



Merlin Asset Management

Form ADV Part 2A Brochure

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Merlin Asset Management
One Boston Place, Suite 2600
Boston, MA 02108

Tel: 617 366-2650
Fax: 888 531-3885

www.merlinam.com

This brochure provides information about the qualifications and business practices of Merlin Asset Management. If you have any questions about the contents of this brochure, please contact us by telephone at (617) 366-2650 or by email at compliance@merlinam.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

We are an SEC-registered investment adviser. Our registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, serve as information you use to evaluate us, and should factor in your decision either to hire us or uphold the maintenance of a mutually beneficial relationship.

Additional information about Merlin Asset Management is available on the SEC's website www.adviserinfo.sec.gov

Item 2: Material Changes

There are no material changes.

This brochure, dated 2/16/2019, updates brochure dated 03/17/2018.

Updated Information:

Item 4: Assets Under Management

Item 5: Fees and Compensation

Item 3: Table of Contents

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Item 4: Advisory Business

Firm Background

Merlin Capital LLC (DBA Merlin Asset Management) is a limited liability company formed in the State of New York in 2012. Merlin Asset Management (“Merlin”) was registered as an investment adviser in 2016. We specialize in (but are not limited to) developing and managing US listed Large Cap Growth equity investment strategies. They include (but are not limited to) Merlin Large Cap Growth (MO50), Merlin Focused Growth (MO25M) and Merlin Dynamic Growth (MO25V) investment strategies. These strategies have been developed and managed by Michael Obuchowski since 2012.

Ownership structure

The firm is wholly owned by Michael Obuchowski.

Investment Advisory Services Overview

Merlin provides investment supervisory services either on a discretionary or nondiscretionary basis, depending upon your individual needs. We assess your individual needs before you enter into an investment advisory contract with us, and we determine the investment objectives of your portfolio(s) based on such needs. In establishing your investment objectives, we allow you to impose restrictions on investing in certain securities or industries and other investing restrictions or limitations.

Assets Under Management

As of February 16, 2019, Merlin had approximately \$19,279,762 assets under management on a discretionary basis.

Item 5: Fees and Compensation

We typically offer our investment advisory services for a percentage of assets under management. Unless otherwise noted, the standard fees described below do not include such items as brokerage commissions, transaction charges, transfer taxes, exchange fees, electronic fund and wire transfer fees, or charges, taxes, or fees mandated by any federal, state, or other applicable law or regulation.

Fees for Direct Separate Accounts

Our standard fee schedule for direct separately managed investment advisory service is determined as a percentage of assets under management and are calculated as follows:

Asset Value of Account	Annual Fee
On the first \$1,000,000	1.35%
On the next \$5,000,000	1.00%
Above \$10,000,000	Negotiable

It is our general policy to charge the stated fees above. However, your fees may be subject to negotiation or modification depending upon the nature of the services provided, the amount of assets in the overall relationship, or other circumstances.

Fee Payment Options for Separate Accounts

Typically, fees are billed quarterly in arrears based on the average of the preceding quarter's month end values of the account.

There are two options you may select to pay for our services:

1. Direct debiting (preferred): at the inception of the relationship and each quarter thereafter, we will notify your custodian of the amount of the fee due and payable to us through our fee schedule and contract. The custodian does not validate or check our fee, its corresponding calculation, or the assets on which the fee is based unless you have hired them to do so. With your pre-approval, they will "deduct" the fee from your account or, if you have more than one account, from the account you have designated to

pay our advisory fees. At least quarterly, you will receive a statement directly from your custodian showing all transactions, positions and credits/debits into or from your account; the statements after the quarter end will reflect all transactions, including the advisory fee paid by you to us.

2. Pay by check: At the of the first quarter after the inception of the Account and each quarter thereafter, we will issue you an invoice for our services and you will pay us by check or wire transfer within 15 days of the date of the invoice, or as negotiated and documented in your contract.

Fee Refund Policy

Our standard investment advisory contract contains a termination clause which states that your account may be terminated upon 30 days prior written notice by either party. Since fees are charged in arrears, we will calculate fees for the quarter on a pro rata basis and submit them to your custodian or issue you an invoice for our services that you will pay us by check or wire transfer within 15 days of the date of the invoice, or as negotiated and documented in your contract.

Other Costs Involved

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your account(s). In addition to our investment management fees, brokerage commissions, and/or transaction fees, you may also incur some of the following fees or expenses, paid directly to third parties, whether a security is being purchased, sold or held in your account(s) under our management. Charges imposed at the ETF/mutual fund level, the sub advisory level, and fees charged by the broker dealer and/or custodian include, but may not be limited to:

- Advisory fees and administrative fees charged by Mutual Funds (MFs), and Exchange Traded Funds (ETFs)
- Advisory fees charged by sub-advisers (if any are used for your account)
- Brokerage commissions
- Transaction fees
- Exchange fees
- SEC fees

- Custodial Fees
- Deferred sales charges (charged by Mutual Funds)
- Transfer taxes
- Wire transfer and electronic fund processing fees; and Commissions or mark-ups/markdowns on security transactions

Security Valuations in the Fee Process

The proper valuation of your portfolio is necessary for the accurate calculation of the corresponding management fee bill, performance results, et cetera. Merlin employs Orion Advisor Services for outsourced daily reconciliation of client accounts. In addition to automatic auditing of every data point, Orion Advisor's expert data analysts manage any exceptions that may occur.

Potential Conflict of Interest

Neither Merlin nor our affiliated persons receive compensation, other than the fees mentioned above, for the sale of securities or other investment products.

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

We do not currently accept performance fees for managing accounts.

Item 7: Types of Clients

We provide our services to different types of clients, including, but not limited to:

- Individuals and High Net Worth Individuals
- Trusts, Estates or Charitable Organizations
- Corporations, Limited Liability Companies and/or Other Business Types

Merlin also serves as sub-adviser to Investment Companies and other Investment Advisers.

The minimum account size for opening and maintaining a separate account is \$100,000. We reserve the right to waive account minimums for separate accounts in certain circumstances.

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

We use fundamental, quantitative and macroeconomic methods of analysis in selecting securities for your account. Our sources of information generally include, among other things, investment publications and databases, research from securities firms and brokerage houses, company representatives, and contacts with other investment professionals. In addition to the situations where clients' individual needs require a different investment approach, we currently offer the following four equity investment strategies:

Merlin Large Cap Growth (MO50)

The Merlin Large Cap Growth investment strategy's goal is to select 50 most attractive large cap growth firms regardless of industry or sector they are in. The process of selecting superior companies with a 3-5 year outlook is a comprehensive multivariate approach combining fundamental bottom-up, macroeconomic top-down and quantitative evaluation. Companies that pass this structured selection process are characterized by high levels of profitability and earnings growth, high quality and predictable earnings and shares that trade at a reasonable valuation relative to their expected earnings growth rates. Merlin Large Cap Growth strategy is driven by the individual stock selection and is typically over weighted towards the most attractive sectors and underweighted in (or has no exposure to) the least attractive sectors during any period of time. All holdings are initially equally weighted and are periodically rebalanced to equal weights. Our sell discipline mirrors the buy process. Stocks become potential sale candidates if they no longer pass the comprehensive multivariate stock selection process.

Merlin Large Cap Growth Risk Parity (MO50RP)

The Merlin Large Cap Growth investment strategy's goal is to select 50 most attractive large cap growth firms regardless of industry or sector they are in. The process of selecting superior companies with a 3-5 year outlook is a comprehensive multivariate approach combining fundamental bottom-up, macroeconomic top-down and quantitative evaluation. Companies that pass this structured selection process are characterized by high levels of profitability and earnings growth, high quality and predictable earnings and shares that trade at a reasonable valuation relative to their

expected earnings growth rates. Merlin Large Cap Growth strategy is driven by the individual stock selection and is typically over weighted towards the most attractive sectors and underweighted in (or has no exposure to) the least attractive sectors during any period of time. All holdings are weighted based on Merlin's proprietary analysis of each holding's historical volatility and are periodically rebalanced to custom weights as evaluated at the time of rebalancing. In general, positions with higher volatility have lower portfolio weights than holdings with lower historical volatility. Our sell discipline mirrors the buy process. Stocks become potential sale candidates if they no longer pass the comprehensive multivariate stock selection process.

Merlin Focused Growth (MO25M)

The Merlin Focused Growth investment strategy's goal is to select the 25 most attractive large cap growth firms regardless of industry or sector they are in. Holdings are selected from the Merlin Large Cap Growth 50 stock portfolio using proprietary statistical analysis of multivariate historical correlation patterns. The 25 stocks with lowest historical multivariate correlations are selected for the portfolio. Companies that pass this selection process are characterized by high levels of profitability and earnings growth, high quality and predictable earnings and shares that trade at a reasonable valuation relative to their expected earnings growth rates. Merlin Focused Growth strategy is driven by the individual stock selection and is typically over weighted towards the most attractive sectors and underweighted in (or has no exposure to) the least attractive sectors during any period of time. All holdings are initially equally weighted and are periodically rebalanced to equal weights. Our sell discipline mirrors the buy process. Stocks become potential sale candidates if they no longer pass the comprehensive multivariate stock selection process.

Merlin Dynamic Growth (MO25V)

The Merlin Dynamic Growth investment strategy's goal is to select the 25 most attractive large cap growth firms regardless of industry or sector they are in. Holdings are selected from the Merlin Large Cap Growth 50 stock portfolio using estimates of expected PEG ratio. Typically, the 25 stocks with lowest expected PEG ratios are selected for the portfolio. Companies that pass this selection process are characterized by high levels of profitability and earnings growth, high quality and predictable earnings and shares that trade at a very attractive valuation relative to their expected

earnings growth rates. Merlin Dynamic Growth strategy is driven by the individual stock selection and is typically over weighted towards the most attractive sectors and underweighted in (or has no exposure to) the least attractive sectors during any period of time. All holdings are initially equally weighted and are periodically rebalanced to equal weights. Our sell discipline mirrors the buy process. Stocks become potential sale candidates if they no longer pass the comprehensive multivariate stock selection process.

Investing Risks

All investing entails risk. There is no guarantee that the investment methodologies described above will work under all markets conditions. Investing with Merlin is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any government agency. Merlin's investment strategies should not be relied upon as a complete investment program. There can be no assurance that your portfolio will achieve its investment objectives. In fact, you should understand that there will definitely be time periods in which these investment methods will not produce the desired returns. Risk comes in many forms and investors should be sure that they understand the possible downside to equity investing.

Some types of risk are:

Stock Risk - Stock prices have historically risen and fallen in periodic cycles. U.S. and foreign stock markets have experienced periods of substantial price volatility in the past and may do so again in the future.

Market Risk - The value of the instruments in which we invest may go up or down in response to the prospects of individual companies, particular industry sectors or governments and/or general economic conditions.

Investment Style Risk - Different investment styles (e.g., "growth" or "value") tend to shift in and out of favor depending upon market and economic conditions and investor sentiment. Your portfolio may outperform or underperform other portfolios that invest in similar asset classes but employ different investment styles.

Large Cap, Mid Cap and Small Cap Risk - Investments in mid-capitalization and small-capitalization companies involve greater risks than investments in larger, more established companies. Mid and Small-Cap securities may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

Non-Diversification Risk - Non-diversified or “Concentrated” means that your portfolio may invest a larger percentage of its assets in fewer issuers than a “diversified” portfolio. We have Concentrated Growth strategies that invest in 25 securities. For these portfolios, there is a greater risk that a material event, which negatively impacts one or more of the securities, could have a meaningful negative impact on the performance of the entire portfolio. In addition, because of the limited number of holdings in the portfolio, there is the risk over shorter periods of time that the portfolio’s performance may differ noticeably from its benchmark indexes.

Foreign Risk - Foreign securities may be subject to risk of loss because of less foreign government regulation, less public information and less economic, political and social stability in these countries. Loss may also result from the imposition of exchange controls, confiscations and other government restrictions, or from problems in registration, settlement or custody. Foreign risk also involves the risk of negative foreign currency rate fluctuations, which may cause the value of securities denominated in such foreign currency to decline in value. Currency exchange rates may fluctuate significantly over short periods of time.

Emerging Countries Risk - The securities markets of most Central and South American, African, Middle Eastern, Asian, Eastern European and other emerging countries are less liquid, are especially subject to greater price volatility, have smaller market capitalizations, have less government regulation and are not subject to as extensive and frequent accounting, financial and other reporting requirements as the securities markets of more developed countries.

Management Risk - A strategy used by the Portfolio Manager may fail to produce the intended results. The Portfolio Manager attempts to execute a complex strategy for your portfolio using proprietary investment models. Investments selected using these models may perform differently than expected as a result of the factors used in the models, the weight placed on each factor, changes from the factors’ historical trends,

and technical issues in the construction and implementation of the models (including, for example, data problems and/or software issues). There is no guarantee that the Portfolio Manager' use of these models will result in effective investment decisions for your portfolio. Additionally, commonality of holdings across money managers with similar strategies may amplify losses.

Portfolio Turnover Rate Risk - A high rate of portfolio turnover (100% or more) involves correspondingly greater expenses which must be borne by all portfolios in the strategy, and is also likely to result in short-term capital gains.

Item 9: Disciplinary Information

There are no legal or disciplinary events to report that are material to the evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

As a registered investment advisor, we are required to disclose when we, or any of our principals, have any other financial industry affiliations. Neither Merlin nor our affiliated persons have material outside business affiliations, arrangements or registrations, pending or otherwise, with other companies, regulatory organizations or persons.

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

Code of Ethics

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a preclearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all Access persons – those of our associates who may have access to our investment research or have knowledge of clients' investment transactions.

Furthermore, our firm has established a Code of Ethics which applies to all of our supervised persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Personal Securities Transactions

Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics as stated above.

Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, if related persons' accounts are not included in a block trade, our related persons will always trade personal accounts last.

Item 12: Brokerage Practices

Clients can choose the broker dealer (and/or custodian) for trading or custody. Costs will vary depending upon the broker dealer the client chooses. When a client directs brokerage, Merlin may be unable to achieve the most favorable execution (i.e. the client may receive less favorable pricing or Merlin may not be able to aggregate the clients' orders to reduce transaction costs). On client request, Merlin will recommend broker dealers (and/or custodians) for the execution of trades and the custody of assets.

Recommendation of Broker/Custodian

We seek to recommend a broker/custodian who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Information systems' sophistication, compatibility, and ease of use
- Record keeping services provided
- Custody services provided
- Financial condition
- Business reputation

Our firm participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional ("TDAI") is a division of TD Ameritrade, Inc. member FINRA/SIPC/NFA. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TDAI offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive benefits from TDAI through our participation in the program. Please see the disclosure under Item 14 of this Brochure.

TDAI may make certain research and brokerage services available at no additional cost to our firm. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services

provided by TDAI may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by TDAI to our firm in the performance of our investment decision making responsibilities. Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. As a result of receiving the services discussed above for no additional cost, we may have an incentive to continue to use or expand the use of TDAI's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with TDAI and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

TDAI charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). TDAI enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. TDAI's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by TDAI may be higher or lower than those charged by other custodians and broker-dealers.

Aggregation of Orders

We may aggregate purchase or sale orders for a security for the accounts of multiple direct clients into a single transaction, often referred to as a block or bunched trade. If a block trade is executed, each participating client typically receives a price that represents the average of the prices at which all transactions in a given block were executed. Bunched trading may allow better execution for clients. Executing a bunched trade does not affect the transaction costs, which are based on the terms set by the custodian of each account. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other

equitable manner. We aggregate trades for accounts when we expect that placing individual trades may affect the price for accounts that are traded later. When larger numbers of the same security are traded consecutively, the price for the security may change because of those trades. When we choose not to aggregate trades, each account will be traded at the price for the security available at the time of trading, and clients' trades may result in different prices for the same security. We will not aggregate trades for accounts when we expect that the trades will not significantly affect the prices for later trades. We expect minimal variation in the cost to clients when not aggregating trades.

Soft Dollars

"Soft dollars" are typically generated when an investment advisor enters into an agreement with an executing broker to receive a portion of the commissions generated by the advisor's client trades. The soft dollars are allocated to the investment advisor and can then be used to purchase items or services. The investment advisor has a fiduciary duty to its clients to obtain best execution, on an overall basis, for any securities transactions.

We do not use soft dollars as described above. The SEC changed the wording of certain questions on the Form ADV and has indirectly changed the definition of soft dollars. Due to the new wording, the receipt of goods and/or services from a third party in connection with providing advice to clients could be seen as "soft dollars." The additional services we receive from TD Ameritrade, as disclosed in Item 14 below, would fall under this description of soft dollars.

Directed Brokerage

We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of TD Ameritrade. For those clients who direct us to execute through a specified broker-dealer, neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected.

For those clients who do not direct us to execute through a specific broker-dealer, Merlin will endeavor to select a broker-dealer to execute transactions on terms that are overall most advantageous when compared to other available providers and their services. As part of our fiduciary duty to seek best execution for our clients, we consider a wide range of factors, including, among others, these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Information systems' sophistication, compatibility, and ease of use
- Record keeping services provided
- Custody services provided
- Financial condition
- Business reputation

Item 13: Review of Accounts

Review of Accounts

We review accounts on an “as needed” basis. The purpose of the review is to ensure adherence to the investment process, investment philosophy and all clients’ investment mandates. All positions held in clients’ accounts are reviewed at least quarterly. More frequent reviews may be triggered by changes in such variables as the market or economic conditions or change in a client’s investment objectives.

Reports to Clients

Except when utilized in the normal course of business in a performance appraisal meeting, we do not provide written reports to clients unless asked to do so. Monthly and Quarterly reports are available upon client request.

Item 14: Client Referrals and Other Compensation

As disclosed above, our firm participates in TDAI's institutional customer program and our firm may recommend TDAI to Clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice it gives to its Clients, although we receive economic benefits through its participation in the program that are typically not available to TDAI retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; trading related tools; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TDAI may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TDAI through the program may benefit us but may not benefit its Client accounts. These products or services may assist our firm in managing and administering Client accounts, including accounts not maintained at TDAI. Other services made available by TDAI are intended to help us manage and further develop its business enterprise.

The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TDAI. As part of our fiduciary duties to clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of TDAI for custody and brokerage services.

Item 15: Custody

Merlin does not actually take custody of client assets. Your designated custodian holds all of your assets in custody for you. However, if you give us authority to deduct our fees directly from your custodial account, we are deemed to have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in “Item 5: Fees and Compensation.”

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

Item 16: Investment Discretion

In order to authorize us to place investment transactions using our discretion, clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. The investment advisory agreement between us sets forth the limits, if any, on our permission to purchase or sell securities on your behalf. You may limit our discretionary authority by specifying, for example, individual securities or industries that are not to be purchased on your behalf, or by limiting portfolio weights in a specific security or industry.

Item 17: Voting Client Securities

Merlin has adopted proxy voting policies and procedures. We have authority and responsibility to vote proxies related to the corporate issuers of securities in which client's assets are invested, for all accounts governed by the Employee Retirement Income Security Act (ERISA), unless the Plan Sponsor has specifically assigned, in writing, another authority to take on those duties. For all other clients, we do not have authority and responsibility to vote proxies with respect to issuers of securities in which the client's assets may be invested, unless the client has specifically authorized and instructed us in writing to do so.

Merlin votes proxies of client's securities over client accounts for which it has been granted authority. Generally, Merlin does not exercise proxy voting authority over securities not selected by Merlin that are held in a client account or over securities in accounts of which Merlin is not vested with discretionary authority.

The Chief Investment Officer is responsible for ensuring that all proxies received with respect to client accounts are voted in a timely manner consistent with each client's best interest and consistent with Merlin's policies. Merlin has implemented general voting policies regarding various voting issues. While Merlin generally adheres to such voting policies, the Chief Investment Officer will always review each proxy individually. As a result, there may be cases in which particular circumstances lead Merlin to vote an individual proxy differently than as set forth in general voting policies. Proposals not covered in the general voting policies are evaluated and voted on a case-by-case basis, taking into consideration all relevant facts and circumstances. Additionally, a client may provide Merlin with its proxy voting policy and instruct Merlin to vote the proxies relating to the securities of such client's account accordingly. Where a proxy proposal raises a material conflict of interest between the interests of Merlin and the interests of any client, Merlin will resolve such conflict of interest by voting in the best interests of the client. Merlin may address matters involving conflicts of interest in any of the following manners: (i) if a proposal is addressed by Merlin's voting policies, Merlin will vote in accordance with such policies; (ii) refer the proposal to the client and obtain instructions from the client on how to vote the proxy relating to that proposal; (iii) disclose the conflict of interest to the client, propose Merlin's intended vote and obtain the consent of the client to vote in such manner; or (iv) delegate the voting decision for such proxy proposal to an independent third party. Records of proxy materials are

maintained in Merlin's offices. A complete copy of Merlin's detailed proxy voting policies and procedures is available to clients upon request. Additionally, a client may request a copy of the prior voting history with respect to its account.

Item 18: Financial Information

We do not charge or solicit pre-payment of more than \$500 in fees per client if services cannot be completed within six months. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.