



Cannon Financial Strategists, Inc.

CRD/IARD# 133509

649-8 South Milledge Avenue
Athens, Georgia 30605
(706) 548-3422

www.cannonfinancialstrategists.com

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This brochure provides information about the qualifications and business practices of Cannon Financial Strategists, Inc. If you have any questions about the content of this brochure, please contact us at Info@CannonFinancialStrategists.com and/or (706) 548-3422. The information in this brochure has not been approved nor verified by the United States Security and Exchange Commission (SEC) or by any state security authority.

2. MATERIAL CHANGES

Filing date of last annual ADV update: March 6, 2023

Since the filing of Cannon's last ADV Amendment, there are no material changes to report.

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4. ADVISORY BUSINESS

Description of Advisory Services

Cannon Financial Strategists, Inc. ("Cannon") is a privately-held, registered investment advisory firm. Established in 1983, Cannon provides wealth management and financial planning services to individuals, families, and institutions. Cannon also provides retirement plan consulting and advising services for institutional retirement plans. Cannon's services are summarized below as I.) Investment Advisory Services, II.) Financial Planning Services, and III.) Retirement Plan Advisory Services. Our owners are Kim Young, Kelly Dixon, and George (Hamp) Williams.

I. Investment Advisory Services

Investment advisory services are provided primarily to individual clients. These services include a review of the Client's current asset positions, investment objectives, risk preferences, and overall financial plan. Advice is provided to Clients regarding, but not limited to, taxable, tax-deferred, tax-exempt, IRA and investment-only retirement accounts.

Advice is given on the appropriateness of investments and securities within the framework of a Client's asset allocation model. Advice is not provided on the value of a specific security.

The advisor utilizes Investment Policy Statements ("IPS") to note Client information, recommendations made, the agreed upon service model, and portfolio allocations.

Investment advisory services typically fall into four categories. For each type of the investment advisory service(s) detailed below, a Client will enter into a written agreement with Cannon:

- a) Wealth Management Services – The advisor works with the Client to develop an intelligent investment allocation across all accounts of a household. This single allocation allows each individual account to have unique holdings based on its tax type. This strategy is used for tax efficiency. The allocation is based upon a client's needs, risk tolerance, and overall financial plan. Wealth Management services include financial planning around accumulation, distribution, taxation, and other general financial matters.
- b) Asset Management Services – The advisor works with the Client to develop an asset allocation strategy which is then implemented. Asset Management Clients are provided specific models for each individual account under management. Strategies follow model portfolios and may include some basic financial planning advice.
- c) Direct Mutual Fund Services – The advisor works with the Client to develop an asset allocation strategy which is then implemented at a mutual fund company. Direct Mutual Fund clients are provided specific models for each individual

account under management. Strategies follow model portfolios and may include some basic financial planning advice.

Discretionary Management

For Clients that desire Wealth Management Services, Asset Management Services, or Direct Mutual Fund Services, authority is granted to Cannon through the Investment Advisory Agreement for discretionary management of client account(s). We are granted authority to make determinations regarding securities and securities quantities to be bought and sold for clients. This discretion is subject to Client guidelines outlined within the clients' IPS.

IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to clients. When we provide investment advice to clients regarding a client's retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with clients' interests, so we operate under a special rule that requires us to act in the client's best interest and not put our interest ahead of clients. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of clients when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees and investments;
- Follow policies and procedures designed to ensure that we give advice that is in the client's best interest;
- Charge no more than is reasonable for our services; and
- Give clients basic information about conflicts of interest.

We benefit financially from the rollover of clients' assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in the client's best interest.

II. Financial Planning Services

Financial planning services are provided to individual Clients including, but not limited to providing advice regarding investments, tax planning, insurance, estate planning, retirement planning, educational planning, business planning, and employee benefits. Financial planning begins with an initial interview which is used to develop a financial plan. The advisor may or may not be involved with the implementation of such

recommendations. Recommendations provided are based on individual objectives and needs, with the goal of obtaining the maximum efficiency of each Client dollar within the framework of Client objectives.

III. Retirement Plan Advisory Services

Investment advisory services provided to a retirement plan vary depending upon depth of services desired by the plan sponsor. Each Client/Advisor relationship is different and discussions prior to engagement should be had to develop the appropriate service model. Services provided to a retirement plan or to its participants typically include some or all of the following:

Plan Committee Services

- a) Preparation of Investment Policy Statement – The advisor will design and prepare an IPS for the Plan based upon consultation with the Client to ascertain investment objectives, policies, and constraints. The IPS is then used to monitor the plan investments on an ongoing basis.
- b) Investment Recommendations – The advisor will recommend specific investments, for selection by the Client, to be held by the Plan or, in the case of a participant-directed defined contribution plan, offered as investment options under the Plan consistent with the policies outlined in the IPS. Additionally, the advisor will recommend investment replacements, for selection by Client, if an existing investment is no longer suitable as an investment option and will assist in the transition to the replacement option if requested by the Client.
- c) Investment Review – The advisor will perform a periodic review of investment performance in accordance with the IPS guidelines to ensure compliance. The investments will be evaluated according to the established guidelines as outlined in the IPS and investment portfolio characteristics, performance of duties, and investment process and philosophy. Under applicable circumstances, the advisor will monitor the appropriateness and continued suitability of each of the investments with a view to complying with the “broad range” requirement in the Regulation under ERISA Section 404(c).
- d) Education Services to Plan Committee - The advisor will provide training for the members of the Plan Committee with regard to their service on the Committee, including guidance with respect to fiduciary duties.

Plan Participant Services

- a) One-on-One Participant Meetings – Members of the advisory team meet with individual plan participants (or the participant and their beneficiary) to review the plan, investment options, and asset allocation. Discussions may include retirement readiness, income replacement, and other financial planning matters, as the participant desires.

- b) Group Presentations – Members of the advisory team present on enrolling in the plan and a variety of educational seminars on financial planning topics designed to assist participants with making sound financial decisions.

Plan Design & Construction

- a) Plan Design Consulting – The advisor will review current Plan design. Recommendations for modifications/amendments will be provided.
- b) Plan Search Support – The advisor will manage the preparation, distribution, and evaluation of Request for Proposal (RFP), finalist interviews, and conversion support.
- c) Vendor Review – The advisor compares the current vendor(s) products, services, and pricing with other options currently available. This service may include comparison to benchmarks. Included in these services is a full review of the Plan’s fee structure. The advisor will provide a review of the direct and indirect compensation within the Plan, including revenue-sharing payments.

Assets Under Management

AUM (discretionary): \$ 1,288,538,041
AUM (non-discretionary): \$ 58,551,358
Total AUM: \$ 1,347,089,399
Date of AUM calculation: 12/31/2023

5. FEES AND COMPENSATION

Fees and compensation services depend upon the type and depth of services provided. The following is a summary of fees and compensation by service area.

With respect to all advisory services provided; financial instruments recommended by the advisor generally do not pay a commission. If, however, the best instrument that would help a Client most efficiently meet their financial objective pays a commission and is included in the Client portfolio aggregate for billing purposes, the fee charged to the Client will be offset by the commission amount.

I. Investment Advisory Services

Investment advisory fees are charged based upon the type of service provided. Below is an overview of how fees are charged based upon the type of provided services.

- a) Wealth Management Services – Fees charged on Client’s assets under management are based on rates agreed upon within the Client’s Investment Advisory Agreement. Asset-based fees are billed quarterly, in arrears, based upon the average daily balance of the account for the entire billing period.

The fee structure for assets under management is a progressive scale with a decreasing percentage charged to higher asset levels:

Asset Base	Annualized Fee
\$0 – \$400,000	1.00
\$400,000 – \$600,000	0.75
\$600,000 – \$1,500,000	0.50
\$1,500,000 – \$2,500,000	0.35
\$2,500,001 +	0.25

Payment of compensation may be made directly by the Client or the Client may authorize the deduction of fees directly from the Client's account. Either party may terminate the service for any reason, at any time, and without penalty, by providing thirty (30) days' prior written notice to the other party. Fees for advisory services are negotiable in some circumstances.

There may be other fees to cover execution, brokerage, and custodial costs. Such fees can be discussed further as needed. The Client has authorized the Custodian to deduct all transaction charges and other charges from the Client's account.

- b) Asset Management Services – Fees charged on Client's assets under management are based on rates agreed upon within the Client's Investment Advisory Agreement. Asset-based fees are billed quarterly, generally in arrears, based upon the average daily balance of the account for the entire billing period.

The fee structure for assets under management is a progressive scale with a decreasing percentage charged to higher asset levels:

Asset Base	Annualized Fee
\$0 – \$400,000	0.7500
\$400,000 – \$600,000	0.5625
\$600,000 – \$1,500,000	0.3750

In general, Asset Management Clients do not exceed \$1,500,000 in assets. A typical Client at such asset levels requires the single allocation strategy and financial planning services offered through Wealth Management Services.

Payment of compensation is made through the Client's written authorization to deduct fees directly from the Client's account. Either party may terminate the service for any reason, at any time, and without penalty, by providing thirty (30) days' prior written notice to the other party.

There may be other fees to cover execution, brokerage, and custodial costs. Such fees can be discussed further as needed. The Client has authorized in writing the Custodian to deduct all transaction charges and other charges from the Client's account.

- c) Direct Mutual Fund Services – The fee percentage charged for Direct Mutual Fund Services is an annualized rate of 0.50%, calculated and deducted from Client’s account(s) quarterly. This fee represents all compensation Advisor receives. Advisor does not receive commission or any other form of direct compensation from the mutual fund company.

Fees shall be calculated by the mutual fund account provider. For accounts provided by American Funds Services Company, fees are calculated for each quarterly period ending the last business day of February, May, August, and November and shall be the product of (i) the average daily net asset value of Client assets during the quarter; (ii) the number of days in the quarter; and (iii) 0.50% divided by the number of days in the year. The fees shall be paid within thirty (30) days following the end of the quarter for which such fees are payable.

Advisor reserves the right to revise the compensation structure with 30 days written notice. Either party may terminate the service for any reason, at any time, and without penalty, by providing thirty (30) days’ prior written notice to the other party.

II. Financial Planning Services

Fees for financial planning services are charged on an hourly basis at rates based upon the advisor’s experience level. Rates will be discussed with Clients prior to engagement and billing.

No fee is charged for the initial client interview which is used to determine if a Client/Advisor relationship will be established. After a relationship has been established the Client will be billed for all time spent on Client business. Hourly fees will be billed and payable monthly or quarterly depending on the level of service provided. No bill will be sent unless services have been provided in the previous billing time period.

III. Retirement Plan Advisory Services

Fees for retirement plan advisory services depend on the relationship desired by the Plan Sponsor. Fees for services may be charged based on assets, at a flat fee for a certain scope of services, or at an hourly rate. Fees vary based on the nature of the engagement, services provided, and the size of the plan.

Asset-based fees are based upon the size of the plan and the desired services. Fees range from 5 basis points (0.05%) to 50 basis points (0.50%). These fees may or may not be combined with a flat fee for a certain scope of service depending upon the engagement.

Flat fee and/or hourly- rate fee will be agreed upon prior to engagement and documented within the Retirement Plan Investment Advisory Agreement.

Invoices may be paid by the Plan or by the Plan Sponsor depending upon the nature of the services provided and the Sponsor’s desire for payment method. Invoices are

typically done in arrears. Certain prepayments of project-based work may be required, usually at 50% of the flat fee.

6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge fees on a share of capital appreciation of the funds or securities in a clients account (performance-based fees). All advisory-based fees will have been previously disclosed.

7. TYPES OF CLIENTS

Cannon provides services to a number of different clients under each of the service models previously described. These types of clients included, but are not limited to:

- Individuals and families, including high-net-worth individuals
- Pension and profit-sharing plans
- Corporations and other business entities
- Non-profit and governmental entities
- Trusts, estates, or charitable organizations

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investing in securities inherently involves risk of loss. To manage certain investment risk, we employ four fundamental strategies: (1) allocating assets to meet long-term goals, (2) using broad diversification, (3) holding allocations through market cycles, and (4) rebalancing portfolios, when necessary, to ensure that they remain within the selected allocation range.

Asset Allocation

Studies have shown that asset allocation is the primary driver of portfolio total returns. Historically, stocks have earned a greater return than bonds, albeit with greater risk. Risk in this sense means price volatility. Therefore, the higher allocation to stocks, the greater clients can expect the long-term return to be, and the greater clients can expect its risk exposure to be. Our advisors carefully explore client needs and apply these findings and results when recommending the portfolio allocation model.

Diversification

We believe that it is important to diversify stock and bond portfolios across a large number of securities across several investment styles. For example, a stock portfolio can be diversified into large or small capitalization stocks, growth or value stocks, and domestic or international stocks, while bonds can be diversified into long or short maturities or higher or lower quality bonds. By diversifying into a collection of investment assets that have diverse correlations to each other, we believe we can lower the overall risk of a clients' entire portfolio.

Rebalancing

Because the value of different asset classes held in client portfolios can rise or fall over time, it is possible this may result in client accounts falling outside the asset allocation range defined in the selected investment allocation model. Through periodic rebalancing, realigning client account(s) back to the defined allocation model - is advisable. We practice rebalancing on a periodic basis while considering certain subjective factors such as tax implications of the rebalancing transactions in taxable accounts. Portfolio rebalancing may be deferred or done in part if it is deemed in the best interest of the client when all factors are considered.

Other Methods of Analysis

We use several different investment vehicles in managing client portfolios. We analyze mutual funds and ETFs for a variety of factors including their management, performance, and expenses. Manager tenure is particularly important to consider for actively-managed funds. Fund performance against one or more benchmarks and peer groups may be considered. Most importantly, we also are careful to keep trading costs and fund expenses reasonable.

We may also consider the length of time securities are held in a taxable account to reduce the impact of transactions on a client's income tax. To improve tax efficiency of the account, we may time purchases and sales to match gains with losses, avoid buying capital gains, defer gains to another year, and to avoid wash sales.

Retirement Plans

In developing an employer-sponsored retirement plan investment line-up, the advisor will assess the appropriateness of investments for the sponsor's organization. The advisor will also provide recommendations which satisfy ERISA 404(c). The advisor uses the techniques described above to assess the quality of the securities recommended within a retirement plan.

Risk of Loss

Because future security prices cannot be predicted, there is a material risk that we may hold investments through prolonged periods of generally suppressed prices. We seek to buffer that risk by allocating portfolios among a wide variety of asset classes. In many, but not all, types of market cycles, asset class performance is not correlated.

According to Modern Portfolio Theory, assembling a portfolio of non-correlated assets helps maximize portfolio return for a given amount of risk. We do not attempt to time in and out of market cycles, as there is no academic research proving successful market timing on a consistent basis is an achievable endeavor. To the contrary, research suggests attempts to time markets leads to lower returns than maintaining a disciplined allocation strategy accompanied with periodic rebalancing.

There is a material risk that how we allocate assets among various areas and sectors of markets for any period will produce results below that of the broad securities markets. Diversification does not eliminate the potential for loss.

We primarily recommend actively-managed and passively-managed mutual funds and ETFs. There is a material risk that we may choose funds that fail to perform as well as their peers, or that we allocate too much or too little to certain funds or asset classes. The types of risks among various types of funds differ substantially. We diversify to reduce risk of owning specific companies or styles.

9. DISCIPLINARY INFORMATION

Cannon's Registered Investment Advisors are required to disclose any disciplinary events that would be material to Clients when evaluating a Client/Advisor relationship. None of our professionals have legal or disciplinary history.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Certain persons providing investment advice on behalf of our firm are also licensed insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to clients. Insurance commissions earned by these persons are separate from our advisory fees. Any commissions earned for product sales are credited to the client as previously described under the compensation section.

We offer Accounting and Tax Compliance Services to both investment adviser Clients of Cannon and non-investment adviser Clients. We charge either an hourly fee or a fixed fee that varies based upon the complexity of the tax service provided. Clients will be provided with an estimate of the total cost at the start of the relationship. Investment adviser clients of Cannon are under no obligation, contractually or otherwise, to engage Cannon for Accounting or Tax Compliance Services.

Related Persons

The purpose of this section is to communicate any other entities that meet the definition of a "related person". The description below contains certain details surrounding the relationship between any of our related persons and our investment advisory business.

Related Person: Cannon Securities, Inc.

Conflict(s): Cannon Securities, Inc. is a FINRA Member broker-dealer under common control with CFS. However, no conflict of interest exists as the activities of Cannon Securities, Inc. do not overlap into Cannon Financial Strategists, Inc. Cannon Securities, Inc. does not serve as the broker of record for Cannon Financial Strategists, Inc.

11. CODE OF ETHICS

Professional Code of Ethics

This code of ethics is designed to ensure we meet our fiduciary obligation to our clients. This code sets forth the standards by which our advisers should conduct business. The following are core principals which all personnel of the firm must adhere to:

- 1) To abide by the laws of the United States of America in all activities involving providing professional financial services to individuals and institutions.
- 2) To operate with **INTEGRITY** – requires honesty and candor in dealing with clients and avoiding taking inappropriate advantage of our position.
- 3) To operate with **OBJECTIVITY** – requires that we operate as a fiduciary – making sure the client’s best interest is placed first.
- 4) To operate with **CONFIDENTIALITY** – requires not disclosing client information unless in response to proper legal or administrative processes.
- 5) To operate with **PROFESSIONALISM** – requires an attitude of dignity, courtesy, and desire for continual improvement in the ability to serve the client.

Standards of Business Conduct

- a) All supervised persons are to operate within the laws of the United States. Supervised persons are not permitted to:
 - I. Trade on accounts where we may have possession of material, non-public information
 - II. Rumor monger
 - III. Accept gifts and entertainment or provide gifts without prior approval from firm management
- b) All access persons are required to:
 - I. Pre-clear employee brokerage activity and report on an ongoing basis such transactions
 - II. Report any new brokerage accounts opened.
 - III. Re-certify to this code of ethics and business conduct.
- c) All employees are to report to the Chief Compliance Officer any violations of the Code of Ethics.

12. BROKERAGE PRACTICES

In circumstances where the advisor is responsible for Investment Advisor Services, the Client will open, in the Client’s name, either a brokerage account with an introducing broker-dealer or a direct mutual fund account. The Client will fund the account through cash deposits or through account/securities transfers. If particular securities cannot be

held and/or sold by the custodian, these securities must be liquidated by the Client prior to transferring.

Further information is provided to the Client when these accounts are opened, and information is available for clients to review prior to opening such an account.

With respect to Retirement Plan Advisory services, the advisor may at times provide recommendations related to a broker/dealer. These recommendations are typically made during the plan provider selection process.

13. REVIEW OF ACCOUNTS

I. Investment Advisory Services

In the case of a client invested in a model portfolio, the model is reviewed periodically and rebalanced in the event one or more investment positions has exceeded an acceptable variance from its target allocation percentage and the rebalancing transaction meets a minimum dollar value.

In the case of a client invested in a custom portfolio, the allocation shall be reviewed annually, or more frequently based on the terms of the Advisory Agreement.

Annually, clients will be presented the opportunity to provide the information necessary for CFS to evaluate their current situation and determine the appropriateness of their allocation strategy.

II. Financial Planning Services

The review of Client accounts will be conducted to facilitate movement to final implementation of the accepted financial planning recommendations. These reviews may be in the form of meetings with the Client or phone conversations designed to determine progress toward achieving the Client's objectives.

After all the objectives have been completed or implemented, the services will be considered complete, and no further account review or services will be provided. Unless otherwise agreed upon for recurring services, any future financial planning services will be provided under a new service agreement.

III. Retirement Plan Advisory Services

The frequency of plan reviews will be determined during initial discussions with the plan sponsor or investment committee and documented in the IPS. Reviews will happen at a minimum on an annual basis. Plan reviews may include assessment of plan investments, assessment of plan overall performance metrics, or review of plan operations.

If the advisor has agreed to provide investment advisory services to participants, review of such accounts is done when review is initiated by the participant. During the review of a participant's account the advisor will try to match risk tolerance and proximity to retirement with a proper asset allocation. Asset allocations are typically focused upon

the assets within the plan, but some conversations may be had regarding assets outside of the plan.

14. CLIENT REFERRALS AND OTHER COMPENSATION

We do not receive any benefits from investment providers or other advisors in exchange for referrals. We also do not pay for client referrals or provide other compensation to other advisors for services.

Certain persons providing investment advice on behalf of our firm are also licensed insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to clients.

Any commissions earned for product sales would be credited to the client as previously described under the compensation section.

15. CUSTODY

We do not have custody of Client assets other than the direct debiting of fees under certain service models. In order for direct deductions to occur, we must have signed authorization from Clients indicating that the advisor bill clients directly through the custodian. Clients will receive a copy of the billing statement or invoice.

The custodian's statement is the official record of client account(s) for tax purposes.

16. INVESTMENT DISCRETION

Cannon accepts discretionary authority under the Wealth Management, Asset Management, and Direct Mutual Fund, service model. This discretion is provided to allow advisors the ability to manage client account(s). We are granted a limited authority by the Investment Advisory Agreement and by the Client's specific IPS. The contract allows the advisor to manage substitutions, additions, and deletions to a Client's portfolio. Discretionary authority includes the power to purchase, sell and exchange property, exercise rights, and reinvest account proceeds. This advisor's authority is limited to the areas noted above, authority does not include distributions from your client account(s) without written instructions.

Discretionary authority is only granted for the Wealth Management, Asset Management, and Direct Mutual Fund, service model. Other services provided by Cannon are done on a non-discretionary basis. In an instance where Cannon is assisting with the implementation of recommendations made, the advisor may be given written authority related to a limited scope of work. This authority, if granted, would be agreed upon by the Client in the Investment Advisor or Financial Planning Agreement.

17. PROXY VOTING – CLASS ACTIONS

Cannon Financial Strategists, Inc., (the "Adviser") shall vote proxies related to securities held by our clients for which we serve as the investment adviser in the best interest of our clients. All references in these Proxy Voting Policies and Procedures are limited

solely to clients for which we have agreed to vote such proxies. A client may reserve to itself the right to vote proxies.

The Adviser's authority to vote the proxies of certain clients is established by advisory contracts or comparable documents.

The Investment Advisers Act of 1940, as amended (the "Advisers Act"), requires us to act solely in the best interest of our clients at all times. We have adopted and implemented these Proxy Voting Policies and Procedures, which we believe are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and Rule 206(4)-6 under the Advisers Act.

Reflecting a basic investment philosophy that good management is shareholder focused, proxy votes will generally be cast in support of management on routine corporate matters and in support of any management proposal that is plainly in the interest of all shareholders. Specifically, proxy votes generally will be cast in favor of proposals that:

- Maintain or strengthen the shared interests of stockholders and management;
- Increase shareholder value; and
- Maintain or increase shareholder rights generally.

Proxy votes will generally be cast against proposals having the opposite effect of the above. Where we perceive that a management proposal, if approved, would tend to limit or reduce the market value of the company's securities, we will generally vote against it. We believe that means for ensuring management accountability to shareholders, in the rare cases where it is threatened, must not be compromised. We generally support shareholder rights and recapitalization measures undertaken unilaterally by boards of directors properly exercising their responsibilities and authority, unless we believe such measures could have the effect of reducing shareholder rights or potential shareholder value. In cases where shareholder proposals challenge such actions, our voting position will generally favor not interfering with the directors' proper function in the interest of all shareholders.

We believe that proposals addressing strictly social or political issues are immaterial to the goal of maximizing the return on funds under our management. We will generally abstain from voting on such proposals but will consider supporting proposals that seek to protect shareholder rights or minimize risks to shareholder value.

We review proxies to assess the extent, if any, to which there may be a material conflict between the interests of our clients on the one hand and our interests (including those of our affiliates, directors, officers, employees, and other similar persons) on the other hand (a "potential conflict"). If we determine that a potential conflict exists, we will resolve it in a manner that is in the collective best interests of our clients (excluding any client that may have a potential conflict). Without limiting the generality of the foregoing, we may resolve a potential conflict in any of the following manners:

- If the proposal that is the subject of the proposed conflict is specifically addressed in these Proxy Voting Policies and Procedures, we may vote the proxy in accordance with such pre-determined policies and guidelines; provided that such pre-determined policy involves little discretion on our part: or
- We may establish an ethical wall or other informational barriers between the person(s) that are involved in the potential conflict and the person(s) making the voting decision in order to insulate the potential conflict from the decision maker.

We may delegate our responsibilities under these Proxy Voting Policies and Procedures to a third party, provided that we retain final authority and fiduciary responsibility for proxy voting. If we do delegate our responsibilities, we shall monitor the delegate's compliance with these Proxy Voting Policies and Procedures.

We will use commercially reasonable efforts to determine whether a potential conflict may exist. We may abstain from voting a client proxy if we conclude that the effect on shareholders' economic interests or the value of the portfolio holding is indeterminable or insignificant. We may abstain from voting a client proxy for cost reasons (e.g., costs associated with voting proxies of non-U.S. securities). In accordance with our fiduciary duties, we will weigh the costs and benefits of voting proxy proposals and make an informed decision with respect to whether voting a given proxy proposal is prudent. Our decision takes into account the effect that the vote of our clients, either by itself or together with other votes, is expected to have on the value of our client's investment and whether this expected effect would outweigh the cost of voting.

Unless otherwise directed by a client, we are responsible for voting proxies related to securities that we manage for clients with respect to which we have accepted proxy-voting responsibility in writing. A client may from time to time direct us to vote proxies in a manner that is different from the guidelines set forth in these Proxy Voting Policies and Procedures. We will follow such written direction for proxies received after our receipt of such written direction. Written requests to vote on a specific proxy are to be directed to our Chief Compliance Officer.

We shall maintain certain records required by applicable law in connection with proxy voting activities and shall provide proxy-voting information to a client for which we are responsible for voting proxies upon written request. Clients should contact our Chief Compliance Officer to make such a request.

Our Proxy Voting Procedures and Policy will be reviewed annually with the aim of developing the most coherent and understandable proxy voting policy possible.

18. FINANCIAL INFORMATION

We do not require or solicit prepayment of Client fees more than six (6) months in advance.

The advisor is not aware of any financial conditions that would impair its ability to meet contractual commitments.

19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

As a federally-registered investment adviser, this section of our Brochure is not applicable to us.