

Item 1 – Cover Page

Snyder Capital Management, L.P.

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Form ADV Part 2A – Firm Brochure

March 28, 2014

This Brochure provides information about the qualifications and business practices of Snyder Capital Management, L.P. (herein “SCM”). If you have any questions about the contents of this Brochure, please contact us at (415) 392-3900 or scommer@snydercapital.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.

SCM is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about SCM also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for SCM is 108518.

Item 2 – Material Changes

This Brochure amends our Brochure dated March 28, 2013. There have been no material changes. The changes herein reflect our annual amendments.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Additional Information about SCM is available on the SEC's website at www.adviserinfo.sec.gov.

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes.....	ii
Item 3 -Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management	4
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9 – Disciplinary Information	6
Item 10 – Other Financial Industry Activities and Affiliations.....	7
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
Item 12 – Brokerage Practices	9
Item 13 – Review of Accounts	11
Item 14 – <i>Client</i> Referrals and Other Compensation	12
Item 15 – Custody.....	12
Item 16 – Investment Discretion.....	13
Item 17 – Voting <i>Client</i> Securities.....	13
Item 18 – Financial Information.....	14
Brochure Supplement(s)	

Item 4 – Advisory Business

Background and Ownership

Snyder Capital Management, L.P. (“SCM”) is a San Francisco based investment advisory firm established in 1984 and is wholly-owned by Natixis Global Asset Management, L.P. (“NGAM, L.P.”) which is wholly-owned by Natixis U.S. Holdings, Inc. (“NUSHI”).

NGAM, L.P. is part of Natixis Global Asset Management SA (“NGAM”), an international asset management group based in Paris, France, that is owned by Natixis SA (“Natixis”), a French investment banking and financial services firm. Natixis is principally owned by BPCE, France’s second largest banking group.

SCM is staffed by experienced, research-oriented investment professionals who provide investment management services to foundations, endowments, corporations, public entities and high net worth individuals.

SCM operates autonomously and provides investment management services independently with its own research, investment team and trading.

Primary Business

SCM provides non-custodial discretionary investment management services to individuals and institutional investors primarily through separate accounts in our small, small/mid, or all-capitalization strategies. SCM also provides investment management services to two investment limited partnerships. If a client does not specify a preference, its portfolio may be invested in the larger capitalization stocks. (Item 8 provides more information about our investment strategies).

SCM generally receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Subject to SCM’s consent, the client may impose specific investment restrictions and guidelines (e.g., limitations on security exposure). In all cases, however, SCM exercises investment discretion in a manner consistent with the stated investment objectives for the particular client account.

SCM typically invests in U.S. Equities and foreign companies that are traded on U.S. exchanges. However, SCM may from time to time invest client assets in securities and warrants, options or rights to acquire securities through private placement transactions, although the securities or the underlying securities are of classes that are traded in public securities markets. In such cases, it may not be possible to resell

such securities or instruments for extended periods, even if the value of the securities depreciates materially.

SCM is the investment manager to and general partner of Stirling Partners, a California limited partnership, and Snyder Small Cap Value Fund, L.P., a Delaware limited partnership, which invests in securities. SCM may solicit investors who may or may not be clients of SCM to invest in such partnerships.

As of December 31, 2013, SCM managed \$2.2 billion in assets under management on a discretionary basis.

Item 5 – Fees and Compensation

SCM's management fees for individually managed accounts may vary, but typically accounts are charged management fees based on the following fee schedule.

Equity Portfolios: Accounts are charged a management fee as indicated below:

<i>Assets Under Management</i>	<i>Fee</i>
First \$30,000,000	1.0%
Next \$20,000,000	0.90%
Next \$50,000,000	0.75%
Next \$50,000,000	0.70%
Amounts above \$150,000,000	0.65%

SCM may also manage an account for a lower management fee and a performance fee based on the performance of the account. These arrangements typically are individually negotiated with the client. (See Item 6 – Performance Based Fees and Side-by-Side Management).

SCM typically charges its investment partnership clients a flat annual fee of approximately 1.00% of assets under management, which amount is payable quarterly in advance. Specific fee arrangements with particular investment partnership clients are described below.

Snyder Small Cap Value Fund ("SCVF")

SCM charges SCVF a quarterly management fee of 0.25% (approximately 1.0% annually) of the balance of each limited partner's capital account that is payable in advance based on the value of the assets of SCVF as calculated as of the close of the preceding quarter. All prepaid but unearned management fees are refunded on termination of a client's account. An investor who withdraws from SCVF on a date other than the last day of a quarter, however, does not receive a refund of the management fee previously paid. SCM does not receive a performance-based fee from SCVF.

Stirling Partners ("Stirling")

SCM charges Stirling a quarterly management fee of 0.25% (approximately 1.0% annually) of the balance of each limited partner's capital account that is payable based on the value of the assets of Stirling as calculated as of the close of the preceding quarter. SCM does not receive a performance-based fee from Stirling.

General Information on Fees

SCM believes that its fees are competitive with fees charged by other investment advisers for comparable services, but comparable services may be available from other sources for lower fees than those charged by SCM.

The specific manner in which fees are charged by SCM is established in a client's written agreement with SCM. Except as otherwise agreed to in particular cases, fees are payable by individually managed accounts in advance at the beginning of each quarter. Clients may elect to be billed directly for fees or to authorize SCM to directly debit fees from client accounts. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon 30 days written notice of termination, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

In certain circumstances, fees may be subject to negotiation.

SCM's fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which shall be incurred by the client. Clients will incur certain charges imposed by custodians, brokers, third party investment and other third parties such as brokerage commissions, transaction fees, custodial fees, transfer taxes, wire transfer fees, and other fees and taxes charged to brokerage accounts and securities transactions, which are unrelated to the fees collected by SCM. (Item 12 provides more information on our brokerage practices).

Expenses

Each account typically is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting, tax preparation and bookkeeping fees and expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. SCM typically bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or part of these costs and expenses may be paid, however, by securities brokerage firms that execute clients' securities trades, as discussed in Item 12 below.

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

SCM may manage accounts that pay performance-based compensation as described in Item 5 and accounts that do not pay performance-based compensation. Typically, an account that does not pay performance-based compensation pays a higher asset-based fee. Regardless, SCM has a conflict of interest if, in any time period, one fee structure would cause higher fees to SCM than the other fee structure, because SCM would have an incentive to favor the account that would pay the higher fees. To address this conflict, SCM typically allocates all investment opportunities within each strategy on a pro-rata basis, based on each account's assets. In addition, SCM has policies and procedures to review client account investment allocations on a regular basis.

Item 7 – Types of Clients

SCM provides discretionary investment services to individuals, high net worth individuals, trusts, endowment funds, charitable organizations, foundations, pension and profit-sharing plans, state and municipal government entities, sovereign funds, corporations, corporate pensions, Taft-Hartley plans and other businesses, and to investment limited partnerships.

The minimum account size for all separate accounts is \$10 million; however SCM may agree to manage separate accounts below our stated minimum account size. \$1,000,000 is generally the minimum for partners investing in the limited partnerships managed by SCM. SCM generally requires such limited partners to make representations concerning their sophistication as investors and their ability to bear the risk of loss of their entire investment under SCM's management.

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

Methods of Analysis and Investment Strategies:

SCM is a value-oriented investor in equity securities. We seek investments that combine a minimum of downside risk with opportunities for substantial price appreciation. While we may review macroeconomic, social and political factors to direct us to specific areas with favorable investment characteristics, we select stocks based on a “bottom-up”, fundamental analysis of each company. This research is based on, among other things, our own analysts’ meetings with the company’s management, customers, competitors and suppliers. Analysis is conducted to ascertain, among other factors, a company’s financial condition, its prospects for sales and earnings growth, and its competitive position within its industry. Prime consideration is given to those companies or industries where SCM believes that earnings prospects are better than average, companies which are undervalued, and/or companies where a positive fundamental change is taking place which has not yet been fully reflected in the price of its securities.

SCM’s approach and methodology seeks to obtain a 50% return over a 3 year investment horizon, subject to SCM’s risk tolerance. The investment philosophy is based upon capital preservation, account liquidity, flexibility and stock selectivity. There can be no assurance the return objective will be realized with respect to any or all investments. Further, the return achieved may be lower than the return of the strategy’s benchmark index.

SCM uses a variety of information sources. These include direct discussions with company management, including trips to corporate offices, research reports by analysts, financial reports supplied by the company, newspapers, magazines and corporate rating services.

SCM offers the following strategies:

Small Cap Value Strategy – generally invests in securities of companies with market capitalizations in the range of \$200 million to \$2 billion (at point of purchase), or over \$2 billion if included in the Russell 2000® Index. The strategy seeks to generate superior performance relative to the Russell 2000® Index, or other representative index, via stock selection.

Small/Mid Cap Value Strategy – generally invests in securities of companies with market capitalizations in the range of \$750 million to \$10 billion (at point of purchase). The strategy seeks to generate consistent long-term performance that is superior to the Russell 2500™ Index, or other representative index. Portfolio

construction is designed to allow stock selection to be the key driver of performance.

All-Cap Value Strategy – generally invests in securities of companies with market capitalizations in the range of \$200 million and over (at point of purchase). The strategy seeks to generate superior performance relative to the Russell 3000® Index, or other representative index via stock selection.

Risk of Loss:

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

Market Risk: All investments present the risk of loss of principal – the risk that the value of securities, when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

Foreign Securities Risk (ADRs and foreign companies trading on a U.S. Exchange): The strategy's investments in foreign securities are subject to foreign currency fluctuations and potentially greater political, economic, credit, regulation and information risks. Foreign securities may be subject to higher volatility than U.S. securities.

Equity Securities Risk: The market value of a security may move up and down, sometimes rapidly and unpredictably, based upon a change in an issuer's financial condition, as well as overall market and economic conditions.

Small-Cap Companies Risk: Small-cap companies are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of these companies often trade less frequently and in limited volume and their prices may fluctuate more than securities of larger companies. Securities of small-cap companies may therefore be more vulnerable to adverse developments than those of larger companies.

Liquidity Risk: We may be unable to find a buyer for your investments when we seek to sell them or to receive the price we expect.

Although all investments involve risk, SCM's portfolio construction process is designed to mitigate risk. SCM's strategies do not utilize securities that SCM believes would be classified as having any unusual risks, and SCM does not recommend frequent trading, which can increase brokerage and other costs, as well as taxes.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SCM or the integrity of SCM's management. SCM has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

SCM is an indirect subsidiary of NGAM, which owns, in addition to SCM, a number of other asset management and distribution and service entities (each, together with any advisory affiliates of SCM, a "related person"). As noted under Item 4, NGAM is owned by Natixis, which is principally owned by BPCE, France's second largest banking group. BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse D'Epargne regional savings banks and the Banque Populaire regional cooperative banks. There are several intermediate holding companies and general partnership entities in the ownership chain between BPCE and SCM. In addition, NGAM's parent companies Natixis and BPCE each own, directly or indirectly, other investment advisers and securities and financial services firms which also engage in securities transactions.

SCM does not generally enter into transactions, other than as set out below, with related persons on behalf of clients. Because SCM is affiliated with a number of asset management, distribution and service entities, SCM occasionally may engage in business activities with some of these entities, subject to SCM's policies and procedures governing conflicts of interest. For example, SCM may enter into relationships with related persons, which include advisory or subadvisory arrangements (on a discretionary or non-discretionary basis), cross-marketing arrangements for the sale of separate accounts and privately placed pooled vehicles, research sharing relationships and personnel sharing relationships. Given that related persons are equipped to provide a number of services and investment products to SCM's clients, subject to applicable law, clients of SCM may engage a related person of SCM to provide any number of such services, including advisory, custodial or banking services, or may invest in the investment products provided or sponsored by a related person of SCM. The relationships described herein could give

rise to potential conflicts of interest or otherwise may have an adverse effect on SCM's clients. For example, when acting in a commercial capacity, related persons of SCM may take commercial steps in their own interests, which may be adverse to those of SCM's clients.

Given the interrelationships among SCM and its related persons and the changing nature of SCM's related persons' businesses and affiliations, there may be other or different potential conflicts of interest that arise in the future or that are not covered by this discussion. Additional information regarding potential conflicts of interest arising from SCM's relationships and activities with its related persons is provided under Item 11.

SCM is the investment manager and general partner of Stirling Partners and Snyder Small Cap Value Fund, L.P., each a limited partnership which invests in securities, and solicits investors who may or may not be clients of SCM to invest in such partnership.

Additional information on indirect owners and a complete list of affiliated entities of SCM may be obtained via the SEC's web site www.adviserinfo.sec.gov.

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

All employees are subject to the restrictions contained within the SCM Code of Ethics (the "Code"). The Code describes our high standards of business conduct, fiduciary duty to our clients, and rules surrounding personal securities trading by our employees. It requires employees to receive pre-approval for personal trades of equities and reportable mutual funds. Employees' accounts subject to SCM's Code are required to have their custodian(s) send duplicate statements and trade confirmations, or equivalent to SCM's Chief Compliance Officer (CCO), who reviews all statements at least quarterly. It also requires employees to report any violations of the Code promptly to SCM's Compliance Officer. Each employee of SCM receives a copy of the Code and any amendments to it and they must acknowledge in writing having received the materials. Quarterly and annually, all employees must certify that he or she complied with the Code during that period. Clients and prospective clients may obtain a copy of SCM's Code of Ethics by contacting Sonja L. Commer.

With regard to personal trading, employees may personally invest in the same securities that are purchased for clients, and they may own securities that are subsequently purchased for clients. Except as described below in Item 12 regarding aggregating securities transactions, if a security is purchased or sold for clients and SCM's employees on the same day, either the clients and the employees will pay or

receive the same price, or the clients will receive the more favorable price. Employees may also buy or sell a specific security for their own accounts based on personal investment considerations, which they do not deem appropriate to buy or sell for clients.

SCM may manage portfolios on behalf of an employee and the actions taken for these accounts may differ from, or be identical to, the advice given, or the timing or nature of actions taken, with respect to other client accounts. Procedures in place are designed to ensure that employee accounts are managed according to the regulations of the Securities and Exchange Commission.

In connection with providing investment management and advisory services to its clients, SCM acts independently of other affiliated investment advisers and manages the assets of each of its clients in accordance with the investment mandate selected by such clients.

Related persons of SCM are engaged in securities transactions. SCM's related persons may invest in the same securities that SCM recommends for, purchases for or sells to its clients. SCM and its related persons (to the extent they have independent relationships with the client) may give advice to and take action with their own accounts or with other client accounts that may compete or conflict with the advice SCM may give to, or an investment action SCM may take on behalf of, the client or may involve different timing than with respect to the client.

Since the trading activities of NGAM firms are not coordinated, each firm may trade the same security at about the same time, on the same or opposite side of the market, thereby possibly affecting the price, amount or other terms of the trade execution, adversely affecting some or all clients. Similarly, one or more clients of SCM's related persons may dilute or otherwise disadvantage the price or investment strategies of another client through their own transactions in investments. SCM's investment management services performed on behalf of its clients may benefit SCM or its related persons. For example, clients may, to the extent permitted by applicable law, invest directly or indirectly in the securities of companies in which SCM or a related person, for itself or its clients, has an economic interest, and clients, or SCM or a related person on behalf of its client, may engage in investment transactions which could result in other clients being relieved of obligations, or which may cause other clients to divest certain investments. The results of the investment activities of a client of SCM may differ significantly from the results achieved by SCM for other current or future clients.

In addition, certain related persons of SCM may engage in banking or other financial services, and in the course of conducting such business, such persons may take

actions that adversely affect SCM's clients. For example, a related person engaged in lending may foreclose on an issuer or security in which SCM's clients have an interest. As noted above, SCM typically will not have the ability to influence the actions of its related persons.

SCM does not presently enter into transactions with related persons on behalf of clients.

Item 12 – Brokerage Practices

SCM has complete discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent. Because SCM engages in an investment advisory business and manages more than one account, there may be conflicts of interest over SCM's time devoted to managing any one account and the allocation of investment opportunities among all accounts managed by SCM. SCM will attempt to resolve all such conflicts in a manner that is generally fair to all of its clients. SCM may give advice and take action with respect to any of its clients that may differ from advice given or the timing or nature of action taken with respect to any particular client so long as it is SCM's policy, to the extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to other clients. SCM is not obligated to acquire for any account any security that SCM or its employees may acquire for its or their own accounts or for the account of any other client, if in the absolute discretion of SCM, it is not practical or desirable to acquire a position in such security for that account.

Generally, SCM has complete discretion over the selection of the broker to be used and the commission rates to be paid. In selecting a broker for any transaction or series of transactions, SCM may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, offering to SCM on-line access to computerized data regarding clients' accounts, and other matters involved in the receipt of brokerage services.

Research and Soft Dollar Benefits

SCM may also purchase from a broker or allow a broker to pay for certain research services, economic and market information, portfolio strategy advice, industry and company comments, news wire charges, Bloomberg charges, technical data, recommendations, general reports, consultations and performance measurement data. With respect to certain computer equipment and software used for both

research and non-research purposes, SCM allocates the costs of such products between their research and non-research uses, and uses soft dollars to pay only for the portion allocated to research uses.

SCM may pay more in brokerage commissions than what another broker/dealer might charge for the same transaction to receive brokerage, research and other services and soft dollar relationships. In such a case, however, SCM determines in good faith that such commission is reasonable in relation to the value of brokerage, research and other services and soft dollar relationships provided by such broker/dealer, viewed in terms of either the specific transaction or SCM's overall responsibilities to the portfolios over which SCM exercises investment authority. An account may, however, pay higher brokerage commissions than are otherwise available, or may pay more brokerage commissions based on account trading activity. In addition, some clients may direct SCM to use a broker that does not provide soft dollar benefits to SCM. The research and other benefits resulting from this brokerage relationship may benefit all SCM accounts or SCM's operations as a whole.

SCM's relationships with brokerage firms that provide soft dollar services to SCM may influence SCM's judgment in allocating brokerage business and create conflicts of interest, both in allocating brokerage business between firms that provide soft dollar services and firms that do not, and in allocating the costs of mixed-use products between their research and non-research uses. These conflicts of interest are particularly influential to the extent that SCM uses soft dollars to pay expenses it would otherwise be required to pay for itself. In conducting its soft dollar relationships, SCM relies on the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934.

Directed Brokerage

Some clients direct SCM to use a specific broker (directed brokerage). Transactions for these clients will generally be executed following the execution of portfolio transactions in other client accounts where SCM has full discretion to execute trades. Clients who request directed trades may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, and may also receive less favorable prices and execution.

Trade Aggregation

In general, investment decisions are made to purchase or sell the same security or securities for a number of client accounts simultaneously. SCM may aggregate trades for a client with similar orders being made at the same time with other

accounts managed by SCM. In such event, the average price of all securities purchased or sold in such transactions may be determined and a client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts. Portfolio transactions for client accounts may also be completed independently from other accounts in order to accommodate additions to, or a withdrawal from, a client account or to re-balance a portfolio to bring it in line with the correlated strategy's model.

Item 13 – Review of Accounts

Client accounts are monitored on an ongoing basis for consistency with client objectives and restrictions by our trading department, our Portfolio Managers, and our compliance department.

As indicated in Item 15, in addition to monthly or quarterly reports provided by the clients' custodian, SCM provides all clients with written reports indicating the market value and present investment positions on a quarterly basis. We urge clients to carefully review these reports and compare the statements that they receive from their custodian to the reports that we provide. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 14 – *Client Referrals and Other Compensation*

SCM has entered into referral agreements for the solicitation of potential clients. Under the terms of the agreements, the soliciting party will refer prospective institutional clients, consultants and high net worth individuals to SCM and in return receive a percentage (generally decreasing over time) of annual investment advisory fees received from such clients. In all cases, the soliciting party will disclose their relationship with SCM to the prospect or consultant at the time of the referral and, in the case of unaffiliated solicitors, obtain an executed Disclosure Statement to Prospective Clients prior to SCM undertaking the account for management.

SCM has entered into referral agreements with Natixis Global Associates S.A. and NGAM Distribution, L.P. (together "Solicitors") whereby SCM has engaged Solicitors to contact directly, or indirectly through representatives of financial intermediaries, institutions and high net worth individuals, including pooled funds, (together

“Prospects”) and to recommend that such Prospects entertain proposals for SCM’s advisory services. SCM generally pays Solicitors a percentage of annual investment advisory fees received from such clients over a period of time.

Neither SCM, nor any of our employees, receives any economic benefit, sales awards or other prizes from any outside parties for providing investment advice to our clients.

Item 15 – Custody

Each of the accounts managed by SCM has an unaffiliated custodian selected by the Client for custody and safekeeping of portfolio assets. The custodian is responsible for, among other things, opening and maintaining a custody account or accounts in the name of the Client and holding and administering all assets of the Client as shall be deposited by the Client from time to time with and accepted by the custodian.

Clients should receive statements from the broker dealer, bank or other qualified custodian that holds and maintains client’s investment assets at least quarterly. SCM urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you to determine whether account transactions, including deductions to pay our advisory fee, are proper. You should contact us immediately if you do not receive statements from your custodian on a quarterly basis. Our statements may vary from custodial statements based on accounting procedures (a ‘trade date’ based statement versus a ‘settlement date’ based statement), reporting dates, or valuation methodologies of certain securities (i.e. different pricing vendors).

The limited partners and shareholders of Stirling and SCVF will be provided an annual audited financial statement within 120 days after the end of each fiscal year.

Item 16 – Investment Discretion

Normally, SCM is engaged by clients (institutional, individual, etc.) to provide advisory services for their accounts where investment decisions are implemented on a fully-discretionary basis through the execution of a Trading Authorization on the client’s account held at the custodian. The Trading Authorization provided on an account is limited by any client guidelines and/or restrictions received by the client in writing. These restrictions could include, but not be limited to, such areas as: permissible cash levels, percentage of a portfolio that can be invested in one

issuer, etc. Guidelines and restrictions must be provided to SCM in writing and may be amended in writing throughout the relationship as necessary.

The Trading Authorization and any associated guidelines and/or objectives are discussed, agreed upon and executed in connection with the overall investment management agreement for the account.

Item 17 – Voting *Client* Securities

SCM, through Institutional Shareholder Services, Inc. (“ISS”), will vote proxies on behalf of each account for which it has proxy voting authority based on SCM’s determination of the best economic interests of that account. SCM has retained ISS to provide research and recommendations on proxy voting issues and to vote proxies for each account, in accordance with the policies described below. SCM may instruct ISS to vote in a manner other than that recommended if SCM deems it in the best interests of the account. In determining whether a proposal serves the best economic interests of an account, SCM has instructed ISS to consider a number of factors, including the economic effect of the proposal on shareholder value, the threat posed by the proposal to existing rights of shareholders, the dilution of existing shares that would result from the proposal, the effect of the proposal on management or director accountability to shareholders, and, if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual. SCM may instruct ISS to abstain from voting proxies when SCM believes it is appropriate.

If a material conflict of interest over proxy voting arises between SCM and a client, SCM will vote proxies in accordance with its proxy voting policy. If SCM determines that its proxy voting policy does not adequately address this conflict of interest, SCM will, in its exclusive discretion, either vote the proxy through ISS, in accordance with ISS’s recommendation, or notify the client and ask the client to consent to SCM’s intended response. If the client consents or fails to respond to the notice within a reasonable time, SCM will vote the proxy as described in the notice. If the client objects to SCM’s intended response, SCM will vote the proxy as directed by the client.

A client may obtain a copy of SCM’s proxy voting policy and a record of votes cast by SCM on behalf of that client by contacting Sonja L. Commer at 415-392-3900.

Item 18 – Financial Information

Disclosure of SCM's balance sheet is not required as we do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

SCM has no financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.