



Part 2A of Form ADV: Firm Brochure

White Pine Capital, LLC
120 South Sixth Street, Suite 1200
Minneapolis, MN 55402
Phone: 612-376-9765
Fax: 612-376-2999
www.whitepinecapital.com

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This Brochure provides information about the qualifications and business practices of White Pine Capital, LLC (“WPC”). If you have any questions about the contents of this Brochure, please contact us at (612) 376-9765. 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 White Pine Capital, LLC and Headwater Advisor, LLC (“Headwater”) is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Item is intended to identify and discuss in each annual update the material changes made since the last annual update. Since the last annual update dated March 31, 2017, the following material changes have been made to this Brochure (Form ADV Part 2A):

- On August 31, 2017, an update was made to reflect WPC's new address that became effective on August 7, 2017.

Revisions in this update included non-material additions, changes and enhancements including situations where WPC is deemed to have custody and enhancements and clarifications throughout.

Pursuant to SEC Rules, WPC will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. WPC will provide clients with a new Brochure as necessary based on significant changes or new information, at any time, without charge.

Currently, WPC's Brochure may be requested by contacting Barbara Hardy, Chief Compliance Officer, at 612-376-2981 or bhardy@whitepinecapital.com.

Additional information about White Pine Capital, LLC is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with WPC who are registered, or are required to be registered, as investment adviser representatives of WPC.

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Item 4: Advisory Business

White Pine Capital, LLC (“WPC”) is a Minneapolis, MN based SEC registered investment advisory firm formed in March 2000. WPC provides fee-based discretionary investment advisory services, defined as making investments for clients based on the individual needs of the client. Our clients include institutional accounts (corporate, pension and profit sharing accounts, endowments, foundations, Taft-Hartley and public employee retirement plans), family offices and high net worth individuals. Dennis Senneseth and Michael Wallace, WPC’s principals, own 100% of the company. As of 12/31/17, WPC manages approximately \$335 million in discretionary client portfolio assets.

WPC’s investment strategies include: All Cap Equity, Small Cap Equity, and Balanced/Wealth Management Services (fixed income, equities and other assets). All accounts are separately managed. Generally, all separately managed accounts have a written statement of investment guidelines. Other than specific cash flow needs, WPC manages institutional accounts based upon a real-time model account in the client’s chosen investment strategy. WPC tailors investments based on clients’ requests for various reasons including, but not limited to, cash flow needs, risk tolerance, tax planning, and/or time horizon primarily by adjusting the asset classes and/or mix of securities within the client’s portfolio. Clients may impose reasonable restrictions on investments for their account, which must be in writing.

WPC is a manager in the Investment Management Services Wrap Fee Program offered by Morgan Stanley Smith Barney, the Private Advisor Network Wrap Fee Program offered by Wells Fargo Advisors and the Managed Account Programs offered by Lockwood Advisors. These programs include the advisory services of WPC, as manager, and custody and brokerage commissions and services by the respective sponsor for one all-inclusive or wrap fee. For its advisory services, WPC receives a portion of the overall wrap fee. WPC’s portion ranges from 0.5% to 1.0%, depending on the level of service. All accounts in the Morgan Stanley Smith Barney and Lockwood Advisors wrap programs must be custodied with and traded through the respective plan sponsor. WPC has discretion to choose the broker dealers used on a portion of the trades for accounts in the Wells Fargo Advisors program.

Morgan Stanley Smith Barney, Lockwood Advisors and Wells Fargo Advisors provide additional information about their programs in their Wrap Fee Program Brochures (Form ADV Part 2A, Appendix 1).

Item 5: Fees and Compensation

WPC’s advisory fees are billed quarterly in advance based upon a percentage of assets under management as established in a client’s written agreement with WPC. Account market values are calculated using independent sources where possible, including custodians and third party pricing services. Clients choose either to have fees billed to them or authorize WPC to deduct the fees directly from their account.

WPC's standard annual fees are:

All Cap Equity Accounts:

1.00% on the first \$1 million, 0.75% on the next \$9 million, 0.60% on the next \$15 million, negotiable over \$25 million

Small Cap Equity Accounts:

1.00% on the first \$1 million, 0.90% on the next \$9 million, 0.75% on the next \$15 million, negotiable over \$25 million

Balanced/Wealth Management Services Accounts:

1.00% on the first \$1 million, 0.75% on the next \$9 million, 0.50% on the next \$15 million, negotiable over \$25 million

Fees may vary from the standard schedule and may be negotiable for a variety of reasons, including historical fee schedules, amount of assets, level of service, and the particular circumstances of a client relationship, among other things. Under certain circumstances, clients may pay a fixed annual fee or, in the sole discretion of WPC, fees may be discounted or waived for an account as agreed upon with each client and based upon the nature and level of the services provided. Lower fees for comparable services may be available from other sources. Some clients pay their advisory fee in arrears.

Management fees shall be prorated for each contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals less than 10%). Accounts initiated or terminated during a calendar quarter will be charged a pro rata fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. All clients must sign a written advisory agreement. The investment advisory agreement may be terminated by either party with 30 days written notice.

Clients may pay separate and distinct fees to other parties in connection with WPC's advisory services, including custodial fees, mutual fund expenses (as described in each funds' prospectus), brokerage commissions, exchange fees and other transaction charges. Item 12 contains additional information on WPC brokerage practices.

WPC and its investment professionals do not accept compensation in the form of 12b-1 fees or fund distribution fees related to client accounts.

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

WPC provides administrative services to Itasca Capital Partners, LLC ("Itasca"), a performance-based investment limited liability company which the principals of WPC and one employee serve as the Managing Member. In exchange for these administrative services, WPC receives an administrative fee from Itasca. The Managing Member of Itasca receives a performance-based fee, if any, based upon Itasca's investment performance. (Performance-based fees are based on a share of capital gains or on capital appreciation of the assets of an account.).

Fees in Itasca differ from those charged to WPC clients. WPC does not charge investment advisory fees on client assets invested in Itasca and does not offer performance-based fees for clients other than Itasca.

Side-by-Side Management is generally defined as managing advisory client portfolios on a simultaneous basis for individuals, institutions, hedge funds and businesses.

To minimize any potential conflicts related to the performance-based fee account(s), WPC has implemented written policies and procedures for fair and consistent allocation of investment opportunities among all clients, subject to their underlying strategy, cash availability and other appropriate considerations. For example, these policies and procedures include that the performance-based fee account(s) be included with advisory clients' orders, subject to the underlying strategy, and receive the same price as advisory clients. When an order is only partially completed, all accounts in the order receive a prorated share of the completed order. When only a small portion of the trade is completed, the completed shares are generally allocated to a few accounts that are randomly chosen by the use of a computerized trading program. In addition, WPC educates employees regarding the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Item 7: Types of Clients

WPC provides investment advice to a variety of clients including high net worth individuals, trusts, endowments, foundations, corporations, family offices, pension and profit sharing plans, public employee accounts and Taft-Hartley (union) plans.

Typically WPC requires a minimum account size of \$1,000,000. This requirement may be waived by WPC under various circumstances, such as client's location, the client's ability to increase his or her investment over a period of time or the client's relationship with WPC.

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

Investing in securities involves risk of loss that clients should be prepared to bear. Investment results in securities are not guaranteed, and an investor may lose money. We work with clients to gain an understanding of their risk tolerance, financial objectives and circumstances. We also request that clients notify us promptly of any changes in their financial circumstances. As with all securities investments, past performance does not guarantee future results.

Our analysis does not attempt to anticipate short to medium term market movements and, in the case of asset allocation shifts, the client may or may not participate in sharp increases/decreases in a particular asset class. In addition, the weighting in various asset classes varies over time due to market movements which may also affect overall portfolio performance.

When mutual funds and/or Exchange Traded Funds ("ETF"s) are utilized, we consider a wide range of criteria including, but not limited to, the investment objective, the type of underlying assets, the experience/tenure of the manager and performance. Since we do not control the

underlying investments, there is risk that the fund manager may deviate from the stated investment mandate, which could make the fund and/or ETF less appropriate for the client's portfolio. In addition, managers of different funds may hold the same or equivalent securities, including those held in a WPC managed portfolio, increasing the risk to the client if that security were to decline in value.

Equity Strategies

Our Equity strategy framework focuses on building portfolios of primarily U.S. based equities with favorable growth, value, return and risk.

Our All Cap Equity strategy invests across a broad range of market capitalization companies and a portfolio's weighted average market capitalization may shift over time. Our Small Cap strategy focuses primarily on companies with market capitalizations below \$4 billion.

Generally, both strategies include underfollowed and overlooked opportunities.

Our screening process utilizes a disciplined, repeatable process that focuses on company financial statements and is designed to find companies that offer favorable growth, value, return and risk profiles. Our universe consists of over 4,000 companies, including those not found in many of the major indexes. Companies that filter favorably go through our fundamental research process focusing on the balance sheet, cash flows, key business model drivers and management. Filtered ideas are then subject to our peer review process designed to test and verify the advocate's analysis and thesis. If successful, the idea is added to appropriate accounts and to the respective portfolio manager/analyst tracking portfolio.

Fixed Income Strategy

Portfolios are built from core positions in U.S. Treasuries and/or municipal securities. Depending upon client objectives, portfolios may also include corporate, mortgage and high yield bonds and preferred securities that offer attractive yields relative to those core positions. Important considerations in our analysis include, but are not limited to, duration, maturity, credit quality and call/prepayment risk, yield curve shape, our outlook on the economy, corporate earnings/cash flows, TIP spreads and monetary and fiscal policies. Positions may include individual securities, active and passive funds.

Balanced Strategy

Asset allocation adjustments between domestic equity and fixed income components are made within a range established by the client based primarily upon the relative value of stocks vs. bonds; monetary and fiscal policies; our outlook on the economy, corporate earnings, inflation and TIPS spreads; and risk tolerances of the client. In some cases, especially for taxable accounts with large imbedded capital gains, longer-term asset target ranges are established and the mix of equities, bonds and cash may vary from these target ranges over the short to medium term.

Wealth Management Services Strategy

Our Wealth Management Services include both active and passive investment strategies and extend asset allocation beyond domestic fixed income and equities to additional asset classes

such as high yield bonds, international bonds and equities, preferred securities, precious metals, real estate, limited partnerships and other client specific investments. An asset allocation calculator is utilized to establish a guideline for weightings in respective asset classes. Weightings may be adjusted to incorporate account holdings in non-investable asset classes and other client specific circumstances. Asset mix is reviewed for readjustment to account for changes in client needs and serves as the clients' investment objectives.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client or prospective client's evaluation of WPC or the integrity of WPC's management. WPC and its principals have no legal, regulatory or disciplinary information to disclose.

Information on disciplinary history and the registration of the adviser and its associated persons may be obtained on the SEC's website at www.adviserinfo.sec.gov or by contacting the Public Reference Branch of the U. S. Securities and Exchange Commission at (202) 942-8090 or, for Massachusetts residents, the Massachusetts Securities Division, One Ashburton Place, 17th Floor, Boston, MA 02108.

Item 10: Other Financial Industry Activities and Affiliations

The principals of WPC and one employee also serve as members and principals of Headwater, a Delaware limited liability company and WPC's affiliated firm through common ownership and control. Both firms operate in the same principal office and place of business. Headwater is a Relying Adviser under SEC regulatory requirements and serves as the Managing Member/ Adviser to Itasca, a private investment company utilizing a long/short strategy. White Pine Capital, LLC provides certain administrative services to Itasca. Item 6 contains additional information and procedures to mitigate the conflict this affiliation creates.

This brochure is designed solely to provide information about WPC, Headwater and Itasca and should not be considered to be an offer of interests in Itasca.

WPC also provides administrative services to Crocus Hill Partners, LLC ("Crocus Hill") a separately owned Minnesota registered investment advisory firm. In exchange for these services, WPC receives an administrative services fee from Crocus Hill.

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

WPC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts, personal securities reporting and trading procedures, and adherence to federal securities laws, among

other things. All WPC supervised persons must accept the terms of the Code of Ethics annually, or as amended.

WPC's Code of Ethics is based upon the principle that WPC and its employees owe a fiduciary duty to WPC's Clients to conduct their business, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. In addition, the Code of Ethics requires preclearance of many transactions including private investments, and requires trading by employees to occur after client trading activity is completed. However, due to this sequencing of the trades and the volatility of the market, employees may receive a better price than clients. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between WPC and its clients.

WPC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting our Chief Compliance Officer, Barbara Hardy, in writing.

WPC occasionally recommends an investment in Itasca for its advisory clients who are accredited and/or qualified investors/clients. Investors in Itasca may include existing clients of WPC, employees or individuals who transact business with WPC. Trades for Itasca, which contains non-employee and employee members, are grouped with WPC's clients.

It is WPC's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. Principal securities transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker dealer, buys from or sells any security to an advisory client. A principal securities transaction is also deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross securities transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker dealer for both the advisory client and for another person on the other side of the transaction. WPC is an independent firm and is not affiliated with any broker dealer or other financial services firm.

In appropriate circumstances and consistent with clients' investment objectives, WPC may recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which WPC employees, its affiliates and/or clients, directly or indirectly, have a position of interest. WPC supervised persons are required to follow established trading procedures that are outlined in the WPC Code of Ethics and trading policies and procedures. Subject to satisfying this policy and applicable laws, WPC supervised persons and its affiliates may trade for their own accounts in securities which are the same as or different than those recommended to and/or purchased for WPC's clients.

Item 12: Brokerage Practices

Selection of Broker Dealers

When selecting broker dealers, WPC considers the full range and quality of a broker dealer's services. Commission rates are one factor considered. Other factors include, but are not limited to: price, the broker dealer's clearance and settlement capabilities, and the broker dealer's financial stability. When relevant, WPC also considers the ability of a broker dealer to effect particular securities transactions, particularly with regard to such aspects as timing, order size, execution and settlement of orders, and the research services provided by that broker dealer to WPC that are expected to enhance WPC's general portfolio management capabilities.

WPC has established a relationship with Fidelity Institutional Wealth Services ("Fidelity") to custody client assets and provide brokerage services if clients choose to do so. For accounts custodied at Fidelity, WPC generally executes trades at Fidelity. Commissions charged on those trades are competitive with those charged on WPC accounts custodied elsewhere. However, in some cases, they may be higher on a per-share basis due to different minimum ticket charges.

When undertaking an advisory relationship with WPC, some clients may already have an existing relationship with a broker dealer and will instruct WPC to place some or all of their transactions through that firm (Directed Brokerage). When a client directs WPC to use a particular broker dealer, it should be understood that in these circumstances, WPC may not have the authority to negotiate commissions, obtain volume discounts, aggregate client orders with other WPC client orders and best execution may not be achieved. Also, commission charges will vary among those charged to other advisory clients. Directed Brokerage accounts may not be able to participate in IPO allocations.

Research and Soft Dollars

WPC receives a variety of valuable research services and information on many topics which it uses to assist in the management of accounts. These topics include, but are not limited to: issuers, industries, securities, economic factors and trends, portfolio strategy, the performance of accounts, statistical information, market data, earnings estimates, credit analysis, pricing and risk analysis. Research services may be received in the form of written reports, online services, telephone contacts and personal meetings with security analysts, economists, corporate and industry spokespersons and government representatives. Third party research services may include written reports, pricing and appraisal services, analysis of issues raised in proxy statements, educational seminars, subscriptions, research databases, portfolio attribution and monitoring services which are directly related to investment research.

Research services received from broker dealers supplement the research WPC conducts on its own. As a practical matter, it would not be possible for WPC to generate all of the information presently provided to it by broker dealers. Commission, price, execution capability, trading expertise and research services provided are some of the aspects considered when choosing a broker. Periodic reviews of brokerage practices and relationships are made to determine that the clients are obtaining the best total cost available. WPC may properly conclude in good faith that

the commissions paid are reasonable in relation to the value of research and brokerage services provided.

WPC does not allocate the relative costs or benefits of research among its clients because WPC believes that the research received is, in the aggregate, of assistance to fulfilling WPC's overall responsibilities to its clients. The research is used to service WPC client accounts including accounts other than those for which trades are executed by the broker dealers providing the research.

WPC, in its discretion, may cause a client to pay a commission to a broker dealer for effecting a transaction for that client in excess of the amount another broker dealer would have charged for effecting that transaction. This is done when WPC determines, in good faith, that the commission is reasonable in relation to the value of the execution, brokerage, custodial, or research services provided by that broker dealer to WPC and its clients. WPC soft dollar arrangements for the receipt of research and other services that assist in investment decisions create a conflict of interest, in that WPC has an incentive to choose a broker dealer that provides those services, instead of one that does not, but charges a lower commission rate.

In many cases, research services are generated by third parties and are provided by the brokerage firm to which the commissions are paid. In some cases, services which are part research and part non-research are allocated accordingly with that portion allocated to research being paid through commission dollars, and WPC making a cash payment attributable to the non-research aspect of the service, the allocation of which creates a conflict of interest.

In the case of directed accounts, WPC is not obligated to aggregate trades or negotiate commission rates. In addition, commission rates vary, and transaction costs may be higher than for non-directed accounts.

Trade Aggregation and Allocation

WPC will aggregate trades, consistent with WPC's obligation of best execution and when doing so is in the best interest of our clients. This aggregation of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts as long as transaction costs are shared on a pro rata basis and at an average share price basis between all accounts included in any such block according to WPC's Trade Allocation and Execution Policies and Procedures. Aggregate trading allows WPC to execute trades in a more timely, equitable and efficient manner and to attempt to reduce overall costs to clients.

WPC uses a daily rotational trading order as a guide in prioritization of orders to provide fair and equal treatment to advisory clients. Based upon the custodial arrangement and/or trading instructions chosen by the client, advisory accounts are grouped into one of three groups: Banks/Unrestricted, Fidelity, or Directed Brokerage. On a daily basis, WPC rotates the priority for the entry of client transactions for each group. For example, on one day Banks/Unrestricted orders are aggregated and placed first, followed by Fidelity orders, then Directed Brokerage. On the next day, Fidelity orders are placed first, then Directed Brokerage orders, and then Banks/Unrestricted orders and so on for a daily rotation schedule. In some cases and depending

upon market conditions at the time of execution and consistent with WPC's obligation of best execution, WPC partially executes each group by rotating execution intraday.

In some cases, accounts custodied at a broker dealer that qualify for Prime Brokerage are included with the Banks/Unrestricted group. Prime Brokerage is an arrangement where client accounts can be traded at broker dealers other than their primary broker dealer (Prime Broker) and the transaction is settled in the custodial account maintained with the Prime Broker without opening up additional accounts with various broker dealers. In those cases, additional settlement charges apply. Accounts that do not qualify for Prime Brokerage are not able to participate in IPO allocations.

Item 13: Review of Accounts

Responsibility for client relationships resides with the portfolio managers. All portfolio managers conduct an ongoing review of a client's investments for appropriateness of portfolio holdings and transactions in light of the client's investment objectives and guidelines. Each client relationship is assigned a backup portfolio manager who is also familiar with the investment objectives and guidelines of the client relationship.

Each manager also has a portfolio assistant who works closely with the portfolio manager on the client relationship and assists with client servicing, monitoring and reporting.

WPC provides quarterly appraisals to its fee-paying clients. WPC appraisals include assets owned, unit cost, total cost, market price, and market value. Clients also receive quarterly advisory fee statements. WPC works with each client to provide reports to meet their needs. Some clients receive customized reports at their request.

WPC also reports to clients via periodic meetings, emails or phone calls.

See item 15 regarding comparison of WPC appraisals to custodian statements.

Item 14: Client Referrals and Other Compensation

As a matter of firm policy and practice, WPC does not have any arrangements with or compensate any outside person or company with referral fees for the introduction of new clients to the firm. Further, WPC does not receive any referral fees for introducing clients to other investment advisers.

As disclosed in Item 12, WPC has a relationship with Fidelity Institutional Wealth Services (Fidelity) for brokerage and custody services of clients assets for those clients that chose to do so. While there is no direct link between the investment advice given to clients and WPC's relationship with Fidelity, a conflict of interest exists because clients and WPC receive benefits such as securities valuation, waiver of custodial fees, soft dollars and client online account access from Fidelity as a result of this relationship. The benefits received may or may not depend upon the amount of transactions directed to, or amount of assets custodied at, Fidelity.

Item 15: Custody

We require that all clients maintain their assets with independent, third party qualified custodians. Such custodians are typically banks or broker dealers. Clients retain custodians on their own, although if asked, WPC will recommend an independent custodian.

All clients should receive account statements on at least a quarterly basis directly from their custodians. *WPC urges you to carefully review such statements and compare the custodial records to the portfolio appraisals that WPC may provide to you.* Our portfolio appraisals may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you have any questions about your portfolio appraisals or notice any discrepancies, please contact us. We also ask that you contact us if you stop receiving at least quarterly statements from your custodian.

Although the funds and securities of our clients are held at third party qualified custodians, there are three situations where WPC is deemed to have custody for regulatory purposes:

- 1) Authorization from clients to debit client advisory fees directly from their custodial accounts consistent with regulatory guidelines;
- 2) Withdrawal authority in the form of Standing Letters of Authorization (“SLOAs”), as authorized by some clients for assistance with certain cash transactions; and
- 3) Headwater, an affiliate of WPC, serves as the general partner of Itasca which subjects WPC to the SEC’s custody rule.

Note that some custodian-client agreements may grant additional withdrawal authority over client accounts which we may not be aware of. WPC does not accept this additional withdrawal authority. Clients need to coordinate with their custodian to further withdraw or transfer client assets.

Item 16: Investment Discretion

WPC receives written discretionary authorization from clients at the outset of an advisory relationship. As a result, WPC determines which securities should be bought or sold, the amount of those securities, the broker dealer to execute the trades and the commissions paid. However, such discretion is to be exercised in a manner consistent with the stated investment management guidelines for the particular client account and any reasonable restrictions provided to WPC in writing.

In some cases, investment decisions and/or performance among accounts with similar objectives vary due to investment restrictions in a client’s investment guidelines, a client’s account-specific needs, or direction to a particular broker dealer (directed brokerage). See Item 12 for further information on brokerage practices.

Item 17: Voting Client Securities

WPC votes proxies for all ERISA accounts unless ERISA plan fiduciaries have expressly retained proxy voting authority. In those instances, WPC has no proxy voting responsibility or authority and does not take any action regarding those clients' proxies. All other clients vote their own proxies. In selected cases, and at the sole discretion of WPC, clients may authorize WPC to vote proxies on their behalf.

To help minimize potential conflicts of interest, WPC uses an independent proxy voting service. In general, WPC believes that over the long term good employee-employer relationships help contribute to an investment's success. WPC's current proxy voting service offers voting programs designed to serve both union-affiliated clients (i.e. Taft-Hartley and public pension plans) as well as more general non-union affiliated clients (i.e. those other than Taft-Hartley and public pension plans). Although similar in many ways, WPC believes that the voting program designed to serve union-affiliated clients tends to contain more employee and shareholder-friendly provisions in the important areas of Executive Compensation (option pricing and dilution, golden parachutes), Board of Directors (tenure, independence, annual elections, director perks, shareholder rights plans), Mergers and Acquisitions (community and workforce impact, change of control payments), Corporate Governance and Conduct (adoption of labor standards and codes of conduct for domestic and foreign suppliers, promotion of high performance workplace standards), and Auditor (lower limits on non-audit fees paid, tenure).

WPC recognizes that union-affiliated guidelines may present a conflict of interest with regard to its non-union affiliated clients, and therefore offers those clients the opportunity to instruct WPC in writing to vote their proxies according to the general non-union affiliated voting program guidelines. WPC reserves the right to vote differently than the recommendation of the proxy voting service.

If a client participates in a securities lending program in an account where WPC has proxy voting responsibility, shares will be voted on a best-efforts basis. Due to the nature of security lending programs, not all shares may be available for voting.

Upon written request, clients may obtain (i) a copy of WPC's proxy voting policies and procedures and (ii) details as to how the proxies were voted in the client's account(s). Any such requests should be sent to the client's portfolio manager.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide clients and prospective clients with certain financial information or disclosures about WPC's financial condition. As a matter of policy and practice, WPC does not require or solicit the prepayment of more than \$1,200 in advisory fees per client, six months or more in advance. WPC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy or any other financial proceeding.