, statistics or consultations with analysts regarding specific companies, industries or sectors, general summaries of groups of securities and their comparative earnings, index and credit data, pricing

information, or broad overviews of the markets and the economy. Other topics covered by such research products and services might include global, regional, and country by-country prospects for economic growth anticipated levels of inflation, prevailing and expected interest rates, and the outlook for currencies and commodities. In addition, research services may be provided in the form of meetings arranged with corporate and industry spokespersons, economists, academicians and government representatives. Brokerage products and services received in consideration of clients' portfolio commissions or other selling compensation may include order routing systems, electronic clearance and settlement services and other services that assist us with the execution of securities transactions. These services, and products, including ancillary services, may be used by us and our affiliates for one or more accounts managed by us and our affiliates, and they may or may not be used, or used exclusively, with respect to the account generating the brokerage commission.

When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products, or services. We have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution.

On an ongoing basis, we monitor and evaluate the performance and execution capabilities of the firms that provide research and brokerage products and services and also monitor the levels of commission costs in comparison to those commissions paid by other institutional investment managers. Also see the description under Other Financial Industry Affiliations Item 10 above.

#### ITEM 13. REVIEW OF ACCOUNTS

Our portfolio managers monitor their discretionary accounts on a regular basis and review their model portfolios with our Investment Committee. The Investment Committee determines the composition of the model portfolios and reviews the portfolio managers' adherence to their investment mandates. We provide our model portfolios and asset allocation recommendations to our affiliate BTNA on an ongoing basis and provide advice and recommendations to BTNA on a regular basis, but not less than monthly. We provide a written report to the board of directors of the Old Westbury Funds, Inc. (the "Board") at each regular meeting of the Board of material changes in each of the funds since the prior report. We will also furnish the Board with such statistical and analytical information with respect to securities held by the funds, including OWF Real Return Fund Ltd., and OWF Strategic Opportunities Fund Ltd. as may be requested by the Board from time to time.

#### ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

None.

#### ITEM 15. CUSTODY

One of our affiliates provides custodian services to Old Westbury Funds, Inc. and OWF Real Return Fund Ltd., a wholly-owned subsidiary of a series of the Old Westbury Funds, Inc.; therefore we may be deemed to have custody of client assets. However, pursuant to Rule 206(4)-2(b)(5) of the Investment Advisers Act of 1940, we are not required to comply with any portion of the custody rule (including providing account statements directly to clients) with respect to the assets of any series of the Old Westbury Funds, Inc. because such clients are registered funds under the Investment Company Act of 1940.

#### ITEM 16. INVESTMENT DISCRETION

We manage the assets of each series of Old Westbury Funds, Inc., OWF Strategic Opportunities Fund Ltd., and OWF Real Return Fund Ltd. pursuant to an investment management agreement that, among other things, grants us the authority to manage the funds' assets on a discretionary basis. All clients must enter into an investment management agreement which sets forth our authority. The investment management agreement will also reference investment limitations or restrictions, if any, for a particular client.

The Prospectus and Statement of Additional Information of the Old Westbury Funds, Inc. contains more information on the investment limitations of the funds.

#### ITEM 17. VOTING CLIENT SECURITIES

Unless a client directs otherwise, we will vote proxies on their behalf. Where we are responsible for voting proxies for a client, we have adopted written policies and procedures reasonably designed to ensure that we vote proxies in an effort to maximize the value of our clients' investments over the long term. While our voting will generally follow our proxy voting guidelines, specific voting decisions may differ in any instance where we believe it to be in the best interest of shareholders. Our Proxy Committee ("Proxy Committee"), comprised of representatives from Compliance, Custody, and the Investment area, oversees the proxy voting process. The Proxy Committee may seek the input of our portfolio managers and research analysts on a limited number of issues (generally on matters that are designated as case-by-case votes). We have contracted with Institutional Shareholder Services, Inc.. ("ISS"), a professional proxy voting and corporate governance service, to provide research on proxy issues and to vote proxies in accordance with our guidelines. We may review proxy votes with ISS when the Proxy Committee determines this to be desirable. We may refrain from voting in certain cases where we deem appropriate, if, for example, the cost of voting appears to exceed the expected benefits, or when voting could result in the imposition of trading or other restrictions that may restrict liquidity or otherwise impair investment returns. The foregoing conditions are most likely to exist with respect to non-U.S. securities. In situations where the Proxy Committee determines that there is a material conflict of interest (i.e., a conflict that is likely to influence, or appear to influence, our decision

making on the issue based on assessment of the particular facts and circumstances), the Proxy Committee will determine an appropriate method to resolve such conflict of interest before the affected proxy is voted. Such methods may include (1) instructing ISS to vote the affected proxy in accordance with its own recommendations, (2) referring the proxy to the governing board of the relevant investment company or the client institution, (3) disclosing the conflict of interest and sending the proxy to individual shareholders for them to vote individually, or (4) such other method as is deemed appropriate given the particular facts and circumstances.

Information about how we voted proxies for securities held in client accounts is available to clients upon request. The proxy voting record for the Old Westbury Funds, Inc., during a 12-month period ended June 30, is available on the Securities and Exchange Commission's website at <http://www.sec.gov>. A copy of our proxy voting policies and procedures is included in the Statement of Additional Information of the Old Westbury Funds, Inc. and is available to clients upon request.

#### ITEM 18. FINANCIAL INFORMATION

We do not believe that there are any financial conditions that are reasonably likely to impair our ability to meet our contractual commitments to clients.