

Form ADV Part 2A

Pavilion Advisory Group Inc.

227 W. Monroe Street, Suite 2020
Chicago, IL 60606
(312) 798-3200

www.pavilioncorp.com

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This Brochure provides information about the qualifications and business practices of Pavilion Advisory Group Inc. (“Pavilion”). If you have any questions about the contents of this Brochure, please contact us at uscompliance@pavilioncorp.com or (312) 798-3200. 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.

Pavilion is a registered investment adviser. Registration as an Investment Adviser does not imply any level of skill or training.

Additional information about Pavilion is also 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 Pavilion is 137901.

Item 2 – Material Changes

There are no material changes since our last annual filing dated March 30, 2017.

We have made certain non-material changes to the following Items of this Brochure: Advisory Business; Fees and Compensation; Methods of Analysis, Investment Strategies and Risk of Loss; Other Financial Industry Activities and Affiliations; Code of Ethics, Participation or Interest in Client Transactions and Personal Trading; and Brokerage Practices.

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Item 4 – Advisory Business

Pavilion Advisory Group Inc. (“Pavilion”, “we” or “us”) has been providing investment and advisory services since 1982¹. Pavilion Advisory Group Inc. is a wholly-owned subsidiary of Pavilion Financial Corporation (PFC).

Pavilion provides a full range of investment consulting and advisory services to a variety of institutional clients including healthcare organizations, endowments and foundations, corporate and public pension plans (defined benefit and defined contribution) and insurance companies. A description of these services is described in detail below.

Pavilion provides investment consulting and advisory services on a non-discretionary and discretionary basis. Under a non-discretionary consulting approach, Pavilion makes investment recommendations to the client, but does not have authority to make decisions on behalf of the client nor implement such recommendations. Under a discretionary consulting approach, Pavilion has the authority to make asset allocation, investment structure, and manager decisions as well as to execute and implement certain investment decisions. The extent of the discretionary authority is determined by the client. Clients also have the ability to impose investment restrictions prohibiting certain securities or types of securities both in a non-discretionary relationship and discretionary relationship. As of December 31, 2017, Pavilion had approximately \$246,675,913,753 in non-discretionary assets on which we advised and made recommendations. Pavilion had approximately \$3,144,181,333 as of December 31, 2017 in discretionary assets on which Pavilion has the discretionary authority to implement certain investment decisions. Pavilion considers only the discretionary assets as regulatory assets under management.

Pavilion is staffed by an experienced team of consultants and researchers with backgrounds including: banking; investment management; securities trading; brokerage; and experience working for plan sponsors. It is this combination of consulting experience and practical investment insight that we believe gives strength to our client relationships.

Pavilion provides customized services designed to meet the particular needs of each client. Pavilion offers a broad spectrum of investment consulting and advisory services including:

1. Strategic planning/Investment policy formulation: Pavilion assists clients to formulate a customized strategic plan that considers the client’s investment objectives, risk tolerance and cash flow needs relative to market opportunities. Pavilion typically documents investment program decisions, details governance issues, and provides benchmarks and guidelines for evaluating the investment program.
2. Asset allocation/Liability modeling/Spending policy analysis: Pavilion develops asset allocation strategies designed to meet client-specific risk/return and cash flow objectives. Pavilion uses strategic models to determine an appropriate asset allocation under various market conditions and liability scenarios. Our process links asset allocation and liability or cash flow modeling to the specific operating characteristics and environment of the investment program.

¹ *Stratford Advisory Group, Inc. formed in Chicago, Illinois as a full-service investment consulting and advisory firm in 1982. Pavilion Financial Corporation acquired Stratford Advisory Group Inc. in 2011 and changed the name to Pavilion Advisory Group in 2012.*

3. Investment structure development: Pavilion analyzes a client's existing investment program and risk/return objectives to develop an investment structure designed to achieve diversification within the parameters of size, cost considerations, existing synergies, and operational efficiencies.
4. Investment manager evaluation and selection: For each manager search assignment, Pavilion develops client-specific selection criteria, including fit with current investment managers. Pavilion identifies and recommends managers, participates in the due diligence and selection process, and assists the client in fee negotiation with managers, and the setting of manager performance objectives and investment guidelines.
5. Portfolio risk monitoring: Pavilion employs a multifaceted approach to risk monitoring and management, factoring risk into each step of the investment process. At its core, our process is designed to provide clients with the ability to understand and manage the nature of risk in a portfolio, how those risks are allocated, the efficiency of the allocation, and the potential implications associated with each asset class or manager allocation.
6. Healthcare Enterprise Risk Model: For healthcare operating assets, Pavilion applies a strategic modeling process, the Healthcare Enterprise Risk Model (HERM) to help guide the asset allocation decision. This analysis integrates projected income and balance sheet data into traditional asset/liability management, using both stochastic and deterministic models. The modeling is similar to a defined benefit plan asset liability modeling study, but the results are stated in terms of key financial metrics such as days cash on hand and debt service coverage. This analysis assists healthcare systems in an efficient allocation of capital resources.
7. Investment Manager monitoring: Onsite due diligence and frequent communications with investment managers can often identify problems before they are evident in performance. Pavilion's specific recommendations, applied experience and assistance with implementation help clients optimize manager performance.
8. Alternative asset classes: We work closely with our affiliate, Pavilion Alternatives Group^{TM2}, on alternative asset classes. Pavilion Alternatives Group conducts research and provides consulting services on the following alternative investment classes: real estate, hedge funds, hedge fund-of-funds, private markets funds, private markets fund-of-funds, real assets, including infrastructure.
9. Performance evaluation: Pavilion uses a performance measurement system to calculate and reconcile investment manager returns and total fund results (gross and net of investment manager fees); comparing results to manager universes, customized benchmarks and peer groups; and calculating and analyzing various risk factors. Services include customized quarterly performance reports, executive summaries, performance updates and recommendations.
10. Administrative and implementation services: Pavilion assists clients with the implementation and administration of their investment programs. Some of the services we provide to current clients include the following:

² Pavilion Alternatives Group is a trademark of Pavilion Financial Corporation used under license by Pavilion Alternatives Group, LLC in the United States, Pavilion Alternatives Group Limited in the United Kingdom, Pavilion Alternatives Group (Singapore) Pte Ltd. and Pavilion Advisory Group Ltd. in Canada.

- Assistance with drafting letters of instruction and coordination of asset transitions through the funding of the new investment managers and/or rebalancing the portfolio to the desired asset mix.
 - Work with custodians and investment managers to reconcile market values, cash flow data and performance calculations.
 - Support clients' audit needs related to plan assets.
 - Prepare meeting materials, agendas and meeting minutes.
11. Educational workshops: Pavilion develops and conducts customized educational workshops that keep clients up-to-date on investment strategies, investment opportunities and capital market developments.
12. Responsible investing: Pavilion works with institutional investors to help build portfolios designed to adhere to their Environmental, Social and Governance (ESG) criteria and remain consistent with their Investment Policy Statement. Pavilion identifies investment managers committed to ESG research to customize an investment program with ESG-aware asset allocation advice and responsible investment manager selection.
13. Defined contribution plans: Pavilion provides solutions designed to assist with plan oversight and with a goal to help improve participant outcomes. Our process establishes clear objectives, a custom designed and diversified investment menu, a method to evaluate investment performance objectively and a reasonable fee structure. Documenting the process helps plan sponsors demonstrate they are striving to meet their obligations as a fiduciary. Pavilion's core services to defined contribution plans include:
- Investment policy formulation;
 - Investment menu construction;
 - Investment manager evaluation and selection; and
 - Comprehensive cost analysis and assistance with fee negotiations with plan vendors and investment managers.

Pavilion also provides services that support plan fiduciaries in the fulfillment of their non-investment responsibilities, such as plan design, operational review, fee reasonableness, governance structure, decision memorandums and various types of vendor searches.

Outsourced CIO: Under an "outsourced CIO" model (also known as a discretionary consulting model), Pavilion would have defined investment authority over the assets in the investment portfolio. Pavilion's Discretionary Committee actively manages the investment process, operating within defined constraints established by the client's committee or Board rather than merely providing recommendations, and the asset allocation is intended to be more opportunistic in nature, although operating. Any investment responsibilities not specifically delegated to Pavilion would be retained by the client.

Item 5 – Fees and Compensation

Pavilion negotiates individual fee arrangements for each client based on, among other factors, the scope of services provided, the complexity of a client's investment objectives, asset size, asset type, portfolio complexity, the degree of discretion the client has given Pavilion and the resources needed to service the relationship. For example, client portfolios with exposure to alternatives will incur higher investment consulting fees than portfolios without alternative investment holdings. For alternatives investment consulting and advisory services, we use the research services of our affiliate Pavilion Alternatives Group™. As we leverage the research and advisory capabilities of our affiliates in providing our

consulting services to clients, administrative and other expenses are allocated internally as compensation for the services.

Pavilion does not maintain a standard fee schedule.

Fees may be charged as a percentage of client assets, as a fixed fee or on an hourly basis. In general, fees and payment options are negotiable. Under certain limited circumstances, clients may be charged for travel and related expenses incurred in providing investment consulting services pursuant to the terms of the client agreement.

Fees charged as a percentage of assets, hourly fees or flat fee may be billed quarterly in advance or arrears through an invoice to the client. For fees charged as a percentage of assets under advisement, the fee is calculated based on a percentage of the total market value of investments under advisement as of the last business day of the end of the prior quarter or as otherwise specified in the client agreement. Flat fees charged in advance are invoiced to the client in the first month of the quarter and asset based fees are invoiced in the second month of the quarter.

For clients who pay their advisory fee based as a percentage of assets under management, traditional investments are valued as described above by the client's custodian. For those assets that are priced less frequently, or where Pavilion experiences a delay in receiving a value, Pavilion uses an estimated value provided by the investment manager or a value otherwise publicly available. If no such estimated value is available, the prior quarter value is used for billing purposes.

Investment consulting client agreements may be canceled, by either Pavilion or the client, for any reason upon receipt of prior written notice subject to negotiated contract terms. Upon termination of any account, any prepaid, unearned fees will be prorated and promptly refunded, and any earned, unpaid fees will be due and payable.

The fees and expenses paid for any investments recommended by Pavilion are separate from the fees paid to Pavilion for investment consulting services. Pavilion's fees do not include trustee fees, custody fees, sub-advisory fees, brokerage commissions or other transaction costs and mutual fund fees and expenses. Such fees are payable directly to third parties. Generally, when recommending mutual funds, Pavilion will recommend the lowest cost share class available. Please see Item 12 of this Brochure for information about Pavilion's brokerage practices.

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

Pavilion does not charge performance-based fees.

Item 7 – Types of Clients

Pavilion provides a wide array of investment consulting and advisory services to institutional investors. Pavilion works with healthcare organizations, endowments and foundations, corporate and public pension plans (defined benefit and defined contribution) and insurance companies.

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

Pavilion bases its investment advice on internal and external research, numerous publicly available information sources, third-party analysis, and both internal, proprietary and external quantitative investment tools.

Pavilion assists clients with the development of investment policies, and provides asset allocation advice, investment strategy recommendations, investment manager recommendations, as well as general education on investment topics related to our recommendations. Advice is tailored to each client, taking into account their objectives, constraints and risk tolerance.

Pavilion utilizes a wide array of models for its consulting and advisory activities. These include quantitative models that integrate various market factors to develop the specific strategy for each client that addresses their objectives, liquidity needs, cash flow projections and other constraints. The model output and consulting advice are designed to help clients understand the risk-reward tradeoffs of different strategies. Where the client authorizes limited discretion, the governance structure will be followed in accordance with the client's written investment policy statement.

Pavilion consults with clients on a wide range of, asset classes, market segments, and investment strategies including publicly traded equities, fixed income securities and a variety of alternative investments.

Alternative investments include but are not necessarily limited to: timberland, natural resource funds, commodities, commodity trading advisors (CTAs), commodity futures, real estate investment trusts (REITs), private real estate, hedge funds (all types), hedge fund-of-funds, private equity funds (all types), and private equity fund-of-funds.

Risk of Loss:

Investing in securities involves risk of loss that clients should be prepared to bear. All investments, both publicly traded and private funds, present the risk of principal loss – the risk that the value of securities, when sold or otherwise disposed of, may be less than the price paid for the securities. Even if 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.

Alternative investments are suitable for experienced and sophisticated clients and investors who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment. Pavilion cannot give any guarantee that clients will achieve their investment objectives or that any client will receive a return of its investment. Investing in alternative investments involves significant risk factors.

Private market investments have virtually no liquidity until the manager sells underlying investments. Certain private market strategies have a high probability of loss given the nature of the underlying investments, as well as the use of leverage. There is an inability to measure return from publicly available information, and monitoring often relies on information reported by the manager. Returns typically are based on appraisal data until a significant third-party transaction occurs. The cost of gathering information is high and assessing the investment merits of the team and strategy relies heavily on qualitative information. In addition, private investments are not safe kept at a custodian bank, so the

possibility of losses related to theft or fraud is greater than would be the case for publicly traded investments kept at a custodian bank.

Hedge funds employ a variety of strategies. Some of these strategies may sell securities short, and use derivatives and leverage that can amplify losses. In addition, liquidity may be limited due to the strategy and fund terms on redemptions, gates and locks. Transparency can be limited as well, particularly for complex strategies, and some securities may be difficult to value. Securities typically are not kept at a custodian bank, increasing the risk of theft or fraud. Pavilion may rely on information that turns out to be wrong. Pavilion selects investments based, in part, on information provided by issuers to regulators or made directly available to Pavilion by the investment managers, issuers or other sources. Pavilion is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and may result in losses.

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 Pavilion or the integrity of Pavilion's management. Pavilion has not been involved in any legal or disciplinary events that would be material to your evaluation of Pavilion or its management persons.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Pavilion Advisory Group Inc. nor any of its management persons are currently engaged in any other financial industry activities for compensation. Pavilion Advisory Group Inc. is a wholly-owned subsidiary of Pavilion Financial Corporation through a holding company, Pavilion Financial Corporation Holdings Inc. Pavilion is affiliated via common ownership and control with the following entities referred to as our affiliates:

1. Pavilion Global Markets Ltd. - a FINRA and IIROC (Canada) regulated agency-only broker dealer and options/futures dealer registered with the U.S. Securities Exchange Commission (SEC) and the securities commissions of various Canadian provinces. Pavilion Global Markets Ltd. offers agency-only securities trading, transition management and global macro research.
2. Pavilion Global Markets Inc. – an SEC registered investment adviser offering transition management services.
3. Pavilion Advisory Group Ltd. – a Canadian investment adviser and investment fund manager that is registered with the securities commissions of various Canadian provinces.
4. Pavilion Alternatives Group, LLC – an SEC registered investment adviser provides discretionary and non-discretionary investment consulting services across alternative asset classes including private equity, private credit, real assets and hedge funds.
5. Pavilion Alternatives Group Limited – a Financial Conduct Authority (FCA) and SEC registered investment adviser provides discretionary and non-discretionary investment consulting services across alternative asset classes including private equity, private credit, real assets and hedge funds.
6. Pavilion Alternatives Group (Singapore) Pte. Ltd. – regulated by the Monetary Authority of Singapore provides investment consulting services and research.

At times, Pavilion may introduce to its clients other services managed or performed by our affiliates, including, for example transition management. Clients have no obligation to work with our affiliates. Generally, if a client elects to work with one of our affiliates, they will do so through a separate agreement directly with the applicable affiliate and subject to the affiliate's fee or commission schedule or other compensation arrangement.

As noted above, Pavilion leverages the research capabilities of our affiliates in providing consulting services to clients. Specifically, when providing investment advisory or research services to clients regarding hedge funds, private equity and other alternatives investment class strategies, we use services provided by Pavilion Alternatives Group™. Generally, if a client holds such alternative investment type or Pavilion recommends alternative investments that requires we leverage Pavilion Alternatives Group™, the client will incur higher investment advisory fees as the complexity of these investments requires more extensive research and resources than traditional investment types. We manage this conflict through, among other things, committee structures designed to ensure the advice and recommendations we provide to clients are consistent with the client's investment policy, objectives and goals and transparency regarding fees. Client agreements identify the scope of services provided and scope of fees.

Each of our affiliates maintain separate policies and procedures which allow us to, among other things, segregate information so as to manage or avoid conflicts of interests. Those affiliates that are SEC-registered investment advisers maintain a separate Code of Ethics. Some of our officers and employees are shareholders in the parent company of Pavilion and as a result may benefit indirectly from revenues received by Pavilion's affiliates. Pavilion manages these conflicts of interest through transparency of disclosures and ensuring the client is informed about their ability to implement any recommendation provided regarding services through a non-affiliate.

Since we leverage the research and advisory capabilities of our affiliates in providing our consulting services to clients, administrative and other expenses are allocated internally as compensation for the services.

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

Pavilion has adopted policies and procedures, including a Code of Ethics, designed to monitor the personal securities transactions of our employees, to ensure that employees are not taking inappropriate advantage of their position with the firm and to identify and manage actual or potential conflicts of interest. Individuals associated with Pavilion may buy, hold or sell securities for their personal accounts identical to those which may have been recommended to clients such securities may include investment managers and their funds on the firm's approved list of managers. However, it is the expressed policy of Pavilion that no person employed by Pavilion may purchase or sell any security prior to a transaction(s) being implemented for a client, therefore, preventing such employees from benefiting from transactions placed on behalf of client accounts. As these situations represent a conflict of interest, Pavilion has established the following restrictions in order to fulfill its fiduciary responsibilities:

- 1) A Director, officer or employee of Pavilion shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Pavilion shall prefer his or her own interest to that of a client.

- 2) Pavilion maintains a list of all publicly traded clients. All Pavilion employees are prohibited from buying or selling the securities of such clients. This list is reviewed on a regular basis by Pavilion's Chief Compliance Officer.
- 3) Pavilion emphasizes the unrestricted right of the client to decline to implement any advice rendered.
- 4) Pavilion requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment adviser activities.
- 5) Any individual not in observance of the above may be subject to termination.

A copy of Pavilion's Code of Ethics is available upon request by contacting uscompliance@pavilioncorp.com and/or 312 798 3200. Pavilion also has policies in place to protect against conflicts of interest which may arise due to the receiving and giving of gifts and entertainment. In the ordinary course of business, on occasion, employees may receive modest gifts and entertainment from investment managers or other parties that conduct or have an interest in doing business with Pavilion.

Item 12 – Brokerage Practices

For some clients, Pavilion Advisory Group Inc. performs searches for independent custodians and brokers. In certain cases, recommended custodians may also be brokers. Pavilion's review of brokers and custodians will include firm governance, ethics, operational capacity, portfolio risk controls, fees, client service and other factors. In making recommendations, Pavilion considers both qualitative and quantitative factors. While low cost is an important consideration, service and operational factors may warrant inclusion of a broker or custodian that does not offer the lowest available cost. Pavilion Advisory Group Inc. may introduce clients to Pavilion Global Markets Ltd. (PGM), an affiliated broker-dealer, for transition management services when appropriate. Clients are not required to use PGM for transition management services.

Investment managers included in searches performed by Pavilion may be trading clients of our affiliated broker-dealer, PGM. Pavilion Advisory Group Inc. employees have no knowledge of trading activity that may be carried out by PGM for recommended investment managers and trading activity at PGM has no influence on whether or not a manager is included in a search or is recommended to a client.

In certain instances involving endowments to charitable institutions, Pavilion may recommend brokers to facilitate the sale of donor's stock. The charitable institutions are not required to use the recommended brokers. Pavilion does not receive any compensation from the brokers for our recommendation.

Neither Pavilion nor any affiliates own its own securities and as such will not conduct principal transactions with any client securities.

With respect to soft dollars, Pavilion does not engage in any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

Pavilion's business of recommending mutual fund investments and investment managers does not involve trade aggregation as Pavilion is not executing transactions on behalf of clients.

Item 13 – Review of Accounts

Pavilion reviews all client accounts quarterly, annually and/or semi-annually depending on the client, and the size and complexity of the plan. The review includes investment strategy, portfolio structure, performance evaluation, asset allocation, investment policy compliance and portfolio rebalancing. The client reviews are conducted by each client's assigned Pavilion consultants and Pavilion's Performance Review Committee.

A review of investment policy and strategic asset allocation objectives is typically conducted annually.

Regular reports that we provide our clients include the performance evaluation report. These written reports contain, for example, information on total fund, portfolio segment and investment manager performance, investment policy compliance, asset allocation and portfolio rebalancing. Pavilion may produce several versions of the performance evaluation report, depending on the audience. A detailed version of the report may go to internal management while an executive summary version may go to investment committee members.

Item 14 – Client Referrals and Other Compensation

Pavilion does not provide or receive compensation for client referrals.

Item 15 – Custody

It is Pavilion's general policy to not maintain custody of any client funds, securities or assets. In limited instances, Pavilion may be deemed to have custody based on authority granted by certain clients to make certain payments from their accounts; such payments are done only with authorization from the client with the ability to revoke the authorization at any time. In these instances, client funds and securities are maintained with a qualified custodian. Clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Pavilion urges our clients to carefully review such statements and compare such official custodial records to the monthly and quarterly reports that we may provide. The reports Pavilion provides to clients may vary from custodial statements provided by their custodian based on, among other things, accounting procedures, reporting dates, or valuation methodologies of certain securities from investment managers.

Item 16 – Investment Discretion

Pavilion provides investment consulting and advisory services on both a non-discretionary and discretionary basis. Under a non-discretionary consulting approach, Pavilion makes investment recommendations to the client, but does not have authority to implement such recommendations. Under a discretionary consulting approach, Pavilion has the authority to implement certain investment decisions. The extent of this authority is determined by the client.

Item 17 – Voting Client Securities

Pavilion does not vote proxies for our non-discretionary clients. The Investment Consulting Agreement between Pavilion and its non-discretionary clients specifically states that Pavilion is prohibited from

voting proxies for such clients. In certain situations, however, Pavilion may give consulting clients advice or assistance but in these situations will not vote their proxies.

Pavilion may vote proxies for its discretionary clients, depending on the level of discretion granted Pavilion by the client. Pavilion has adopted and implemented policies and procedures that it believes best serve the interests of its clients for whom it votes proxies. These policies and procedures are designed to ensure that proxies are voted in the best interest of clients, in accordance with Pavilion's fiduciary duties as an investment adviser, and the SEC's Rule 206(4)-6 under the Investment Advisers Act of 1940. In addition to SEC requirements governing advisers, Pavilion's proxy voting policies reflect the long-standing fiduciary standards and responsibilities for ERISA accounts set out in Department of Labor Bulletin 94-2, 29 C.F.R. 2509.94-2 (July 29, 1994), which states that an investment adviser's primary responsibility as a fiduciary is to vote proxies in the best interest of its clients, which in some cases may be the underlying fund beneficiaries.

In those cases where Pavilion has the authority to vote client proxies, Pavilion's authority is established by its advisory contracts. Pavilion's proxy voting guidelines have been tailored to reflect these specific contractual obligations.

As an investment adviser, Pavilion is concerned primarily with maximizing the value of its clients' investment portfolios. Pavilion normally votes in support of company management, but votes against proposals that Pavilion believes would negatively impact the long-term value of its clients' investments. In those instances in which Pavilion has been given full discretion with regard to proxies, Pavilion has voted and will continue to vote based on its principle of maximizing shareholder value. A copy of Pavilion's proxy voting policy can be obtained by contacting uscompliance@pavilioncorp.com and/or 312 798 3200.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Pavilion's financial condition. Pavilion 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.