



**FAMILY
MANAGEMENT**

Disclosure Brochure

Part 2A of Form ADV: Uniform Application for Investment Advisor Registration

March 31, 2026

Family Manage LLC
155 East 44th Street, 21st Floor
New York, NY 10017
Phone: 212-872-9600
Fax: 212-758-4020
www.familymanage.com

This brochure provides information about the qualifications and business practices of Family Manage LLC. If you have any questions about the contents of this brochure, please contact us at (212) 872-9600 or by email at clientservice@familymanage.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Family Manage LLC is an SEC Registered Investment Adviser; however, registration does not imply a certain level of skill or training.

Additional information about Family Manage LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This disclosure brochure, dated March 31, 2026, replaces the brochure filed on December 16, 2025. Updates to the following sections have been made since our last annual amendment dated December 16, 2025.

- Updates have been made throughout the disclosure brochure to reflect the closure of our affiliate broker-dealer, Family Management Securities, LLC, and the transition to Pershing Advisor Solutions.
- Updates have been made throughout the disclosure brochure to reflect the change in the legal name of the advisor. Family Management Corporation changed its legal name to Family Manage LLC on August 20, 2025.

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Advisory Business

Firm Description

Family Management Corporation, established in 1989 by principals Seymour Zises and Andrea Tessler, was succeeded by Family Manage LLC, doing business as Family Management (“FM”), in 2025. The LLC continues the advisory business of the predecessor corporation with no material changes to ownership, management, or operations. FM is a New York-based SEC registered investment advisor serving high net worth individuals, families, and not-for-profit organizations. Together with our affiliate, Forest Hill Capital Corporation (“FHCC”), a New York State licensed insurance agent, we operate as a full-service wealth management firm providing our clients with highly personalized and comprehensive financial services.

We recognize that financial needs vary and that there is no “one-size-fits-all” approach to financial advice. Rather, we provide each of our clients with a blend of customized services and an array of products tailored to their specific needs and goals. Clients may hire us to provide discretionary investment management services; clients may hire us because of our relationship with certain Third-Party Managers (defined herein); clients may even have their own managers or investments that they want us to monitor. In addition to our advisory services, we also provide our clients with complete life insurance solutions (through FHCC). We coordinate and evaluate our clients' investments, their performance, and work to ensure that everything remains focused on their goals.

FM’s service to our client families goes beyond traditional investment advice. We take a deep, personal interest in our clients’ financial health and regularly work with non-affiliated banking, legal, tax and insurance specialists to create individualized solutions to meet our clients’ specific needs.

Assets Under Management

As of December 31, 2025, FM was actively managing \$5,313,511,244 in client assets. This total includes \$5,237,915,364 of client assets managed on a discretionary basis plus \$75,595,880 of client assets managed on a non-discretionary basis.

Tailored Client Relationships

Our client relationships begin with a discovery process that includes an in-depth dialogue to identify all the factors surrounding and defining our client's wealth. Information is gathered regarding the client's short and long-term goals, commitments, and concerns; the structure and

amount of all the client's holdings; the client's exposure to, and tolerance for, risk; and an understanding of the client's life and disability coverage.

We then work with the client to construct and implement a long-term asset allocation and investment strategy. We engage in an ongoing conversation with the client in the development of the asset allocation and investment strategy. This strategy will often involve a Third-Party Manager and their investment vehicle as well as FM's discretionary investment management services.

Once our recommendation of a long-term asset allocation and investment strategy is agreed upon by the client, we begin the management process. We review the client's overall portfolio on a continuous basis using market analysis tools and financial data and evaluate and consider adjustments in response to economic changes, market trends, and/or client needs.

In addition to investment advice, our wealth management advisors may work closely with our client's other specialist advisors, or we may suggest new third-party providers, for estate and income tax planning, tax effective wealth management, loans and mortgages, liability monitoring, personal concierge services, and philanthropic planning.

Types of Advisory Services

FM advisory services may take different forms, depending on the needs of the client.

- **Discretionary and Non-Discretionary Accounts:** A client may hire FM to provide discretionary investment management services. In these instances, the client generally opens a brokerage account with Pershing Advisor Solutions LLC ("PAS") for the purchase and sale of securities (e.g., stocks, bonds, mutual funds, etc.) which is done on a discretionary basis pursuant to an advisory agreement and any restrictions placed on the account by the client. In certain instances, advisory services may be provided by FM in an account at other custodians/broker-dealers, such as Charles Schwab Corporation ("Schwab"). We may also enter into a non-discretionary agreement with a client on a negotiated basis.
- **In-house Investment Model Strategies:** FM manages several in-house investment allocation models based on investment strategy risk tolerances.
- **Third-Party Managers:** In addition to managing the purchase and sale of securities in-house on a discretionary basis, we may recommend that the client engage a third-party to provide certain specialized asset management services ("Third-Party Manager") or to

invest in a Third-Party Manager's investment vehicle. FM requires client authorization prior to investing with a Third-Party Manager.

- **Turn-key Asset Manager Programs:** In order to invest with certain asset managers, FM utilizes Turn-key Asset Manager Programs available through BNY Mellon Advisors, Inc. / PAS (referred to collectively as “TAMPs”, singularly as a “TAMP”) and may recommend client participation in one or more of the asset managers available through the TAMPs. FM provides portfolio management services within the TAMPs by selecting asset managers available through the TAMPs for allocation of client assets. FM requires client authorization prior to investing with a TAMP.
- **Family Manage LLC Funds (“FM Fifth Funds”):** FM serves as the General Partner, and/or investment manager of funds, known collectively as the FM Fifth Funds, which may be available to FM clients. Specifically, FM Fifth Avenue Fund, LP (“FM Fifth LP”) and FM Fifth Avenue Fund, Ltd. (“FM Fifth Ltd.”) are hedge fund-of-funds. The purpose of the funds is to invest in private investment funds.
- **Participant Account Management (Discretionary):** FM uses a third-party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion (“Held Away Accounts”). The platform allows FM to avoid being considered to have custody of client funds since FM does not have direct access to client log-in credentials. FM is not affiliated with the platform in any way and receives no compensation from them for using their platform. A link will be provided to the client allowing them to connect an account(s) to the platform. Once the client account(s) is connected to the platform, FM will review the current account allocations. When deemed necessary, FM will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends.
- **Class Actions:** FM engages Battea - Class Actions Services, LLC (“Battea”) to file and administer class action claims on behalf of the firm’s clients, to the extent securities held in the accounts of clients become the subject of class action lawsuits. Battea actively seeks out any open and eligible class action lawsuits and files, monitors and expedites the distribution of settlement proceeds. Clients are automatically included in this service but may opt-out by submitting an opt-out request in writing to FM. If a client opts-out, FM and Battea will not monitor class action filings for that client. FM does not engage Battea to monitor class action filings for assets managed by Third-Party Managers, held in TAMPs or maintained by an outside custodian.

- **Proxy Voting:** FM provides proxy voting services to our advisory clients who utilize Pershing LLC or Charles Schwab Corporation as their custodian. Securities held by Third-Party Managers or in TAMPs are not voted by FM.

Tax Considerations

Clients should be aware that investment strategies and decisions may have tax consequences. Family Management does not provide tax or legal advice. The information and recommendations provided by Family Management are not intended to be, and should not be construed as, tax advice. Clients are encouraged to consult with their independent tax advisor, accountant, and/or legal counsel regarding the tax implications of any investment strategy or transaction recommended by Family Management.

Tax laws and regulations are complex and subject to change, which may occur on a prospective or retroactive basis. Any changes in tax law or interpretation could materially affect the tax consequences associated with a particular investment or strategy.

Termination of an Advisory Relationship

A client agreement may be cancelled at any time, by either party, for any reason upon 7 days written notice. Upon the termination of the agreement, FM will not be under any obligation to recommend any action with regard to, or to liquidate, the assets in the account covered by the agreement. FM retains the right, however, to complete any transactions open as of the termination date and to retain amounts in the account sufficient to affect such completion. Upon termination, it will be the client's exclusive responsibility to issue written instructions regarding any assets held in the account.

Clients with agreements dated after December 31, 2003, that terminate their client agreement but wish to retain their positions in Third-Party Manager(s) that have been selected and maintained by FM, are required to pay an ongoing annual management fee of 1% to FM after the termination of the advisory agreement. This fee is in respect of FM's introduction of the client to the Third-Party Manager(s) and covers our initial and continuing due diligence of the Third-Party Manager(s) and our negotiation with the Third-Party Manager(s) on the client's behalf. The fee is payable until the client liquidates the position(s) or until FM ceases performing ongoing due diligence of the Third-Party Manager(s), whichever occurs sooner. The annual management fee can be higher or lower than the annual advisory fee, and is waived while the advisory agreement is in place.

Clients investing in FM Fifth LP and FM Fifth Ltd. are subject to lock-up periods described in the offering documents for each fund. Generally, new clients investing in the FM Fifth Funds will be required to provide 100 days prior written notice of their intention to redeem capital from their

investment and redemptions are limited to 5% of the total net asset value of their investment as of the initial redemption date, so a full redemption may only be accomplished over a 5 year period. Withdrawals from FM Fifth LP and FM Fifth Ltd. are available on March 31st, June 30th, September 30th, and December 31st of any given calendar year. Additional information on the liquidation of investments from the FM Fifth Funds can be found in the offering documents for each fund.

Fees and Compensation

Description of Fees

Clients pay an advisory fee to FM for our wealth management services based upon assets under management and includes all securities held on margin. Client assets that are managed by a Third-Party Manager (or its investment vehicle or within a TAMP) are included in a client's assets under management when calculating a Client's FM advisory fee, as are assets managed by a Third-Party Manager wrapped inside a private placement variable life insurance contract or annuity contract. Clients also pay fees directly to the Third-Party Managers and/or their investment vehicles and/or their TAMPs. Other fees and commissions apply relating to our affiliate companies and non-affiliated providers.

FM Advisory Fees

Non-Retirement Plan Account (“Investment Account”) Fees

FM will charge either a percentage of Assets Under Management including the value of assets held on margin (“AUM”) which will not exceed 2% or will charge different advisory fee levels based on asset classes under management, as follows:

- For common stocks, convertible preferred shares, Third-Party Managers and TAMPs, and all other equity-type assets managed by FM, the annual asset advisory fee (which is payable quarterly) is:

Assets	Annual Fee
Under \$1,000,000	2.0%
\$1,000,000 - \$5,000,000	1.5%
Over \$5,000,000	1.0%

- For bonds, cash (including money markets funds or bank deposit accounts), and other fixed income securities, the annual asset advisory fee (which is payable quarterly) is:

Assets	Annual Fee
Under \$1,000,000	1.00%
\$1,000,000 - \$5,000,000	0.75%
\$5,000,000 - \$10,000,000	0.50%
Over \$10,000,000	0.40%

- For purposes of calculating our annual asset advisory fees, FM categorizes certain investment strategies as a single asset class, and investment company securities (mutual funds) as either equity or fixed income based upon the mutual fund's investment objective.

The annual advisory fee and commission/fee schedules may differ among Investment Account clients depending upon the date of commencement of a client's account, the size or type of a client's account, any related-party accounts, and certain other variables. Although FM has established the fee schedule(s), FM may, at its discretion, negotiate alternative fees on a client-by-client basis. The combination of the annual FM advisory fee and PAS commission/fee schedules can be higher than those available for similar combinations of services from other advisers and broker-dealers. Further, employee and related accounts of FM are generally not subject to the FM fees noted herein.

Excluding private placement variable life insurance and variable annuity products, the value of any policies, contracts, or other products issued by insurance companies (including premiums paid) for which principals of FM may act as agents (through FHCC) are not subject to FM advisory fees. Insurance commissions/fees (paid to FHCC) are in addition to amounts payable to FM by a client pursuant to the fees set forth above.

ERISA Plan and IRA Account (“Retirement Plan Account”) Fees

FM charges a level advisory fee of 1% for all Retirement Plan Account assets, whether managed by FM or a Third-Party Manager or in TAMPs. Such fees cover FM’s advisory services. Clients pay custodial and other unaffiliated third-party fees, charges and expenses separately.

Retirement Plan Accounts for FM employees, and certain of their family members, will not pay an Advisory Fee to FM. These employee accounts will be charged for the direct expenses incurred by FM in the performance of services, including, but not limited to, custody, clearing and exchange fees.

Computation of Advisory Fees for All Account Types

A client's FM advisory fee is generally due and payable at the end of each calendar quarter in arrears based on the market value of the client's accounts on the last business day of March, June, September and December (the "Computation Date"). At each Computation Date, each client's accounts are billed the applicable annual advisory fee rate for the quarterly period ended. The exception to this is Held Away Accounts. The advisory fee for any Held Away Account will be deducted directly from another client account, and if there are insufficient funds available in another client account or FM believes that deducting the advisory fee from another client account would be prohibited by applicable law, it will invoice the client.

For calculating the annual advisory fee, the first quarter will commence during the first calendar quarter in which the client's advisory agreement becomes effective. Fees on additions and withdrawals to a client's accounts within a quarter are not pro-rated, except that fees for partial quarters at the commencement or termination of a client's advisory agreement are prorated (in the case of termination, such pro-ration is based on the most recent quarterly period that has ended). FM utilizes trade date (not settlement date) for calculating its fees.

In general, the market values of clients' assets are computed by valuing a security listed on a national exchange at the closing sale price on the Computation Date. Client assets that are managed by Third-Party Managers are valued according to the net asset value (or estimate) provided by the Third-Party Manager or their administrator. For individual bonds, the value of the bond will include accrued interest. Investments in mutual funds are valued at the net asset value determined on the Computation Date. For certain real estate investments or private placements, FM will value the investment as of the most recent value provided in the financial statements provided by the Third-Party Manager. At times, the most recent financial statements may be from the previous billing period. FM reconciles the valuations received for the current billing period to the amount that was used for billing purposes. FM may use independent outside pricing services to value securities.

Third-Party Manager Fees (including TAMPs)

FM advisory fees are charged on client assets in Third-Party Manager accounts and TAMP accounts. Third-Party Manager or TAMP manager fees are separate from and in addition to FM's advisory fee. These fees may be asset based, performance based or commission based. FM does not control the fees or the billing arrangements of any selected Third-Party Manager. For a complete description of the fee arrangements, including billing practices, minimum account requirements and account termination provisions, clients should review the Third-Party Manager's adviser brochure and/or other disclosure documents.

BNY Mellon Advisors, Inc. / PAS TAMP Fees

FM advisory fees for the BNY Mellon Advisors, Inc. / PAS TAMP are charged within the TAMP quarterly in advance, based on the market value of the client's TAMP account on the first business day of April, July, October and January. FM's advisory fees are collected within a lump sum charge to the account which also includes the TAMP Manager's fees and the sponsor/platform fees. Fees for partial quarters at the commencement or termination of a TAMP are prorated.

FM Fifth Fund Fees

Client assets in the FM Fifth Funds are not charged FM advisory fees. For FM Fifth LP and FM Fifth Ltd., FM receives a quarterly management fee, payable in advance, computed at a rate of 1% per annum of the net value of the fund assets on the first business day of such quarter. Employees and certain of their family members will not pay a management fee to FM.

Other Fees and Compensation

- **Mutual Funds:** FM buys mutual funds at Net Asset Value (“NAV”) or “no load”. Clients that invest in a mutual fund pay an indirect management fee to the adviser of the mutual fund, in addition to the mutual fund's other fees and expenses. FM does not receive any service fees (“12b-1 fees”) from mutual funds in which FM has invested a client's assets or in which a client has invested based upon FM's recommendation.
- **Custodial Fees:** Client brokerage accounts are subject to fees imposed by PAS LLC and/or other custodians used by the client, such as Charles Schwab, including IRA maintenance and termination fees, margin interest, exchange fees, alternative asset fees, and currency wire fees. For a complete list of fees charged by your custodian, please call Philip T. Frank at 212-872-9637 or write to FM at 155 East 44th Street, 21st Floor, New York, NY 10017.
- **Insurance Products:** Principals of FM receive commissions or other compensation through FHCC on the sale of an insurance product to a client. Insurance compensation is not received for Retirement Plan Accounts that pay a level 1% management fee.
- **Referral Fees:** FHCC receives commissions or fees for client introductions to retirement plan platforms. FM does not receive any fee or commission for the referral of clients that pay FM a management fee.

- **Estates and Trusts:** Principals of FM can receive fees when acting as an executor to an estate, or trustee of a trust.
- **Credit Lines & Mortgages:** FM entered into an agreement with BNY Mellon wherein FM may refer clients to BNY Mellon for mortgage loans and investment credit lines. FM does not currently receive any compensation from BNY Mellon, or any other party, for such referrals.
- **Asset Allocator Agreements:** FM has entered into two Asset Allocator Agreements: one with Axcelus Financial, formerly Lombard International, and one with Investors Preferred Life Insurance Company, previously Acadia Life Limited, (collectively the “Companies”). Under these agreements, FM receives a fee from the Companies for clients that invest in accounts of privately placed variable annuity and life insurance contracts (“Contracts”) underwritten by them. The fee is disclosed in the companies’ private offering memorandum to the client and is in addition to any fee paid by clients of FM to it and its affiliates as described herein. This relationship creates a conflict of interest between a client and FM, because FM has an incentive to recommend Contracts underwritten by the Companies. FM only recommends Contracts underwritten by the Companies when FM believes the recommendation is in a client’s best interest. FM does not invest Retirement Plan Accounts’ assets in these Contracts.
- **Class Action Filings:** Battea's filing fee is contingent upon the successful completion and distribution of the settlement proceeds from a class action lawsuit. In recognition of Battea’s services, Battea receives 15% of our clients’ share of the settlement distribution. FM does not receive any compensation related to this service.

Performance-Based Fees & Side-by-Side Management

Sharing of Capital Gains or Capital Appreciation

FM does not receive performance-based compensation on any investments or client accounts.

Types of Clients

Description

FM generally provides investment advice to individuals, families, private funds, pension and profit sharing plans, trusts, estates, charitable organizations and corporations or business entities.

Account Minimums

There are no minimum investment requirements to open an advisory account with FM; however, the type of investments utilized may differ depending on the size of a client's portfolio.

As the general partner and/or investment manager of the FM Fifth Funds, FM imposes a minimum initial subscription of \$250,000. Subsequent investments must be in the amount of at least \$50,000. Both the initial and subsequent investment minimums are subject to modification and/or waiver at FM's discretion.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

FM's security analysis methods predominantly include macro-economic, fundamental, technical and cyclical analysis. The information used by FM includes individual company filings, company investor presentations, sell-side research, financial media and subscriptions, inspections of corporate activities, research materials prepared by others, third-party quantitative analytical models, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases. FM also utilizes data from sources such as Bloomberg which provides access to macro-economic data, company financials, fixed income securities, and other information on single securities, asset classes, and broad market data.

Various data is analyzed in Excel models via proprietary FM models. Additionally, FM will perform due diligence of Third-Party Managers and TAMPs including discussions with company management and visits to company offices.

FM may utilize artificial intelligence and other automated or algorithmic tools in connection with its investment research and operational processes. These technologies are used to assist, but not replace, human decision-making. The use of such tools involves risks, including potential errors, data quality issues, technology failures, cybersecurity risks, and unintended outcomes. There is no guarantee that the use of these technologies will improve investment results, and all

investment decisions remain subject to human oversight and review.

Investment Strategies

Clients may hire FM to provide discretionary investment management services. FM will invest for a client on a discretionary basis pursuant to an advisory agreement. During the management of clients' assets, FM typically offers advice on, but is not limited to: stocks, bonds, mutual-funds, exchange-traded funds, closed end funds, options, limited partnership interests in real estate, oil and gas interests, private placement variable life and annuity policies, private equity and pooled investment vehicles (hedge funds).

Investment strategies for discretionary accounts typically include long term purchases (securities intended to be held at least a year), short term purchases (securities intended to be sold within a year), and trading (securities intended to be sold within 30 days). In certain circumstances they may include short sales, margin transactions and option writing, including covered options, uncovered options or spreading strategies.

In addition to managing the purchase and sale of securities on a discretionary basis, FM may recommend a Third-Party Manager or TAMP. These investments are entered into upon client's authorization, and a client will enter into a separate agreement with the Third-Party Manager or TAMP (see "**Types of Advisory Services**"). The investment strategies of Third-Party Managers or TAMP are not controlled by FM.

In addition to allocating funds to Third-Party Managers or TAMPs, FM may recommend an allocation to an affiliated fund where FM acts as the General Partner and/or investment manager as follows:

FM Fifth LP and FM Fifth Ltd. - The purpose of each fund is to invest in various private investment funds. Since their inception, FM Fifth LP has been invested in Millennium USA LP and FM Fifth Ltd. has been invested in Millennium International, Ltd. (collectively the "Millennium Funds"). FM has full discretion to invest the assets of the FM Fifth LP and FM Fifth Ltd. FM may in the future withdraw a portion, or all, of its assets from the Millennium Funds and invest directly in other securities, including, without limitation, investment funds (including investment funds that invest in other funds), corporations, limited partnerships, joint ventures, offshore companies and similar entities and accounts. If it does so, FM will provide notice of such change to fund investors and offer them the opportunity to withdraw from the relevant fund prior to such change being implemented.

Risk of Loss

FM may invest for a client on a discretionary basis pursuant to an advisory agreement. In regard to securities purchased, these are not guaranteed and it is possible that clients may lose money on their investments.

Where FM serves as the General Partner, and/or investment manager of the FM Fifth Funds, there are no assurances that the FM Fifth Funds' initial investment objective will be achieved. The strategies employed by these funds and their advisers involve a high degree of risk.

FM performs initial and ongoing due diligence on TAMPs and Third-Party Managers which it recommends to clients' accounts. FM's due diligence process applies **only** to TAMPs, Third-Party Managers and Third-Party Investment Vehicles that FM has specifically recommended, but **does not** include performing due diligence on any underlying funds, securities, accounts or investments selected or recommended by the TAMPs or Third-Party Manager. FM **does not** perform due diligence on any client investment (whether a fund, security, account, stock, or bond) that was not recommended by FM, even though FM's services may include consolidated reporting that includes information about these investments.

FM's due diligence includes the following:

- **TAMPs** – FM may recommend an allocation to third-party platforms that offer access to multiple managers who offer different investment products, styles and risk. FM initially evaluates the TAMP sponsors with respect to platform management, investment manager selection, and due diligence procedures. FM also reviews and meets with asset managers as part of our selection process. On an ongoing basis, FM also reviews, conducts meetings with, and selects/deselects the recommended asset managers within a platform.
- **Third-Party Managers** – Prior to recommending a Third-Party Manager, FM will conduct due diligence on the Manager and/or the Fund or Investment Vehicle, as applicable:
 - Conduct a background check on the principals of each Third-Party Manager
 - Review the Third-Party Manager and/or its recommended investment vehicle's investment strategies, risk controls, use of leverage, transparency, performance, performance distributions, risk/reward ratios, and drawdowns;
 - Confirm the investment vehicles' auditors, accountants, prime brokers and administrators, as applicable;
 - Review each Third-Party Manager's back-office operations and compliance systems;

- Confirm the stated assets under management (“AUM”) by comparing recommended investment vehicles’ audited financial statements to administrator reported AUM where available, and as applicable;
- Engage in periodic reviews and discussions with the management of recommended Third-Party Managers regarding investment performance and market conditions.

Further, FM does not supervise the assets that a client invests with a Third-Party Manager (or its investment vehicle) or Third-Party Manager Program other than to attempt to monitor performance and determine whether the allocation remains appropriate for the client.

FM conducts its own due diligence on the Third-Party Manager (and its investment vehicle) or TAMP, but FM must rely on information that it receives from the Third-Party Manager or TAMP. FM cannot make any representation as to the accuracy, timeliness or completeness of any information provided by the Third-Party Manager or TAMP. Moreover, FM does not conduct due diligence on any underlying investments or securities held by Third-Party Managers or TAMP.

While FM will attempt to monitor the performance of the Third-Party Manager and its investment vehicle, as noted, FM must ultimately rely on the Third-Party Manager to operate in accordance with its investment strategy or guidelines and on the accuracy of the information provided by the Third-Party Manager.

If a Third-Party Manager (or its investment vehicle) or TAMP do not operate in accordance with its investment strategy or guidelines, or if the information furnished by a Third-Party Manager or TAMP is not accurate, a client’s investment with a Third-Party Manager and its investment vehicle or TAMP may sustain losses. Moreover, FM does not have any control over the decisions made by the Third-Party Manager or TAMP and FM will not have any control over the institutions selected by the Third-Party Manager or TAMP for brokerage, clearing, custody or other services related to its investment vehicle. Bankruptcy or fraud at one of these institutions could result in substantial losses to a client as there is always the risk that a Third-Party Manager or TAMP (or their service providers) could mishandle or convert the assets under their control. FM has discussions and reviews with the Third-Party Managers or TAMPs in connection with our clients’ asset allocations and investment strategies. And, as part of our services, we advise our clients about increasing, decreasing or terminating any such relationships.

Types of Investments and Risks

Equity Securities - Regardless of any one company’s particular prospects, a declining stock market may produce a decline in prices for all equity securities. The prices of equity securities

may fluctuate based on overall market and economic conditions. In addition, individual securities' values rise and fall based on changes in the issuer's financial condition. As a result, equity investments risk a loss of all or a substantial portion of the investment. Small capitalization stocks generally involve higher risks in some respects than do investments in stocks of larger companies and may be more volatile.

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

Fixed Income Securities - Investments in fixed income securities are subject to credit, liquidity, prepayment, and interest rate risks, any of which may adversely impact the price of the security and result in a loss. The municipal market can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities.

Exchange-Traded Funds (ETFs) - An ETF is an investment fund traded on stock exchanges, similar to stocks, and their price can fluctuate during the day. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. The returns on ETFs can be reduced by the costs to manage the funds. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day) however there is no guarantee this relationship will always occur.

Real Estate Funds (including REITs) - REITs face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Alternative Investments - Alternative investments, such as hedge funds and private equity/venture capital funds, are speculative and involve a high degree of risk. There is no secondary market for alternative investments and there may be significant restrictions or limitations on withdrawing from or transferring these types of investments. Private equity funds generally require an investor to make and fund a commitment over several years. Alternative investments generally have higher fees (including both management and performance-based fees) and expenses that offset returns. Alternative investments are generally subject to less regulation than publicly traded investments.

Interval Funds - An interval fund is a non-traditional type of closed-end mutual fund that periodically offers to buy back a percentage of outstanding shares from shareholders. Shareholders are not required to accept these offers and sell their shares back to the fund. Legally, interval funds are classified as closed-end funds, but they are very different from traditional closed-end funds in that their shares typically do not trade on the secondary market. Instead, their shares are subject to periodic repurchase offers by the fund at a price based on net asset value. The periodic repurchases allow the fund to better manage the cash distributions needed while investing in alternative asset classes that are less liquid or may not trade actively in secondary markets. Investments in interval funds involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), generally every three, six, or twelve months, as disclosed in the fund's prospectus and annual report, investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired. There can also be situations where an interval fund has a limited amount of capacity to repurchase shares and may not be able to fulfill all purchase orders. In addition, the eventual sale price for the interval fund could be less than the interval fund value on the date that the sale was requested. As interval funds can expose investors to liquidity risk, investors should consider interval fund shares to be a semi-liquid or illiquid investment. Typically, the interval funds are not listed on any securities exchange and are not publicly traded. Thus, there is no secondary market for the fund's shares.

Business Development Companies (BDC) – A BDC is a type of closed-end investment fund that provides a way to invest money in small and medium-sized private companies and, to a lesser extent, other investments, including public companies. As a company that is created to help grow small and medium-sized companies in the initial stages of their development, the BDC's assets are invested in early-stage companies which may be more volatile due to their limited product lines, markets, financial reserves, or their susceptibility to competitors' actions, major economic setbacks, or downturns. The companies may also require significant investment of capital supplied by the BDC to support their operations and may finance the development of their

products or markets. The companies may be highly leveraged and subject to significant debt service obligations, which could have a materially adverse impact on the value of the BDC investment.

Disciplinary Information

FM is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

FM and our management personnel have no disciplinary events to report.

Other Financial Industry Activities and Affiliations

Affiliated Entities

FHCC is registered as a New York State Insurance Agent and is utilized in connection with the sale of life insurance products.

FM Fifth Avenue (GP) LLC, which is under common control with FM, serves as General Partner of FM Fifth LP and certain related person(s) serve as director(s) for FM Fifth Ltd.

FM also serves as the General Partner of FM Low Volatility Fund, L.P. The fund is currently in liquidation and will subsequently be dissolved.

The FM Fifth Funds are not registered as investment companies with the SEC under the Investment Company Act of 1940, as amended, and interests in the FM Fifth Funds are not registered as securities with the SEC under the Securities Act of 1933, as amended.

All the above entities are under common control and share many of the same personnel. The principal office and place of business for all the above listed entities is 155 East 44th Street, 21st Floor, New York, N.Y. 10017.

Commodity Pool Operator

FM, as the general partner and/or investment manager of FM Fifth, LP and FM Fifth, Ltd., is registered as a Commodity Pool Operator ("CPO") with the Commodities Futures Trading Commission ("CFTC") effective January 1, 2013 and operates pursuant to an exemption under CFTC Rule 4.7 that relieves FM of certain disclosure, recordkeeping and reporting requirements.

Prior to January 1, 2013, FM operated pursuant to an exemption from registration as a CPO set forth in Section 4.13(a)(4) of the CFTC's regulations. This exemption was repealed effective as of December 31, 2012.

Material Relationships or Arrangements with Financial Industry

FM entered into an agreement with Axcelus Financial ("Axcelus"), formerly Lombard International, to provide asset allocation services and alternative investment account management for certain private placement variable life and annuity policies underwritten by Axcelus. Under this agreement, FM receives a fee from Axcelus for clients that invest in accounts of privately placed variable annuity and life insurance contracts underwritten by Axcelus. This relationship creates a conflict of interest between a client and FM, because FM has an incentive to recommend privately placed variable annuity and life insurance contracts underwritten by Axcelus. FM only recommends such products when FM believes the recommendation is in a client's best interest. FM allocates assets to Millennium Global Estate or other investment vehicles. The fee is disclosed in the Axcelus private offering memorandum to the client and is in addition to any fee paid by clients of FM to it and its affiliates as described herein. Fees paid by Axcelus are 0.05% calculated as an annual percentage of the average net assets of the investment account value of the contracts as determined by averaging the previous quarter's month-ending values, and are collected quarterly in arrears.

FM entered into an agreement with MAS Advisors to provide asset allocation services and alternative investment account management for certain private placement variable life and annuity policies underwritten by Investors Preferred Life Insurance Company ("Investors Preferred Life") and Axcelus (collectively, the "Underwriters"). Under this agreement, FM receives a fee from the Underwriters for clients that invest in accounts of privately placed variable annuity and life insurance contracts. This relationship creates a conflict of interest between a client and FM, because FM has an incentive to recommend privately placed variable annuity and life insurance contracts underwritten by the Underwriters. FM only recommends such products when FM believes the recommendation is in a client's best interest. FM allocates assets to Millennium Global Estate or other investment vehicles including an Alternative Investment account managed by FM. The fees are disclosed in the Investors Preferred Life private offering memorandum to the client and are in addition to any fee paid by clients of FM to it and its affiliates as described herein. Fees paid by Investors Preferred Life are 0.05% per annum for individual investment vehicles or 0.5% per annum for the FM Alternative Investment Account, calculated on a prorated basis and based upon the monthly net asset value of the investment accounts, and collected quarterly in arrears.

FM has a relationship pursuant to which it provides asset allocation advice and alternative investment account management for private placement variable life and annuity policies

underwritten by certain life insurance companies and receives a fee for providing these services with respect to these insurance accounts. Certain of these insurance accounts (the “Principal Accounts”) are linked with insurance policies that benefit the principal (and/or the principal’s family members) of an unaffiliated third-party fund (“Third-Party Principal”) into which FM client assets are invested.

FM’s management of the Principal Accounts creates an apparent potential conflict of interest between FM’s interest in continuing to provide services to the Principal Accounts while maintaining a business relationship with the Third-Party Principal and adhering to its fiduciary obligations to its other clients when evaluating and managing their investments in the funds controlled by the Third-Party Principal.

FM believes that this apparent conflict of interest is substantially mitigated because the investment guidelines applicable to FM’s clients who allocate assets to the Third-Party Principal’s fund expressly mandate such investment, and therefore FM has no discretion to vary, reduce or reallocate such investment without obtaining investor consent (without regard to any changes that may occur in FM’s relationship to the Principal Accounts). Where FM and its personnel are acting on behalf of multiple clients whose interests may diverge in a particular situation, FM has an obligation to pursue the best interests of each of the parties on whose behalf they are acting at the time. In addition, as a fiduciary to clients, and consistent with FM’s Code of Ethics, FM may not place its own interests (including, but not limited to, those arising from its relationships described herein) ahead of those of its clients when acting on clients’ behalf and making decisions impacting the investments held, or made by, such clients. Collectively, FM believes that these policies, together with the facts described above, substantially mitigate any apparent potential conflict of interest arising from its management of the Principal Accounts.

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

Code of Ethics

FM has adopted a Code of Ethics with which all FM personnel are required to comply. The Code of Ethics is designed to cover, but is not limited to: personal securities transactions, reporting and pre-clearance obligations relating to personal securities transactions, avoidance of conflicts of interest, prohibitions against disclosure of non-public information relating to clients and client transactions, and rules governing and penalties for violations of provisions of the Code of Ethics.

The Code of Ethics requires all employees to notify and obtain consent from FM prior to opening a securities account or from placing self-directed orders with a broker or dealer for their own account or for a related account, subject to certain exceptions. Employees are also required to arrange for duplicate monthly account statements and confirmations to be sent to FM's Chief Compliance Officer with respect to such accounts.

The Code of Ethics prohibits employees from investing “side-by-side” with any client of FM unless the employee executes the trade through PAS and receives the same average price as the client. Trades for employees done away from PAS are made after all client trades in the security are completed.

The Code of Ethics prohibits employees from acting upon material non-public information, from purchasing securities of companies in which principals of FM have access to material non-public information, or from otherwise purchasing securities of any company that is on a restricted list maintained by FM, which is updated periodically. In compliance with the Insider Trading and Securities Fraud Enforcement Act of 1998, FM has established, maintains, and enforces written policies reasonably designed to prevent the misuse of material, non-public information by FM, or any persons employed by FM.

A full copy of FM's Code of Ethics is available without cost by calling Philip T. Frank at 212-872-9637 or by writing to FM at 155 East 44th Street, 21st Floor, New York, NY 10017.

Recommend Securities with Material Financial or Other Interest

FM may recommend allocations across different asset classes with differing fees schedules. FM has a conflict of interest with its clients in connection with these recommendations since FM may receive higher fees from investments in certain asset classes versus others. This disclosure does not apply to Retirement Plan Accounts as they are subject to a level fee.

Insurance commission/fees of FHCC are in addition to amounts payable to FM. Each of these creates a conflict of interest between FM and its clients.

Principals of FM may recommend that certain clients purchase interests in the FM Fifth Funds. Principals of FM own interests in these funds also.

Invest in Same Securities Recommended to Clients

From time to time, employees of FM purchase or sell the same securities as are purchased or sold for, or recommended to, a client. FM has adopted restrictions applicable to all of its personnel with respect to transactions in securities that are purchased or sold for a client's account or recommended to a client. These policies apply to transactions in any account in which the

employee has a direct or indirect beneficial interest, unless the employee has no direct or indirect influence or control over the account.

Personal Trading Policies

FM employees who seek to purchase or sell securities for their own account must maintain a brokerage account with PAS or with another broker-dealer that is disclosed to FM. Subject to certain exceptions, FM employees must obtain pre-clearance prior to executing self-directed transactions. Subject to certain exceptions, FM employees do not need to obtain pre-clearance for transactions executed in accounts managed by FM or unrelated third-party manager on a discretionary basis. All employees must provide FM with periodic reports of their personal securities transactions in accordance with the requirements of the Investment Advisers Act of 1940, as amended, and the rules thereunder.

If an employee of FM who maintains a brokerage account with PAS purchases or sells a security on the same day that FM exercises its discretion to engage in the same transaction with respect to the same security on behalf of one or more of its clients, that employee will not be permitted to obtain a more favorable price than a client. Rather, the employee (as well as each affected client) will receive the "average price" of such security, based on all transactions in such security executed through PAS on such day by FM on behalf of clients and by FM employees. Inclusion of FM's employees in the aggregated order could adversely affect the price at which client's trades are executed.

In general, bunched trades are allocated pro-rata in accordance with relative holdings in the particular security (subject to rounding). When partial fills occur, FM has an obligation to fill the clients' allocations prior to those of employees.

Employees of FM are prohibited from purchasing or selling a security (other than through a brokerage account with PAS as set forth above) on the same day that FM exercises its discretion to purchase or sell the same security on behalf of one or more of its clients subject to certain exceptions that may be granted from time to time.

While FM employees may engage in transactions for personal accounts that are similar to those of FM clients, employees may also take positions that are different from, and possibly inconsistent with, client transactions or recommendations. For example, an employee may have a more aggressive strategy for personal investments than is generally used for clients, or may for personal reasons determine to sell a security that is generally being purchased for, or recommended for purchase by, clients.

Principals and employees of FM may invest alongside clients with Third-Party Managers or in TAMPs. Further, principals and employees of FM may also invest in products offered by Third-Party Managers that are not offered to clients or are otherwise unsuitable for some clients. The investment returns received by principals and employees on Third-Party Manager products not offered to clients may be greater than the returns received by clients invested in other products offered by the Third-Party Manager.

In addition, Third-Party Managers or Third-Party Manager Programs and their principals and employees may utilize the services of FM.

Brokerage Practices

Selecting Brokerage Firms

Clients generally direct FM to execute all securities transactions for their accounts through PAS under a commission/fee schedule attached to and made a part of the clients' advisory agreement. Clients may direct us not to execute securities transactions through PAS, although it may preclude the use of certain investment strategies. We may also accept instructions from a client to direct specific amounts of brokerage to a particular broker-dealer other than PAS.

As a fiduciary, FM has a duty to seek best execution for a client's securities transactions. This duty requires FM to execute securities transactions for clients so that the total cost or proceeds in each transaction are the most favorable under the circumstances. Best price, giving effect to commissions and commission equivalents, if any, and other transaction costs, is an important factor in the decision-making process for best execution. The decision-making process also takes into account the quality of brokerage services, including, but not limited to, such factors as execution capability, speed of execution, anonymity of the parties that enter transactions, opportunities for price improvements, willingness to commit capital, creditworthiness and financial stability, and clearance and settlement capability. Accordingly, transactions will not always be executed at the lowest available price or commission.

Securities transactions (including debt securities) executed by PAS are affected on an agency basis. The total cost to a client reflects the price charged on the exchange or by the market maker, plus PAS's commission/fees. In certain cases, this practice may result in a higher total cost to a client than if the client had purchased the security directly from the market maker (reflecting an additional markup, but no broker commission). FM and its affiliates do not receive any portion of commissions or other compensation received by PAS. FM has established a Best Execution Committee that meets quarterly to review its best execution practices and FM conducts periodic reviews of its equity and fixed income trading for best execution.

Please refer to <https://www.pershing.com/content/dam/pershing/documents/pdfs/disclosures/pas-schedule-of-maximum-charges.pdf> for further information, restrictions and disclosures related to PAS's brokerage fees and commissions.

In certain circumstances, FM may accept direction to use Schwab as custodian. FM is independently owned and operated and is not affiliated with Schwab. Schwab makes available to FM other products and services that benefit FM (e.g. facilitating payment of FM's fees from client accounts). Such benefits create a conflict of interest and clients should consider this conflict of interest when selecting a custodian.

For clients' accounts that Schwab maintains, Schwab generally does not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the client's Schwab account. Certain trades (for example, U.S. equities and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in a client's account in Schwab's Cash Features Program. For some accounts, Schwab charges a percentage of the dollar amount of assets in the account in lieu of commissions. FM and its affiliates do not receive any portion of commissions or other compensation received by Schwab.

Please refer to <https://www.schwab.com/resource/charles-schwab-pricing-guide-clients-independent-investment-advisors> for further information, restrictions and disclosures related to Schwab's brokerage fees and commissions.

Directed Brokerage

Transactions for clients with directed brokerage arrangements other than with PAS or Schwab generally will be executed through the broker-dealer selected by the client unless FM reasonably believes that effecting the transaction through the directed broker may result in a breach of FM's duties as a fiduciary.

If a client directs FM to use a particular broker or dealer other than PAS or Schwab, trades for that client's account will generally be placed by FM after trades for other clients in similar securities have been executed through PAS and Schwab. This order of execution can significantly affect the price that the client may obtain for such transactions. FM has no obligation to renegotiate commission rates with such brokers or dealers, and directed brokerage arrangements may result in the client's account paying higher brokerage commissions or receiving less favorable prices than might otherwise be possible.

Research and Soft Dollars

FM does not use soft dollars (client commissions) to pay for (i) computer hardware or software, or other electronic communication facilities; (ii) publications, both paper based or electronic that are available to the general public, and/or (iii) third-party research services. If FM determines to purchase such services, FM pays for them using its own resources.

Order Aggregation

In certain instances, orders for publicly traded securities will be combined, or "bunched," for purposes of execution among various accounts. FM believes that larger orders generally receive greater attention from traders and should, on average, slightly reduce execution costs. FM generally seeks to aggregate orders to ensure equitable treatment among clients and/or when FM believes such aggregation may result in better execution (including better execution prices) for clients.

Bunched purchases are generally allocated among client accounts pro-rata in accordance with relative net assets under our management or on another equitable basis. Exceptions include, but are not limited to, situations where: (i) the client already holds a position in a particular security, and FM does not believe it is appropriate to add to that position; (ii) the client has investment restrictions that prohibit the purchase/sale of a particular type of investment; (iii) the client's cash position is disproportionately small, so that assets available for investing are limited, or disproportionately large, so that it is appropriate to take large positions. In the case of less liquid securities, where FM is unable to allocate on a pro rata basis, the allocation will be performed on a set basis (i.e. first-in-first-out). Under this method, employees of FM will not receive an allocation until all client allocations are completed.

In general, bunched trades are allocated pro-rata in accordance with relative holdings in the particular security, except where tax considerations for a particular account dictate that the account participate to a greater or lesser extent. In the case of partial fills, the allocation amount is based upon a client's investment objectives and/or tax considerations.

Although FM clients receive an average execution price on bunched trades, commissions/fees on bunched trades are individually assessed based on the commission/fee schedule. Consequently, FM clients may pay disparate commissions for bunched trades.

Trading Errors

While managing client accounts, trading errors occur from time to time. FM has adopted a policy and procedures for trade errors. If FM causes the trade error, the policy is designed to place an FM client in the same position it would have been had there been no error. The

procedures call for trade errors to be corrected as soon as reasonably practicable after discovery, using an error account. For instance, when a security is erroneously purchased for a client account, the error is to be corrected by transferring the security from the client's account to the error account. When a security is erroneously sold from a client's account, the transaction is to be resolved in the error account and the client is made whole.

Review of Accounts

Periodic Reviews

Account reviews are generally conducted quarterly or more frequently if requested by a client or if FM believes market values or conditions indicate. Seymour Zises, Andrea Tessler, the CIO or an appropriate delegate of FM conducts the account review. Account reviews are performed to ascertain that the securities in an account are consistent with the investment strategy selected by the client, client instructions, and that the investment strategy and asset allocation are suitable for the client.

Regular Reports

Quarterly reports regarding holdings, deposits and withdrawals, purchases, sales and general account performance are provided to clients by hardcopy or electronically through a secure portal. FM may also provide additional information or reports to clients on a more frequent basis upon request. The limited partners of private investment funds of which FM is the general partner will receive unaudited capital account valuations monthly and audited year-end financial statements as well as necessary information for K-1 tax returns. Any funds currently in liquidation will receive liquidation and distribution notices and Schedule K-1s.

Client Referrals and Other Compensation

Third-Party Solicitors

FM has entered into agreements that compensate persons for referring a client to FM in accordance with Rule 206(4)-1 under the Investment Advisers Act of 1940, as amended. These persons include FM employees who receive a portion of the advisory fees paid by the referred client in addition to other compensation.

As a matter of policy, the advisory fees paid to FM by clients referred by solicitors are not increased as a result of any referral.

Custody

Account Statements

FM directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the advisory fee to be deducted, it is important that clients carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact FM directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, FM also provides quarterly account reviews to our clients. We urge our clients to carefully compare the information provided on these reviews to ensure that all account transactions, holdings and values are correct and current.

Since FM serves as general partner to the FM Low Volatility Fund, L.P. , and since certain related persons may serve as trustee to client trust accounts, and standing letters of authorization (“SLOA”) are in place from clients that allow FM to direct the custodian to send client funds to designated third parties based on the SLOA, FM is deemed to have custody of client assets. Given this fact, we are required under the Investment Advisers Act of 1940, to retain a PCAOB registered accounting firm to perform a surprise independent audit of FM. Once performed, the results of the surprise audit are available on the SEC’s public disclosure website at www.adviserinfo.sec.gov. In addition, FM has entered into a written agreement with an independent public accountant to provide audited financial statements to the FM Fifth Funds’ investors within 180 days following the FM Fifth Funds’ fiscal year end.

Investment Discretion

Discretionary Authority for Trading

Clients may hire us to provide discretionary asset management services. For these services we place trades in a client's account without contacting the client for permission prior to each trade.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell;

- determine the amount of the security to buy or sell; and/or
- determine the timing of the transaction.

Clients give us discretionary authority when they sign an advisory agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by providing us with written instructions.

Although we may recommend Third-Party Managers or a TAMP to a client, we do not have the authority to engage the Third-Party Manager or TAMP on behalf of the client. The client enters into a separate management agreement with the Third-Party Manager and authorizes investments within TAMPs.

Voting Client Securities

Proxy Voting

In carrying out its proxy voting responsibilities, FM has contracted with an independent third-party (Glass Lewis & Co (“Third-Party Administrator”)) to provide issue analysis and vote recommendations. It is important to note that the policy employed by the Third-Party Administrator does not address all proxy proposals, but rather focuses on particular matters and is intended to give a general indication of how proxies will be voted.

The Third-Party Administrator offers a U.S. policy, an International policy, a Canadian policy, specialty policies (such as a Socially Responsible policy), a Faith-Based policy, a Taft-Hartley policy and a Public Fund policy, along with custom policies defined by its clients. FM utilizes the U.S. Policy. A copy of all policies can be found at <https://www.glasslewis.com/policy-guidelines>. Each year, the Third-Party Administrator updates their policies that inform clients of its proxy voting recommendations. The Third-Party Administrator has a bottom-up policy formulation process that collects feedback from a diverse range of market participants through multiple channels: an annual Policy Survey of institutional investors and corporate issuers, roundtables with industry groups, and ongoing feedback during proxy season. The Third-Party Administrator uses this input to develop draft policy updates on important governance issues, which are then published for open review and comment.

While it is FM's policy to follow the voting recommendations of the Third-Party Administrator, FM retains the authority to vote differently than the recommendation on any proxy proposal. Such a decision, however, is subject to a review and approval process, which includes determining that the decision is not influenced by any conflicts of interest. In addition, in each instance in which FM favors voting in a manner that is inconsistent with the vote

recommendation of the Third-Party Administrator, FM shall disclose conflicts of interest information to its clients and obtain client consent prior to the vote.

Because the Third-Party Administrator makes recommendations based on its independent, objective analysis of the economic interests of shareholders, the proxy voting process is designed so that FM votes proxies in the best interests of its clients and insulates FM's voting decision from any potential conflicts of interest. In instances in which the Third-Party Administrator is unable to make a proxy vote recommendation, FM's Proxy Voting Committee will, based on such advice as it deems necessary, determine the way to vote such proxy. Such instances do not require disclosure or client consent. FM may abstain from voting a proxy on behalf of its clients' accounts under certain circumstances.

If a client's securities are not custodied at Pershing LLC or Charles Schwab Corporation, FM does not vote proxies. However, the client's custodian will send proxies and related materials to the client, and the client may, at its option, inquire about FM's position concerning a proxy issue. Further, FM does not vote proxies for assets managed by a Third-Party Manager or held in a TAMP.

Each client may obtain information about how FM voted their proxies and/or request a copy of the Proxy Voting Policy, without cost, by calling 212-872-9637 or by writing to FM at 155 East 44th Street, 21st Floor, New York, NY 10017.

Financial Information

FM is required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you, and we have not been the subject of a bankruptcy proceeding.