

Disclosure Brochure

March 24, 2015

Mraz, Amerine & Associates, Inc.

a Registered Investment Adviser

1120 13th Street, Suite K
Modesto, CA 95354

(209) 593-5870

www.mrazamerine.com

This brochure provides information about the qualifications and business practices of Mraz, Amerine & Associates, Inc. (hereinafter "MAA"). If you have any questions about the contents of this brochure, please contact Deidre Mraz at (209) 593-5870. 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. Additional information about Mraz, Amerine & Associates, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Mraz, Amerine & Associates, Inc. is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This Item discusses only the material changes that have occurred since MAA's last annual update dated March 11, 2014. There are no material changes to report.

Item 3. Table of Contents

Firm Disclosure Brochure

Item 1. Cover Page	i
Item 2. Material Changes	ii
Item 3. Table of Contents.....	iii
Item 4. Advisory Business.....	4
Item 5. Fees and Compensation	5
Item 6. Performance-Based Fees and Side-by-Side Management	8
Item 7. Types of Clients	8
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9. Disciplinary Information.....	10
Item 10. Other Financial Industry Activities and Affiliations	10
Item 11. Code of Ethics	10
Item 12. Brokerage Practices.....	11
Item 13. Review of Accounts.....	13
Item 14. Client Referrals and Other Compensation	14
Item 15. Custody	14
Item 16. Investment Discretion.....	14
Item 17. Voting Client Securities	14
Item 18. Financial Information.....	15

Item 4. Advisory Business

MAA provides financial planning, consulting, and investment management services. Prior to engaging the firm to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with MAA setting forth the terms and conditions under which MAA renders its services (collectively the “Agreement”).

MAA has been in business since October 2011. David Mraz, Gloria Mraz and Deidre Mraz are the principal owners of the firm. As of December 31, 2014, the firm had \$399,884,800 in assets under management, of which \$388,395,559 were managed on a discretionary basis and \$11,489,241 were managed on a non-discretionary basis.

This Disclosure Brochure describes MAA’s business. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of MAA’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on MAA’s behalf and is subject to MAA’s supervision or control.

Financial Planning Services

MAA may provide its clients, upon request, with basic financial planning and consulting services. These services include business planning, investments, insurance, retirement, education, estate planning, and tax and cash flow needs of the client. These services are generally included as part of MAA’s investment management services, described below.

In performing its services, MAA is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. MAA may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if MAA recommends its own services. The client is under no obligation to act upon any of the recommendations made by MAA under a financial planning or consulting engagement or to engage the services of any such recommended professional, including MAA itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of MAA’s recommendations. Clients are advised that it remains their responsibility to promptly notify MAA if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising MAA’s previous recommendations and/or services.

Investment Management Services

Clients can engage MAA to manage all or a portion of their assets on a discretionary or a non-discretionary basis.

MAA primarily allocates clients' investment management assets among mutual funds, individual debt and equity securities as well as the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of the client. MAA also provides advice about any type of investment held in clients' portfolios.

MAA also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, MAA either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

MAA tailors its advisory services to the individual needs of clients. MAA consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. MAA ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify MAA if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon MAA's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in MAA's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Item 5. Fees and Compensation

MAA offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

Financial Planning Fees

MAA provides basic financial planning services upon request. This service is provided to investment management clients as part of their investment advisory services and does not include any extra fee. For non-investment advisory clients, the firm charges \$250 per hour for financial planning services.

These fees are negotiable, but financial plans generally range from \$1,000 to \$5,000 in fees, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages MAA for additional investment advisory services, MAA may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging MAA to provide financial planning and/or consulting services, the client is required to enter into a written agreement with MAA setting forth the terms and conditions of the engagement. Generally, MAA requires a deposit on the financial planning fee payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

Investment Management Fee

MAA provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed. The annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. The firm does not, however, receive any portion of these commissions, fees, and costs. MAA's annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by MAA on the last day of the previous quarter. The annual fee varies depending upon the type of assets being managed, as follows:

Equity Accounts

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
up to \$500,000	1.25%
\$500,001 - \$2,499,999	1.00%
\$2,500,000 - \$4,999,999	0.90%
\$5,000,000 - \$14,999,999	0.75%
above \$15,000,000	0.60%

Fixed Income and Money Market Accounts

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
up to \$5,000,000	0.30%
above \$5,000,000	0.20%

Legacy Positions

(Highly appreciated and/or concentrated stock positions)

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
All accounts	0.10%

Accounts Using Outside Managers

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
up to \$5,000,000	1.00%
above \$5,000,000	0.80%

MAA, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), MAA generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("*Schwab*")

MAA may only implement its investment management recommendations after the client has arranged for and furnished MAA with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Schwab*, any other broker-dealer recommended by MAA, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to MAA's fee.

Fee Debit

MAA's *Agreement* and the separate agreement with any *Financial Institutions* may authorize MAA to debit the client's account for the amount of MAA's fee and to directly remit that management fee to MAA. Any *Financial Institutions* recommended by MAA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to MAA.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between MAA and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. MAA's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to MAA's right to terminate an account. Additions may be in cash or securities provided that MAA reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to MAA, subject to the usual and customary securities settlement procedures. However, MAA designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. MAA may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be adjusted or prorated based on the number of days remaining in the quarter.

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

MAA does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

MAA provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. The firm does not require a minimum account size.

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

Methods of Analysis

MAA primarily employs fundamental, technical and cyclical methods of investment analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. MAA will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to

identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that MAA will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that MAA is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Investment Strategies

MAA employs a disciplined, value-oriented approach to align the interests of clients with those investments that are recommended. To achieve this objective, the firm strives to seek superior long-term, tax-efficient growth (where applicable) of principal by purchasing securities that MAA believes meets certain qualitative and quantitative criteria:

- Good management partners who have significant ownership in the company, are capable operators, responsible capital allocators, trustworthy, and shareholder-oriented
- Attractive businesses that are understandable, financially sound, competitively entrenched, and have a history of generating growing, free cash flow
- Price that MAA believes is substantially below its long term intrinsic value.

The firm typically divests holdings when: 1) the price of a holding substantially exceeds MAA's estimate of intrinsic value; or 2) a negative change in a company's long-term fundamentals is perceived; or 3) an alternative investment is substantially more compelling as determined by relevant criteria.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market

volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Market Risks

The profitability of a significant portion of MAA's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that MAA will be able to predict those price movements accurately.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

MAA is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. MAA does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

The firm is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. MAA does not have any required disclosures to this Item.

Item 11. Code of Ethics

MAA and persons associated with MAA ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with MAA's policies and procedures.

MAA has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by MAA or any of its associated persons. The *Code of Ethics* also requires that certain of MAA's personnel

(called “*Access Persons*”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in MAA’s *Code of Ethics*, none of MAA’s *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of MAA’s clients.

When MAA is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when MAA is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact MAA to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

As discussed above, in Item 5, MAA generally recommends that clients utilize the brokerage and clearing services of *Schwab*.

Factors which MAA considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* enables MAA to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by MAA’s clients comply with MAA’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where MAA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution’s* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. MAA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

MAA periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct MAA in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and MAA will not seek better execution services or prices from other *Financial Institutions* or be able to “batch” client transactions for execution through other *Financial Institutions* with orders for other accounts managed by MAA (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, MAA may decline a client’s request to direct brokerage if, in MAA’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless MAA decides to purchase or sell the same securities for several clients at approximately the same time. MAA may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among MAA’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among MAA’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that MAA determines to aggregate client orders for the purchase or sale of securities, including securities in which MAA’s *Supervised Persons* may invest, MAA generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. MAA does not receive any additional compensation or remuneration as a result of the aggregation. In the event that MAA determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, MAA may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist MAA in its investment decision-making process. Such research generally will be used to service all of MAA's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because MAA does not have to produce or pay for the products or services.

Software and Support Provided by Financial Institutions

MAA may receive from *Schwab*, without cost to MAA, computer software and related systems support, which allow MAA to better monitor client accounts maintained at *Schwab*. MAA may receive the software and related support without cost because MAA renders investment management services to clients that maintain assets at *Schwab*. The software and related systems support may benefit MAA, but not its clients directly. In fulfilling its duties to its clients, MAA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that MAA's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence MAA's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, MAA may receive the following benefits from *Schwab* through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

For those clients to whom MAA provides investment management services, MAA monitors those portfolios as part of an ongoing process while regular account reviews are conducted at least semi-annually. For those clients to whom MAA provides financial planning services, reviews are conducted on an "as requested" basis. Such reviews are conducted by one of MAA's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with MAA and to keep MAA informed of any changes thereto. MAA contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Clients with whom the firm meets for an annual review will also receive a performance report detailing the client's

individual portfolio performance over the previous year and since inception of the account. Clients should compare the account statements they receive from their custodian with those they receive from MAA.

Those clients to whom MAA provides financial planning and/or consulting services will receive reports from MAA summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by MAA.

Item 14. Client Referrals and Other Compensation

MAA is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, MAA is required to disclose any direct or indirect compensation that it provides for client referrals. MAA does not have any required disclosures to this Item.

Item 15. Custody

MAA's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize MAA through such *Financial Institution* to debit the client's account for the amount of MAA's fee and to directly remit that management fee to MAA in accordance with applicable custody rules.

The *Financial Institutions* recommended by MAA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to MAA. In addition, as discussed in Item 13, MAA also provides an annual supplemental report to clients at an annual meeting. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from MAA.

Item 16. Investment Discretion

MAA is generally given the authority to exercise discretion on behalf of clients. MAA is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. MAA is given this authority through a power-of-attorney included in the agreement between MAA and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). MAA takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

Item 17. Voting Client Securities

MAA may vote client securities (proxies) on behalf of its clients. When MAA accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special

circumstances, which are fully- described in MAA's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in MAA's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact MAA to request information about how MAA voted proxies for that client's securities or to get a copy of MAA's Proxy Voting Policies and Procedures. A brief summary of MAA's Proxy Voting Policies and Procedures is as follows:

- MAA has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to MAA's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, MAA devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct MAA's vote on a particular solicitation but can revoke MAA's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that MAA maintains with persons having an interest in the outcome of certain votes, MAA takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

Item 18. Financial Information

MAA does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, MAA is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. MAA has no disclosures pursuant to this Item.

Mraz, Amerine & Associates, Inc.

a Registered Investment Adviser

1120 13th Street, Suite K
Modesto, CA 95354

(209) 593-5870

www.mrazamerine.com

Prepared by:

