

HIGH POINTE CAPITAL MANAGEMENT, LLC  
ONE NORTH LaSALLE, SUITE 2001  
CHICAGO, ILLINOIS 60602  
312.726.2500  
312.726.6100 FAX  
WWW.HIGHPOINTECAPITAL.COM

INNOVATE. DELIVER.

HIGH **POINTE**

## **Item 1 – Cover Page**

### **Form ADV Part 2A - Brochure March 28, 2015**

# **High Pointe Capital Management, LLC**

One North LaSalle Street, Suite 2001

Chicago, Illinois 60602

Tele: 312.726.2500

Fax: 312.726.6100

[www.HighPointeCapital.com](http://www.HighPointeCapital.com)

This brochure provides information about the qualifications and business practices of High Pointe Capital Management, LLC (“High Pointe” or “the Adviser”). If you have any questions about the contents of this brochure, please contact us by telephone at 312.726.2500 or by email at [rdhingra@HighPointeCapital.com](mailto:rdhingra@HighPointeCapital.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.

High Pointe is an SEC-registered investment adviser. Registration of an investment adviser by the SEC does not imply any particular level of skill or training. Additional information about High Pointe is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

There are no material changes in this year's Form ADV, a disclosure document ("brochure"), compared to the one shared by High Pointe with its clients last year.

In the coming years, this section of the brochure will describe any material changes from previous year's brochure. High Pointe will continue its practice of sharing this brochure with its clients within 120 days of the close of its fiscal year on December 31.

### **Item 3 – Table of Contents**

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## **Item 4 – Advisory Business**

### **Firm Description and Ownership**

High Pointe Capital Management, LLC (“High Pointe” or “the Adviser”) was established in December 1997 by Dr. Gautam Dhingra. Prior to starting High Pointe, Dr. Dhingra was a Principal in charge of managing the Investment Consulting practice of Hewitt Associates in the Midwest, Southwest and Western United States. He has also served as a Lecturer of Finance at Northwestern University’s Kellogg School of Management. High Pointe is wholly-owned by Gautam Dhingra and Ritu Dhingra and is organized under the laws of the State of Illinois.

### **Type of Advisory Services**

High Pointe provides portfolio management and investment advisory services to both individual and institutional clients.

High Pointe manages balanced portfolios for individual clients that are diversified across multiple asset classes such as U.S. Equity, International Equity, Emerging Markets, Municipal Bonds, Investment Grade Bonds, and High Yield Bonds. For some individual clients, High Pointe’s mandate is narrowly focused on one or more segments of the equity market.

Institutional clients (such as public employee benefit plans, corporate pension and profit sharing plans, foundations and corporations) typically retain High Pointe to manage assets within one or more of its equity products. High Pointe’s main equity products are:

- Large Cap Value U.S. Equity
- Large Cap Growth U.S. Equity
- Small Cap U.S. Equity
- International Equity
- Global Opportunity

A more complete description of High Pointe’s main equity products is provided in Item 8. High Pointe also offers these main equity products as limited partnerships. As such, High Pointe sells interests in these private funds (the limited partnerships) for which it is the sponsor and general partner.

In addition, High Pointe manages two other private fund (limited partnership) products funded by assets of High Pointe and its principals. These products are for investment strategy testing and development purposes and they are not open to outside investors at this date. These two products are: Small Cap Value and Small Cap Growth. A more complete description of these products is also provided in Item 8.

## **Tailored Relationships**

Some clients retain High Pointe to manage their assets on a Separately Managed Account (“Separate Account”) basis whereby clients directly own the securities in their portfolio held at a custodian of their choice. In these relationships, clients can tailor their accounts by specifying guidelines and restrictions for management of their assets. . Other clients retain High Pointe by buying units to invest in a Limited Partnership, which is managed by High Pointe as the General Partner. These Limited Partnerships have lower account minimums than Separate Accounts, but they do not allow investors to specify their own guidelines and restrictions.

## **Assets under Management**

As of December 31, 2014, High Pointe managed \$282.5 million, all on a fully-discretionary basis.

## **Item 5 – Fees and Compensation**

### **Investment Advisory Fees for Separately Managed Accounts**

High Pointe’s standard investment advisory fee structures, which are based on a percentage of assets under management, are as follows for Separate Accounts:

Small Cap U.S. Equity Accounts:

- First \$20 million: 1.00% of assets per year
- Assets in excess of \$20 million: 0.75% of assets per year

All Other Equity Accounts:

- First \$20 million: 0.85% of assets per year
- Assets in excess of \$20 million: 0.60% of assets per year

Balanced Portfolio Accounts

- First \$20 million: 0.75% of assets per year.
- Assets in excess of \$20 million: 0.50% of assets per year

High Pointe may negotiate a non-standard investment advisory fee with a client, at its discretion, in consideration of the nature of services rendered, special requirements of the account (such as particular regulatory, compliance, or other requirements) or other factors (such as sub-advisory relationship, potential size, product life-cycle or cross-over business). High Pointe may manage client accounts without an advisory fee, such as accounts of principals and their relations. The specific advisory fee structure for each client is established as part of the Investment Advisory Agreement between High Pointe and the client. For discretionary clients that transfer assets in-kind, if High Pointe chooses to keep assets brought in-kind, these assets are included in the fee calculation.

## **Investment Advisory Fees for Limited Partnership Accounts**

High Pointe's standard investment advisory fee structure for Limited Partnership Accounts is:

- All Assets: 1.00% of assets per year

## **Billing Practices**

For Separate Accounts, High Pointe invoices fees in arrears on a calendar quarterly basis, and for Limited Partnership Accounts, fees are deducted in arrears on a monthly basis. Separate Account clients may choose to pay these invoices directly or authorize High Pointe to directly extract fees from client accounts. Client authorization to withdraw money from client accounts is limited to the withdrawal of fees. The specific manner in which fees are calculated is established in the client's Advisory Agreement. Typically, fees are calculated using end of period assets and prorated for both actual numbers of days in a quarter, and for each significant capital contribution or withdrawal. However, Separate Account clients may define any other reasonable methodology for such calculations in the Advisory Agreement. For example, some clients specify that fees be based on the average of month-end asset values instead of quarter-end values.

## **Fees in Advance**

High Pointe does not charge fees in advance.

## **Other Expenses**

Any investment advisory fees invoiced by High Pointe to clients are for investment advisory services and do not include brokerage and other transactions costs, custodial charges, and fees and expenses charged by underlying funds, such as mutual funds and exchange traded funds. Clients should be aware that mutual funds and exchange traded funds charge their own management fees and costs that are disclosed in their respective funds prospectus. High Pointe does not receive any portion of these fees and costs.

The four investable Limited Partnerships each bear the annual expense of a financial audit and tax document preparation by independent third parties. To the extent a Balanced Separate Account client invests in Limited Partnerships managed by High Pointe, High Pointe ensures that the Limited Partnership assets are excluded from the calculation of the Separate Account fee to avoid double layering of fees.

## **No Additional Compensation**

High Pointe does not invest client assets in mutual funds that levy a sales charge (commonly called "load"). As such, High Pointe does not receive any compensation from mutual funds for recommending or investing in them.

## **Item 6 – Performance-based Fees and Side-by-Side Management**

High Pointe does not currently have any performance-based fee arrangements with any client. If High Pointe were to consider performance fee arrangements in the future, it would comply with SEC Rule 205-3 of the Act (and any other applicable state or federal laws) and the doctrine of fairness to clients in side-by-side management.

## **Item 7 – Types of Clients**

High Pointe provides portfolio management and investment advisory services primarily to high net worth individuals, trusts, estates, and institutional clients such as corporate and public employee pension and profit sharing plans, foundations, charitable organizations, and corporations. High Pointe sometimes acts as a sub-adviser to other advisers for these type of clients.

The standard minimum size is \$2 million for Separate Accounts and \$250,000 for Limited Partnership Accounts. High Pointe may waive the minimum account size requirement at its discretion.

## **Item 8 – Method of Analysis, Investment Strategies and Risk of Loss**

### **Investment Strategies and Method of Analysis**

High Pointe manages Balanced Portfolio and Equity accounts.

#### ***Balanced Portfolio Accounts***

Balanced Portfolio Account management starts with establishing an asset allocation policy to guide the management strategy of the account. Clients also have an opportunity to specify any guidelines and restrictions for their account. High Pointe then proceeds with construction of the portfolio. This typically involves a selection of 1) individual stocks to achieve U.S. equity exposure and 2) ADRs, mutual funds and Exchange-Traded Funds to achieve exposure to other asset classes such as international equity, emerging markets, municipal bonds, investment grade bonds, high yield bonds, etc. Clients may also choose to achieve equity exposure through the Limited Partnerships managed by High Pointe. High Pointe usually restricts purchase of individual fixed income securities to Government and Agency bonds, however, other types of fixed income securities may be held in client portfolios if they were part of the client's account at the time of transfer of the portfolio to High Pointe.

## ***Equity Accounts***

High Pointe's equity investment methodology, broadly speaking, is to conduct quantitative and fundamental analysis of individual securities to identify those that are selling below our estimate and view of fair value. Analytical techniques employed by the Adviser include the following:

- Screening of financial databases,
- Statistical modeling to compare companies based on their valuation relative to their growth prospects and business quality
- Review of financial statements and research reports

This methodology is applied to different segments of the broad equity market to implement the four main equity strategies described below. Some client accounts are invested by selecting and combining investment ideas from more than one of these four strategies.

***Large Cap Value:*** This strategy invests a majority of the assets in selected "value" stocks with capitalization in excess of \$2 billion. This strategy invests in stocks that, in the judgment of High Pointe, offer good "value" relative to other companies in a similar business, their growth potential, or their historical valuation levels.

***Large Cap Growth:*** This strategy invests a majority of the assets in selected "growth" stocks with capitalization in excess of \$1.5 billion. Such stocks generally have double-digit earnings growth estimates, and often have estimated earnings growth that exceeds that of the broad market. In selecting suitable growth stocks, High Pointe pays attention to valuation levels, and creates a portfolio that combines high "expected earnings" growth with reasonable stock valuation levels.

***Small Cap:*** This strategy invests primarily in stocks of companies with market capitalization of less than \$4 billion. The strategy invests in stocks that, in the judgment of High Pointe, offer good value relative to their growth prospects and business quality. Both value and growth stocks are used.

***International Equity:*** This strategy invests primarily in stocks and ADRs of companies that are domiciled in a country other than the U.S., including emerging markets, without any constraints regarding capitalization or style (value vs. growth).

***High Pointe Global Opportunity Fund, LP:*** This strategy invests primarily in stocks (including ADRs) of companies that may be located within or outside the United States. A majority of the assets are invested in mid to large companies located in developed countries; however, emerging market stocks are also used moderately. Both value and growth stocks are used in this strategy.



Each of these strategies is also available in a limited partnership format. Names of the Partnerships are as follows:

- High Pointe Value Fund, L.P.
- High Pointe Growth Fund, L.P.
- High Pointe Small Cap Fund, L.P.
- High Pointe International Equity Fund, L.P.
- High Pointe Global Opportunity Fund, L.P.

In addition, High Pointe has two other Limited Partnerships funded by assets of High Pointe and its principals. These products are for investment strategy testing and development purposes and they are not open to outside investors at this date. These limited partnerships are as follows.

***High Pointe Small Cap Value, LP:*** This strategy invests a majority of the assets in selected “value” stocks of companies with capitalization less than \$4 billion. This strategy invests in stocks that, in the judgment of High Pointe, offer good “value” relative to other companies in a similar business, their growth potential, or their historical valuation levels.

***High Pointe Small Cap Growth, LP:*** This strategy invests a majority of the assets in selected “growth” stocks of companies with capitalization less than \$4 billion. Such stocks generally have double-digit earnings growth estimates and often have estimated earnings growth that exceeds that of the broad market.

## **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

Investing in equity-oriented securities, such as stocks, ADRs, and equity-oriented mutual funds, exposes client accounts to the risk of a broad market decline as well risks related to poor security or sector selection by the adviser managing the account or the underlying funds. In particular, small stocks have the additional risks of being more volatile and less liquid.

By investing in fixed income-oriented securities such as bonds and bond mutual funds, client accounts are exposed to risks related to inflation, interest rate changes, speed of mortgage prepayments, creditworthiness of the bond issuer, etc.

Investment in international securities, including both equity and fixed income, exposes client accounts to currency risk and the possibility of weaker accounting and legal standards.

Investment in Limited Partnerships brings with it lesser liquidity and lower transparency regarding portfolio holdings. The Limited Partnerships and the Separate Accounts within the same product mandate follow the same investment strategies and have similar portfolios.

High Pointe acts prudently by managing client portfolios in line with agreed upon guidelines and by bringing to the task the knowledge and experience of its professionals. Nevertheless, results are not guaranteed. Clients should note that loss of principal is possible and that past performance is not a guarantee of future results.

## **Item 9 – Disciplinary Information**

Neither High Pointe nor any of its principals or employees have been subject to any legal or disciplinary action throughout High Pointe's history.

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

High Pointe is not a broker-dealer and it is not affiliated with a broker-dealer. The firm is also independent of any mutual fund or insurance company.

### **Sponsorship of Limited Partnerships**

High Pointe sells interests in the following private limited partnerships that are sponsored and managed by the Adviser:

- High Pointe Value Fund, L.P.
- High Pointe Growth Fund, L.P.
- High Pointe Small Cap Fund, L.P.
- High Pointe International Equity Fund, L.P.
- High Pointe Global Opportunity, L.P.

High Pointe also manages the following two limited partnerships, which are funded solely with assets of High Pointe and its principals and are not open to outside investors at this date:

- High Pointe Small Cap Value, LP
- High Pointe Small Cap Growth, LP

### **Potential Conflict of Interest and its Mitigation**

Limited Partnerships can create a potential conflict of interest, but High Pointe takes a number of steps to mitigate this potential. First, High Pointe does not have any performance fee structure in any Limited Partnership (nor in any Separate Account). Second, High Pointe does not use its discretion in allocating client assets to steer assets to the Limited Partnerships it manages. Only a client can decide to invest in a Limited Partnership by completing and submitting a separate Subscription Agreement application. Third, Limited Partnership assets are excluded when calculating fees on Separate Accounts that hold partnership interests to ensure that there is no double layering of fees. Fourth, High Pointe has trading and trade allocation procedures to treat all investors fairly. Finally, none of High Pointe's principals or employees spend any material time on selling interests in the Partnerships.

## **Item 11 – Code of Ethics**

### **Description**

High Pointe has adopted a Code of Ethics and all employees are required to abide by this Code. The Code of Ethics covers topics such as fiduciary duty to clients, personal securities transactions, insider trading prohibition, business conduct such as acceptance of gifts as well as compliance with laws and regulations. All employees must acknowledge the terms of the Code of Ethics annually. High Pointe has made compliance with the Code of Ethics a condition of employment. A copy of the Code of Ethics is available to any client or prospective client upon request by contacting Ritu Dhingra at 312.726.2500 or [rdhingra@highpointecapital.com](mailto:rdhingra@highpointecapital.com).

### **Investing in Same Securities as Clients**

In general, the Code of Ethics is designed to ensure that any personal securities transactions of the Adviser's employees will not interfere with High Pointe making and executing decisions in the best interest of its clients. High Pointe does permit its employees to invest in the same securities as its clients, but only with safeguards to ensure that clients are not disadvantaged.

In particular, no employee directly or indirectly, may purchase or sell a security for his or her own account (or the account of a member of the household) on the basis of knowledge that High Pointe is effecting, or proposes to effect, transactions in that security or is contemplating changing its investment policy with respect to that security. Every employee must receive written pre-trade clearance approval from the Chief Compliance Officer prior to any transaction unless it involves open-end mutual funds, de minimis trades of large capitalization companies (market cap greater than \$3 billion) stock, rights or options exercise, or no-discretion trades (such as corporate actions or third party adviser) as defined in the Code of Ethics.

The guidelines for pre-clearance do not allow trading in close proximity (one day black out for access people and seven day blackout for investment personnel) to client trading activities in any given security. The pre-clearance approval also has a time limit to trade of two business days including the day of approval receipt. If a transaction has not been completed in the time allotted, the approval is nullified and a new pre-clearance approval is necessary.

### **Interest in Client Transactions**

As described in Item 10, High Pointe is the General Partner and sells interest in the Limited Partnerships that it manages. These Partnerships can create a potential conflict of interest, but High Pointe takes a number steps to mitigate this potential. First, High Pointe does not have any performance fee structure in any Limited Partnership (nor in any Separate Account). Second, High Pointe does not use its discretion in allocating client assets to steer assets to the Limited Partnerships it manages. Only a client can decide to invest in a Limited Partnerships by completing

and submitting a separate Subscription Agreement application. Third, Limited Partnership assets are excluded when calculating fees on Separate Accounts that hold partnership interests to ensure that there is no double layering of fees. Fourth, High Pointe has trading and trade allocation procedures to treat all investors fairly. Finally, none of High Pointe's principals or employees spend any material time on selling interests in the Partnerships.

In addition, Item 10 describes two other Limited Partnerships managed by High Pointe and funded (internally seeded) with assets of the Adviser and its principals. These Partnerships, although not open to third party investors, can create a potential for conflict of interest since the Partnerships invest alongside client accounts managed by the Adviser. In some instances, these Partnerships may participate in bunched trades with clients in other strategies – High Pointe has trading and trade allocation procedures to treat all investors fairly and mitigate any potential for conflict of interest.

## **Item 12 – Brokerage Practices**

### **Selection of Brokers**

High Pointe strives to attain best execution for its clients, and it views best execution as minimizing total transaction costs in obtaining efficient and accurate trading and settlement for its trading of a client's portfolio over time. Major factors within total transactions costs include brokerage commission cost, filling orders in a timely, reliable manner without impacting a security's price in the market, accurately and quickly reporting and clearing trades, and effective communication with brokers in monitoring and adjusting trade execution or reporting when needed.

In selecting brokers, High Pointe considers factors such as execution capability brokers' perceived financial stability, responsiveness, clearance and settlement capability and any proprietary research expertise, along with commission cost. High Pointe executes transactions through established brokers at commissions comparable to those normally charged by other brokers to customers similar to the Adviser.

### **Soft Dollars and Proprietary Research**

High Pointe does not receive any third party research, databases, hardware, or software from any brokers in exchange for client commissions or "soft dollars", nor does the Adviser have any formal soft dollar agreements or commission sharing arrangements with any brokers. The Adviser may execute client trades via brokers that provide proprietary research in the form of research reports on economic data, industries and individual companies. The Adviser may pay such a broker (who provides proprietary research) commissions that are higher than another broker might have charged if it determines in good faith that the commissions are reasonable in relation to the research services provided. The Adviser does receive a benefit because it does not have to produce or pay for the research and as such it may have an incentive to select a broker based on its interest

in receiving research rather than receiving most favorable execution. The research provided by a specific broker may be useful in servicing any of the Adviser's product strategies (and ALL the client accounts in that strategy), but not all of the research may be useful to the account(s) and strategy for which a specific trade was executed by the broker. A corollary is that some accounts may benefit from the research obtained because of trades executed for other accounts. Examples of such accounts that may receive such a benefit are the Limited Partnerships managed by the Adviser.

The Adviser's practices regarding the use of soft dollars are in compliance with and fall within the Safe Harbor provided by Section 28(e) of the Securities Exchange Act and the Firm does not engage in any practice that is outside the scope of Section 28(e).

### **Brokerage for Client Referrals**

High Pointe does not engage in the practice of engaging brokers based on their ability to refer clients to the Firm.

### **Client-Directed Brokerage**

While High Pointe has investment discretion, subject to client guidelines, over client accounts, clients usually also grant trading authorization to the Adviser. Such authorization often, but not always, allows the Adviser to trade with such brokers as the Adviser may select.

High Pointe's clients may ask for their trades to be directed to a broker of their choice, particularly if clients use custodial, investment consulting or other services from such brokers or if a clients' organizational mandate specifies certain broker use. Clients who maintain accounts through broker-custodians (e.g., Fidelity and Charles Schwab) are hereby notified that either for best execution considerations or because trading is part of the "package" provided by broker-custodians, such clients' trades will likely be done in entirety through such broker-custodians. The execution cost for trades in such accounts may be higher than that incurred by the Advisor's other clients. In addition, these accounts might not be able to participate in "bunched" trades that include other clients, thus possibly resulting in a different execution quality or average price than other clients. High Pointe reserves the right to trade such accounts and other directed accounts after non-directed accounts have finished trading.

High Pointe also reserves the right to use a broker other than one directed by a client to execute trades if it believes the result will contribute to best execution. The Adviser may bunch directed trades with its other clients for execution and "step-out" a portion of the aggregated trade to the directed broker for clearing. In such instances, the executing broker gives up the trade to the directed broker for clearing, and the clearing directed broker charges commissions and confirms the transaction to the Adviser and client.

## **Trade Aggregation and Allocation**

High Pointe typically aggregates or “bunches” trades in the same security into one broker order as much as possible. Accounts affiliated with the Adviser may participate in bunched orders. High Pointe executes bunched and any other orders in the same security in a manner designed to ensure that no client (including affiliated accounts) is favored.

Generally, each client receives the same average price in a bunched transaction and securities are allocated pro-rata. High Pointe could, however, increase or decrease the amount of shares for particular clients, for example, if a partial fill was too small to represent a meaningful allocation to all clients. The Adviser typically attempts to complete partially-filled orders in the following days (resulting in a “split fill”). If the Adviser is not able to fully execute a bunched order, it may allocate the partial execution in a manner determined in good faith to be a fair and equitable allocation. Also, the Adviser may allow variations in holdings among client accounts based on diversification considerations, timing of cash flows, tax considerations, client guidelines and sensitivities, and other relevant factors.

## **Item 13 – Review of Accounts**

All accounts and their underlying investment strategy are reviewed at least quarterly by the portfolio manager, Dr. Gautam Dhingra, CEO of High Pointe. Normal reviews are conducted on a regular basis for the purpose of making buy, sell and hold decisions. More frequent reviews are conducted as needed and may be triggered by client cash flows, market events, or events related to one of the holdings in the portfolio.

All clients receive written reports at least quarterly. The reports provide information regarding account balance, performance and, for separate accounts, include security holdings. In addition, clients get a Quarterly Client Letter discussing the Adviser’s investment strategy and performance of its main investment products.

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

High Pointe does not directly or indirectly compensate any person who is not an employee for client referrals. Also, High Pointe does not receive any economic benefit from anyone other than its clients for providing investment advisory services to its clients.

## **Item 15 – Custody**

High Pointe's policy is to not have possession or custody of client assets.

Separately Managed Account clients directly own their securities in a client account held at a qualified custodian of their choosing, giving High Pointe the discretion to trade the securities in the client account. A few of these clients, through one custodian, have authorized High Pointe to make electronic request for payment of investment advisory fees. These clients receive at minimum quarterly statements from the broker-dealer, bank or other qualified custodian that they choose to hold and maintain their investment assets. High Pointe urges clients to carefully review such statements and compare such official custodial records to the quarterly account statements that High Pointe may provide to them. High Pointe's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities. If any client has questions regarding these statements, they should call the Adviser at 312.726.2500 and ask for assistance in understanding the statements.

For Limited Partnerships Accounts, High Pointe does not have actual custody of client funds or securities but does have "constructive custody" of Partnership assets under SEC rules as the General Partner of the Partnerships. High Pointe complies with the custody requirements of these rules by (i) having a qualified custodian maintain actual custody of Partnership assets, and (ii) mailing, within 120 days of the end of the fiscal year, a copy of the audited financial statements to all external partners of the Partnerships.

## **Item 16 – Investment Discretion**

High Pointe usually receives discretionary authority from the client at the outset of an advisory relationship to select the securities to be bought or sold. In all cases, High Pointe exercises this discretion in a manner consistent with the stated investment objectives, policies, guidelines and restrictions for the particular client account. Such discretionary authority, objectives, policies and guidelines are documented in writing, typically as part of the Investment Advisory Agreement between the client and High Pointe. High Pointe also regularly is given authority in the Advisory Agreement to determine the brokers used and the commission rates paid.

## **Item 17 – Voting Client Securities**

As part of the Investment Advisory Agreement (or similar document), High Pointe and its clients also clearly delineate the roles and responsibilities in regards to proxy voting. Some clients retain the responsibility for receiving and voting proxies for any or all securities maintained in client portfolios. In this case, it is the responsibility of the client's custodian to deliver the proxies directly to the client. Other clients grant the responsibility to High Pointe. High Pointe has developed and implemented policies and procedures that it believes are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with its fiduciary duty. These policies

address a variety of subjects, including how the Adviser addresses material conflicts between its interests and those of its clients and how a client may obtain information on how the Adviser has voted the client's proxies.

All proxies, for whom High Pointe has voting responsibilities and thus discretion, will be voted in a manner that, in the opinion of the High Pointe, is in the best interest of the client. The best interest of the client generally means to maximize the value of the client's investments (absent any specific, applicable client guidelines). High Pointe will vote proxies in a timely manner with diligence and care; for ERISA accounts, the Adviser's voting responsibilities include the duty of loyalty, prudence, and compliance with the plan, as well as a duty to avoid prohibited transactions.

High Pointe's responsibilities for voting proxies are determined generally by its obligations under each Advisory Agreement or similar document. In order to meet its responsibilities in a timely and consistent manner, High Pointe has established guidelines as to how it usually votes on certain common issues. These guidelines, which are outlined in the Adviser's Proxy Voting Policies and Procedures, are not strict rules. Each vote is ultimately cast on a case-by-case basis, taking into consideration the contractual obligations under the Investment Advisory Agreement or comparable document, and other relevant facts and circumstances available to the Adviser at the time of the vote.

High Pointe provides clients with a copy of its Proxy Voting Policies and Procedures upon request. Clients can also obtain information from High Pointe on how their proxies were voted. Request for such information should be addressed to the Adviser's Chief Compliance Officer at High Pointe Capital Management, LLC, One North La Salle Street, Suite 2001, Chicago, Illinois 60602.

## **Item 18 – Financial Information**

High Pointe has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements for State Registered Advisers**

Not applicable as High Pointe is an SEC-registered adviser.