

**Form ADV Part 2A: Firm Brochure**



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Item 1. Cover Page

**This brochure provides information about the qualifications and business practices of Prodigy Asset Management, LLC (or “we”). If you have questions about the contents of this brochure, please contact Melissa Reiner, Chief Compliance Officer, at 402-493-9875 or [melissa.reiner@prodigyllc.com](mailto:melissa.reiner@prodigyllc.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.**

Prodigy Asset Management, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

**Additional information about Prodigy Asset Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with us who are registered, or are required to be registered, as investment adviser representatives of us.**

Item 2.        Material Changes

This Brochure, dated January 2024, reflects our annual updating amendment. There have been no material changes made to the Firm Brochure since the last update dated March 2023.

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#### Item 4. Advisory Business

Prodigy Asset Management, LLC (“Prodigy”) specializes in the management of investment assets for non-profit institutions and high net worth families. Prodigy was founded in 1993 by Philip J. Ruden and Michael J. Eglseder (Principals). Our business model is designed to provide our clients with an Outsourced Chief Investment Officer (“OCIO”). Prodigy operates in a fiduciary capacity as a registered investment adviser to preserve each client’s financial resources for the future.

In our role as an OCIO, we believe we are a cost-effective alternative to retaining an in-house staff for our clients. We work with every client to develop an investment policy statement to establish investment goals, return objectives, risk tolerances and identify investment constraints relative to a client’s specific needs. This leads to a customized asset allocation for our clients. Based on the investment policy statement, we invest the client’s assets in various asset classes, make tactical asset allocation decisions and rebalance the portfolio as necessary. In our discretionary role, we find investment firms that manage assets in the various sectors of our multi-asset strategy. It is our opinion that the most effective way to obtain access into these firms is by using low-cost mutual funds and exchange traded funds (“ETFs”) that represent the various segments of the global financial markets.

So that we can provide continuous and ongoing supervision over your specified accounts, you must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations) of the Account.

The Account is managed by us in accordance with your customized asset allocation we develop. We actively monitor the Account and manage the Account by buying, selling, reinvesting or holding securities, cash or other investments of the Account.

You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objectives and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance, or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities or to retain certain securities.

It is important that you understand that we manage investments for other clients and can give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell, or

recommend to you any security or other investment that we may buy, sell, or recommend for any other clients or for our own accounts.

Differences arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

If a higher net worth client or institution is eligible to invest in privately-offered funds (including so called "hedge funds" and "private funds" that invest in private interests) and private funds that invest in other private funds, or funds of funds (any of these funds are referred to below as "private funds"), we will also give advice concerning these interests.

If a client is qualified to invest in and it is appropriate to invest in interests of private funds, the following procedures and client understanding apply regarding our efforts to invest the client's account assets in such fund interests:

- A number of factors impact the availability of obtaining such interests for the client's account. Investors in these funds must meet suitability and accreditation requirements to be eligible investors, must indicate they wish to invest in these private funds (which are typically illiquid and non-transferable) and must be able to meet the fund's required stated minimum (or lesser amount if the fund or its authorized person waives the minimum). To the extent that eligible clients cannot meet these minimum investments (or lesser amount if the general partner of a particular fund waives the minimum) or it would not be prudent for the client to meet the minimum investment from an overall suitability perspective, we will generally not indicate interest in a private fund offering for the client.
- Prodigy has an obligation to allocate investment opportunities to all clients on a fair and equitable basis, and that certain private investments may have limited capacity available to qualified/accredited clients. To the extent that private investment opportunities are part of a client's investment strategy and Prodigy develops and sources investment opportunities, clients shall be allocated such investment opportunities on a pro rata, rotational, or other fair basis to ensure all of Prodigy's clients are treated fairly over time. If a client provides Prodigy with investment opportunities (i.e., a client is the source of such opportunities), then that client shall be allocated its full desired allocation of such investment should it be pursued, and other clients will be allocated any remaining capacity pro rata, rotational, or other fair basis if appropriate.

If private fund investment capacity is available, we evaluate the risk tolerance and suitability of investing in these higher risk, more speculative investments for those clients (including our private fund of funds) meeting the investor accreditation or investment criteria and evaluate the extent to which the account(s) can meet the minimum capital commitment (or lesser amount if the fund or its authorized person waives the minimum). If there is sufficient investment capacity available and based on our understanding of the client's ability to assume the risk associated with these more speculative investments, a private fund investment will be made at the client's direction.

In certain cases, Prodigy will recommend the use of a separately managed account ("SMA") with a sub-adviser for implementing a sub-strategy within a client's overall asset allocation. The use of SMAs is subject to availability from the sub-adviser and is generally restricted by characteristics such as size of the investment (primary factor), type of client custodial arrangements, or other factors. SMAs offered by sub-advisers may carry different management fees or other operating expense arrangements and costs other than alternative investment vehicles available for the same investment strategy. It is possible that these fees may be lower than other vehicles. Other factors considered when recommending a SMA may include operating efficiency, reporting complexity, or lower tracking error of results across clients, etc.

Prodigy serves as the investment manager to a private fund of funds, Prodigy Absolute Return Fund, LLC ("the PAR Fund").

The PAR Fund is a private fund exempt from registration as an investment company under the Investment Company Act of 1940. The offer and sale of interests in the Fund are also exempt from registration under the Securities Act of 1933 and similar state laws. As investment manager, Prodigy will have sole and complete responsibility for managing the PAR Fund's investment portfolio pursuant to the investment objectives and investment policies of the PAR Fund.

We will recommend the PAR Fund as an investment opportunity to our clients which is a conflict of interest. Please refer to Items 5, 10 and 11 for more information about this conflict of interest and our procedures designed to mitigate the potential conflict of interest.

Prodigy has discretionary authority and is responsible for establishing and implementing the PAR Fund's investment objectives and policies. (See Item 15 for more information).

The PAR Fund is organized as a private fund of hedge funds to allocate its assets among various investment strategies in an effort to generate long term positive returns with a low correlation to the equity market.

Potential investors receive a copy of the applicable Confidential Private Offering Memorandum and are required to execute a subscription agreement in order to subscribe for interests in the PAR Fund.

As of December 31, 2023, we had \$3,360,649,795 in regulatory assets under management on a discretionary basis. We do not participate in a wrap fee program.

Item 5. Fees and Compensation

The specific manner in which fees are charged is established in the client's written agreement with us. Fees are billed on a quarterly basis in arrears and are debited directly from the client's account. Our fees are calculated on the market value of all assets placed in a client's account. The market values of the assets are determined by the custodians and the market values of the assets of private funds are based on valuations received from the private fund (or the administrator of the private fund). A client's account will be billed at different levels according to our standard, tiered-fee schedule for new accounts which is as follows:

- .750% on the first \$5 million of assets under management;
- .500% on assets greater than \$5 million up to \$10 million;
- .400% on assets greater than \$10 million up to \$25 million;
- .300% on assets greater than \$25 million up to \$50 million;
- .200% on assets greater than \$50 million up to \$200 million;
- .175% on assets greater than \$200 million up to \$400 million;
- .150% on assets greater than \$400 million.

For example, if a client has an account value of \$13,500,000, then the first \$5,000,000 will be charged .750% annually, the next \$5,000,000 will be charged .500% annually, and the next \$3,500,000 will be charged .400% annually.

The above fee schedule applies to all new clients unless negotiated otherwise. With respect to changes in fee schedules, clients at the time of a fee schedule change either remain on their pre-existing fee schedule or are moved to the new fee schedule based on the fee schedule that results in the client being billed the lowest fee.

For clients that invest in private funds, in calculating fees, in the event that a final valuation for a client's interest(s) in a private fund is not available at the time the fees are to be calculated, Prodigy will utilize as estimated value provided by the private fund (or the administrator of the private fund) or the last available valuation for the client's interest(s) in the private fund made available by the private fund (or the administrator of the private fund), adjusted for any cash flows or performance estimates, if applicable. In respect of using an estimated value provided by a private fund, estimates are often preliminary and subject to change. The fees payable by the client to Prodigy will be based on the valuations, including estimated valuations, received from the manager or administrator to the private fund owned in the client's account(s). If such estimated valuations turn out to have been overstated, the fees payable to Prodigy will also be overstated. Similarly, if the estimated valuations turn out to have been understated, the client

will have paid Prodigy less than what would have been charged had a revised valuation been used in the fee calculation. Accordingly, there will be no subsequent change, or “true up,” to fees previously paid to Prodigy in the event that revised values would have resulted in either over-payment or under-payment of fees previously paid to Prodigy on the basis of estimated valuations. The client may request additional information from Prodigy in order to review the estimated valuations and fees.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred directly by the client. Clients will incur certain charges, applicable to each client’s account, imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. See further discussion at Item 12. Mutual funds, ETFs, SMAs, and private funds also charge internal management and other fees, which are disclosed in a fund’s prospectus or partnership agreements and are indirectly borne by fund shareholders, including our advisory clients whose assets we invest in fund shares. Prodigy does not receive any portion of such commission, fee, or expenses from you, the qualified custodian, or any other third-party (for example, the mutual fund sponsor company). However, we do not reduce our advisory fees to offset any of the fees, costs, or expenses described in this paragraph, unless we are required to do so by law. Further, clients can purchase fund shares and other securities directly, without our services.

When managing accounts for clients, it is the policy of Prodigy to select the overall lowest-expense mutual fund share class available to our firm. What this means is there is the chance that an alternative mutual fund share class is offered by the mutual fund sponsor company, but we cannot purchase it for our clients because we are limited to purchasing mutual funds only available through the qualified custodian of your account. Although we conduct best execution analysis to select the lowest share class available, we are limited to mutual funds available only through your qualified custodian.

To the extent there is a 12b-1 paying mutual fund share class or other mutual funds that pay a distribution, marketing, or sales fee in your investment advisory account please know that Prodigy and our investment adviser representative(s) will never receive such 12b-1 fees from the mutual fund sponsor company or the qualified custodian of your account.

If a client terminates our advisory agreement within 5 days of signing the investment management agreement, no fee will be charged. Thereafter, advisory services may be terminated on 30 days’ notice and the advisory fee due and payable through the date of termination will be prorated accordingly.

Each investor in the Fund, other than those investors who have separately managed accounts with Prodigy, is charged a management fee, payable on a quarterly basis in arrears, with



respect to each capital account of each investor, at the rate of  $\frac{1}{4}$  of 1%. The management fee is calculated on the first business day of each calendar quarter and, with respect to each capital account, is based on the net asset value of such capital account as of the last business day of the prior calendar quarter. This fee is debited directly from the investor's account. If a client with separately managed accounts with Prodigy invests in the PAR Fund, the client is not charged the PAR Fund's fee of 1% in order to avoid charging double fees on the client's investment in the PAR Fund. Instead, the client's investment in the PAR Fund is subject to their prevailing fee schedule along with the other assets in their separately managed account(s) managed by Prodigy.

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). The descriptions of the fees charged by us are provided in Item 5.

Item 7. Types of Clients

We generally provide investment advisory services to high net worth individuals, pension and profit-sharing plans, trusts, charitable organizations, private fund of funds, and endowments and foundations.

We will only accept clients who stand to benefit from the advice and management we render. Generally speaking, this results in an initial minimum requirement of \$5 million of investable assets. Under certain situations this minimum may be waived.

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

As described in Item 4, we serve as the Investment Office for our clients. We work with each client to develop an investment policy statement that results in a customized asset allocation for each client. Once the client agrees to an asset allocation, we implement the investment strategies using a diversified, multi-asset approach. This approach will incorporate some or all of the various strategies within the domestic equity, international equity, fixed income, alternative equity, and cash segments of the financial markets. By maintaining market exposure to many segments of the financial markets, we expect to capture the long-term returns of each asset sector. This diversified approach is also expected to reduce the risks in a client's overall portfolio.

Our investment strategy involves a review of the markets and various asset classes using a combination of fundamental research and our due diligence reviews of and ongoing relationships with some institutional investment management firms. Prodigy will attempt to filter the “universe” of portfolio managers in an effort to identify those that it believes are “best in class.” Prodigy performs due diligence on each prospective investment vehicle and portfolio manager using certain quantitative and qualitative measures as outlined below:

- **Quantitative Analysis** – Prodigy’s quantitative approach generally includes an analysis of several factors, including historical performance, portfolio exposures, volatility, leverage, diversification and correlation with various market and portfolio factors. Prodigy generally seeks to determine the incremental return and risk to the overall portfolio that will result from the addition of a particular investment vehicle or portfolio manager to the portfolio or substitution for another investment vehicle or portfolio manager.
- **Qualitative Analysis** – Prodigy’s qualitative approach generally focuses on factors that will enable it to better understand a portfolio manager’s investment strategy, team, and approach. Prodigy will generally seek to analyze, among other things, its decision-making processes, level of transparency and openness as well as the articulation of its investment strategy; the quality, reputation, and consistency of its management team; the consistency of past returns, assets under management, and personal investments of senior investment professionals; a portfolio manager’s incentive structure to produce outsized returns; and its investment skills, risk management expertise, operational capabilities, and stability.

The underlying approach we use is to compare current valuations across asset classes and versus historical valuations for that asset class. In addition to analysis of valuation by asset class, we also discuss opportunities in the global financial markets with investment managers that represent many sectors of the markets to get their perspective on opportunities they are finding within their asset class. This information leads to overweighting and underweighting decisions for each asset class. The ranges are generally 80% to 120% of the policy weighting for each asset class as defined in the client’s investment policy statement. Part of our risk control is to not take extreme positions with an asset class or a manager. We prefer to implement many smaller allocation decisions versus one or two big macro positions.

Investing in securities involves risk of loss that clients need to understand and should be prepared to bear. Clients need to consider the following risk factors:

- **Diversification Risk** – We use a diversified, multi-asset approach in an effort to minimize overall portfolio risk. This strategy is based on our view that different asset classes typically perform differently based upon market conditions. Thus, they all have different correlations to the financial markets, which serve to reduce overall portfolio risks. However, there are periods where correlations of all asset classes move together. This

may happen, for example, due to a temporary global, economic, or political event that impacts the financial markets. During these periods, the risk limiting benefits of a diversified portfolio will be reduced.

- **Style Risk** – In implementing a diversified portfolio, we use many different strategies that use a unique investment style. There are times where an investment strategy/style may be out of favor and underperform both their passive benchmarks and peers.
- **Active Manager Risk** – We use a variety of mutual funds and ETFs that employ both passive and active investment approaches. Active managers might underperform their passive benchmarks and peers in certain periods of time.
- **Private Fund Risk** – Interests in private funds are usually illiquid. Private funds generally charge higher investment fees, have less liquidity, and the values of private interests often move very differently from the public financial markets. Private fund investments are often considered to be speculative.
- **General Fund Risk** – Collectively, funds (mutual funds, ETFs, and private funds) may invest in virtually any type of security or instrument, engage in a variety of trading practices, and employ various investment strategies. Based on a fund's particular investment objectives, investment strategies, portfolio holdings, and trading practices, the fund (and indirectly fund investors) will be exposed to various types of risks in varying degrees.

Risk management is an important aspect to managing investment portfolios and there are many tools we use to try to mitigate risk. First, client assets are invested with a view towards diversification. To that end, we typically incorporate the following market sectors into a client's portfolio (through fund investments): domestic equities, international equities, fixed income, and alternative equities. Next, understanding that each of these sectors of the financial markets incorporate many subsectors, we will under or over weight certain sectors of the markets within a client's portfolio, based upon our review of historical valuations and our prospective outlook on those sectors. If circumstances warrant, we may hold cash or cash equivalents in a client's portfolio.

The risks associated with the PAR Fund are as follows:

- **Limited Operating History** – The PAR Fund was formed in December 2011. Prior to this time, the PAR Fund did not have any operating history of its own for prospective investors to evaluate prior to making an investment in the fund of funds. The past performance of investment funds or accounts managed or advised by us cannot be relied upon as an indicator of the fund of fund's future performance or success. No assurances can be made that profits will be achieved or that substantial losses will not be incurred.

- **Reliance on Prodigy** - The PAR Fund's investment activities depend upon the experience, diligence, and skills of Messrs. Ruden, Eglseider, Trautman, and Ovalles and other officers and employees of Prodigy for the identification of investment opportunities. Prodigy and its employees are not required to devote their full time to the activities of the PAR Fund and will devote only such time to the PAR Fund as they, in their sole discretion, deem appropriate. The loss of the services of Mr. Ruden, Mr. Eglseider, Mr. Trautman, or Mr. Ovalles could have a material adverse effect on the PAR Fund's business and prospects. There can be no assurance that Messrs. Ruden, Eglseider, Trautman, and Ovalles will continue to be employed by Prodigy or be responsible for the fund of fund's investment activities. No assurance exists that a suitable replacement could be found if Messrs. Ruden, Eglseider, Trautman or Ovalles become unavailable for any reason.
- **Lack of Management Control by the Investors; Changes in Strategy** – Prodigy has sole discretion, without the consent of the investors, to determine the investment strategies used and the selection and allocation of investment opportunities for and on behalf of the PAR Fund. Investors will have no right or power to take part in the management or control of the business of the PAR Fund. No person should subscribe to the PAR Fund unless such person is willing to entrust all aspects of the PAR Fund's management to Prodigy. If Prodigy decides to implement a new strategy or modify its then current investment strategy or processes, the securities and strategies selected for the PAR Fund may differ, and in some cases, materially so, under such new strategy or investment process and Fund capital may be exposed to risks that are substantial and different from those risks described in this document. The PAR Fund may also incur higher transaction costs, higher portfolio turnover, purchase different types of securities and/or have a different and potentially higher risk profile than under its currently anticipated investment strategy. Volatility and other performance characteristics would also likely differ under any such different investment approach.
- **Concentration of Investments** - Prodigy has broad discretion over the PAR Fund's investment program and may choose to allocate substantial portions of the PAR Fund's assets to only one or several underlying strategies, investment vehicles, or portfolio managers. No guarantee or representation is made that the investment program of the PAR Fund, including, without limitation, its associated investment objective, diversification strategies or risk monitoring goals, will be successful and investment results may vary substantially over time. In general, Prodigy intends to allocate capital in a manner that will enhance diversification opportunities among strategies, managers, and securities, but there can be no assurance that reasonable diversification will be achieved. Further, portfolio managers (through investment vehicles or separate accounts) may take positions in the same securities at the same time. Such an occurrence may tend to result in more rapid changes in the fund of fund's portfolio than would be the case with greater

diversification, with the result that a loss in any such position could have a material adverse impact on the fund of fund's capital. Portfolio managers may also make similar market timing decisions and asset allocation decisions between equities, fixed income, and/or other securities. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

- Limited Availability of Information - Some investment vehicles and portfolio managers may provide Prodigy with very limited information with respect to their operations, holdings, and performance, thereby severely limiting Prodigy's ability to verify initially or on a continuing basis the representations made by or on behalf of investment vehicles or portfolio managers regarding their operations, holdings, and investment strategies being employed, among other things.
- Portfolio Valuation - Valuations of the PAR Fund's investments affect the management fee and may involve uncertainties and judgmental determinations. Third-party pricing information may at times be unavailable regarding certain of the PAR Fund's investments. A disruption in the secondary markets for the PAR Fund's portfolio investments (and those of investment vehicles) may limit the ability of the PAR Fund (and investment vehicles) to obtain accurate market quotations for purposes of valuing its portfolio investments and calculating the PAR Fund's net asset value. In addition, material events occurring after the close of a principal market upon which the securities or other assets of the PAR Fund (or an investment vehicle) are traded may require Prodigy (or an investment vehicle's portfolio manager) to make a determination of the effect of a material event on the value of the securities or other assets traded on the market for purposes of determining the net asset value on a valuation date. Further, because of the overall size and concentrations in particular markets and maturities of positions that may be held by the PAR Fund (or an investment vehicle) from time to time, the liquidation values of the PAR Fund's securities (or an investment vehicle's securities) and other investments may differ significantly from the interim valuations of these investments. If the PAR Fund's (or investment vehicle's) valuations should prove to be incorrect, the PAR Fund's net asset value could be adversely affected. Absent bad faith or manifest error, valuation determinations in accordance with the PAR Fund's valuation policy will be conclusive and binding.
- Estimates – Prodigy will have limited ability to assess the accuracy of the valuations received from investment vehicles and portfolio managers. Furthermore, the net asset values received by Prodigy from investment vehicles and portfolio managers will typically be estimates only, subject to revision through the end of the each underlying investment vehicle's annual audit, and no net asset value figure of the PAR Fund can be considered final until the PAR Fund's annual audit is completed.

- Absence of Regulation Concerning Investment Vehicles - Investment vehicles and portfolio managers will be subject to varying levels of regulation. Hedge funds and private equity funds typically are not registered as investment companies under the Investment Company Act and their managers are often not registered as investment advisers under the Advisers Act, with the consequence that many of the protections afforded to investors by those laws will not be applicable. Similarly, certain investments in funds and accounts formed and operated outside the United States may not be subject to comprehensive government regulation.
- Supervisory Risk and Misconduct of Employees and of Third-Party Service Providers - Although Prodigy will use reasonable efforts to supervise its personnel, it is possible that any such person may take an action that is outside the scope of their employment or fail to perform an action that is required by the scope of their employment. Any such action or failure to act may have a material adverse effect on the Fund. No guarantee or representation is made that Prodigy will be able to avoid occurrences of such events. Misconduct by the Prodigy's employees or by third-party service providers to the PAR Fund could cause significant losses to the PAR Fund. Employee misconduct may include unauthorized activities or concealing unsuccessful activities (which, in either case, may result in unknown and unmanaged risks or losses). In addition, employees and service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the PAR Fund's business prospects. Although the Prodigy will adopt measures reasonably designed to prevent and detect employee misconduct, such measures may not be effective in all cases. No assurances can be given that the due diligence performed by Prodigy will identify or prevent any such misconduct. In addition to the foregoing, losses could also result from actions by service providers alone, including, without limitation, failing to record transactions or improperly performing their responsibilities. When the PAR Fund invests in an investment vehicle, the PAR Fund does not have custody of the assets or control over the investments by the investment vehicle. An investment vehicle and/or its portfolio manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations, or engage in other misconduct, resulting in losses to the PAR Fund. Such misconduct is very difficult or impossible to detect and may not come to light until substantial losses have already been incurred. The PAR Fund is dependent upon its counterparties and certain third-party service providers, including the administrator, accountants, auditors, legal counsel and other service providers as described elsewhere herein. Errors are inherent in the operations of any business and although Prodigy will adopt measures reasonably designed to prevent and detect errors by, and misconduct of, counterparties and service providers, and will only transact with counterparties and service providers it believes to be reliable, such measures may not be effective in all

cases. Errors or misconduct could have a material adverse effect on the PAR Fund and the investor's investments therein.

- **Lack of Regulation Concerning the PAR Fund** - The PAR Fund is not registered under the Investment Company Act and relies on the exception from the definition of "investment company" provided by Section 3(c)(1) of the Investment Company Act. Accordingly, the PAR Fund is not subject to the provisions of the 1940 Act which, among other things, require that an investment company's board of directors, including a majority of disinterested directors, approve certain of the company's activities and contractual relationships, prohibit certain trading and investment activities, and prohibit the company from engaging in certain transactions with its affiliates. Should private investment company exclusions cease to be available to the PAR Fund, the PAR Fund and Prodigy could be subject to legal action by the Securities and Exchange Commission and others, possibly resulting in financial losses to the PAR Fund and the termination of the PAR Fund's business. The PAR Fund offers interests on a continuing basis without registration under the Securities Act of 1933, as amended, and without registration or qualification of the Interests under state laws. It will rely on an exemption for "transactions by an issuer not involving any public offering." While Prodigy believes reliance on such exemptions is justified, there can be no assurance that factors such as the manner in which offers and sales are made, concurrent offerings by other funds, the scope of disclosure provided, failures to make notice filings, or changes in applicable laws, regulations, or interpretations will not cause the PAR Fund to fail to qualify for such exemptions under federal or one or more states' laws. Failure to qualify could result in the rescission of sales of Interests at prices higher than the current value of those Interests, potentially materially and adversely affecting the PAR Fund's performance and business. Further, even non-meritorious claims that offers and sales of Interests were not made in compliance with applicable securities laws could materially and adversely affect Prodigy's ability to conduct the PAR Fund's business.
- **Operating Deficits** - The expenses of operating the PAR Fund (including management fees) could exceed its income. This would require that the difference be paid out of the PAR Fund's capital, reducing the PAR Fund's investments and potential for profitability.
- **Mandatory Redemption** - The PAR Fund has the right to effect a mandatory redemption of interests at net asset value on five days' notice. In the event that there are such redemptions from the PAR Fund, in order to provide sufficient funds to pay withdrawals, Prodigy might be required to liquidate positions at an inappropriate time or on unfavorable terms, and the liquidation of a portion may have an adverse effect on the market price of the remaining position.

- **Effect of Substantial Redemptions** - Substantial redemptions by investors within a short period of time could require Prodigy to arrange for the PAR Fund's assets to be liquidated more rapidly than would otherwise be desirable, which could (a) adversely affect the value of the remaining Interests, (b) cause the PAR Fund to utilize leverage in order to satisfy redemption requests, which could cause the remaining investors to bear the costs of such leverage, or (c) result in Prodigy choosing to terminate the PAR Fund, or (d) result in withdrawals from the PAR Fund temporarily suspended. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the PAR Fund's assets could make it more difficult to generate a positive rate of return or recoup losses due to a reduced equity base.
- **Long-Term Investments** - Investment in certain investment vehicles may require a long-term commitment with limited or no liquidity for a number of years after the initial investment and no certainty of return. Factors such as overall economic conditions and the competitive environment may shorten or lengthen the intended holding period for any investment or group of investments. If the PAR Fund is dissolved for any reason including a good faith determination by Prodigy to dissolve the PAR Fund, the PAR Fund may have to sell, distribute, or otherwise dispose of its interest in investment vehicles at a disadvantageous time as a result of dissolution.
- **Limited Liquidity; Restrictions on Transfer** - Investors should be fully aware of the restrictions on transfer of interests in the PAR Fund. The interests have not been registered under the securities laws of any jurisdiction and there will be no ready market for the Interests. The interests are not readily transferable. No transfer of interests may be made without the prior approval of Prodigy in compliance with the transfer provisions of the LLC Agreement. An investment in the PAR Fund therefore provides limited liquidity since the interests are not freely transferable and redemptions may be subject to other restrictions. As a result, an investment in the PAR Fund is suitable only for sophisticated investors.
- **In-Kind Distributions** - The PAR Fund generally expects to distribute cash to an investor upon a withdrawal from a capital account. However, there can be no assurance that the PAR Fund will have sufficient cash or be able to liquidate securities to satisfy withdrawal requests at favorable prices to satisfy such request. Accordingly, Prodigy may cause the PAR Fund to satisfy an investor's withdrawal request by distributing securities in-kind. The investor would incur brokerage commissions in connection with its disposition of such in-kind securities. Among other risks, the direct holding of certain investment may subject the holder to suit or taxes in jurisdictions in which such investments are located. Investments distributed in-kind may not be readily marketable or saleable and may have to be held by investors for an indefinite period of time.



The risks associated with investing in private fund investments are as follows:

- Most private investment funds limit the extent to which investors can redeem their interests. These “lock ups” may last for long periods of time. Accordingly, our clients should inform us of the maximum amount of investible assets they are willing to treat as completely illiquid for an indefinite period of time.
- Upon redemptions, funds may redeem a client’s interest in cash or in kind (i.e., investments owned by the fund) and may withhold a portion of your interest to the extent that portion reflects the client’s proportionate interest in the fund’s illiquid securities. Funds also may withhold portions of a client’s redemption proceeds for contingent liabilities. Amounts not redeemed, or withheld, may not be paid for long periods after a client’s interest in a fund has been redeemed.
- Managers of private investment funds typically charge annual management and performance fees (generally 1% of assets under management and 20% of the realized gains or higher). These fees are typically paid even when investors lose money and when a fund underperforms an index or benchmark.
- Investment funds may engage in trading strategies that are generally considered to be highly speculative and risky. Some of these strategies involve the use of leverage in that borrowed money is used for investment purposes. While leverage can enhance gains, it can also magnify loss.
- Each fund pursues one or more investment objective(s). Achieving that objective is not a certainty and no manager guarantees success. Some of these objectives are very narrow, causing the fund to make investments that are concentrated in one industry or limited to only a few companies (called non-diversified). A non-diversified fund is typically considered more risky than a diversified one.
- Similarly, while managers may have achieved success in prior years or by managing successful funds in the past, past performance, while one of many factors we consider in evaluating potential fund investments for clients, is not indicative of future results. The fact that a manager has been successful in the past, or historically with a fund we invest a client’s assets in, does not mean a client’s investment will be profitable.
- Most managers, administrators, directors and officers of funds are indemnified from the assets of the fund against all expenses or costs arising from mistakes or actions/inaction that the person thought was in the best interest of the fund. As such, a client’s investment in a fund may be used to support this indemnification.
- A client may lose their entire investment in a private fund.

Item 9. Disciplinary Information

Form ADV Part 2 requires us to disclose legal or disciplinary events involving us or our personnel that would be material to your evaluation of us or the integrity of our management. At this time, we have no information to report that is applicable to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Prodigy is not and does not have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, a registered investment company (including a mutual fund, closed-end investment company, unit investment trust), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, or a real estate broker or dealer.

We do not have the discretion to invest Prodigy clients in the PAR Fund. However, if appropriate, we will recommend that Prodigy clients invest in the PAR Fund. As the investment manager of the PAR Fund we would have a conflict of interest if we were to charge clients with a separately managed account at Prodigy with both a management fee on the separately managed account (including the PAR Fund) and fee within the PAR Fund. To overcome this conflict of interest, as stated in Item 5, if clients with a separately managed accounts at Prodigy invest in the PAR Fund, the clients make their own decision to do so. In addition, these clients are not charged the PAR Fund fee in order to avoid charging double fees on the clients' investments in the PAR Fund.

Prodigy serves as the Investment Manager of the PAR Fund and thus we are not independent from the PAR Fund. Further, the Principals have personally invested in the PAR Fund and also serve as advisors to the PAR Fund. Prodigy is also responsible for soliciting new investors into the PAR Fund. These factors create an incentive to recommend the PAR Fund. This is a conflict of interest, and consequently the investment advice provided by Prodigy is biased.

Please refer to the following section for more information about the conflicts of interest we have in regard to the PAR Fund.

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

We have adopted a Code of Ethics (included in our Compliance Manual) for all supervised

persons of the firm describing our standard of business conduct and fiduciary duty we owe to our advisory clients. The Code of Ethics (as well as the Compliance Manual) includes provisions relating to the confidentiality of client information, insider trading, political and charitable donation policies, restrictions on outside business activities, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items and personal securities trading procedures, among other things. There are also restrictions on the acquisition by persons subject to our Code of Ethics in private placements (private funds are offered through private placements) and initial public offerings. Copies of the Code of Ethics are available to clients and prospective clients upon request. All supervised persons at Prodigy must acknowledge the terms of the Compliance Manual annually.

We anticipate that, in appropriate circumstances, consistent with clients' investment objectives, we will cause clients to purchase or sell securities in which we, our employees and/or other advisory clients, directly or indirectly, have a position or financial or other interest. Our employees are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, all employees of Prodigy may trade for their own accounts in securities which are purchased or sold for our clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Prodigy will not interfere with (i) making decisions in the best interest of our advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. In addition, the Code of Ethics requires prior written approval of certain transactions, and restricts personal trading in a security in close proximity to client trading activity in the same or a similar security. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics in an effort to identify such benefits and otherwise reasonably prevent conflicts of interest between us and our clients.

From time to time, we may receive confidential information about a security or issuer. We are prohibited by law from transacting in that security or issuer on behalf of our clients while that information remains confidential.

Please see the additional disclosures and information contained in Item 10 regarding our procedures to recommending private funds and the PAR Fund.

Additionally, we will recommend the PAR Fund to our clients who meet certain eligibility requirements. Prodigy will only recommend that a client invest a portion of client's portfolio in the PAR Fund if Prodigy believes that it is in client's best interest. (Under no circumstances will Prodigy exercise any investment discretion with respect to whether to invest a client in the PAR Fund.) The client will be solely responsible for making any decision in whether to invest in the

PAR Fund and the client is under no obligation to invest in the PAR Fund.

Because our recommendation that clients invest in the PAR Fund is a conflict of interest, we strongly encourage all clients consult with legal counsel, an accountant, or any other financial professional of the client's choosing who is not affiliated with Prodigy for a "second opinion" before investing in the PAR Fund.

As stated in Item 5 and Item 10, if clients choose to invest in the PAR Fund, we will not charge "double-fees" meaning we will only charge one fee against the assets invested in the PAR Fund in the form of the management fee (per the client's prevailing fee schedule) and not also charge an additional 1% fee to the client on the portion of the client's assets invested in the PAR Fund.

We permit our owners and employees, subject to eligibility requirements, to invest in the PAR Fund. Owners and employees seeking to invest in any private offering, including the PAR Fund, must first be approved, in writing, by our Chief Compliance Officer prior to any purchase or redemption in the private security. Clients are given first right of opportunity over our employees for approval of investing in a private security or redeeming from the private security.

Private investments like the PAR Fund are often illiquid which means that the investments can be difficult to trade and consequently limits an investor's ability to dispose of such investments in a timely manner and at an advantageous price. Additionally, such investments will not register pursuant to the Securities Act of 1933, and therefore investors must complete a subscription agreement showing the investor is an "accredited" investor (as defined by applicable law, rules and regulations) and acknowledge that he or she has read and understands the confidential private placement memorandum and is aware of the various risk factors associated with such an investment.

Please refer to Item 4, Item 5, and Item 10 for more information.

#### Item 12. Brokerage Practices

We have been granted authority by substantially all of our clients to determine without specific consent, the securities to be bought and sold and the amounts of those securities. Any limitations which might be placed are client imposed and specific and, to the extent they exist, are defined in documents, which may be appended to or referenced in the investment management agreement between us and the particular client.

All client liquid assets and accounts are maintained with, and transactions effected through accounts established at, qualified custodians and broker-dealers that can execute transactions and perform the clearance and settlement functions associated with account transactions and custody of assets. Each client selects his or her own custodian/broker-dealer and we will accept

accounts maintained by custodians/broker-dealers as long as all of the services can be provided. The cost charged by another custodian/broker-dealer may or may not be higher and another custodian/broker-dealer may or may not have availability to certain mutual funds. If a client has private investments, they are held by the custodian/administrator of each individual fund/private investment.

We seek to recommend a custodian/broker-dealer 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:

- The combination of transaction execution services and asset custody services (generally without a separate fee for custody).
- The capability to execute, clear, and settle trades (buy and sell securities for your account).
- The capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.).
- Breadth of available investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.).
- Reputation and financial strength.
- Prior service to us and our clients.
- Availability of other products and services that benefit us, as discussed below.

We recommend that clients establish brokerage accounts with Schwab Advisor Services (formerly Schwab Institutional), a division of Charles Schwab & Co., Inc. a FINRA-registered broker-dealer, member of SIPC, and other qualified custodians as approved by Prodigy (collectively referred to as Qualified Custodians) to maintain custody of clients' assets and to transact trades for their accounts. Where applicable, we negotiate with the Qualified Custodians the commission rate and fees that they charge our clients and we believe that the Qualified Custodians have a wider array of the types of funds we seek for our clients, as compared to other competitors.

Although we may recommend that clients establish accounts at Qualified Custodians, it is the client's decision to custody assets with the Qualified Custodian. Prodigy is independently owned

and operated and not affiliated with any Qualified Custodians.

The Qualified Custodians provide our advisory clients with access to their institutional trading and custody services, which are typically not available to retail customers. These services generally are available to independent investment advisers (such as Prodigy) on an unsolicited basis, at no charge to them, and are not contingent on committing to the Qualified Custodian any specific amount of business (assets in custody or trading commissions). The Qualified Custodians' brokerage services include, but are not necessarily limited to the execution of securities transactions, access to client account data (such as duplicate trade confirmations and account statements), custody, the ability to have investment advisory fees deducted directly from client accounts, access to an electronic communication network for client order entry and account information, research and access to mutual funds, and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum investment.

For our client accounts maintained in their custody, the Qualified Custodians generally do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the Qualified Custodian or that settle into the Qualified Custodians' accounts.

The Qualified Custodians also make available other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our accounts not maintained at the Qualified Custodian. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution and allocation of aggregated trade orders for multiple client accounts; provide research, pricing and other market data; facilitate payment of fees from our client accounts; and assist with back-office functions, recordkeeping, and client reporting.

The Qualified Custodians also offer other services intended to help manage and further develop our business enterprise. These services may include compliance; legal and business consulting; publications and conferences on practice management and business succession; information technology and marketing; and access to employee benefit consultants, human capital consultants and insurance providers. In addition, the Qualified Custodians may make available, arrange; and/or pay third-party vendors for the types of service rendered to us. The Qualified Custodians may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. The Qualified Custodians may also provide other benefits such as educational events or occasional business entertainment for us and our supervised persons. While as a fiduciary, we endeavor to act in our clients' best interest in evaluating whether to recommend that clients custody their assets at the Qualified Custodians, we take into account the availability of the foregoing products and

services and other arrangements as part of the total mix of factors we consider and not solely the nature, cost, or quality of custody and brokerage services provided by the Qualified Custodians, which is a conflict of interest.

We have developed policies and procedures designed to help mitigate and control for this conflict of interest. As previously stated, the availability of the foregoing products and services is not contingent upon us committing to the Qualified Custodians any specific amount of business (assets in custody or trading) and we do not make any such commitment; the Qualified Custodians typically provide these services to advisers who have considerable client assets maintained on their platforms. Except in the case of transaction fee funds, our clients do not pay the Qualified Custodians directly for most of the brokerage and custody services provided. The Qualified Custodians do receive revenue from funds in whose shares clients may invest (no-transaction-fee-funds), and other funds that charge loads, Rule 12b-1 distribution fees, and other fees to their shareholders, and typically these funds (or their service providers) pay a portion of this revenue to the Qualified Custodians. As such, the Qualified Custodians' provision to us of these services and products, while not directly paid for by clients, is indirectly paid for by clients since it is fund fees and charges they incur as shareholders that are paid to the Qualified Custodians and results in the Qualified Custodians providing us with these services and products.

Although we are generally aware of charges imposed by, or mutual fund revenue received on client investments by other custodians/broker-dealers, we believe that the Qualified Custodians trading platforms provide better access in terms of mutual fund availability and variety, efficiency, and customer relations.

Each client is required to select a financial institution to serve as a custodian/broker-dealer for the client's account. As mentioned above, we currently recommend Qualified Custodians, but clients are free to establish accounts with other custodian/broker-dealers, and are responsible to evaluate the custodian/broker-dealer to be used for these purposes.

In accordance with the foregoing, should a client direct us to use a custodian/broker-dealer other than a Qualified Custodian, the client should understand our ability to seek the best execution may be partially or wholly impacted by these directed brokerage arrangements due to the fact the trades may not be executed with the quality, speed, or price we could achieve through a Qualified Custodian, we may not be able to negotiate or renegotiate commission rates with a directed broker or impact or improve the price or quality of trade execution services, the client may not be able to participate in volume discount commission rates that we can negotiate with a Qualified Custodian, we may not have access to a particular fund (or share class) or investment, and the client may forgo other benefits or savings. Like all mutual fund marketplace providers, the Qualified Custodians offer certain classes of shares (frequently adviser or institutional classes) which impose lower cost than other shares made available elsewhere. In a

situation where a client is directing us to use another mutual fund marketplace or institution avenue for the purchase of mutual fund shares, we may not be able to buy shares in comparable lower cost classes on behalf of the client. Accordingly, the client will ultimately pay more fund expenses as a result of their direction to us that we buy shares on a different platform than a Qualified Custodian.

We endeavor to seek the best overall execution for each client in each trade, although in terms of placing orders for client mutual fund share transactions, all executions are effected through a Qualified Custodian or another broker-dealer/custodian of the client's choosing at Net Asset Value as next determined by the fund. In addition, all interests acquired or sold in private funds are achieved in private transactions with each private fund directly. Accordingly, our duty to seek the best execution relates to the purchase and sale of individual securities in client accounts. In that regard, we will purchase and sell individual securities positions in all effected accounts at the same time and through each client's designated broker-dealer/custodian at commissions agreed to between the client and broker-dealer.

To the extent we are purchasing and selling the same individual security for multiple accounts, we will attempt to purchase and sell all holdings at the same time. However, transaction prices may change in this process and if we determine to discontinue a selling program, we will allocate the purchase and sale of the individual security among effected accounts on a pro rata basis relative to each client account's position size. The primary vehicle used to invest clients' assets are open-end mutual funds, which do not require trade aggregation, as all trades in mutual fund shares are effected at Net Asset Value. Clients that have directed us to use a particular custodian/broker-dealer (other than a Qualified Custodian) may not be able to participate in aggregated trades and thus may experience higher execution and similar trading costs.

Client account transactions may be effected on occasion in a manner that differs from what was intended for the account. We review any trade errors that we discover, on a case-by-case basis, and decide what corrective steps to take, if any. We endeavor to resolve trade errors in a timely and equitable manner.

#### Item 13. Review of Accounts

Messrs. Ruden, Eglseider, Trautman, and Ovalles continuously monitor client accounts in an effort to ensure they are being managed in a manner consistent with established objectives for the account and the client's investment guidelines or restrictions, if any. Factors reviewed for each account include asset allocation, individual securities, cash flow, and client communications. A significant change in the fundamental characteristics of a security might trigger a more frequent review. Additionally, changes in the goals and/or objectives of the client



likely will cause an account to be reviewed.

Clients receive written statements directly from their designated custodian listing all account activity in securities held by that custodian (primarily, liquid, individual securities). Clients also receive, if applicable, written statements (usually at least quarterly) from the administrators of the private fund investments. We provide written quarterly (unless the client directs and we agree to a more frequent reporting cycle) updates to clients, which consist of asset statements showing total market value of the account and each security held in the account, performance reports, and a written analysis of recent market and account activity.

Item 14. Client Referrals and Other Compensation

We do not directly or indirectly compensate any third parties for client referrals. However, as described in Item 12, we receive services and products of value from Qualified Custodians as a result of clients maintaining their accounts with Qualified Custodians.

Item 15. Custody

We are deemed to have constructive custody of certain client assets as a result of our ability to directly debit advisory fees from client accounts and our ability to effect third-party asset transfers for client accounts using a standing letter of authorization. Actual custody of client assets, however, is maintained and monitored by the client's designated broker-dealer/custodian, bank, or trust company, not us.

Upon authorization from clients, Prodigy can affect asset/fund transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization ("SLOA"). An adviser with authority to conduct such third-party asset/fund transfers has access to clients' assets and therefore has custody of the clients' assets in any related accounts.

Based on an SEC no-action letter, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. The client provides a written, signed instruction to the qualified custodian that includes the third-party's name and address or account number at a custodian;
2. The client authorizes us, in writing, to direct transfers to the third-party either on a

specified schedule or from time to time;

3. The client's qualified custodian verifies the authorization (e.g., signature review) and provides a transfer of funds notice to the client promptly after each transfer;
4. The client can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third-party, the address, or any other information about the third-party.
6. We maintain records showing that the third-party is not a related party to us nor located at the same address as us; and;
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Clients should receive at least quarterly statements from the broker-dealer, bank, or other qualified custodian that holds and maintains the client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

We are deemed to have custody of the assets of the PAR Fund due to (i) Prodigy's ability to withdraw the PAR Fund's cash and/or securities held with a custodian upon our instruction to the custodian, and (ii) Prodigy serving as the PAR Fund's investment manager. The PAR Fund contracts with a third-party custodian that serves as the custodian for cash owned by the PAR Fund. The PAR Fund will distribute to its investors annual financial statements that are audited by an independent accounting firm that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, within 180 days of the PAR Fund's fiscal year-end. Prodigy urges investors to carefully review the audited financial statements of the PAR Fund.

#### Item 16. Investment Discretion

We receive discretionary authority from the client at the onset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. This authority is established through the management agreement signed by each client.

When selecting securities and determining amounts, we observe the investment policies, limitations, and restrictions of the clients for which we advise. Investment guidelines and restrictions must be provided to us in writing.

Item 17.     Voting Client Securities

We have adopted proxy voting policies and procedures to guide our exercise of this responsibility on behalf of our clients. Clients may direct us in writing as to how to vote their proxies or a particular proxy. Under normal circumstances, we vote proxies for clients but do not advise clients or take action for clients on legal proceedings (such as class actions) and other legal matters (mergers, acquisitions or bankruptcies). When we accept proxy voting responsibility, our proxy voting policy is to vote all client proxies in the client's best interests. We seek to achieve this result by voting in the manner that, in our judgment, is most likely to maximize total return to the client as an investor in the securities being voted. We have in place procedures to identify conflicts that we may have in voting proxies.

Clients may obtain a copy of our complete proxy voting policies and procedures upon request. Clients may also obtain information from us about how we voted any on behalf of their account(s) upon request.

Item 18.     Financial Information

Prodigy does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Prodigy has not been the subject of a bankruptcy petition at any time.