

**Firm Brochure
(Part 2A of Form ADV)**

FIRST SECURITY FUND ADVISERS, INC.

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This brochure provides information about the qualifications and business practices of First Security Fund Advisers, Inc. If you have any question about the contents of this brochure, please contact us at (501) 534-2350, or by e-mail at mloveless@fsfai.com. 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.

First Security Fund Adviser, Inc. is registered as an investment adviser with the SEC. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about First Security Fund Advisers, Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Material Changes

This is First Security Fund Advisers, Inc.'s initial brochure on Part 2A of Form ADV and therefore there are no material changes required to be disclosed since the last annual update of this brochure.

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Advisory Business

Firm Description

First Security Fund Advisers, Inc. (“FSFA”) is a newly registered investment adviser with the U.S. Securities and Exchange Commission (the “SEC”) and is based in Little Rock, Arkansas. FSFA was organized as a corporation under the laws of the State of Arkansas on December 18, 2014 and expects to commence operations as an investment adviser in May 2015 upon the effective date of its selection to provide investment management services to a newly organized open-end registered investment company (the “Fund”). Despite being newly registered with the SEC as an investment adviser, the principals of FSFA have 125 years of combined securities experience.

Principal Owners

FSFA is a wholly-owned subsidiary of First Security Bancorp, a privately-held financial services holding company based in Arkansas. First Security Bancorp is controlled by John R. Rutledge, its Chairman, Chief Executive Officer, President and majority shareholder. No person other than Mr. Rutledge controls First Security Bancorp. With approximately \$616 million in total capital and \$4.48 billion in assets, First Security Bancorp offers, through its wholly-owned subsidiaries, solutions for the financial needs of individuals, businesses and the public-sector, including a network of local community banks, respected investment banking and wealth management services, public finance, real estate development and revitalization, leasing and mortgage services.

Types of Advisory Services

FSFA expects to principally provide investment management services to individuals, businesses (including small businesses), registered investment companies, and institutions (other than registered investment companies and pooled investment vehicles) looking for growth and income from fixed income securities. At this time, FSFA’s investment strategy is primarily focused on developing balanced portfolios for clients seeking growth and income from fixed income securities and FSFA’s investment advice is limited to those types of investments. FSFA may in the future offer different investment strategies.

FSFA renders investment management services by working with each client to develop an individualized investment plan. FSFA considers many factors in constructing a client’s investment portfolio including the client’s investment goals, investment time horizon, expected future expenses, income, tax sensitivity, and risk tolerance (the “Profile”). A client’s investment portfolio may be adjusted in response to changes in these factors over time. While clients may impose restrictions on investing in certain securities or types of securities, these limitations must be expressed in and agreed to in writing by FSFA and the client.

Consistent with a client’s Profile, FSFA may invest all or a portion of the client’s account in the Fund. Investing client assets in the Fund may raise a conflict of interest between FSFA and the

client if FSFA receives a management fee from a client for managing that client's separate account that is invested in the Fund and receives a fee from the Fund for managing the Fund's assets (which would include the assets invested by the client in the Fund). Consequently, FSFA will not charge a separate management fee on separately managed client assets that are invested in the Fund. It is FSFA's intention to manage the Fund and its separate accounts in fixed income securities pursuant to a substantially similar investment process consistent each client's Profile. For information regarding FSFA's fixed income investment process and strategy, please see *Methods of Analysis, Investment Strategies and Risk of Loss*.

FSFA will manage client accounts on a discretionary basis. This means that FSFA will be authorized to direct execution of transactions in client accounts and to purchase and sell securities in such amounts, at such prices and in such manner as FSFA may deem advisable for the client's investment portfolio without transaction-by-transaction consultation with the clients.

Investment Advisory Agreement

FSFA requires that each client enter into an Investment Advisory Agreement ("Agreement") prior to FSFA's performance of any investment management services for the benefit of the client. The Agreement is a written contract between FSFA and the client and sets forth the terms of the investment management services to be rendered to the client. Under the Agreement, the client appoints FSFA as its agent and attorney-in-fact, with full authority and discretion, on the client's behalf and risk, to purchase and sell securities in such amounts, at such prices and in such manner as FSFA may deem advisable for the client's investment portfolio.

Unless otherwise provided for under an Agreement with a client, FSFA shall: (1) select brokers-dealers to execute securities transactions; and (2) vote all proxies relating to the client's securities consistent with FSFA's proxy voting policies and procedures. If provided for in the Agreement, a client may direct FSFA to use certain brokers-dealers to effect securities transactions and/or may retain the right to vote proxies relating to securities owned and subject to FSFA's management. For information regarding FSFA's selection of broker-dealers and voting of client proxies, please see *Brokerage Practices and Voting Client Securities*.

Consistent with its duty to provide for best execution (i.e., execution costs are reasonably justified by the quality of execution and research services provided to FSFA by the broker-dealer executing a client transaction), FSFA expects to primarily use Crews & Associates, Inc. ("Crews & Associates"), another subsidiary of First Security Bancorp and a broker-dealer/investment advisory affiliate of FSFA, to execute client transactions. The use of an affiliate to execute client transactions may give rise to certain potential conflicts of interest between FSFA and its clients. For information regarding these conflicts and the FSFA procedures in place to address them, please see *Code of Ethics, Participating or Interests in Client Transactions and Personal Trading – Interests in Client Transactions*.

The Agreement also requires all securities and other assets managed by FSFA to be held at a qualified custodian such as a bank or broker-dealer. To take advantage of certain operational efficiencies that result from maintaining securities and assets with the broker-dealer principally responsible for executing a client's portfolio transactions, FSFA recommends that each client utilize Crews & Associates to custody any securities and assets to be managed by FSFA. If Crews & Associates, FSFA's broker-dealer affiliate, serves as the qualified custodian of a client's securities and assets, FSFA will be deemed to have custody of such assets. FSFA's custody of a client's assets may give rise to certain potential conflicts of interest between FSFA and its clients. For information regarding these conflicts of interest and the procedures FSFA maintains to address them, please see *Other Financial Industry Activities and Affiliations - Crews & Associates - Service as Qualified Custodian*. A client, however, may select an alternative custodian.

As an investment adviser, FSFA owes a fiduciary duty to each client and must act in the best interests of each client when rendering investment management services. Under the Agreement, the client agrees to hold FSFA harmless from any liability or expense incurred by reason of any action or decision by FSFA made under the Agreement, or any failure to act or decide, made in good faith unless otherwise provided by applicable federal and state laws.

Generally, an Agreement between FSFA and a client may be terminated upon 30 days' prior written notice. In the absence of termination, the investment discretion and other powers conferred to FSFA under an Agreement shall continue after the client's or authorized representative's death, disability, or legal incompetence. An Agreement shall not be assigned without the client's consent.

Wrap Fee Programs

FSFA will not participate in wrap fee programs.

Assets Under Management

As of January 26, 2016, FSFA is an advisory company with \$0 of assets under management on a discretionary basis, and \$3,500,000 of assets under management on a non-discretionary basis.

Fees and Compensation

Investment Management Fees/Compensation

FSFA is compensated for providing investment management services by charging clients a fee based on a percentage of the client's assets under management with FSFA. Generally, the investment management fee for a fixed income portfolio is .49% of assets under management. This fee is applicable to the Fund and to separately managed client accounts. Investment management fees are negotiable. FSFA will not charge a management fee on separately managed client account assets invested in the Fund.

Fees for Separately Managed Accounts

Generally, investment management fees for separately managed client accounts are billed quarterly in arrears based on the net asset value of a client's portfolio as of the last business day of each calendar quarter. Typically, the quarterly management fee is deducted from a client's separately managed account held at the client's qualified custodian pursuant to an invoice prepared and presented to the custodian for payment by FSFA consistent with the terms of the Agreement between FSFA and the client. A client may, however, request FSFA to bill all management fees to the client rather than deducting such fees from a custodial account under FSFA's management.

Fund Fees

The Fund's administrator typically calculates and coordinates the payment of investment management fees to FSFA. Such fees charged to the Fund shall be payable monthly in arrears on the first business day of each calendar month for services based on the average daily net assets of the Fund during the prior calendar month.

The fees for the period in which an account becomes effective and the period in which an account is terminated, in each case if the account is not in effect throughout such applicable period, will be pro-rated for the number of days in which the account was in effect.

Other Fees

In addition to the investment management fee assessed by FSFA, each client is responsible for all custodial fees as well as brokerage and other transaction costs incurred in connection with FSFA's investment management services. The investment management fee is not reduced to offset these fees. Crews & Associates will not charge additional custodial fees to maintain the account over which FSFA has discretion. For more information regarding brokerage and other transaction costs, please see *Brokerage Practices*.

To the extent that a client invests in the Fund, the client will indirectly bear fees and expenses charged by the Fund including the investment management fee payable by the Fund to FSFA. If a client invests in the Fund's A Shares, these fees and expenses will also include Rule 12b-1 (distribution fees) ("Rule 12b-1 Fees"). Rule 12b-1 Fees are used to compensate third parties for the promotion and distribution of the Fund's A Shares and for the provision of shareholder services to the shareholders of this class. The Fund's A Shares may use these Rule 12b-1 Fees to reimburse FSFA for certain eligible distribution costs incurred on behalf of the A Shares such as: (1) prospectus fulfillment expenses; (2) certain Fund platform/distribution expenses, (3) marketing and advertising costs, (4) Fund website maintenance costs, and (5) distributor fees. The Fund's Institutional Shares do not incur Rule 12b-1 Fees and FSFA will not be reimbursed by the Institutional Shares for distribution-related costs incurred by FSFA on behalf of that class. Recommending that clients invest in the Fund raises a potential conflict of interest between FSFA

and the clients. For information regarding these conflicts and FSFA's procedures in place to address them, please see *Other Financial Industry Activities and Affiliations – The Fund*.

Other than the investment management fee and Rule 12b-1 Fees described above, neither FSFA nor its supervised persons accepts any compensation based on FSFA client transactions in securities and other investment products. However, certain of FSFA's affiliates may receive fees in connection with providing services to the Fund. For more information regarding payments to FSFA's affiliates, please see *Other Financial Industry Activities and Affiliations*.

Performance-Based Fees and Side-By-Side Management

FSFA does not charge performance-based fees. Performance-based fees are fees that are based on a share of capital gains on or capital appreciation of a client's assets. Since all accounts managed by FSFA are charged an asset-based fee, FSFA is not in a position to favor performance-based fee accounts over other accounts.

Types of Clients

Description of Clients

FSFA expects to provide investment management services to individuals, businesses (including small businesses), registered investment companies, and institutions (other than registered investment companies and pooled investment vehicles).

Requirements for the Provision of Investment Management Services

FSFA requires that each client enter into an Agreement with FSFA prior to FSFA's performance of any investment management services for the benefit of the client. For more information about the Agreement, see "*Advisory Business - Investment Advisory Agreement*."

FSFA may not enter into an Agreement with a potential client until after FSFA: (1) confirms the source of the funds to be invested by the potential client; (2) identifies any investors on whose behalf the potential client (other than a pooled investment vehicle created or administered by FSFA) is acting ("Underlying Investor"); (3) acquires a reasonable understanding of the relationship between the potential client and any Underlying Investor; (4) confirms that the potential client does not appear on the Office of Foreign Asset Control's ("OFAC") Specially Designated Nationals and Blocked Persons List (each an "SDN Investor"); (5) confirms that the potential client does not reside in, does not have a mailing address in, is not organized under the laws of any country against which the U.S. has imposed sanctions (each a "Prohibited Foreign Investor"); and (6) confirms that the potential client will maintain all assets over which FSFA has investment discretion in a U.S.-based brokerage account.

The Adviser may not enter into an Agreement with a client if the client is: (1) an SDN Investor; (2) a Prohibited Foreign Investor; (3) a foreign shell bank; (4) a private banking account (as defined under applicable anti-money laundering laws); or (5) a correspondent account (as defined under applicable anti-money laundering laws).

Each client must open an account with a qualified custodian to hold the client's portfolio securities and other assets subject to FSFA's discretionary management. For more information about the selection of qualified custodians and the implication of such selection on FSFA's ability to effectively execute portfolio transactions on a client's behalf, please see "*Brokerage Practices - Best Execution*."

Account Minimums

FSFA does not impose account minimums.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

During initial meetings with a client, FSFA attempts to determine the composition of a client's entire investment portfolio as well the client's investment goals, investment time horizon, expected future expenses, income, tax sensitivity, and tolerance for investment risk. Based on these criteria, FSFA will recommend a customized portfolio of fixed income securities to compliment a client's specific investment needs.

Investment Process

FSFA continuously monitors economic factors, such as general levels of rates of return, inflationary/deflationary pressures, and current government influences, in combination with the stated objective of a client, to determine an appropriate maturity profile for the client's fixed income portfolio. FSFA searches for securities that satisfy a client's Profile and that provide optimal potential return relative to the investment risks of such securities. When selecting portfolio securities to purchase, FSFA focuses on credit quality, the issuer's financial outlook, stability and management structure as well as the intrinsic value of the securities considered for acquisition. The type of fixed income security is an important consideration in the investment process since FSFA expects to invest in a variety of fixed income securities including general obligation bonds and various types of revenue bonds (i.e., sales and use tax, water, sewer, and utility) to help limit the effect of a specific investment's volatility a client's fixed income portfolio as a whole.

FSFA may sell a portfolio security if:

- Revised economic forecasts or interest rate outlook requires a repositioning of the portfolio;
- The security subsequently fails to meet FSFA's investment criteria;
- A more attractive security is found or funds are needed for another purpose;
- FSFA believes that the security has reached its appreciation potential; or
- There is a change to the client's investment goals, investment time horizon, expected future expenses, income and tolerance for investment risk.

Investment Strategies

Generally, FSFA invests client assets in taxable and tax-exempt municipal bonds including general obligation municipal bonds, revenue municipal bonds and private activity bonds ("Municipal Bonds") and in other taxable fixed income securities such as government securities, inflation indexed securities, corporate bonds, mortgage-backed securities including collateralized mortgage obligations, asset-backed securities and commercial paper (together with "Municipal Bonds, "Fixed Income Securities"). A client's Profile will dictate: (1) the ratio of taxable to tax-exempt municipal bonds in a client account; (2) the ratio of Municipal Bonds to other Fixed Income Securities in a client account; (3) portfolio maturity of a client account; and (4) the credit quality of Fixed Income Securities to be purchased on behalf of a client (for example, consistent with a client's risk tolerance, FSFA may purchase Fixed Income Securities on behalf of a client that are not "Investment Grade Securities"). "Investment Grade Securities" are Fixed Income Securities which, at the time of their purchase, are rated in the top four rating categories of a nationally recognized statistical rating organization or are unrated and deemed to be of comparable quality by FSFA. While FSFA primarily focuses on Fixed Income Securities of U.S. issuers, it may purchase, on behalf of a client, Fixed Income Securities of issuers operating in jurisdictions outside of the U.S., including emerging markets, consistent with a client's Profile.

Consistent with a client's Profile, FSFA may invest all or a portion of the client's account in the Fund. Investing client assets in the Fund may raise a conflict of interest between FSFA and the client if FSFA receives a management fee from a client for managing that client's separate account that is invested in the Fund and receives a fee from the Fund for managing the Fund's assets (which would include the assets invested by the client in the Fund). Consequently, FSFA will not charge a separate management fee on separately managed client assets that are invested in the Fund.

Risk of Loss

Investing in securities involves risk. A client's investment portfolio will fluctuate in value as market conditions change and the client could lose all or portion of the value of the investment

portfolio over short or even long periods of time. The principal risks of investing in Fixed Income Securities are:

Call Risk. Some Fixed Income Securities give the issuer the option to call, or redeem, the bonds before their maturity date. If an issuer “calls” its bonds during a time of declining interest rates, a client may have to invest the proceeds in an investment offering a lower yield. During periods of market illiquidity or rising interest rates, prices of a client’s “callable” issues may be more volatile.

Credit Risk. The value of Fixed Income Securities may change in response to changes in the credit ratings of these securities. Generally, investment risk and price volatility increase as a security’s credit rating declines.

Emerging Markets Risk. Emerging markets are markets of countries in the initial stages of industrialization and that generally have low per capita income. In addition to the risks of foreign securities in general, emerging markets are generally more volatile and can have relatively unstable governments, social and legal systems that do not protect shareholders, and economies based on only a few industries.

Foreign Security Risk. Foreign investments are subject to sovereign risk and may be adversely affected by changes in currency exchange rates, future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws or restrictions. There may be less publicly available information about a foreign company than about a U.S. company, and accounting, auditing and financial reporting standards and requirements may not be comparable.

Inflation-Indexed Securities Risk. Interest payments on inflation-indexed securities can be unpredictable and will vary as the principal and/or interest is periodically adjusted based on the rate of inflation. If the index measuring inflation falls, the interest payable on these securities will be reduced. While these securities adjust positively in response to inflation, their value may under certain circumstances decline or underperform relative to other fixed-income securities.

Interest Rate Risk. An increase in interest rates typically causes a fall in the value of the Fixed Income Securities in which the Fund or a client may invest.

Investment Company Risk (applicable only to client investments in the Fund). In addition to the other risks described herein, an investment in the Fund is also subject to the risk that the investment restrictions imposed by the 1940 Act and the Internal Revenue Code of 1986, as amended (the “IRC”) on the operations of registered investment companies may prohibit the Fund from making certain investments thus potentially limiting its profitability. Moreover, failure to satisfy certain requirements required under the IRC may prevent the Fund from qualifying as a registered investment company thus requiring the Fund to pay unexpected taxes and penalties, which could be material. FSFA’s lack of experience in managing a portfolio of assets under such constraints may hinder its ability to take advantage of attractive investment opportunities and, as a

result, may limit the profitability of the mutual fund. An investor in the Fund will also indirectly bear its proportionate share of any fees and expenses payable directly by the Fund.

Management Risk. FSFA is a newly formed investment adviser and its judgments about the attractiveness, value, the potential income to be generated by individual securities and the potential appreciation of a particular asset class or individual security may prove to be incorrect.

Market Risk. Movements in the securities markets may adversely affect Fixed Income Securities on a daily basis, and as a result, such movements may negatively affect value of the Fixed Income Securities in which a client invests.

Mortgage-backed and Asset-backed Securities Risk. Guarantees of mortgage-backed securities relate to the principal and interest payments and not the market value of such securities. Mortgage-backed securities do not have a fixed maturity and their expected maturities may vary when interest rates rise or fall. An increased rate of prepayments on mortgage-backed securities will result in an unforeseen loss of interest income from such securities and may require a client to reinvest assets at a lower interest rate. A decreased rate of prepayments lengthens the expected maturity of a mortgage-backed security. The prices of mortgage-backed securities may decrease more than prices of other fixed-income securities when interest rates rise.

The value of asset-backed securities depends on many factors, including changes in interest rates, the availability of information concerning the pool and its structure, the credit quality of the underlying assets, the market's perception of the servicer of the pool, and any credit enhancement provided. In addition, asset-backed securities have prepayment risks similar to those of mortgage-backed securities.

Non-Investment Grade Securities Risk. Non-Investment Grade Securities or "Junk Bonds" are generally subject to greater market, credit and liquidity risks than Investment Grade Securities and are considered speculative with respect to the issuer's ability to make principal and interest payments. The prices of Junk Bonds may fall dramatically in response to bad news about the issuer or its industry, or the economy in general.

Prepayment/Extension Risk. Issuers may experience an acceleration in prepayments of mortgage loans or other receivables backing the issuers' Fixed Income Securities when interest rates decline, which can shorten the maturity of the security, force a client to invest in securities with lower interest rates, and reduce a client's return. Issuers may decrease prepayments of principal when interest rates increase, extending the maturity of a Fixed Income Security and causing the value of the security to decline.

Regulatory Risk. Changes in government regulations may adversely affect the operations of the issuers of Fixed Income Securities and value of these securities. Industries and markets that are not adequately regulated may be susceptible to the initiation of inappropriate practices that adversely affect issuers of Fixed Income Securities.

Disciplinary Information

There are no legal or disciplinary events involving FSFA or its officers and employees that are material to a client or a prospective client's evaluation of FSFA's advisory business or the integrity of FSFA's management.

Other Financial Industry Activities and Affiliations

FSFA is a newly formed corporation organized under the laws of the State of Arkansas. FSFA, an SEC-registered investment adviser, was formed to provide investment management services to the Fund and to separately managed client accounts. The Fund is an affiliate of FSFA because FSFA controls the Fund's investment portfolio.

FSFA is controlled by First Security Bancorp. First Security Bancorp is a privately-held financial services company controlled by John R. Rutledge, its Chairman, Chief Executive Officer, President and majority shareholder. No person other than Mr. Rutledge controls First Security Bancorp. First Security Bancorp is comprised of four wholly-owned subsidiaries: (1) First Security Fund Advisers, Inc.; (2) First Security Bank; (3) Crews & Associates; and (4) First Security Finance, Inc. Crews & Associates owns Crews Insurance. Each of FSFA, First Security Bank, Crews & Associates, First Security Finance, Inc., and Crews Insurance are considered affiliates because they are under the common control of Mr. Rutledge.

First Security Bank, a bank organized under the laws of the State of Arkansas, offers a variety of banking services including personal and business checking and savings accounts as well as trust and wealth management services.

Crews & Associates is a corporation organized under the laws of the State of Arkansas, a state-registered investment adviser, a registered broker-dealer, government securities broker-dealer, and municipal securities broker-dealer as well as a member of the Financial Industry Regulatory Authority. Crews & Associates provides financial advisory, underwriting, trading and distribution of fixed income products and services. Employees and officers of FSFA act as registered representatives and/or hold other positions at Crews & Associates.

Crews Insurance, an insurance agency organized under the laws of the State of Arkansas is a wholly-owned subsidiary of Crews & Associates and offers sales of annuities and life insurance via Crews & Associates brokers with individual investors. One officer of FSFA acts as an insurance agent for Crews Insurance.

First Security Finance, Inc. is a corporation organized under the laws of the State of Arkansas and provides taxable and tax-exempt lease finance products and services to a large client base of corporations and governmental entities.

Material Business Relationships with Affiliates

First Security Bank

FSFA expects to utilize First Security Bank's (the "Bank") trust department as a distribution channel for the sale of Fund shares. The Fund and/or FSFA may pay the Bank a fee for selling Fund shares and for providing related shareholder services. These payments may influence the Bank and its personnel to recommend the Fund over another investment.

Crews & Associates

Execution of Client Transactions. Under an Agreement with a client, FSFA has the authority to select brokers-dealers through which securities transactions will be executed on behalf of a client's investment portfolio. Consistent with these terms, FSFA expects to primarily use Crews & Associates to execute client transactions in Fixed Income Securities. Crews & Associates may execute these transactions on either a principal or agency basis. Generally, agency transactions are trades facilitated by a broker between a client and third party on an exchange. Crews & Associates may also engage in "agency cross" trades to facilitate the execution of a transaction initiated by FSFA on behalf of a client. "Agency cross" transactions are agency transactions in which Crews & Associates: (1) acts as agent for both the purchaser and seller of the securities, and either the purchaser or seller, or both, are clients of FSFA; and (2) Crews & Associates receives compensation for so acting as agent. Crews & Associates will receive a commission, payable by the FSFA client, in connection with the execution of client transactions conducted on an agency basis.

Principal transactions are trades in which a client buys securities from, or sells securities to, a broker-dealer acting for its own account. If Crews & Associates is a market maker in a Fixed Income Security, the purchase price paid to Crews & Associates by a FSFA client (a principal transaction) may include a spread between the bid and asked price.

The use of an affiliate to execute client transactions may give rise to certain potential conflicts of interest between FSFA and its clients. For information regarding these conflicts and FSFA's procedures in place to address them, please see *Code of Ethics, Participating or Interests in Client Transactions and Personal Trading – Interests in Client Transactions*.

Service as Qualified Custodian. To take advantage of operational efficiencies that result from maintaining securities and assets with the broker-dealer principally responsible for executing a client's portfolio transactions (i.e., agency-cross transaction reporting, principal transaction reporting, potential for trade aggregation and related pricing efficiencies), FSFA recommends that each client utilize Crews & Associates to custody any securities and assets to be managed by FSFA. Since FSFA and Crews & Associates are affiliates, share facilities and are not operationally independent, FSFA will be deemed to have custody of any client securities and assets held at Crews & Associates. FSFA's custody of a client's assets may give rise to a potential

conflict of interest between FSFA and clients that hold securities and other assets with Crews & Associates in that FSFA. By virtue of its affiliation with Crews & Associates, FSFA may have the ability to access and direct the disposition of client assets in a manner adverse to client interests. To address this conflict, the Agreement with a client specifically limits FSFA's authority over client assets held at any qualified custodian to placing security transactions and the withdrawal of assets from the client account is prohibited. FSFA also provides a copy of its Agreement with a client to the qualified custodian holding the client's securities and assets subject to FSFA's management services to evidence FSFA's discretionary authority (and the limitations on that authority) over the assets. Moreover, consistent with the requirements of the Advisers Act, client securities and other assets held at Crews & Associates will be subject to annual verification by an independent registered public accounting firm selected by FSFA. Also, at least once during each calendar year, FSFA must obtain from Crews & Associates an Internal Control Report that includes an opinion of an independent public accountant confirming the existence of operational controls necessary to safeguard funds and securities held by Crews & Associates. For clients with separately managed accounts that also invest in the Fund, Crews & Associates will not charge to such accounts a separate custody fee on assets invested in the Fund.

Distribution Channel. FSFA expects to utilize Crews & Associates as a distribution channel for the sale of the Fund shares. The Fund and FSFA may pay Crews & Associates a fee for selling Fund shares and related shareholder services. These payments may influence Crews & Associates and its personnel, including officers and employees of FSFA that also hold positions with Crews & Associates, to recommend the Fund over another investment.

The Fund

FSFA is the investment adviser to the Fund and receives a fee from the Fund for investment management services it provides to the Fund based on the Fund's average daily net assets. FSFA may also receive Rule 12b-1 Fees from the Fund's A Shares in reimbursement for certain distribution-related costs incurred on behalf of that Fund class. Rule 12b-1 Fees paid by the Fund are also based on the Fund's average daily net assets.

FSFA may recommend that clients invest in the Fund. Recommending that a client invest in the Fund raises a potential conflict of interest between FSFA and the client because: (1) any such investment would involve payment by the client of management fees to FSFA at the account level and at the Fund level (i.e., shareholders of the Fund indirectly bear the Fund's fees and expenses including management fees paid to FSFA); and (2) a client investing in the Fund's A Shares would also indirectly bear the cost of that class' other fees and expenses, including any Rule 12b-1 Fees paid to FSFA. Moreover, since both the management fee and Rule 12b-1 Fees payable by the Fund to FSFA are asset-based, an increase in client assets invested in the Fund would result in higher management fees to FSFA and a greater amount of Rule 12b-1 Fees available to reimburse FSFA for distribution-related expenses incurred on behalf of the Fund. To address these conflicts, FSFA does not charge a management fee at the separately managed client account level on any client assets invested in the Fund. In addition, FSFA, consistent with

its fiduciary duties to a client, will only recommend an investment in a Fund class if that investment is consistent with the client's Profile and the investor eligibility standards of that class.

The management fee paid by the Fund to FSFA and the Rule 12b-1 Fees payable by the Fund's A Shares to financial institutions, including the Adviser, are described in the Fund's prospectus and statement of additional information which may be obtained by calling FSFA at (501) 534-2350.

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

Personal Investment and Trading Policy, Statement on Insider Trading and Code of Ethics

FSFA has adopted a Personal Investment and Trading Policy, Statement on Insider Trading and Code of Ethics Pursuant to Rules 204A-1 and 204-2 under the Advisers Act (hereinafter referred to as the "Policy, Statement and Code"). Under the Policy, Statement and Code, each FSFA employee is prohibited from acting or behaving in any manner or engaging in any activity that (1) creates even the suspicion or appearance of the misuse of material, nonpublic information by FSFA or any officer or employee, (2) gives rise to, or appears to give rise to, any breach of fiduciary duty owed to any client, or (3) creates any actual or potential conflict of interest, or even the appearance of a conflict of interest, between a client, on the one hand, and FSFA or any of its officer or employee, on the other hand.

All employees and officers are required to comply with the Federal securities laws, the fiduciary duty owed by FSFA to its clients, and the Policy, Statement and Code. Each officer and employee of FSFA is required to promptly notify the Chief Compliance Officer in the event such person knows or has reason to believe that FSFA or officer or employee thereof has violated any provision of this Policy, Statement and Code. If an employee or officer of FSFA has reason to believe that the Chief Compliance Officer has violated any provision of this Policy, Statement and Code, such person must promptly notify the Chief Executive Officer.

Under the Policy, Statement and Code, an officer or employee may not initiate a transaction in a security in his or her personal account if such transaction would disadvantage or appear to disadvantage a client. The following personal trading activity by officers and employees of FSFA is prohibited: (1) any transaction in a security in anticipation of an order from or on behalf of a Client (front running); (2) any transaction in a security included on FSFA's Restricted List (i.e., a list of companies as to which one or more officers and employees have material non-public information); (3) any transaction in a security which the officer or employee knows or has reason to believe is being purchased or sold, or is being considered for purchase or sale, by or on behalf of a client is prohibited until the 7th business day after the client's transaction has been completed or consideration of such transaction is abandoned; (4) any transaction in a security by any officer or employee who, in connection with his or her regular functions or duties, makes, participates in, or obtains information regarding, the purchase or sale of securities by a client, or

whose functions relate to the making of any recommendations with respect to such purchases or sales, during the period which begins seven days before and ends with seven business days after any Client has traded in that security; (5) any short selling or option trading that is economically opposite any pending transaction for a client; and (6) any transaction in a security that would result in a profit in the purchase and sale, or sale and purchase, of the same (or equivalent) security within 60 calendar days. Further, no employee or officer may participate in initial public offerings or private placements without the prior approval of FSFA's Chief Compliance Officer.

The Policy, Statement and Code requires each employee and officer to report to the Chief Compliance Officer all investment holdings at commencement of employment and at least annually thereafter. In addition, each employee must also submit to the Compliance Officer monthly reports of his/her transactions in reportable securities as such term is defined in the Policy, Statement and Code ("Transaction Reports"). Under the Policy, Statement and Code, Transaction Reports are not required for accounts over which the employee has no direct or indirect influence or control or for transactions in an automatic investment plan (as defined in the Policy, Statement and Code).

A copy of the Policy, Statement and Code will be provided to each client upon request.

Barriers to Material Non-Public Information

First Security Bancorp offers, through its wholly-owned subsidiaries, solutions for the financial needs of individuals, businesses and the public-sector, including a network of local community banks, respected investment banking and wealth management services, public finance, real estate development and revitalization, leasing and mortgage services. As a broker-dealer that provides investment banking services, Crews & Associates may have access to confidential information that may be material and not publicly available ("Non-Public Information"). FSFA and Crews & Associates share common office space as well as common personnel ("Dual Employees"). To protect against the potential misuse of this Non-Public Information, the Policy, Statement and Code prohibits employees from engaging in transactions in securities on FSFA's Restricted List. FSFA's "Restricted List" includes the name of any company as to which one or more individuals at FSFA may have access to Non-Public Information. The Policy, Statement and Code requires the Chief Compliance Officer to periodically review officer, employee and client transactions against the Restricted List. Dual Employees do not require access to Non-Public Information in order to perform their employment responsibilities. Crews & Associates maintains controls including physical and information sharing barriers to prevent disclosure of Non-Public Information to personnel that do not require access to such information in order to satisfy their employment responsibilities..

Interest in Client Transactions

Officer and Employee Transactions in Securities Recommended by FSFA

FSFA may buy or sell for client accounts, securities in which FSFA's officers and directors maintain a financial interest. This presents a conflict of interest between FSFA and a client in that the interest of FSFA's officers and employees may not align with the interest of FSFA's clients. The Policy, Statement and Code prohibits FSFA and its officer and employees from transacting in a security if such transaction would disadvantage or appear to disadvantage a client. Compliance with this requirement is monitored by the Chief Compliance Officer through the review of periodic reports of investment holdings and transactions submitted by employees. FSFA does not trade securities for its own account. For additional information regarding the Policy, Statement and Code and the officer and employee transaction reporting requirements thereunder, please see *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Personal Investment and Trading Policy, Statement on Insider Trading and Code of Ethics*.

Execution of FSFA Client Transactions-Generally

FSFA intends to principally use Crews & Associates to execute client transactions in Fixed Income Securities. Crews and Associates may execute these transactions on an agency or principal basis. This practice raises the appearance of self-dealing since Crews and Associates and FSFA are affiliates and Crews & Associates receives compensation from FSFA clients for executing transactions initiated by FSFA on their behalf. To address this apparent conflict, FSFA's selection of brokers, including Crews & Associates, to effect transactions with or for a client is guided by the principal objective of seeking best execution for clients (i.e., execution costs are reasonably justified by the quality of execution and research services provided to FSFA by the broker-dealer executing a client transaction). As an affiliate that shares personnel with Crews & Associates, FSFA has firsthand knowledge of Crews & Associates' strong trade execution, underwriting and market making capabilities within the fixed income markets as well as the firm's competitive pricing for trade execution, dedication to customer service and solid compliance culture. Moreover, pursuant to its Best Execution Policy and Procedures, FSFA periodically evaluates, on an ongoing basis, the quality of services provided by, the levels of business conducted with, and the commissions and other fees charged by its designated broker-dealers to help ensure that clients are receiving "best execution" in connection with their investments in Fixed Income Securities. For more information on FSFA's Best Execution Policy and Procedures, please see *Brokerage Practices-Best Execution*.

Moreover, all agency transactions executed by Crews & Associates on behalf of FSFA involving the Fund, including agency cross transactions, will be executed pursuant to the Fund's Rule 17e-1 Procedures. Generally, the Fund's Rule 17e-1 require that the amounts and rates of brokerage commissions paid by the Fund to an affiliated broker-dealer are "reasonable and fair" compared to brokerage commissions being charged by other brokers to their customers during a comparable period of time on similar transactions involving similar securities. With respect to any transaction not effected on a securities exchange in connection with which an affiliated broker-dealer received any commission, fee, or other remuneration, the Fund's Rule 17e-1 Procedures limits the commission, fee, or other remuneration to: (a) no more than 2 percent of

the sales price where the transaction is effected with a secondary distribution of securities; and (b) to no more than 1% of the purchase or sale price where the transaction is not effected in connection with a secondary distribution.

Agency Cross Transactions

Crews & Associates may facilitate an agency cross transaction to execute a transaction between a FSFA client. An agency cross transactions raises an additional potential conflict of interest because FSFA is directing the trade to Crews & Associates, an affiliate, which is acting as a broker for and receiving commissions from both parties to the transaction each of which have conflicting interests (i.e., the seller of the security wants to negotiate a higher price and the buyer of the security wants to negotiate a lower price). In order to address these conflicts, FSFA and Crews & Associates will execute all agency cross transactions involving a FSFA client consistent with applicable SEC requirements set forth in Rule 206(3)-2 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). These requirements mandate, among other things, that: (1) the FSFA client execute a written consent prospectively authorizing Crews & Associates to effect agency cross transactions after receipt of full written disclosure that Crews & Associates will act as broker for, receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such transactions; (2) the client receives from Crews & Associates a written confirmation at or before the completion of each such transaction, which confirmation includes (i) a statement of the nature of such transaction, (ii) the date such transaction took place, (iii) an offer to furnish upon request, the time when such transaction took place, and (iv) the source and amount of any other remuneration received or to be received by Crews & Associates in connection with the transaction (Note: Under certain circumstances, disclosure may state whether any other remuneration has been or will be received and that the source and amount of such other remuneration will be furnished upon written request of the client); (3) Crews & Associates sends to the client at least annually, and with or as part of any written statement or summary of such account, a written disclosure statement identifying the total number of agency cross transactions during the period since the date of the last such statement or summary, and the total amount of all commissions or other remuneration received or to be received by Crews & Associates in connection with such transactions during such period. All agency cross transactions are also subject to FSFA’s Best Execution Policy and Procedures.

Execution of Principal Transactions

A client transaction executed on a principal basis by Crews & Associates raises an additional potential conflict of interest in that Crews & Associates is the counter party to the transaction (i.e., it is selling to the FSFA client securities in which it has an ownership interest), has a potentially conflicting interest with the FSFA client in the transaction (i.e., Crews & Associates wants to negotiate the highest price and the FSFA desires the lowest price possible) and the FSFA client is paying a fee to Crews & Association for execution of the transaction. To address this conflict, Crews & Associates shall deliver to the FSFA client information regarding the principal capacity in which Crews & Associates is acting and receive the client’s written consent to the transaction

prior to execution. All principal transactions also require the pre-approval of the Chief Compliance Officer and are subject to FSFA's Best Execution Policy and Procedures.

Cross Trades

FSFA may forgo the use a broker and execute a transaction between two clients wherein one client directly sells a security to the other client. A cross transaction raises a potential conflict of interest in that FSFA is recommending that clients take opposite positions in a security transaction. To address this conflict, FSFA will only execute a cross transaction if it determines that the transaction is in the best interests of both clients and the trade is executed at a the current independent market price i.e., generally the average of the highest independent current bid and lowest independent offer) for cash and without transaction costs other than customary transfer costs ("Cross Trade Requirements"). All cross trades involving the Fund will be affected pursuant to the Fund's Rule 17a-7 Procedures which include requirements similar to the Cross Trade Requirements.

Recommending Investments in the Fund

FSFA may recommend that a client invest in the Fund instead of investing in Fixed Income Securities directly. Recommending that a client invest in the Fund raises a potential conflict of interest between FSFA and the client because any such investment would involve payment by the client of management fees at the account level and at the Fund level (i.e., shareholders of the Fund indirectly bear the Fund's fees and expenses including management fees paid to FSFA). To address this conflict, FSFA does not charge a management fee at the separately managed client account level on any client assets invested in the Fund.

Brokerage Practices

Best Execution

For operational efficiency and consistent with its fiduciary duty of "best execution," FSFA expects to execute substantially all client transaction through Crews & Associates. As an affiliate that shares personnel with Crews & Associates, FSFA has firsthand knowledge of Crews & Associates' strong trade execution, underwriting and market making capabilities within the fixed income markets as well as the firm's competitive pricing for trade execution, dedication to customer service and solid compliance culture.

FSFA aims to make well-informed trade execution decisions that maximize the value of its clients' portfolios. While the selection of a broker or dealer (each, for the purposes of these procedures, a "broker-dealer") to execute a transaction for a client often will be a function of the facts and circumstances surrounding a particular execution, examples of factors FSFA may consider include, but are not limited to: (1) price quotes (including the applicable spread or commission); (2) the broker-dealer's expertise in the specific securities or sectors in which FSFA

seeks to trade; (3) the extent to which the broker-dealer makes a market in the securities involved or has access to such markets; (4) the broker-dealer's skill in positioning the securities involved; (5) the likely market impact of the order and FSFA's opinion as to which broker-dealer is best able to handle the order with minimum adverse market impact; (6) the broker-dealer's promptness of execution; (7) the broker-dealer's reputation for diligence, fairness and integrity; and (8) the past history of the broker-dealer's executions for FSFA.

While FSFA generally seeks reasonably competitive trade execution cost, FSFA does not necessarily pay the lowest commission or spread available provided that the difference in cost is reasonably justified by the quality of research and execution services provided.

The Adviser maintains a list of approved broker-dealers with which FSFA may conduct business. If a portfolio manager or trader wishes to initiate a trading relationship with a new or non-approved broker-dealer, the portfolio manager or trader must obtain written approval from the Chief Compliance Officer, who will then add the broker-dealer to the list (if approved).

The Chief Compliance Officer periodically reviews: (1) the broker-dealers utilized by FSFA to execute client transaction in terms of the quality of services provided by, the levels of business conducted with, and the commissions charged by those firms; (2) the list of approved broker-dealers to help ensure that FSFA only executes transactions with approved broker-dealers.

Soft Dollars

As an investment adviser, FSFA has a fiduciary obligation to obtain the most favorable execution for client transactions. Applicable law, however, permits FSFA to pay a higher commission rate or spread to a broker that provides proprietary or third-party brokerage or research services if FSFA has determined in good faith that the commission rate or spread is reasonable in relation to the brokerage and/or research services provided by that broker (“Soft Dollars”). FSFA has not and does not currently maintain any formal soft dollar relationships.

Nevertheless, FSFA may have access to proprietary research (e.g. company specific and general market research) of Crews & Associates, its broker-dealer affiliate, as well as other broker-dealers that it may use to effect client transactions. Research received by FSFA may be used to service all client accounts, not just those client accounts that paid for the benefit. The receipt of proprietary research from a broker-dealer that is used to effect client transactions results in an economic benefit to FSFA in that it has access to the broker-dealer’s research free of charge and is not otherwise required to separately produce that research. This creates a conflict of interest whereby FSFA may be incentivized to send trades to those brokers that provide soft dollar services rather than sending trades to broker-dealers that provide the most favorable execution for clients. To address this conflict, FSFA maintains a best execution policy pursuant to which all transactions are effected. As an investment adviser, FSFA has a fiduciary obligation to obtain the most favorable execution available for client transactions. For information about how FSFA monitors broker execution, see *“Brokerage Practices - Best Execution.”* Also, it is important to note that access to this proprietary research is not contingent upon the execution of client portfolio transactions through or the payment of commissions or any other compensation to these broker-dealers.

Brokerage for Client Referrals

FSFA may provide investment management services to clients of certain broker-dealers or broker-dealers may refer prospective clients to FSFA. These relationships may create an incentive for FSFA to utilize a certain broker-dealer for trade execution services based on FSFA’s interest in receiving client referrals rather than on a client’s interest in receiving most favorable execution.

As an investment adviser, FSFA has a fiduciary obligation to obtain the most favorable execution available for client transactions. For information about how FSFA monitors broker execution, see *“Brokerage Practices - Best Execution.”*

Directed Brokerage

For operational efficiency, FSFA recommends that each client designate Crews & Associates as qualified custodian for all client securities and assets to be managed by FSFA. Consistent with authority granted to FSFA under an Agreement with a client to designate brokers-dealers through which securities transactions will be executed and its fiduciary duty of “best execution,” FSFA expects to execute substantially all client transaction through Crews & Associates. As an affiliate

that shares personnel with Crews & Associates, FSFA has firsthand knowledge of Crews & Associates' strong trade execution, underwriting and market making capabilities within the fixed income markets as well as the firm's competitive pricing for trade execution, dedication to customer service and solid compliance culture. All transactions executed through Crews & Associates will be subjected to and monitored by FSFA.

A client has the right to designate any broker-dealer, bank or other financial institution as its qualified custodian and to direct the execution of transactions through a broker-dealer other than Crews & Associates. If a client directs the execution of trades through a financial institution other than Crews & Associates, the client may pay higher transaction costs because FSFA may not be able to aggregate orders to reduce such costs or the client may receive less favorable execution prices. Not all investment advisers require their clients to direct portfolio transactions through a specific broker-dealer.

Aggregation of Client Transactions

If FSFA desires to purchase or sell the same security for one or more client accounts on a particular date, a client's orders will be aggregated and executed with those of other clients where possible and consistent with the client's interests and investment requirements. An aggregated purchase or sale order shall be executed at the average execution price with transaction costs allocated to the participants on a pro rata basis. If an aggregated order is not completely executed, securities purchased or sold will be allocated on an equitable basis.

Trade Allocation

When determining whether a suitable security should be purchased for a client account, including the Fund, FSFA will take care to treat all clients fairly and equitably and will not favor the interest of any client over the interest of another client. When there is not a sufficient amount of a security to meet the needs of every client, FSFA will allocate the securities purchased to all accounts for which the security would be suitable on an equitable basis.

Review of Accounts

Daily Review

FSFA is responsible for affirming a client's suitability for an investment at the time of purchase. The portfolio manager(s) of a client's account shall initial each order ticket to document his/her affirmation that the transaction is suitable for the client.

Monthly Review

On a monthly basis, an appropriate person at FSFA reconciles the securities and cash activity of each client account held with the qualified custodian for the account to identify unauthorized or inappropriate transaction and to verify the propriety of related cash movements.

Quarterly Review

On at least a quarterly basis, the portfolio manager(s) of a client account shall review the client's portfolio to verify compliance with its investment objectives and limitations. FSFA shall documents this periodic review in writing.

Ongoing Review

The portfolio manager(s) of a client account shall review securities comprising client portfolios on an ongoing basis to monitor the continued viability of such investments.

Periodic Reports

Each client receives a written quarterly report providing updated account performance.

Client Referrals and Other Compensation

FSFA does not receive cash or any other economic benefit from a third party who is not a client for providing investment advice or other advisory services to clients.

FSFA does not directly or indirectly compensate any person for client referrals.

Custody

FSFA may be deemed to have custody over a client's securities or other assets if: (1) it has the authority under its Agreement with the client to deduct investment management fees from the client's account; and/or (2) Crews & Associates, an affiliate of FSFA serves as the qualified custodian for such securities and assets.

Each client to whom FSFA provides investment management services will receive periodic account statements from both FSFA and the qualified custodian for the client's securities and assets subject to the investment management services and the client should review these account statements carefully. FSFA urges each client to review the periodic statements provided by the custodian against the statements it provides for the corresponding time periods.

Investment Discretion

FSFA provides investment management services on a fully discretionary basis. FSFA requires that each client enter into an Agreement prior to FSFA's performance of any investment management services for the benefit of the client. The Agreement is a written contract between FSFA and the client and sets forth the terms of the investment management services to be rendered to the client. Under the Agreement, the client appoints FSFA as its agent's and attorney-in-fact, with full authority and discretion, on the client's behalf and risk, to purchase and sell securities in such amounts, at such prices and in such manner as FSFA may deem advisable for the client's investment portfolio. For more information about the Agreement, see "*Advisory Business - Investment Advisory Agreement*."

While clients may impose restrictions on investing in certain securities or types of securities, these limitations must be expressed in and agreed to in writing by FSFA and the client.

Voting Client Securities

Overview of Proxy Voting

FSFA requires that each client enter into an Agreement prior to FSFA's performance of any investment management services for the benefit of the client. The Agreement is a written contract between FSFA and the client and sets forth the terms of the investment management services to be rendered to the client.

Under the Agreement between FSFA and a client, FSFA is responsible for voting all proxies relating to securities included in the client's account for which FSFA provides investment management services.

FSFA has adopted proxy voting policies and procedures reasonably designed to ensure that proxies are voted in a client's best interests. FSFA's proxy voting policies and procedures state that all proxies are considered and voted on a case-by-case basis. In voting proxies on behalf of clients, FSFA is guided by general fiduciary principals and its goal is to act prudently and solely in the best interest of its clients. FSFA relies on a client's portfolio manager to make the final decision on how to cast proxy votes consistent with FSFA's proxy voting procedures.

When exercising its voting responsibilities, FSFA generally votes with management on governance matters that foster good corporate governance practices (e.g. the election of directors if a majority of the board of directors will continue to be comprised of independent directors). With respect to matters relating to capital structure, FSFA will typically support any offer to repurchase shares and any proposal to increase authorized common shares or to issue a new class of securities if shareholder interests are not disadvantaged. FSFA, however, will generally vote against: (1) equity compensation that it believes to be excessive or that significantly dilutes shareholder equity;

(2) any proposal that limits shareholder rights; and (3) any proposal that discourages a takeover of a company. No client can direct FSFA's vote on a particular solicitation.

Procedures to Address Conflicts of Interest

FSFA's Chief Compliance Officer monitors the potential for conflicts of interest with respect to voting proxies on behalf of client accounts by identifying business, personal or familial relationships (e.g. FSFA, any of its officers or employees, or an Affiliate has a substantial business, personal or familial relationship with the company issuing the proxy statement, that company's directors, director nominees, senior management or significant shareholders or any person involved in a related proxy). The Chief Compliance Officer maintains a list of these business, personal and/or familial conflicts. A client's portfolio manager(s) shall not vote proxies relating to issuers on such list unless the Chief Compliance Officer has been determined that the conflict of interest is not material.

A conflict of interest is considered material to the extent that it is determined that such conflict has the potential to influence FSFA's decision-making in voting the proxy. A conflict of interest shall be deemed material in the event that the issuer that is the subject of the proxy or any executive officer of that issuer has a substantial business relationship with FSFA. All other materiality determinations will be based on an assessment of the particular facts and circumstances. The Chief Compliance Officer is required to maintain a written record of all materiality determinations.

If it is determined that a conflict of interest is not material, FSFA may vote proxies notwithstanding the existence of the conflict. If it is determined that a conflict of interest is material, one or more methods may be used to resolve the conflict, including:

- disclosing the conflict to the client and obtaining the client's consent before voting;
- suggesting to the client that it engage another party to vote the proxy on its behalf;
- engaging a third party to recommend a vote with respect to the proxy based on application of the policies set forth herein;
- such other method as is deemed appropriate by FSFA under the circumstances, given the nature of the conflict;

The Adviser shall maintain a written record of the method used to vote a proxy that is subject to a material conflict of interest.

If FSFA identifies any conflict of interest with respect to voting a proxy for a security held by the Fund, FSFA will refer the proxy to the Fund's Board of Directors for voting direction.

A client may request a copy of FSFA's Proxy Voting Policy and Procedures by calling (501) 907-2000.

Financial Information

FSFA does not require or solicit pre-payment of management fees from clients and therefore is not obligated to disclose a balance sheet for its most recently completed fiscal year.

FSFA has not been the subject of a bankruptcy petition during the past 10 years and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.