

Item 1 – Cover Page

Quaker Funds, Inc.

309 Technology Drive, Malvern PA 19355

610-455-2200

www.QuakerFunds.com

03/20/2012

This Brochure provides information about the qualifications and business practices of Quaker Funds, Inc. [“ADVISED”]. If you have any questions about the contents of this Brochure, please contact us at 610-455-2200 or www.QuakerFunds.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.

Quaker Funds, Inc. 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 Quaker Funds, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 03/20/2012 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require. This Brochure was last updated on 3/29/2011.

MATERIAL CHANGE – Assets under management as of 12/31/2011 were \$326,815,000. This represents a decrease of approximately \$183,681,000 from the 12/31/2010 level of approximately \$510,496,000.

MATERIAL CHANGE – Portfolios under management, either indirectly or via sub-adviser decreased to 8 as of 12/31/2011. For the year ending 12/31/2010, ADVISER managed directly or via sub-adviser 9 portfolios.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials 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.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure is available on our web site www.QuakerFunds.com, free of charge.

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

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Item 4 – Advisory Business

Founded in 1996, ADVISER serves as investment advisor to each series of the Quaker Investment Trust, a U.S. registered management investment company (the “Fund”). ADVISER provides such services to the Fund under a written agreement between itself and the Fund. ADVISER has recommended, and the Fund has engaged, sub-investment advisors to provide day-to-day investment management for each series of the Fund, except for the Quaker Event Arbitrage Fund, which is managed by ADVISER alone. Pursuant to the investment management agreement with the Fund, ADVISER provides, or arranges to provide through the use of sub-investment advisors, a continuous program of investment management for each series of the Fund, chooses the securities in which the Fund invests, and generally provides all day to investment supervisory services to the Fund. Where day-to-day investment management services are provided by an investment sub-advisor, ADVISER is responsible for supervisory oversight of the sub-advisor and its activities. The advisory agreement has been approved by the shareholders of the Fund and has an initial term of two years. The agreement is renewable thereafter on an annual basis, such renewal to be effected pursuant to law. ADVISER or the Fund may terminate the advisory agreement at any time on sixty (60) days prior notice. Notice shall be in writing and delivered to the appropriate party's last known address.

As of 12/31/2010, ADVISOR managed directly or indirectly approximately \$326,815,000 in client assets.

ADVISER requires any officer or employee who determines or gives investment advice to clients to demonstrate clear command of the firm’s investment discipline, its principles and implementation and its suitability for clients. ADVISER takes its fiduciary responsibilities very seriously, and ensures to the maximum possible extent that its professionals meet high standards of financial sophistication as evidenced by education and/or experience.

OFFICERS

Jeffry H. King, Sr., Chairman of ADVISER

Date of Birth: 12/06/42

Formal Education after High School:

Past Work experience:

Chairman of the Board of Directors of Quaker Securities, Inc. 2002. President & CEO of Quaker Securities, Inc. from 1990 to 2002. Chairman of the Board of Directors of Quaker Funds, Inc. since 1996. Co-Chairman of the Board of Citco-Quaker Fund Services, Inc. 2001.

Justin Brundage, President of ADVISER

Date of Birth: 1/31/1970

Formal Education after High School:

Delaware County Community College - 1991

West Chester University - 1993

Past Five Years Work experience:

Quaker Funds, Inc., COO January 2005 – Present

Laurie Keyes, Chief Financial Officer of Registrant

Date of Birth:

Formal Education after High School:

Past Five Years Work experience:

Chief Financial Officer of Quaker Funds, Inc., currently Adviser to the Quaker Family of Funds, since 1996.

Timothy E. Richards, Chief Compliance Officer of Registrant

Date of Birth: 5/25/1965

Formal Education after High School:

-LL.M. (Taxation), Golden Gate University School of Law, San Francisco, California - 1996

-J.D., Golden Gate University School of Law, San Francisco, California – 1994

-B. Sc. (Finance), University of Nevada, Reno, Nevada – 1988

Past Five years Work experience:

-Quaker Funds, Inc., General Counsel and CCO, September 2003 – Present

-Quaker Investment Trust, CCO, March 2004 – Present

-CRAFund Advisors, Inc. (now Community Capital Management),
General Counsel and CCO, 2004 – 2006

-Community Reinvestment Act Qualified Investment Fund, CCO 2004 – 2006

-The Penn Street Fund, CCO 2004 – 2007

INVESTMENT PROFESSIONALS

Sam Masemer, Executive Vice President, CFA, CFP®, EVP, Director of Sales & Marketing: Mr. Masemer joined the Quaker Funds in August, 2007 where he assumed responsibilities for sales and marketing oversight. Mr. Masemer, who has more than fourteen years of experience in investment marketing and sales, held senior level sales positions at Touchstone Investments, AXA Enterprise, and Rochdale Investment Management. Mr. Masemer holds a Bachelor of Science, MBA, from Widener University.

Thomas F. Kirchner, CFA, Portfolio Manager: Mr. Kirchner has been responsible for the day-to-day management of the Fund since its 2003 inception. Prior to joining Quaker Funds, Inc., Mr. Kirchner was the founder of Pennsylvania Avenue Advisers LLC (“Pennsylvania Avenue”) and the portfolio manager of the Pennsylvania Avenue Event-Driven Fund, a series of the Pennsylvania Avenue Funds. Prior to establishing Pennsylvania Avenue, from 1996-1999, Mr. Kirchner worked as a Bond Trader and Financial Engineer for Banque Nationale de Paris S.A. In 1999, Mr. Kirchner was retained by Fannie Mae as a Financial Engineer. Mr. Kirchner is a graduate of Kings College, University of London; Institut d’Etudes Politiques de Paris and University of Chicago Booth School

of Business. Mr. Kirchner has earned the right to use the Chartered Financial Analyst designation.

Item 5 – Fees and Compensation

Advisory fees are subject to negotiation. ADVISER is paid a fee on assets under management only.

The specific manner in which fees are charged by ADVISER is established in a client's written agreement with ADVISER. ADVISER will generally directly debit its fees on a monthly basis.

ADVISER's current advisory fees are as follows:

Portfolio	Total Management Fee	Sub-Advisory Fee	ADVISER Fee
Quaker Akros Absolute Return Fund	1.25%	0.75%	0.50%
Quaker Event Arbitrage Fund	1.30%	0.80%*	0.50%
Quaker Global Tactical Allocation Fund	1.25%	0.75%	0.50%
Quaker Long-Short Tactical Allocation Fund	1.70%	1.20%	0.50%
Quaker Small-Cap Growth Tactical Allocation Fund	1.00%	0.50%	0.50%
Quaker Strategic Growth Fund	1.30%	0.75%	0.55%
Quaker Capital Opportunities Fund	0.93%	0.63%	0.30%
Quaker Mid-Cap Value Fund	1.05%	0.75%	0.30%
Quaker Small-Cap Value Fund	1.00%	0.70%	0.30%

* ADVISER receives both the ADVISER Fee and Sub-Advisory Fee on the Quaker Event Arbitrage Fund

ADVISER's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment 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. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to ADVISER's fee, and ADVISER shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that ADVISER considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Item 6 – Performance-Based Fees

ADVISOR does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

ADVISER currently provides portfolio management services to registered mutual funds only.

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

As described above, ADVISER is responsible for sub-adviser selection and oversight of 7 of the 8 Quaker Funds. With respect to the Quaker Event Arbitrage Fund, ADVISER has day-to-day portfolio management responsibilities. The descriptions of the investment process and associated risks provided below relate only to the Quaker Event Arbitrage Fund.

PRINCIPAL STRATEGIES

To achieve its investment objective, the ADVISER invests in securities of publicly traded companies involved in mergers, takeovers, tender offers, leveraged buyouts, spin-offs, liquidations, or similar events (“corporate reorganizations”). A variety of strategies can be employed to capitalize on the mispricing of corporate securities during corporate reorganizations, including transactions involving common and preferred stock, debt instruments and derivative securities. In addition, ADVISER may invest in a variety of debt instruments; including U.S. Government securities and structured notes:

- *Merger Arbitrage.* The Fund invests in the securities of companies subject to publicly announced mergers, takeovers, tender offers, leveraged buyouts, spin-offs, liquidations, or similar events (“corporate reorganizations”).
- *Capital Structure Arbitrage.* A variety of strategies can be employed to capitalize on the mispricing of corporate securities during reorganizations, including transactions involving common and preferred stock, debt instruments and derivative securities. The Fund invests in different securities issued by the same issuer whose different securities are believed to be mispriced relative to each other.

- *Distressed Securities Investments.* The Fund invests in distressed securities, which are securities of companies that are in or believed to be near bankruptcy or whose securities are otherwise undergoing extreme financial situations that put the continuation of the issuer as a going concern at risk.
- Distressed securities include below investment-grade securities.
- *Debt Instruments.* The Fund may invest in all types of fixed-income securities including convertible debt, options and futures, as well as privately negotiated options.
- *Structured Notes.* The Fund may invest in structured notes. A structured note is a type of derivative security for which the amount of principal repayments and/or interest payments is based upon the movement of one or more “factors.” The impact of the movements of these factors may increase or decrease through the use of multipliers or deflators. Structured notes may be designed to have particular quality and maturity characteristics and may vary from money market quality to below investment grade.
- *Proxy Fight Investments.* The Fund invests in securities of companies that are subject to proxy fights involving control over the companies.
- *Short Sales.* The Fund may invest up to 50% of its net assets in short sales at any given time.

Some of these strategies involve the use of arbitrage, which involves taking advantage of small price differences between two otherwise equivalent assets. As compared with conventional investing, the Adviser considers the Fund’s investment strategies to be less dependent on the overall direction of stock prices.

PRINCIPAL INVESTMENT RISKS - Investing in securities involves risk of loss that clients should be prepared to bear.

As with all mutual funds, there is the risk that you could lose money on your investment in the Fund. The following risks could affect the value of your investment:

- *Merger Arbitrage Risk.* Certain of the proposed reorganizations in which the Fund invests may be renegotiated or terminated, in which case losses may be realized.
- *Capital Structure Arbitrage Risk.* The perceived mispricing identified by the Fund’s Adviser may not disappear or may even increase, in which case losses may be realized.
- *Distressed Securities Risk.* Investment in distressed securities may be considered speculative and may present substantial risk of loss. Below investment- grade securities involve greater risks of default or downgrade and are more volatile than investment- grade securities. Additionally, below investment-grade securities involve greater risk of price declines than investment-grade securities due to actual or perceived changes in the issuer’s creditworthiness. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity. Discontinuation of these payments could adversely affect the market value of the securities.
- *Debt Instruments Risk.* Debt instruments are generally subject to the risk that the issuer will default on interest or principal payments. The Fund could lose money if an issuer of a fixed income security cannot meet its financial obligations or goes bankrupt. Adverse changes in the creditworthiness of an issuer can have an adverse effect on the value of the issuer’s securities.
- *Structured Note Investment Risk.* Principal repayments and/or interest payments on structured notes are dependent upon one or more of the following factors: currency exchange

rates, interest rates, stock and stock indices, which may adversely affect the principal repayments and/or payments. The use of multipliers or deflators may increase such risks.

- *Proxy Fight Risk.* A proxy fight may not be concluded successfully, or the increase in value anticipated through the change of control may not materialize, in which case losses may be realized.
- *Short Selling Risk.* Positions in shorted securities are speculative and more risky than long positions. Such investments involve the risk of an unlimited increase in the market price of the security sold short, which could result in a theoretically unlimited loss. Short sale strategies are often categorized as a form of leveraging or speculative investment. The use of leverage may multiply small price movements in securities into large changes in value. As a result of using leverage, the Fund's price may be more volatile than if no leverage were used.
- *Non-Diversification Risk.* The Fund is not a "diversified" fund, which means the Fund may allocate its investments to a relatively small number of issuers or to a single industry making it more susceptible to adverse developments of a single issuer or industry. As a result, investing in the Fund is potentially more risky than investing in a diversified fund that is otherwise similar to the Fund.
- *Management Risk.* The Adviser will apply its investment techniques and risk analyses in making investment decisions for the Fund, but there is no guarantee that its decisions will produce the intended result.

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 ADVISER or the integrity of ADVISER's management. ADVISER has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

ADVISER has no other business activities not previously described herein. ADVISER has business activities with a related party that is a registered investment company.

ADVISER receives no economic benefit beyond the asset-based fees described above.

Item 11 – Code of Ethics

ADVISER has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor-mongering, 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. All supervised persons at ADVISER must acknowledge the terms of the Code of Ethics annually, or as amended.

ADVISER anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which ADVISER has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which ADVISER, its affiliates and/or clients, directly or indirectly, have a position of interest. ADVISER's employees and persons associated with ADVISER are required to follow ADVISER's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of ADVISER and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for ADVISER's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of ADVISER will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of ADVISER's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. 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, and to reasonably prevent conflicts of interest between ADVISER and its clients.

ADVISER's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting trichards@quakerfunds.com.

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

Item 12 – Brokerage Practices

ADVISER and/or related parties have the authority to determine, without obtaining specific client consent, the:

- securities to be bought or sold;
- amount of securities to be bought or sold;
- broker or dealer to be used;
- commission rates paid

ADVISER has a fiduciary duty to its clients to achieve best execution if and when it does place trades with broker-dealers. Failure by ADVISER to fulfill its duty to clients to obtain best execution may have significant regulatory consequences. The ADVISER 's policies are modeled after the guidelines articulated by the SEC; specifically, it believes that, to a significant degree, best execution is a qualitative concept. In deciding what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best *qualitative* execution. In making this determination, the ADVISER 's policy is to consider the full range of the broker's services, including without limitation the value of research provided, execution capabilities, commission rate, financial responsibility, administrative resources and responsiveness.

The following steps will be taken when selecting broker-dealers to execute client trades:

- a. The CIO will create a list of broker-dealers, ECNs, and crossing networks approved to execute client trades. This list will set forth guidelines for the percentage of trades the ADVISER will allocate to particular broker-dealers and other execution facilities.
- b. Periodically the CIO will review this list and compare it with actual allocations made over the past quarter or some other period.
- c. If significant deviations should occur, the CIO will investigate such deviations and the ADVISER should consider revising the list.
- d. The CCO will periodically and systematically monitor and evaluate the execution and performance capabilities of the broker-dealers the ADVISER directly uses or facilitate such monitoring by an independent third party. Monitoring methods may include, among other things, encouraging traders to obtain multiple price quotations for a trade from multiple sources and indicate them on the trade ticket; reviews of trade tickets, confirmations and other documentation incidental to trades, periodic meetings to solicit and review input from the ADVISER's traders, portfolio managers and others. From time-to-time, quantitative performance data about broker-dealers will be acquired from the broker-dealers or third party evaluation services to assist the review process. The CCO will request periodically and review some or all of each broker-dealer(s) reports on order execution (SEC Rule 11Ac1-5) and order routing (SEC Rule 11Ac1-6) to ascertain whether the executing broker-dealer is routing client trades to market centers that execute orders at

prices equal to or superior to those available at other market centers. Evidence of such reviews shall be appropriately documented.

Factors Considered When Placing a Trade. ADVISER will consider the following factors, among others, when placing a trade for a client with a particular broker-dealer:

- Quality of overall execution services provided by the broker-dealer;
- Promptness of execution;
- Liquidity of the market for the security in question;
- Provision of dedicated telephone lines;
- Creditworthiness, business reputation and reliability of the broker-dealer;
- Research (if any) provided by the broker-dealer;
- Promptness and accuracy of oral, hard copy or electronic reports of execution and confirmation statements;
- Ability and willingness to correct trade errors;
- Ability to access various market centers, including the market where the security trades;
- The broker-dealer's facilities, including any software or hardware provided to the adviser;
- Any specialized expertise the broker-dealer may have in executing trades for the particular type of security;
- Commission rates;
- Access to a specific IPO or IPOs generally;
- Ability of the broker-dealer to use ECNs to gain liquidity, price improvement, lower commission rates, and anonymity;
- The broker-dealer's ability to provide for "step-out" transactions
- Depending on the size of the transaction, ADVISER may find limited brokerage options. In such cases, the factors detailed above may not be relevant or determinant in the broker selection.

Soft Dollar Practices Section 28(e) of the Securities Exchange Act of 1934

1. Definition. The Commission (SEC) has defined soft dollar practices as arrangements under which products or services other than execution of securities transactions are obtained by an adviser from or through a broker-dealer in exchange for the direction of client brokerage transactions to the broker-dealer. An individual or firm must exercise "investment discretion" over an account (see Section 3(a)(35) of the Exchange Act) in order to use client commissions to obtain research under Section 28(e) of the Exchange Act (Safe Harbor Act).

2. Occurrence. "Soft dollar" practices generally occur when ADVISER or a sub-adviser causes an account to pay more than the lowest available commission to a broker-dealer in return for research products and services. Uses of soft dollars fall generally into two categories:

a. Soft Dollar Arrangement. ADVISER, on behalf of its discretionary clients, directs an amount of portfolio brokerage commissions to a broker-dealer in return for services or research used in making investment decisions; or

b. Directed Brokerage Arrangement. A client instructs ADVISER to direct a portion of their brokerage transactions to a particular broker-dealer. In return, the broker-dealer provides services to the client rather than ADVISER.

Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients.

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

Item 13 – Review of Accounts

ADVISER serves as investment advisor to a U.S. Mutual Fund Complex. Investments in each series are monitored daily, both for SEC Compliance and appropriateness for the particular series. Investment Management services for certain series maybe delegated to sub-advisors. In such cases, ADVISER reviews and supervises the activities of those sub-advisors. Account review is undertaken weekly. Regulatory Compliance review is performed monthly. The ADVISER's President and/or Chief Compliance Officer are responsible for reviewing all accounts.

ADVISER prepares regular reports to the Board of Trustees of the Quaker Investment Trust on at least a quarterly basis. These quarterly reports to the Board describe the past performance of each fund in the complex, describe subscriptions and redemptions, and generally reviews the status of each fund. ADVISER also prepares ad hoc custom reports at the request of the Board.

Item 14 – *Client Referrals and Other Compensation*

Currently, no party, other than ADVISER's clients, provides an economic benefit to ADVISER.

ADVISER or an affiliate of ADVISER pays certain broker-dealers, banks and other financial intermediaries ("Intermediaries") for certain activities related to the Fund and other funds managed by ADVISER ("Payments"). ADVISER makes Payments from their own assets and not from the assets of the Funds. Although a significant portion of ADVISER's revenue comes directly or indirectly in part from fees paid by the Funds, Payments do not increase the price paid by investors for the purchase of shares of the Fund or other Quaker funds. ADVISER make Payments for Intermediaries' participating in activities that are designed to make registered representatives, other professionals and individual investors more knowledgeable about mutual funds, including the Funds, or for other activities, such as participation in marketing activities and presentations, educational training programs, conferences, and the development of reporting systems ("Education Costs"). ADVISER also makes Payments to Intermediaries for certain printing publishing and mailing costs associated with the Funds or materials relating to mutual funds in general ("Publishing Costs"). In addition, ADVISER makes Payments to Intermediaries that make shares of the Funds available to their clients or for otherwise promoting the Funds; Payments of this type are sometimes referred to as "revenue sharing" payments.

Payments to an Intermediary may be significant to the Intermediary, and amounts that Intermediaries pay to a salesperson or other investment professional may also be significant for the salesperson or other investment professional. Because an Intermediary may make decisions about which investment options it will recommend or make available to its clients or what services to provide for various products based on payments it receives or is eligible to receive, Payments create conflicts of interest between the Intermediary and its clients and these financial incentives may cause the Intermediary to recommend the Funds over other investments. The same conflict of interest exists with respect to a salesperson or other investment professional if he or she receives similar payments from his or her Intermediary firm.

Item 15 – *Custody*

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

Item 16 – Investment Discretion

ADVISED usually 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. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, ADVISED observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, ADVISED's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to ADVISED in writing.

Item 17 – Voting *Client* Securities

Rule 206(4)-6 under the Investment Advisers Act of 1940 helps to ensure that SEC-registered advisers act in the best interest of their clients when exercising proxy-voting authority. The rule obligates advisers to provide clients with information on how their securities were voted. Currently for the sub-advised Funds, proxies are voted by the sub-advisers to the respective portfolios advised by the Company. With respect to internally managed Funds, ADVISED will exercise proxy voting authority either directly or through the use of an outside proxy voting service.

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

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about ADVISED's financial condition. ADVISED has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.