

BARLOW CAPITAL

Asset Manager Code of
Professional Conduct



ASSET MANAGER CODE OF PROFESSIONAL CONDUCT

Introduction

The Asset Manager Code of Professional Conduct (the "Code") outlines the ethical and professional responsibilities of Barlow Capital (BCP) in executing its duties of managing assets on behalf of clients. Although the BCP Procedures Manual addresses individual conduct, the Code is meant to apply, on a firm-wide basis. In part, this document responds to requests from Clients who wish to view BCP's firm-wide *Code of Ethics* and *Standards of Professional Conduct*.

This Code has been developed for use by BCP based upon the Asset Manager Code of Professional Conduct created by and the CFA Center for Financial Market Integrity, a leading voice on issues of fairness, efficiency and investor protection in global capital markets. The CFA Center for Financial Market Integrity is sponsored by CFA Institute, formerly known as the Association for Investment Management and Research (AIMR).

Ethical leadership begins at the highest level of an organization. This Code has been adopted by BCP's board of directors, senior management and employees. Such adoption sends a strong message regarding the importance of ethical behavior at the firm. Rather than creating rules that only apply to certain people or groups, this Code is intended to cover all employees of the firm. Although not every employee is actively involved in conduct covered in the Code, a code that is broadly applied reinforces the need for all employees to understand the ethical issues involved in the asset management business.

By adopting and enforcing a code of conduct for their firm, Managers demonstrate their commitment to ethical behavior and the protection of investors' interests. In doing so, the Managers also protect and enhance the reputation of their firms.

We recognize that in the highly regulated and complex business of investment management, a code of ethics is not sufficient by itself. To be implemented effectively, the principles and standards embodied in the Code must be supported by appropriate compliance procedures. The specific compliance procedures that translate principle into practice are based on a variety of factors, including BCP's specific business, the type of clients we manage for, our size (both assets under management and number of employees), and the regulatory regime with which we must comply.

All employees of BCP must adhere to all applicable laws or regulations governing their activities. The provisions of this Code apply in addition to the requirements of applicable security regulation in the markets in which we operate.

We believe that we have the responsibility to ensure that our clients are fully aware of, understand, and monitor how their assets are invested. To fulfill this duty, clients must be able to count on full and fair disclosure from BCP. Providing clients with a Code of Ethics sets a framework for how BCP conducts its business and is an important step in developing the trust and confidence necessary for a successful investment management relationship.

GENERAL PRINCIPLES OF CONDUCT

BCP has the following responsibilities to its clients:

1. Act in a professional and ethical manner at all times.
2. Act for the benefit of clients.
3. Act with independence and objectivity.
4. Act with skill, competence and diligence.
5. Communicate with clients in a timely and accurate manner.
6. Uphold the rules governing capital markets.

ASSET MANAGER CODE OF CONDUCT

A. Loyalty to Clients

BCP Must:

1. Place client interests before its own.
2. Preserve the confidentiality of information communicated by clients within the scope of the Manager-client relationship.
3. Refuse to participate in any business relationship or accept any gift that could reasonably be expected to affect independence, objectivity, or loyalty to clients.

B. Investment Process and Actions

BCP Must:

1. Use reasonable care and prudent judgment when managing client assets.
2. Not engage in practices designed to distort prices or artificially inflate trading volume with the intent to mislead market participants.
3. Deal fairly and objectively with all clients when providing investment information, making investment recommendations, or taking investment action.
4. Have a reasonable and adequate basis for investment decisions.
5. When managing a portfolio or pooled fund according to a specific mandate, strategy, or style:
 - a) Only take investment actions that are consistent with the stated objectives and constraints of that portfolio or fund;
 - b) Provide adequate disclosures and information so investors can consider whether any proposed changes in the investment style or strategy meet their investment needs.
6. When managing separate accounts and before providing investment advice or taking investment action on behalf of the client:
 - a) Evaluate and understand the client's investment objectives, tolerance for risk, time horizon, liquidity needs, financial constraints, and any other unique circumstances (including tax considerations, legal or regulatory constraints, etc.), and any other relevant information that would affect investment policy.
 - b) Determine that an investment is suitable to a client's financial situation.

C. Trading

BCP Must:

1. Not act, or cause others to act, on material nonpublic information that could affect the value of a publicly traded investment.
2. Give priority to investments made on behalf of the client over those that benefit their own interests.
3. Use commissions generated from client trades only to pay for investment-related products or services that directly assist the Manager in its investment decision-making process and not in the management of the firm.
4. Maximize client portfolio value by seeking best execution for all client transactions.
5. Establish policies to ensure fair and equitable trade allocation among client accounts.

D. Compliance and Support

BCP Must:

1. Develop and maintain policies and procedures to ensure that activities comply with the provisions of this Code and all applicable legal and regulatory requirements.
2. Appoint a compliance officer responsible for administering the policies and procedures and for investigating complaints regarding the conduct of BCP and its personnel.
3. Ensure portfolio information provided to clients by BCP is accurate and complete and arrange for independent third-party confirmation or review of such information.
4. Maintain records for an appropriate period of time in an easily accessible format.
5. Employ qualified staff and sufficient human and technological resources to thoroughly investigate, analyze, implement, and monitor investment decisions and actions.
6. Establish a business-continuity plan to address disaster recovery or periodic disruptions of the financial markets.

E. Performance and Valuation

BCP Must:

1. Present performance information that is fair, accurate, relevant, timely, and complete. BCP must not misrepresent the performance of individual portfolios or of their firm.
2. Use fair market prices to value client holdings and apply, in good faith, methods to determine the fair value of any securities for which no

readily available, independent, third-party market quotation is available.

F. Disclosures

BCP Must:

1. Communicate with clients on an ongoing and timely basis.
2. Ensure that disclosures are prominent, truthful, accurate, complete, and understandable and are presented in a format that communicates the information effectively.
3. Include any material facts when making disclosures or providing information to clients regarding themselves, their personnel, investments, or the investment process.
4. Disclose the following:
 - a) Conflicts of interests generated by any relationships with brokers or other entities, other client accounts, fee structures, or other matters.
 - b) Regulatory or disciplinary action taken against BCP or its personnel related to professional conduct.
 - c) The investment process, including information regarding lock-up periods, strategies, risk factors, and use of derivatives and leverage.
 - d) Management fees and other investment costs charged to investors, including what costs are included in the fees and the methodologies for determining fees and costs.
 - e) The amount of any soft or bundled commissions, the goods and/or services received in return, and how those goods and/or services benefit the client.
 - f) The performance of clients' investments on a regular and timely basis.
 - g) Valuation methods used to make investment decisions and value client holdings.
 - h) Shareholder voting policies.
 - i) Trade allocation policies.
 - j) Results of the review or audit of the fund or account.
 - k) Significant personnel or organizational changes that occur at BCP.

APPENDICES

Appendix A: *Interpretations and Guidance*

Adoption of the Code, by itself, is insufficient for BCP and its employees to meet their ethical and regulatory responsibilities. The following section provides detailed policies and procedures that BCP has applied or will apply to effectively implement the Code. Explanations and illustrative examples are included to allow employees and clients of BCP to more clearly understand the duties and responsibilities and commitments that are expected of them.

These examples are not meant to be exhaustive, and the policies and procedures needed to support the Code will be dependent on the particular circumstances of each situation and the legal and regulatory environment in which the situation occurs.

A. Loyalty to Clients

Placing client interests before its own

Client interests are paramount. BCP has instituted policies and procedures to ensure that client interests supersede the interests of BCP or its employees in all aspects of the Manager-client relationship, including (but not limited to) investment selection, transactions, monitoring, and custody.

BCP and its employees have taken reasonable steps to avoid situations where the Manager's interests and client interests conflict and has instituted operational safeguards to protect client interests.

BCP has implemented compensation arrangements that align the financial interests of clients and Managers and avoid incentives that could result in Managers taking action in conflict with client interests.

Preserving the confidentiality of information communicated by clients within the scope of the Manager-client relationship.

As part of its ethical duty, BCP and its employees must hold information communicated to them by clients or other sources within the context of the Manager-client relationship strictly confidential, and they must take all reasonable measures to preserve this confidentiality. This duty applies when BCP or its employees obtains information on the basis of their confidential relationship with a client or their special ability to conduct a portion of a client's business or personal affairs.

BCP has created a privacy policy that addresses how confidential client information will be collected, stored, protected, and used. This duty to maintain confidentiality does not supersede a duty (and in some cases the legal requirement) to report suspected illegal activities involving client accounts to the appropriate authorities. Additionally, BCP and its employees will follow an anti-money-laundering policy to prevent the firm from being used for money laundering or the financing of other illegal activities.

Refusing to participate in any business relationship or accept any gift that could reasonably be expected to affect independence, objectivity, or loyalty to clients.

As part of holding clients' interests paramount, BCP has established a policy for accepting gifts or entertainment in a variety of contexts. In order to avoid the appearance of a conflict, BCP and its employees must refuse to accept gifts or entertainment from service providers, potential investment targets, or other business partners of more than a minimal value. Under this policy, the acceptance of cash gifts is prohibited and employees are required to document and disclose to BCP, through a supervisor, the firm's compliance officer, or senior management, the acceptance of any gift or entertainment.

This provision is not meant to preclude BCP or its employees from maintaining multiple business relationships with a client as long as potential conflicts of interest are managed and disclosed.

B. Investment Process and Actions

Using reasonable care and prudent judgment when managing client assets.

BCP and its employees must exhibit the care and prudence necessary to meet their obligations to clients. Prudence requires caution and discretion. The exercise of prudence requires acting with the care, skill, and diligence that a person acting in a like capacity and familiar with such matters would use under the same circumstances. In the context of managing a client's portfolio, prudence requires following the investment parameters set forth by the client and balancing risk and return. Using care in managing client assets requires Managers to act in a prudent and judicious manner in avoiding harm to clients.

Not engaging in practices designed to distort prices or artificially inflate trading volume with the intent to mislead market participants.

Market manipulation is illegal and damages the interests of all investors by disrupting the efficient functioning of financial markets and causing deterioration in investor confidence. Market manipulation includes practices that distort security prices or values or artificially inflate trading volumes with the intent to deceive persons or entities that rely on information in the market. Such practices can, for example, involve transactions that deceive market participants by distorting the price-setting mechanism of financial instruments and the dissemination of false or misleading information.

Transaction-based manipulation includes, but is not limited to, transactions that artificially distort prices or volume in order to give the impression of activity or price movement in a financial instrument (e.g., trading in illiquid stocks at the end of a measurement period in order to drive up the price and improve Manager performance); or securing a large position with the intent to exploit and manipulate the price of an asset and/or a related derivative.

Information-based manipulation includes, but is not limited to, spreading knowingly false rumors to induce trading by others and pressuring sell-side analysts to rate or recommend a security in such a way that benefits the Manager or the Manager's clients.

Dealing fairly and objectively with all clients when providing investment information, making investment recommendations, or taking investment action.

In order to maintain the trust that clients place in them, employees of BCP and its employees must deal with all clients in a fair and objective manner. BCP must not give preferential treatment to favored clients to the detriment of other clients. In some cases, clients may pay for a higher level of service or certain services and certain products may only be made

available to certain qualifying clients (e.g., certain funds may only be open to clients over a certain asset level). These practices are permitted as long as they are disclosed and made available to all clients. This provision is not intended to prevent BCP from engaging in secondary investment opportunities – often referred to in some jurisdictions as “side letter,” “sidecar,” or “tag-a-long” arrangements with certain clients as long as such opportunities are fairly allocated among similarly situated clients for whom the opportunity is suitable.

Having a reasonable and adequate basis for investment decisions.

BCP and its employees must act with prudence and make sure their decisions have a reasonable and adequate basis. Prior to taking action on behalf of their clients, employees must analyze the investment opportunities in question and should act only after undertaking due diligence to ensure there is sufficient knowledge about specific investments or strategies.

Such analysis will depend on the style and strategy employed. For example, a client following a passive strategy will have a very different basis for investment actions than a client that employs an active strategy. BCP and its employees can rely on external third-party research, provided that they have made reasonable and diligent efforts to determine that such research has a reasonable basis. When evaluating investment research, employees should consider the assumptions used, the thoroughness of the analysis performed, the timeliness of the information, and the objectivity and independence of the source.

Employees must have a thorough understanding of the securities in which they invest and the strategies they employ on behalf of clients, including the structure and function of the securities, how they are traded, liquidity, and any other risks (including counterparty risk). Employees who implement complex and sophisticated investment strategies must understand the structure and potential vulnerabilities of such strategies and communicate these in an understandable manner to their clients. For example, when implementing complex derivative strategies, employees must understand the various risks and conduct analysis (i.e., stress testing) to determine how the strategy will perform under different conditions. By undertaking adequate due diligence, BCP can better judge the suitability of investments for its clients.

When managing a portfolio or pooled fund according to a specific mandate, strategy, or style:

- a) **Only take investment actions that are consistent with the stated objectives and constraints of that portfolio or fund;**

In cases where BCP is given a specific mandate by clients or offers a product, such as a pooled fund, whereby BCP does not know the specific financial situation of each client, BCP must manage the funds or portfolios within the stated mandates or strategies. Clients need to be able to evaluate the suitability of the investment funds or strategies for themselves. Subsequently, they must be able to trust that BCP will not diverge from the stated or agreed-on mandates or strategies.

When market events or opportunities change to such a degree that BCP wishes to have flexibility to take advantage of those occurrences, such flexibility is not improper but should be expressly understood and agreed on by BCP and its clients. BCP will disclose such events to clients when they occur or, at the very least, in the course of normal client reporting.

- b) **Provide adequate disclosures and information so investors can consider whether any proposed changes in the investment style or strategy meet their investment needs.**

In order to give clients an opportunity to evaluate the suitability of investments, BCP will provide adequate information to them about any proposed material changes to their investment strategies or styles – well in advance of such changes. Clients will be given enough

time to consider the proposed changes and take any actions that may be necessary. If BCP decides to make a material change in the investment strategy or style, clients will be permitted to redeem their investment if desired, without incurring any undue penalties.

When managing separate accounts and before providing investment advice or taking investment action on behalf of the client:

- a) Evaluate and understand the client’s investment objectives, tolerance for risk, time horizon, liquidity needs, any other unique circumstances (including tax considerations, legal or regulatory constraints, etc.), and any other relevant information that would affect investment policy.

Prior to taking any investment actions for clients, BCP will take the necessary steps to understand and evaluate the client’s financial situation, constraints, and other relevant factors. Without understanding the client’s situation, employees cannot select and implement an appropriate investment strategy. Ideally, each client of BCP under the separately managed account program will have their own Investment Policy Statement (IPS) that includes a discussion of risk tolerances (both the ability and willingness to bear risk), return objectives, time horizon, liquidity requirements, liabilities, tax considerations, and any legal, regulatory, or other unique circumstances.

BCP will review each client’s IPS with the client at least once every two years and whenever circumstances suggest changes may be needed. The information contained in an IPS will allow BCP and its employees to assess whether a particular strategy or security is suitable for a client (in the context of the rest of the client’s portfolio) and serve as the basis for establishing the client’s strategic asset allocation.

- b) Determine that an investment is suitable to a client’s financial situation.

BCP and its employees must evaluate investment actions and strategies in light of each client’s circumstances. Not all investments are suitable for every client, and BCP has a responsibility to ensure that only appropriate investments and investment strategies are included in a client’s portfolio. Ideally, individual investments should be evaluated in the context of clients’ total assets and liabilities, and may include client assets held outside of accounts with BCP, to the extent that such information is made available and is explicitly included in the context of the client’s IPS.

C. Trading

Not acting, or causing others to act, on material nonpublic information that could affect the value of a publicly traded investment.

Trading on material nonpublic information is illegal, erodes confidence in capital markets, institutions, and investment professionals and promotes the perception that those with inside and special access can take unfair advantage of the general investing public. Individuals and the profession as a whole suffer if investors avoid capital markets because they perceive them to be unfair, favoring the knowledgeable insider.

Different jurisdictions and regulatory regimes may define materiality differently, but in general, information is material if it is likely that a reasonable investor would consider it important and that it would be viewed as significantly altering the total mix of information available. Information is “nonpublic” until it has been widely disseminated to the marketplace (as opposed to a select group of investors).

Giving priority to investments made on behalf of the client over those that benefit their own interests.

BCP and its employees must not execute their own trades in the same security prior to client transactions. Investment activities that benefit BCP or its employees must not adversely affect client interests. BCP must not engage in trading activities that work to the disadvantage of clients (e.g., front-running client trades).

In some investment arrangements, such as pooled funds, BCP and its employees may put their own capital at risk alongside that of their clients in order to align their interests with the interests of their clients. These arrangements are permissible only if clients are not disadvantaged.

BCP has developed policies and procedures to monitor and, where appropriate, limit the personal trading of its employees. In particular, employees must seek approval from senior management prior to any personal investments in initial public offerings or private placements.

BCP maintains a firmwide watch list of securities that are owned in client accounts or may be bought or sold on behalf of clients in the near future and requires employees to seek approval prior to trading in any of these securities. In addition, employees are required to provide the firm's compliance officer with copies of trade confirmations each quarter and annual statements of personal holdings.

Using commissions generated from client trades only to pay for investment-related products or services that directly assist the Manager in its investment decision-making process and not in the management of the firm.

BCP employees must recognize that commissions paid to brokers (and any benefits received in return for commissions paid) are the property of the client. Consequently, any benefits offered in return for commissions must benefit BCP's clients. To determine whether a benefit generated from client commissions is appropriate, BCP must determine whether it will directly assist in the employee's investment decision-making process. The investment decision-making process can be considered the qualitative and quantitative process and the related tools used by the manager in rendering investment advice to clients, including financial analysis, trading and risk analysis, securities selection, broker selection, asset allocation, and suitability analysis.

Maximizing client portfolio value by seeking best execution for all client transactions.

When placing client trades, BCP and its employees have a duty to seek terms that secure best execution for and maximize the value of (i.e., ensure the best possible result overall) each client's portfolio. BCP must seek the most favorable terms for client trades given the particular circumstances for each trade (such as transaction size, market characteristics, liquidity of security, security type). BCP also must consider which brokers or venues provide best execution while considering, among other things, commission rates, timeliness of trade executions, and the ability to maintain anonymity, minimize incomplete trades, and minimize market impact. In cases where a client directs an employee of BCP to place trades through a specific broker or through a particular type of broker, that employee should alert the client that by limiting the BCP's ability to select the broker, the client may not be receiving best execution.

Establishing policies to ensure fair and equitable trade allocation among client accounts.

When placing trades for client accounts, BCP must allocate trades fairly so that some client accounts are not routinely traded first or receive preferential treatment. Where possible, employees will use block trades and allocate shares on a pro-rata basis using an average price method that ensures fair and equitable allocations. When allocating shares of an initial or

secondary offering, BCP and its employees will strive to ensure that all clients for whom the security is suitable are given opportunities to participate. When BCP does not receive a large enough allocation to allow all eligible clients to participate fully in a particular offering, they must ensure that certain clients are not given preferential treatment and will allocate the received position fairly (e.g., pro rata).

D. Compliance and Support

Developing and maintaining policies and procedures to ensure that activities comply with the provisions of this Code and all applicable legal and regulatory requirements.

Detailed, firm-wide compliance policies and procedures are critical tools to ensure that BCP meets its legal requirements when managing client assets. Documented compliance procedures assists BCP employees in fulfilling the responsibilities enumerated in the Code and will ensure that the standards expressed therein are adhered to in the day-to-day operation of their firms.

Appointing a compliance officer responsible for administering the policies and procedures and for investigating complaints regarding the conduct of BCP and its personnel.

An effective compliance program requires BCP to appoint a compliance officer that is competent, knowledgeable and credible, and is empowered to carry out their duties. The compliance officer and other senior management will regularly convey to all employees that adherence to compliance policies and procedures is crucial and that anyone who violates them will be held liable. BCP requires all employees acknowledge that they have received a copy of the Code (as well as any subsequent material amendments), that they understand and agree to comply with it, and that they will report any suspected violations of the Code to the designated compliance officer.

Compliance officers will oversee employee training and conduct continuing self-evaluations of BCP's compliance practices to assess the effectiveness of such procedures. Among other things, the compliance officer will also be charged with reviewing firm and employee transactions to ensure the priority of client interests. Because personnel, regulations, business practices, and products constantly change, the role of the compliance officer (particularly the role of keeping the firm up to date on such matters) is that much more important. The compliance officer will document and act expeditiously to address any compliance breaches and work with management to take appropriate disciplinary action.

Ensuring portfolio information provided to clients by BCP is accurate and complete and arrange for independent third-party confirmation or review of such information.

BCP has a responsibility to ensure that the information it provides to clients is accurate and complete. By receiving an independent third-party confirmation or review of that information, clients can have an additional level of confidence that the information is correct and can enhance BCP's credibility. Such verification is also good business practice because it can serve as a risk management tool to help the Manager identify potential problems. The confirmation of portfolio information can take the form of an audit or review, as is the case with most pooled vehicles, or copies of account statements and trade confirmations from the custodian bank where the client assets are held.

Maintaining records for an appropriate period of time in an easily accessible format.

BCP employees must retain records that substantiate their investment activities, the scope of their research, the basis for their conclusions, and the reasons for actions taken on behalf of their clients. BCP must also retain copies of other compliance-related records that support and substantiate the implementation of the Code and related policies and procedures, as well as records of any violations and resulting actions taken. Records may be maintained either in hard copy or electronic form.

Employing qualified staff and sufficient human and technological resources to thoroughly investigate, analyze, implement, and monitor investment decisions and actions.

In order to safeguard the Manager-client relationship, BCP must allocate all the resources necessary to ensure that client interests are not compromised. Our clients pay significant sums for professional asset management services, and their assets should be handled with the greatest possible care.

Adequate protection of client assets requires appropriate administrative, back-office, and compliance support. BCP will ensure that adequate internal controls are in place to prevent fraudulent behavior.

BCP has the responsibility to ensure that client assets are invested, administered and protected by qualified and experienced staff. Employing qualified staff reflects a “client-first” attitude and helps ensure that BCP is applying the care and prudence necessary to meet its obligations to clients.

Establishing a business-continuity plan to address disaster recovery or periodic disruptions of the financial markets.

Part of safeguarding client interests is establishing procedures for handling client accounts and inquiries in situations of national, regional, or local emergency or market disruption. Commonly referred to as business-continuity or disaster-recovery planning, such preparation is increasingly important in an industry highly susceptible to a wide variety of disasters and disruptions. BCP has:

- Adequate, off-site backup for all account information;
- Alternative plans for monitoring, analyzing, and trading investments if primary systems become unavailable;
- Plans for communicating with mission-critical vendors and suppliers;
- Plans for employee communication and coverage of critical business functions in the event of a facility or communication disruption; and
- Plans for contacting and communicating with clients during a period of extended disruption.

E. Performance and Valuation

Presenting performance information that is fair, accurate, relevant, timely, and complete. BCP must not misrepresent the performance of individual portfolios or of their firm.

Although past performance is not necessarily indicative of future performance, historical performance records are often used by prospective clients as part of the evaluation process when hiring Managers. BCP has a duty to present performance information that is a fair

representation of their record and includes all relevant factors. In particular, BCP must be certain not to misrepresent their track record by taking credit for performance that is not its own or by selectively presenting certain time periods or investments (i.e. cherry picking). Any hypothetical or back-tested performance must be clearly identified as such.

BCP must also provide as much additional portfolio transparency as feasibly possible. Any forward-looking information provided to clients must also be fair, accurate, and complete.

Using fair market prices to value client holdings and apply, in good faith, methods to determine the fair value of any securities for which no readily available, independent, third-party market quotation is available.

BCP is entitled to receive both a management fee and a performance fee on client assets. The Management fee is calculated as a percentage of the assets under management. The performance fee is an additional fee that is calculated as a percentage of the annual returns earned on the assets, subject to the returns achieving some predetermined level. Consequently, a conflict of interest may arise when BCP has the additional responsibility of determining end-of-period valuations and returns for portfolio assets. To overcome these conflicts BCP has transferred the responsibility for the valuation of assets (including foreign currencies) to an independent third party.

F. Disclosures

Communicating with clients on an ongoing and timely basis.

Developing and maintaining clear, frequent, and thorough communication practices is critical to providing high-quality financial services to clients. Understanding the information communicated to them allows clients to know how BCP is acting on their behalf and gives clients the opportunity to make well-informed decisions regarding their investments.

Ensuring that disclosures are truthful, accurate, complete, and understandable and are presented in a format that communicates the information effectively.

BCP must not misrepresent any aspect of their services or activities, including (but not limited to) their qualifications or credentials, the services they provide, their performance records or the records of their firm, and characteristics of the investments or strategies they employ. A misrepresentation is any untrue statement or omission of fact or any statement that is otherwise false or misleading.

BCP must ensure that misrepresentation does not occur in oral representations, marketing (whether through mass media or printed brochures), electronic communications, or written materials (whether publicly disseminated or not). To be effective, disclosures must be made in plain language and in a manner designed to effectively communicate the information to clients and prospective clients.

Including any material facts when making disclosures or providing information to clients regarding themselves, their personnel, investments, or the investment process.

Clients must have full and complete information in order to judge the abilities of BCP and its employees in their actions of investing client assets. "Material" information is information that reasonable investors would want to know relative to whether or not they would choose to use or continue to use BCP as their Manager.

Disclosing the following:

- a) **Conflicts of interests generated by any relationships with brokers or other entities, other client accounts, fee structures, or other matters.**

Conflicts of interest often arise in the investment management profession and can take many forms. Best practice is to avoid such conflicts if possible. If BCP or its employees cannot reasonably avoid a conflict, they must carefully manage them and disclose them to clients. Disclosure of conflicts protects investors by providing them with the information they need to evaluate the BCP's objectivity of investment advice or actions taken on their behalf.

Examples of some of the types of activities that can constitute actual or potential conflicts of interest include soft or bundled commissions, referral and placement fees, trailing commissions, sales incentives, directed brokerage arrangements, allocation of investment opportunities among similar portfolios, personal or firm holdings in the same securities as clients, whether the Manager co-invests alongside clients, and the use of affiliated brokers.

- b) **Regulatory or disciplinary action taken against BCP or its personnel related to professional conduct.**

Past professional conduct records are an important factor in an investor's selection of a Manager. This record includes actions taken against a Manager by any regulator or other organization. BCP must fully disclose any significant instances in which any employee or the firm has been found to have violated conduct standards or other standards reflecting on the integrity, ethics, or competence of the individuals or organization involved.

- c) **The investment process, including information regarding lock-up periods, strategies, risk factors, and use of derivatives and leverage.**

BCP must disclose to clients and prospective clients the manner in which investment decisions are made and implemented. Such disclosures should address the overall investment strategy and should include a discussion of the specific risk factors inherent in such a strategy.

Understanding the basic characteristics of an investment is an important factor in judging the suitability of each investment on a stand-alone basis, but it is especially important in determining the effect each investment will have on the characteristics of the client's portfolio. Only by thoroughly understanding the nature of the investment product or service can a client determine whether changes to that product or service could materially affect his or her investment objectives.

- d) **Management fees and other investment costs charged to investors, including what costs are included in the fees and the methodologies for determining fees and costs.**

Investors are entitled to full and fair disclosures of costs associated with the investment management services provided. These disclosures include information relating to any fees paid to BCP on an ongoing basis as well as periodic costs that are known to BCP and that will affect investors' overall investment expenses. At a minimum, BCP will provide clients with gross- and net-of-fees returns and disclose any unusual expenses.

BCP will only use plain language in presenting this information and will clearly explain the methods for determining all fixed and contingent fees and costs that will be borne by investors, including an explanation of the transactions that will trigger the imposition of these expenses.

BCP will also retrospectively disclose to each client the actual fees and other costs charged to them, together with itemizations of such charges, when requested by clients. This disclosure should include the specific management fee, performance fee, incentive fee, and, if a

separately managed account, the amount of commissions BCP has paid on their clients' behalf during the period. In addition, BCP must disclose to prospective clients the average or expected expenses or fees clients are likely to incur.

- e) **The amount of any soft or bundled commissions, the goods and/or services received in return, and how those goods and/or services benefit the client.**

It is BCP's policy that commissions belong to the client and should be used in their best interests. Any soft or bundled commissions should only be used to benefit the client. Clients deserve to know how their commissions are spent, what is received in return for them, and how those goods and/or services benefit them.

- f) **The performance of clients' investments on a regular and timely basis.**

It is reasonable for clients to expect to receive regular performance reporting about their accounts. Without the necessary performance information, even for investment vehicles with lock-up periods, clients cannot evaluate their overall asset allocations (i.e., including assets not held or managed by their Managers) and determine whether rebalancing is necessary.

Accordingly, unless otherwise specified by the client, BCP must provide regular, ongoing performance reporting. BCP will report to clients at least quarterly, and when possible, such reporting should be provided within 30 days after the end of the quarter.

- g) **Valuation methods used to make investment decisions and value client holdings.**

Clients deserve to know if the assets in their portfolios are valued based on closing market values, third-party valuations, internal valuation models, or other methods. This type of disclosure allows clients to compare performance and determine whether different valuation sources and methods may explain differences in performance results. This disclosure will be made by asset class.

- h) **Shareholder voting policies.**

As part of their fiduciary duties, BCP will exercise voting authority over client shares. BCP must vote these shares in an informed and responsible manner. This obligation includes the paramount duty to vote shares in the best interests of clients.

- i) **Trade allocation policies.**

By disclosing their trade allocation policy, Managers give their clients a clear understanding of how trades are allocated and provide realistic expectations of what priority they will receive in the investment allocation process. BCP will disclose to clients any changes in the trade allocation policy.

- j) **Results of the review or audit of the fund or account.**

BCP must disclose the results of its annual review or audit to clients. Such disclosure enables clients to hold Managers accountable and alerts them to any potential problems.

- k) **Significant personnel or organizational changes that occur at BCP.**

Clients will be made aware of significant changes that have occurred at BCP in a timely manner. Significant changes include events such as personnel turnover and merger and acquisition activities.



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