

Ned Davis Investment Management, LLC
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May, 2011

Form ADV, Part 2; our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940 is a very important document between Clients (you, your) and “Ned Davis Investment Management, LLC” (NDIM, us, we, our).

This Brochure provides information about our qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at 941-412-2300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about Ned Davis Investment Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov (click on the link, select “investment adviser firm” and type in our firm name). Results will provide you with both Parts 1 and 2 of our Form ADV.

Item 2 – Material Changes

This is our “initial” filing of our new Form ADV Part 2 or “Disclosure Brochure”. As a result, this Document, dated May, 2011 has been prepared in the new format required for the Form ADV Part 2. This document was developed in response to new requirements adopted and imposed by the SEC under the Investment Advisers Act of 1940 (Advisers Act).

1. In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.
2. We may, at any time, update this Brochure and either send you a copy or send you a summary of any material changes with an offer to send you a copy (either by electronic means (email) or in hard copy form).
3. If you would like another copy of this Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer, Edward V. Hackett at 941-412-2300 or evh@ndr.com.

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Item 4 – Advisory Business

Firm Description

NDIM is a limited liability company organized under the laws of the state of Florida on June 7, 2010, and is wholly owned by Ned Davis Research, Inc. (“NDR”). NDR is owned by Nathan E. Davis, Edwin H. Mendel, and the Ned Davis Research Group Employee Stock Ownership Plan. We have filed our application to register as an investment adviser with the SEC, in order to provide the investment advisory products and services described within this document. As a new investment adviser, we have no assets under management.

NDIM offers investment advisory services primarily to broker-dealers, money management firms, other types of corporations, pension and profit sharing plans, charitable organizations and, to a limited extent, high net worth individuals.

Asset Management Services

NDIM offers investors highly disciplined investment strategies that seek to achieve long-term returns in excess of target benchmarks, while reducing the risk of significant underperformance. NDIM utilizes proprietary models that rely on momentum-based ranking systems to identify countries, sectors, industries and stocks likely to generate excess returns. NDIM's current strategies include U.S. Tactical Asset Allocation, U.S. Multi-Cap Core, and Global Country Tactical Allocation.

Although NDIM offers specific investment strategies, the client may impose restrictions on investing in certain types of securities or the amount of exposure to a particular segment of the market. Any restriction will need to be mutually agreed upon between the client and NDIM.

Item 5 – Fees and Compensation

Below is a description of NDIM's basic fees schedules, a description of how fees are charged, whether fees are negotiable, when compensation is payable, refund policies and other applicable information. For more detail on any product or service please reference your advisory agreement.

Asset Management Services

The table below summarizes the fee schedule for the strategies currently offered through NDIM.

NDIM Investment Strategies			
Strategy	Index Universe	Maximum Advisory Fee	Annual
U.S. Multi-Cap Core	S&P 500	.65%	
Global Country Tactical Allocation	MSCI World Index USD Net Total Return	.65%	
U.S. Tactical Asset Allocation	60% S&P 500, 40% Barclays Capital Long US Gov't Bond Index (LGL1)	.50%	

Fee Processing

The fee rates set forth in the table above are the maximum charged for each strategy and are negotiable. Fee breakpoints may be available for certain strategies at \$50 million, \$100 million, and \$200 million. Fees are generally payable quarterly in arrears and certain strategies are eligible for a performance fee based on a negotiated formula and comparison to an appropriate market and/or peer group benchmark. To the extent that a client requests a performance fee, NDIM will comply with the requirements of Rule 205-3 under the Advisers Act with respect to such client. Clients that utilize multiple strategies will pay each portfolio's pro rata share of a portfolio management fee based upon an aggregation of all such assets.

The calculation of the portfolio management fee will be calculated under one of the following methods:

- Quarterly, based on the ending quarterly market value of the account;
- Quarterly, based on the average of the beginning and ending total market value of the account; or

- Monthly, based upon the average daily net asset value of the fund (this calculation applies primarily to unitized separate accounts)

The client's individual advisory agreement will specify the calculation utilized.

Other Fees

NDIM may invest in shares of Exchange Traded Funds ("ETFs") or mutual funds that charge asset management fees, which are in addition to the advisory fees charged by NDIM. The fees charged by such ETFs or mutual funds are disclosed in each fund's prospectus. In addition, the advisory fee also does not cover debit balances or related margin interest, wire transfer fees, SEC fees or other fees or taxes required by law. Additional information related to brokerage transactions is covered under Item 12 of this Brochure.

Termination

NDIM agreements generally provide that NDIM or the client may terminate the advisory agreement with written notice at any time. Upon termination, clients billed in arrears will be billed only for the pro rata portion of the management period. Detailed information on the termination terms and fees can be found in the applicable advisory agreement.

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

The Multi Cap Core strategy is eligible for a performance fee based on a negotiated formula and comparison to an appropriate market and/or peer group benchmark. To the extent that a client requests a performance fee, NDIM will comply with the requirements of Rule 205-3 under the Advisers Act with respect to such client. Clients that utilize multiple strategies will pay each portfolio's pro rata share of a portfolio management fee based upon an aggregation of all such assets. NDIM does not manage accounts where one client is charged a performance fee and another client is only charged an asset-based fee, for the same strategy. However, NDIM may establish an account in its name in order to track performance of a particular strategy. To the extent that the strategies are similar, NDIM may have an incentive to take more risk with the account that receives a performance fee. All trades in client accounts are transacted on a different day than any NDIM account, please reference Section 12 for more detail on NDIM's allocation and aggregation practices.

NDIM has created and implemented policies and procedures to monitor its client's accounts for adherence to each client's investment objectives and to monitor each strategy for adherence to its stated investment strategy and objective.

Item 7 – Types of Clients

As stated in Item 4, NDIM offers investment advisory services primarily to broker-dealers, money management firms, other types of corporations, pension and profit sharing plans, charitable organizations, and to a limited extent, high net worth individuals.

The minimum fee to invest in the US Multi-cap Core strategy, US Tactical Asset Allocation, and the Global Country Tactical Allocation strategy is \$100,000.

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

Our investment strategies include the U.S. Tactical Asset Allocation, U.S. Multi-Cap Core, and Global Country Tactical Allocation. There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

Below is a more detailed description of each investment strategy:

US Tactical Asset Allocation Strategy

The US Tactical Asset Allocation strategy shifts allocation among stocks, bonds, and cash. Proprietary quantitative asset allocation, stock selection, and bond duration methodologies are used to outperform a composite-weighted benchmark consisting of 60% in the S&P 500 Index and 40% in the Barclays Capital Long U.S. Government Bond Index. The typical stock portion of the portfolio can range from 40% to 85%. The primary investment objective of the tactical asset allocation style is long-term capital appreciation; the secondary objective is current income.

Since categories of assets such as particular styles or industry sectors tend to move together, being in the most favorable asset class can often be as important, or more important, than individual security selection. This could mean favoring stocks of a particular industry versus another. Our process often starts from the widest view and drills down to progressively narrower categories of assets, including equity sectors, sub-industries, and individual stocks.

At NDIM we use a “weight of the evidence approach.” We identify a number of relationships which individually have value in asset allocation and then combine them to generate a consensus view of whether current conditions favor one asset class over another.

Investment allocation decisions are made using quantitative models, and managers typically review asset allocation determinations on a weekly basis. Normally, the model recommends stock allocations from 40% to 85% of the portfolio, the remainder being allocated to the fixed income and cash portions. Hedging techniques using financial futures contracts, options on these contracts, and exchange traded index-based funds (ETFs) are used to adjust the portfolio’s exposure to different asset classes and control overall risk.

The equity portion of the portfolio invests in stocks identified by NDIM’s proprietary Focus Ranks system (a quantitative sector and industry-based momentum ranking

system). Managers seek to buy stocks where relative price performance trends for sectors and sub-industries are strongest and relative earnings growth rates are significant. Managers use advanced risk management techniques to overweight attractive industries and individual stocks. Stocks are sold or underweighted when their ranking is no longer attractive or their risk characteristics no longer benefit the portfolio.

The fixed income portion of the portfolio invests principally in long-term (10 to 30 years) maturities, using U.S. Treasury bonds, U.S. Government agencies, U.S. Government-sponsored issuers, and GNMA mortgage-backed securities. Under normal circumstances, cash is not expected to exceed 10% of the portfolio. Market risk is controlled by using Treasury bond futures. Bond credit risk is limited by using Treasury, U.S. Government-sponsored issuers, and GNMA mortgage-backed securities. Cash is invested in U.S. Treasury Bills and Short-Term Notes or AAA- or AA-rated commercial paper.

U.S. MULTI-CAP CORE EQUITY STRATEGY

NDIM employs a quantitatively based sector rotation and stock selection strategy with the investment objective of outperforming the S&P 500 Index (total return). NDIM's Focus Ranks system is combined with a technically and fundamentally based stock selection system to identify sectors, sub-industries, and stocks most likely to generate excess return. A factor-based portfolio optimizer is used to control risk through portfolio diversification.

There is a strong emphasis on control of systematic and idiosyncratic portfolio risks within established limits relative to the chosen benchmark.

The investment team draws from a universe of 1650 stocks: members of the S&P 500, S&P Mid-Cap 400, Russell 1000, and the upper capitalization quartile of the Russell 2000 indices. A selected list of approximately 100 industry-leading ADRs is included as well. Stocks are ranked by the firm's Focus Ranks system that is driven by sector, sub-industry, and stock-specific factors. NDIM also calculates price and momentum data for the 115 industries used in the Focus Ranks system. A variety of government and private data sources are used to derive supplemental industry economic indicators, valuations, and earnings revision variables.

GLOBAL COUNTRY TACTICAL ALLOCATION STRATEGY

The Global Country Tactical Allocation Strategy employs a firm developed country index momentum model, which ranks over twenty developed country indices, and factor-based risk control techniques. The NDIM investment team actively adjusts allocated weightings among MSCI World Developed Country indices and the MSCI Emerging Markets Index. The strategy also makes selective use of emergin market and world

country related exchange traded funds. This strategy seeks to take advantage of price trends and dispersions to produce excess returns over the MSCI World Index benchmark while attempting to control risk at pre-specified levels.

Risk Management

There are inherent risks involved for each investment strategy or method of analysis NDIM uses and the particular types of securities we may use in our strategies. Investing in securities involves risk of loss which you should be prepared to bear.

U.S. Tactical Asset Allocation Strategy Risks

The TAA portfolio is rebalanced periodically and the asset allocation is adjusted to conform to the percentage specified in the stock/bond model.

Credit risk for the fixed income portion of the portfolio is significantly curtailed by using U.S. Treasury and U.S. Government-sponsored entities. In the cash portion of the portfolio only Treasury bills, AAA- and AA-rated commercial paper is utilized.

The equity portion of the TAA strategy attempts to outperform a chosen benchmark by over or underweighting equity styles such as growth vs. value, large capitalization stocks vs. mid and small capitalization stocks, sectors, sub-industries and individual stocks. At NDIM risk control relative to a chosen benchmark is mitigated through disciplined portfolio construction. A factor-based optimizer controls systematic exposures to unexpected shocks while favoring stocks identified by the NDIM Focus Ranks system. The end result is a well-diversified equity portfolio with optimal weightings with the aim of achieving a pre-specified tracking error relative to the benchmark. Due to the greater mathematical precision of factor definitions, overall systematic risk is well-specified within acceptable limits and residual risk is well-diversified within the typical number of holdings, ranging from 110 to 250 issues.

The relative performance of issues is closely monitored and the fundamentals of underperforming issues are further examined with appropriate action taken, if needed..

U.S. Multi-Cap Core Equity Strategy Risks

NDIM's US Multi-cap Core Equity strategy attempts to outperform a chosen benchmark by over or underweighting equity styles such as growth vs. value, large capitalization stocks vs. mid and small capitalization stocks, sectors, sub-industries and individual stocks. At NDIM risk control relative to a chosen benchmark is mitigated through disciplined portfolio construction. A factor-based optimizer controls systematic exposures to unexpected shocks while favoring stocks identified by the NDIM Focus Ranks system. The end result is a well-diversified equity portfolio with optimal

weightings with the aim of achieving a pre-specified tracking error relative to the benchmark. Due to the greater mathematical precision of factor definitions, overall systematic risk is well-specified within acceptable limits and residual risk is well-diversified within the typical number of holdings, ranging from 110 to 250 issues.

The relative performance of issues is closely monitored and the fundamentals of underperforming issues are further examined with appropriate action taken, if needed.

Global Country Tactical Allocation Strategy Risks

NDIM's Global Country Tactical Allocation Strategy seeks to utilize the firm's Momentum Model ranking system to identify securities (typically index funds) where relative price performance trends are strongest. While implementing this strategy, NDIM attempts to limit the market value of any one country index fund to no more than 10%. However, individual account country weights may greatly exceed the weights of those countries in the MSCI World Index and NDIM may hold country index funds, or add or reduce holdings, without any limitations as to a holding period and without limitation as to the frequency or amount of additions or deletions.

Market Risk

The profitability of the investment strategies described above depends to a great extent upon correctly assessing and modeling the future course of the price movements of individual securities and market segments based on past historical data. There can be no assurance that NDIM will be able to predict accurately these prices or market movements. Although NDIM attempts to mitigate market risk, there is always some, and occasionally a significant, degree of market risk.

Small Cap Stocks

NDIM may invest a portion of its assets in the stocks of companies with small-to medium-sized market capitalizations. While we believe these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger, better-known companies.

Foreign Markets

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets.

Item 9 – Disciplinary Information

We do not have any legal, financial or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

This statement applies to NDIM, and each associated person.

Item 10 – Other Financial Industry Activities and Affiliations

Neither NDIM nor its employees are registered, or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person (or registered representative) of the foregoing entities.

In addition, neither NDIM nor its employees have any arrangement that is material to its advisory business or to our clients with an affiliated person that is a:

- Investment Company,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant, or
- Real estate broker or dealer.

However, NDIM is associated with Davis, Mendel & Regenstein, Inc. (“DMR”), a broker-dealer and member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and NDR, a SEC registered investment adviser. The CEO of DMR is an employee of NDR, but does not provide investment advice to NDR or NDIM clients. The shareholders of NDR, which owns NDIM, are also the shareholders of DMR. NDR currently provides investment research services to DMR, which in turn provides these research materials to its customers for which it is compensated on a soft-dollar and hard-dollar basis. NDIM is not involved creating or offering NDR’s research products.

Item 11 – Code of Ethics

All persons associated with NDIM are employees of NDR (collectively referred to as “NDR Employees”). As such, NDIM has chosen to abide by NDR’s Code of Ethics. As a professional organization whose primary business is providing investment management services, all NDR Employees must be guided in their actions by the highest ethical and professional standards.

In view of the foregoing and applicable provisions of Rule 204A-1 of the Investment Advisers Act of 1940, NDIM has adopted NDR’s Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal trading by NDR Employees.

- A.** All NDR Employees must reflect the professional standards expected of persons in the investment advisory and investment research business at all times. These standards require all NDR Employees to be judicious, accurate, objective and reasonable in dealing with both clients and other parties so that their personal integrity remains unquestionable.
- B.** All NDR Employees must act within the spirit and the letter of the federal, state and local laws and regulations pertaining to investment advisers and the general conduct of business.
- C.** At all times, the interests of NDIM’s clients are paramount, and all NDR Employees will place the interests of NDIM’s clients ahead of any personal interests, except as may otherwise be approved or disclosed. Accordingly, personal transactions in securities by NDR Employees must be accomplished so as to avoid even the appearance of a conflict of interest on the part of such employees with the interests of NDIM’s clients. Likewise, NDR Employees must avoid actions or activities that allow (or appear to allow) a person to profit or benefit from his or her position with the adviser at the expense of clients, or that otherwise bring into question the person’s independence or judgment.
- D.** NDIM has adopted Insider Trading Policies, which set parameters for the establishment, maintenance and enforcement of policies and procedures to detect and prevent the misuse of material non-public information by NDR Employees. The Insider Trading Policies are a part of this Code of Ethics.
- E.** NDIM has adopted Personal Trading Policies, which set parameters for the establishment, maintenance and enforcement of policies and procedures to detect and prevent NDR Employees from taking advantage of, or even appearing

to take advantage of their fiduciary relationship with our clients. The Personal Trading Policies are a part of this Code of Ethics.

- F.** NDR Employees will not accept compensation for services from outside sources without the specific permission of NDIM's Chief Compliance Officer.
- G.** When any NDR Employees face a conflict between their personal interest and the interests of clients, they will report the conflict to the Chief Compliance Officer for instruction on how to proceed.
- H.** NDIM's recommendations and actions are confidential and private matters. Accordingly, it is our policy to prohibit, prior to general public release, the transmission, distribution or communication of any information regarding securities transactions of client accounts except to broker/dealers in the ordinary course of business. In addition, no information obtained during the course of employment in determining investment recommendations for advisory clients regarding particular securities (including internal reports and recommendations) may be transmitted, distributed, or communicated to anyone who is not affiliated with NDIM, without the prior written approval of the Chief Compliance Officer.
- I.** Gifts: NDIM has adopted a policy governing giving, receiving or soliciting gifts so as not to create an appearance of impropriety or raise a potential conflict of interest.
- J.** Director Service: NDIM has adopted a policy prohibiting NDR Employees from serving on the Board of Directors of a publicly traded company without prior authorization from NDIM management.
- K.** The policies and guidelines set forth in this Code of Ethics must be strictly adhered to by all NDR Employees. Severe disciplinary actions, including dismissal, may be imposed for violations of this Code of Ethics.

Copies of the NDIM Code of Ethics are available by contacting the Chief Compliance Officer at (941) 412-2300 or emailing compliance@ndr.com.

NDR Employees may at times have a position in the securities recommended or purchased for client portfolios. They may also make purchases or sales of these securities while they are held in client portfolios. Employees may not implement such purchases and sales in order to generate profits based on anticipated action in client portfolios. No such purchases or sales are permitted to or from client portfolios.

NDR Employees are required to file Annual Holdings Reports each year and quarterly transaction reports of covered personal securities transactions within thirty (30) days of the close of the calendar quarter. Employees are also required to have duplicate trade

confirmations sent to the NDIM Compliance Office for personal trades in covered securities. All of these reports are monitored for violations of firm trading policies or conflicts of interest.

When trading in a particular security, the personal accounts of NDR Employees and any separate client accounts that NDIM may then manage may, at NDIM's discretion, be combined or allocated, with each investor receiving an average price for jointly purchase or sold securities and paying its pro rata share of total commissions and trading costs.

When orders are not combined or allocated, orders to purchase or sell a particular security for personal accounts are generally placed after completing the same type of order with respect to the same security for the respective accounts of the fund and client accounts. However, NDIM and some NDR Employees may have an interest in some client accounts, due to performance incentive profit allocation or fee arrangements. In such cases, trading opportunities will be rotated among client accounts in a manner deemed equitable by NDIM.

To help prevent "front running" of trades for accounts managed by NDIM, we maintain a restricted list indicating any securities that are actively being considered as purchase or sale candidates. NDR Employees may not purchase a listed security if that security is being considered for investment by a Separate Account, and may not sell a security if that security is held by a Separate Account and being reviewed for possible sale. However, NDIM does not require that all employee trades be submitted for execution through a trading desk, and from time to time the NDR employee may purchase or sell securities for client accounts that have been recently purchased or sold by a NDR employee prior to the security being placed on the restricted list.

Item 12 – Brokerage Practices

Brokers are generally selected based upon having acceptable capital structure, business experience, disciplinary record, and on their ability to provide best execution for the client. Commission rates paid are the most reasonable available commercial rates consistent with best execution.

NDIM has established a Trade Management Oversight Committee ("TMOC") to oversee trading executions for client accounts to ensure that best execution is obtained. The Committee meets periodically to review and ensure best execution analysis of post-trade execution reporting submitted to NDIM by brokers executing trades for client accounts.

Soft Dollar Benefits

NDIM does not have any soft dollar arrangements.

Aggregation of Client Orders

Purchase and sale orders for client accounts may, at NDIM's discretion, be combined or "bunched," with each investor receiving an average price for jointly purchased or sold shares and paying its pro rata share of total commissions and trading costs. Trades are allocated pro-rata and shall be allocated in a manner that NDIM believes to be fair and equitable. No client will receive preferential treatment over any other. Allocations may be made to the personal accounts of personnel of NDIM only when such allocations comply with employee trading policies and procedures described in Item 11.

Item 13 – Review of Accounts

All accounts are reviewed continuously within the guidelines of the investment policies. If a specific action is called for, all accounts will be reviewed to facilitate the implementation of that policy. All accounts will also be formally reviewed quarterly by the firm's investment committee, which includes the Chief Investment Officer.

In addition, NDIM provides written reports to clients about their accounts quarterly. All accounts are formally reviewed with clients quarterly to report performance against appropriate benchmark(s) and to assure conformity with each client's investment objectives and policy.

Item 14 – Client Referrals and Other Compensation

NDIM has engaged marketing consultants (Solicitors) to market NDIM's advisory services in compliance with Rule 206(4)-3 under the Advisers Act. For such services, a Solicitor maybe paid (1) a percentage of asset based management fees and/or (2) a percentage of incentive fees or allocations based upon account performance, and may also receive (3) office space, supplies, and other administrative and communications support. All such compensation would be paid by NDIM from its fees and no additional fees or other amounts would be borne by clients as a result of participation by the Solicitor in soliciting accounts, as disclosed to each client by the Solicitor.

Item 15 – Custody

NDIM does not currently have custody of client funds or securities.

Item 16 – Investment Discretion

As described in details in Item 4 above, NDIM may have discretionary investment advisory services for client accounts. Upon execution of the Investment Adviser agreement from client, NDIM will have the authority to determine the type and amount of securities to be bought or sold, and the broker or dealer to be used for a purchase or sale of securities and commission rates to be paid to a broker or dealer for a client's account. Clients will have the right to place reasonable restrictions on such authority. Any restrictions must be mutually agreed to, in writing, with NDIM.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

Policy:

NDIM has adopted NDR's Proxy Voting policies and procedures. NDIM, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting, and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest, as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

Background:

Proxy voting is an important right of shareholders, and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised.

Investment advisers registered with the SEC and which exercise voting authority with respect to client securities are required by Rule 206(4)-6 of the Advisers Act to (a) adopt and implement written policies and procedures that are reasonably designed to ensure that client securities are voted in the best interest of clients, which must include how an adviser addresses material conflicts that may arise between an adviser's interests and those of its clients; (b) to disclose to clients how they may obtain information from the adviser with respect to the voting of proxies for their securities; (c) to describe to clients a summary of its proxy voting policies and procedures and, upon request, furnish a copy to its clients; and (d) maintain certain records relating to the adviser's proxy voting activities when the adviser does have proxy voting authority.

Responsibility:

The NDIM Proxy Review Committee (PRC) has the responsibility for implementation and monitoring of our proxy voting policy, practices, disclosures and record-keeping. The NDIM PRC includes Lance Stonecypher, Geoffrey Raymond and Richard Sprague. Mr. Sprague serves as proxy review coordinator and has primary responsibility for this function.

Procedure:

NDIM has adopted procedures to implement the firm's policy and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which may be summarized as follows:

1. Voting Procedures

- a. NDIM retains Institutional Shareholders Services, (ISS) as an independent proxy service.
- b. NDIM has adopted the ISS proxy voting policies and follows the ISS voting recommendations. Any deviation from these recommendations will be reviewed by the NDIM PRC to determine that there are no conflicts of interest that might potentially bear upon the decision.

2. Disclosure

NDIM will provide conspicuously displayed information in its Disclosure Document, summarizing this proxy voting policy and procedure, including a statement that clients may request information regarding how NDIM voted a client's proxies and that clients may request a copy of these policies and procedures.

3. Client Requests for Information

- a. All client requests for information regarding proxy votes, or policies and procedures, received by an employee should be forwarded to Richard Sprague.
- b. In response to any request, Richard Sprague will prepare a written response to the client with the information requested, and as applicable will include the name of the issuer, the proposal voted upon, and how NDIM voted the client's proxy with respect to each proposal about which client inquired.

4. Voting Guidelines

NDIM has adopted ISS proxy voting policies and guidelines.

5. Conflicts of Interest

- a. NDIM will identify any conflicts that exist between the interests of NDIM and the client by reviewing the relationship of NDIM with the issuer of each security to determine if NDIM or any of its employees has any financial, business or personal relationship with the issuer.

- b. If a material conflict of interest exists, the PRC, in conjunction with the NDIM Compliance Officer, will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as receiving an independent third-party voting recommendation.
- c. NDIM will maintain a record of the voting resolution of any conflict of interest.

6. Recordkeeping

The proxy review coordinator shall retain the following proxy records in accordance with the SEC's five-year retention requirement.

- These policies and procedures and any amendments;
- Each proxy statement that NDIM receives;
- A record of each vote that NDIM casts;
- Any document NDIM created that was material to making a decision on how to vote proxies, or that memorializes that decision; and
- A copy of each written request from a client for information on how NDIM voted such client's proxies, and a copy of any written response.

Item 18 – Financial Information

NDIM has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. In addition, NDIM is not currently, nor at any time in the past ten years been, subject of a bankruptcy petition.