This brochure provides information about the qualifications and business practices of Institutional Shareholder Services Inc. ("ISS" or the "Company"). If you have any questions about the contents of this brochure, please contact ISS’ Chief Compliance Officer, Dan Lantz. He can be reached at (301) 556-0466 or at daniel.lantz@issgovernance.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. ISS is registered with the SEC as an investment adviser; however, please note that such registration does not imply a certain level of skill or training.

Additional information about ISS is available on the SEC’s website at www.adviserinfo.sec.gov.
TABLE OF CONTENTS*

Contents
A. ADVISORY BUSINESS ........................................................................................................... 4
1. Background ......................................................................................................................... 4
2. Services Provided ................................................................................................................ 4
Services Produced by ISS ...................................................................................................... 4
a. Governance Workflow Solutions ....................................................................................... 4
• Voting Services ..................................................................................................................... 4
• Disclosure Services for Institutional Investors ................................................................. 5
b. ISS Analytics ........................................................................................................................ 5
• ExecComp Analytics ............................................................................................................. 5
• Voting Analytics ................................................................................................................... 6
c. ISS ESG ............................................................................................................................... 6
Services Produced by Third Parties ...................................................................................... 7
d. Access to Other Third-Party Research ............................................................................. 7
e. Securities Class Action Services ....................................................................................... 7
B. FEES AND COMPENSATION ............................................................................................ 8
C. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT ................................ 8
D. TYPES OF CLIENTS ............................................................................................................. 8
E. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS ................. 8
F. DISCIPLINARY INFORMATION .......................................................................................... 9
G. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS ................................ 9
1. Proxy Advisory Affiliates ..................................................................................................... 9
2. Securities Class Action Services ........................................................................................ 9
3. Services for Issuers .............................................................................................................10
4. Services for Asset Managers .............................................................................................10
5. ISS’ Owner ..........................................................................................................................10

* A NOTE ABOUT THE FORMAT OF THIS BROCHURE: The SEC requires all investment advisers to organize their disclosure documents according to specific categories, some of which may not pertain to a particular adviser’s business. Where a required category is not relevant to its business, ISS will list the category and state that it does not apply.
H. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

1. Code of Ethics Generally

2. Standards of Conduct

3. Additional Measures to Address Conflicts of Interest
   a. Firewall
   b. Genstar and Maintaining the Independence of ISS
   c. Disclosure Regarding Potential Conflicts

4. Participation or Interest in Client Transactions

5. Personal Trading

I. BROKERAGE PRACTICES

J. REVIEW OF ACCOUNTS

K. CLIENT REFERRALS AND OTHER COMPENSATION

L. CUSTODY

M. INVESTMENT DISCRETION

N. VOTING CLIENT SECURITIES

O. FINANCIAL INFORMATION
A. ADVISORY BUSINESS

1. Background

ISS is a provider of end-to-end responsible investment and governance solutions to the global financial community. The firm has more than 30 years of experience helping institutional investors make more informed corporate governance decisions, manage the complex process of proxy voting and provide reporting to their stakeholders and regulators. In addition to these core services, ISS also provides responsible investment data, analytics, and research as well as global governance data and modeling tools. ISS is a privately-held company, whose ultimate owner is Genstar Capital, LLC (“Genstar”), a private equity firm based in San Francisco, CA.

2. Services Provided

Services Produced by ISS

a. Governance Workflow Solutions

• Proxy Advisory Services

Through its governance research and proxy voting recommendations, ISS helps institutional investors understand corporate governance policies and practices and take these practices into account in their proxy voting. In 2018, ISS provided proxy advisory services on approximately 44,000 shareholder meetings in approximately 115 markets worldwide. ISS offers a wide range of proxy voting policy framework options, including ISS’ standard benchmark policies, along with specialty policies that evaluate proxy voting issues from the perspective of sustainability, socially-responsible investing, public funds, labor unions and mission and faith-based investing. ISS also makes and implements proxy voting recommendations based on a client’s specific customized voting guidelines and may assist clients in developing such custom guidelines as well. The fees for this service begin at $20 per analysis for U.S. companies and $35 per analysis for non-U.S. companies, and may vary depending on a client’s volume and number of accounts.

• Special Situations Research

This service provides in-depth analyses regarding high-profile mergers and acquisitions and proxy contests. Through this service, ISS helps clients better understand the strategic rationale for each covered transaction, and its impact on valuation, corporate governance and shareholder rights. Special Situations Research clients receive analyses throughout the full lifecycle of the events covered, from deal announcement through the shareholder meeting. Fees begin at $20,000 annually.

• Voting Services

ISS’ ProxyExchange application enables clients with end-to-end management of their proxy voting process. ISS clients can control their voting policy and final proxy vote decisions while leveraging ISS in the processing and data management elements of the proxy voting process. To this end, ISS receives on behalf of clients their proxy ballots, works with custodian banks, assists clients in executing proxy votes on their behalf, maintains vote records and provides comprehensive reporting.
The cost of this service is generally bundled into the price of research and voting recommendations although it can be charged on per ballot basis.

- **Disclosure Services for Institutional Investors**

ISS also offers a Vote Disclosure Service to help investment companies comply with their regulatory disclosure obligations. ISS collects vote history reports and prepares the information the SEC requires investment companies to file on Form N-PX. Fees begin at $12,500 and increase based on the number of covered funds. ISS also offers a comprehensive reporting service that includes full vote audit trail and intra-day updates of fund, meeting and agenda information. Fees for this service begin at $50 per account.

**b. ISS Analytics**

ISS provides investment and governance professionals with content and tools to identify and manage extra-financial risk and fulfill fiduciary obligations involved in active ownership. Some of these services include:

- **ISS Governance QualityScore**

The primary service in this area is **ISS Governance QualityScore™**. QualityScore is a quantitatively-driven data solution designed to identify governance risk within an investor’s portfolio companies. Each company is analyzed based on approximately 50-125 governance factors and receives an overall score, as well as four sub-scores for Board Structure, Executive Compensation/Remuneration, Audit and Risk Management, and Shareholder Rights. The scores are determined relative to index and region. Fees are based on client segment as well as AUM and begin at $10,000.

- **ExecComp Analytics**

This service delivers executive compensation data and analytics covering approximately 7,000 global companies to give investors access to comprehensive executive compensation information. ExecComp Analytics allows users to analyze executive pay and financial performance, run quantitative pay for performance tests to benchmark companies against their peers, and research and compare equity plan features and structure. Annual subscriptions start at $10,000 and cost is based on client segment, numbers of client users and subscribed data set coverage.

- **Incentive Labs**

Incentive Labs offers historical executive compensation data on approximately 2,200 global companies. Incentive Labs data focuses on performance-oriented compensation, closely tracking performance metrics, goals, and actual achievement levels for both long-term and short-term incentive programs. Annual subscriptions start at $15,000 and cost is based on client segment, the number of users, and subscribed data coverage.
• **Voting Analytics**

Using publicly available voting records, meeting results, and proprietary databases on filed shareholder proposals, Voting Analytics allows users to monitor and analyze institutional voting behavior (covering filers of Form N-PX in the U.S and selected other global institutional investors which publicly disclose voting records), shareholder meeting results and voting patterns to assess voting trends. Annual subscriptions start at $10,000 and cost is based on client segment, the number of users, and subscribed data coverage.

• **Data Feeds**

ISS offers a set of standard data feed offerings, as well as built-to-spec custom data feeds, serving the needs of fundamental investors, quantitative investors, stewardship teams, academic endeavors, and more. Standard data feeds cover topics including board and director data, voting data, executive compensation data, company peer group data, and more. Annual subscriptions start at $10,000 for standard data feeds and $15,000 for custom data feeds and cost is based on client segment, the number of client users, subscribed data coverage, and for custom feeds, the complexity of the custom feed.

• **ISS Due Diligence Reports**

ISS Due Diligence Reports pull together historical governance, board, director, voting data, controversy data, and more into a single document. These reports accelerate the timeframe required for an investor to assess extra-financial risk for a company, identify potential areas for further information, and more. Reports are priced per-report and start at $1,000 per report with cost based on the volume of reports requested and the number of periodic updates bundled with the sale.

c. **ISS ESG**

ISS ESG is the responsible investment arm of ISS. Under the ISS ESG umbrella are three discrete units that draw on deep historical and industry expertise, including: ISS-ethix, which enables investors to develop and integrate responsible investing policies and practices, engage on responsible investment issues, and monitor portfolio company practices through screening solutions; ISS-climate, which provides data, analytics and advisory services to help financial market participants understand, measure, and act on climate-related risks across asset classes; and ISS-oekom, which provides corporate and country ESG research and ratings and enables its clients to identify material social and environmental risks and opportunities including through advisory services. ISS ESG clients can use all three units to help them integrate responsible investing policies and practices into their strategy and shareholder voting decisions.

• **Sector-Based Screening**

Sector-Based Screening provides an assessment of companies with business involvement in specific controversial products or services such as alcohol, animal welfare, gambling, medical ethics, pornography, tobacco, and more. Additional information is available for companies with indications of current involvement, including profile notes on a company’s involvement in a
certain product or service, and reported data or estimate of share of revenues derived from a
certain product or service. Customized thresholds for screening criteria are available, with options
varying by issue area. Coverage for most sector-based screens includes approximately 20,000
issuers, including approximately 15,000 publicly listed companies. Pricing varies based on the
types and number of screens selected.

- Norms-Based Research

ISS ESG’s Norm-Based Research provides an evaluation of corporate adherence to global norms
on issues such as environmental protection, human rights, labor standards, and anti-corruption.
Global norms are set out in international initiatives and guidelines such as the OECD Guidelines
for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational
Enterprises and Social Policy, the UN Global Compact and the Guiding Principles on Business and
signals and scores applied in Norm-Based Research are based on “traffic light” signals. Fees begin at $10,000.

- ESG Ratings

ISS ESG offers various rating solutions including corporate, country, and custom ratings. These
ratings enable ISS ESG clients to assess environmental and social performance and related
controversies. Reporting may include indicator-level scoring through various ESG criteria. Fees
begin at $5,000.

**Services Produced by Third Parties**

d. Access to Other Third-Party Research

In addition to providing access to its own research and voting recommendations through the
ProxyExchange platform, ISS also provides access to some independent third party research
material to clients that subscribe directly to such third party research. ISS does not have a role in
producing such research and is not affiliated with the research providers. Additionally, some of
ISS’ proprietary work products may contain certain summary data supplied by independent
providers. Fees for such research are either paid directly to the third party or to ISS as an
additional service.

e. Securities Class Action Services

ISS also distributes the services of its wholly-owned subsidiary, Securities Class Actions Services, LLC
(“SCAS”). This company, which is not a registered investment adviser, offers a fully outsourced claims
filing service by monitoring securities class and group action litigation and settlements on behalf of
hundreds of mutual fund, investment manager, and pension fund clients. This service provides
worldwide coverage. SCAS is available in three levels of service, designed to meet a variety of
professional needs. This includes claims filing, portfolio monitoring, and research. Fees for the claims
filing service are based upon the number of accounts and assets under management; annual fees
start at $25,000 but clients can choose a contingency fee structure if preferred. Annual fees for the
research solution are based upon client type and number of users; annual fees start at $10,000. The
A portfolio monitoring solution is based upon the number of accounts and data sources; annual fees start at $15,000.


B. FEES AND COMPENSATION

The fees for ISS’ specific services are explained in the discussion of those services in Section A above. Please note that these fees are sometimes negotiable. Most services are offered on an annual subscription basis and are generally paid for in advance. In view of the nature of ISS’ services, refunds generally are not available in the event of early termination of a subscription.

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

This item does not apply to ISS’ business.

D. TYPES OF CLIENTS

ISS’ clients include other investment advisers, including investment advisers to investment companies, pension and profit-sharing plans, broker-dealers, asset owners, asset managers, banks or thrift institutions, hedge funds, trusts, estates, charitable organizations and other institutional investors, as well as law firms, and universities. ISS also provides data to third parties for use in thematic based indices. ISS does not directly serve a retail clientele.

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

In rendering proxy voting advice, ISS relies on publicly-available information to analyze the terms of proposals presented to shareholders for a vote. While analysts may consider company- and market-specific factors in generating voting recommendations, all proxy analyses are undertaken in accordance with a published analytical framework comprised of voting policy guidelines chosen by clients. In some cases, these are guidelines that ISS has prepared and clients have elected to adopt; in other cases the clients have prepared the guidelines themselves.

ISS establishes its voting policies and guidelines through a transparent process that begins with its Annual Policy Survey, seeking input from institutional investors, companies, corporate directors and market constituents, in an effort to identify emerging issues that merit attention prior to the upcoming proxy season. Based on this feedback, ISS convenes a series of roundtables with various industry groups and outside issue experts to gather multiple perspectives on complex or contentious issues, and it examines academic literature or other empirical research and commentary to uncover potential links between an issue and financial returns and/or risk. ISS uses this input to develop its draft policy updates that are published for open review and comment. Final updates are typically published in November, to apply to meetings held on or after February 1st of the following year. In addition to this process, ISS has established a Feedback Review Board, an ISS body that considers comments from market constituents regarding accuracy of research, accuracy of data, policy application and general fairness of ISS policies, research and recommendations. Each proxy analysis includes a URL for a direct hyperlink to ISS’ summary voting guidelines for easy access by users of ISS’ proxy service.
ISS also provides issue screens for environmental and social criteria, sometimes defined by the client and sometimes by other generally accepted norms.

ISS does not manage accounts or make buy, sell or hold investment recommendations to clients, other than purchase or sale recommendations that are integral to a proxy voting decision. Nevertheless, clients should be advised that investing in securities involves risk of loss that clients should be prepared to bear. ISS does not guarantee that its advice will produce any particular investment return for clients.

F. DISCIPLINARY INFORMATION

On May 23, 2013, pursuant to an offer of settlement by ISS, the SEC entered an order against the Company (the "Order") making findings -- which ISS neither admitted nor denied -- and imposing sanctions, including a cease-and-desist order, censure, civil money penalty and direction to retain and implement the recommendations of an independent compliance consultant. The Order relates to a former ISS employee who used his personal email account to communicate confidential client proxy voting information to a proxy solicitor in exchange for meals, travel and tickets to concerts and sporting events. The Order indicates that ISS violated Section 204A of the Investment Advisers Act of 1940 by not enforcing sufficient policies and procedures to prevent this conduct, but notes that once ISS discovered this conduct, the Company took a number of remedial actions to strengthen its policies, procedures and compliance training.

G. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

1. Proxy Advisory Affiliates

ISS has entered into arrangements with several of its foreign affiliates, Institutional Shareholder Services Canada Corp., Institutional Shareholder Services Europe S.A., Institutional Shareholder Services Europe Limited., Institutional Shareholder Services France S.A.S., Institutional Shareholder Services K.K. (Japan), Institutional Shareholder Services (Australia) Pty. Ltd., Centre for Australian Ethical Research Pty Ltd., Institutional Shareholder Services India Private Limited, Institutional Shareholder Services (Singapore) Private Limited, Research, Recommendations and Electronic Voting Ltd., ISS-Ethix AB, Institutional Shareholder Services Switzerland AG and oekom research AG, whereby designated employees of the foreign affiliates may render investment advice to ISS’ clients, solely under ISS’ auspices. The foreign affiliates which share personnel with ISS under such arrangements are not registered as investment advisers in the United States. Each individual foreign employee who renders advice to ISS’ clients shall be deemed a supervised person of ISS and shall be subject to the same Code of Ethics which governs the activities of ISS’ own employees.

Each of ISS’ foreign advisory affiliates whose employees render advice to ISS’ clients has agreed to maintain certain books and records in accordance with the Investment Advisers Act of 1940 and to submit to the jurisdiction of the U.S. regulatory authorities and courts with regard to the investment advice rendered to U.S. clients by its employees.

2. Securities Class Action Services

As explained in Section A above, ISS distributes the services of its wholly-owned subsidiary, SCAS. Please note that this is not an investment advisory service and SCAS is not registered as an investment adviser.
3. Services for Issuers

ISS’ wholly-owned subsidiary, ISS Corporate Solutions, Inc. (“ICS”), serves the corporate issuer community by providing products and services that enable issuers to understand and implement corporate governance best practices. These products and services include web-based tools, advisory services and publications that assist issuers with executive and director compensation modeling, capital structure planning and other governance issues. These are not investment advisory products and services, and ICS is not registered as an investment adviser.

ISS is aware that the existence of the relationship between ICS and its corporate issuer clients presents a potential conflict of interest for ISS. ISS has taken a number of steps, which are discussed in Section H below, to ensure that its clients’ interests are protected at all times.

4. Services for Asset Managers

ISS’ wholly-owned subsidiary, Strategic Insight Holdings, Inc. (collectively with its direct and indirect subsidiaries, “Strategic Insight”), serves the global investment management community by providing products and services related to data, business intelligence, and research. These products and services include data and market intelligence, including investment flow data, investment product characteristics, advisor and fund analysis, ratings, events, and editorial content for investment managers, asset owners and custodians. These are not investment advisory products and services and Strategic Insight is not registered as an investment adviser.

5. ISS’ Owner

As noted above, ISS is a privately-held company whose ultimate owner is Genstar, a private equity firm. ISS has complete independence in the application of its voting policies, the preparation of proxy analyses and the formulation of vote recommendations. Procedures for maintaining this independence are described in Section H below.

H. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

1. Code of Ethics Generally

In accordance with SEC Rule 204A-1, ISS has adopted a Code of Ethics that describes certain standards of conduct that the company’s employees must follow.

A copy of the Code of Ethics is available on ISS’ website at www.issgovernance.com. A paper copy will be supplied upon written request directed to ISS’ Chief Compliance Officer. Her contact information can be found on the cover of this brochure.

2. Standards of Conduct

The Code of Ethics affirms ISS’ fiduciary relationship with its clients and obligates the Company to carry out its duties solely in the best interests of clients and free from all compromising influences and loyalties. With this goal in mind, the Code of Ethics devotes special attention to conflicts of interest, including potential conflicts between ISS’ proxy research, responsible research, and analytics teams and the work
of ICS with corporate issuers, conflicts within the institutional advisory business, conflicts in connection with an issuer’s review of draft analyses and conflicts generally. In each case, the goal of the Code of Ethics is to eliminate conflicts wherever possible, and to manage and disclose those conflicts that cannot be eliminated. In this way, ISS ensures that it can fulfill its important role in the dialogue between corporations and their shareholders. In order to ensure compliance with the Code of Ethics, ISS conducts periodic training sessions for employees and requires employees to affirm their commitment to adhere to the Code of Ethics on an annual basis. Furthermore, ISS regularly monitors the sufficiency of the Code of Ethics and the effectiveness of its implementation. ISS has also implemented and enforced separate policies addressing conflicts relating to its ownership structure.

3. Additional Measures to Address Conflicts of Interest

a. Firewall

In addition to the Code of Ethics, another critical component of ISS’ approach to managing conflicts of interest is the firewall it maintains between its business for institutional investors and the services offered by ICS to corporations. This firewall includes the physical and functional separation between ICS and ISS, with a particular focus on the separation of ICS from the ISS Global Research team. A key goal of the firewall is to keep the ISS Global Research team from learning the identity of ICS’ clients, thereby helping to ensure the objectivity and independence of ISS’ research process and vote recommendations.

The firewall mitigates potential conflicts via several layers of separation:

- ICS is a separate legal entity from ISS.
- ICS is physically separated from ISS and its day-to-day operations are separately managed.
- ISS Global Research works independently from ICS.
- ICS and ISS staff members are prohibited from discussing a range of matters, including the identity of ICS clients.
- ISS employees’ salaries, bonuses and other forms of compensation are not linked to any specific ICS activity or sale.
- ICS explicitly tells its corporate clients that ISS will not give preferential treatment to, and is under no obligation to i) support any proxy proposal of a corporate issuer or ii) provide a favorable rating, assessment and/or any other favorable result to a corporate issuer, whether or not that corporate issuer has purchased products or services from ICS.

As is the case with the Code of Ethics, ISS maintains a robust training and monitoring program regarding the firewall. This program includes quarterly tests of the firewall’s integrity, new-hire orientation and reviews of certain marketing materials and disclosures. In addition, there is an ethics hotline available to both ICS and ISS staff for reporting issues of potential concern.

b. Genstar and Maintaining the Independence of ISS

The Board of Directors of ISS has formally adopted a Policy on Mitigation of Potential Conflicts of Interest. Among other things, this policy is intended to identify situations that may exist or give rise to actual or potential conflicts of interest, or to the appearance of conflicts of interest, in connection with the work that ISS performs in researching, analyzing and making recommendations regarding publicly-held companies relative to the work of Genstar as a private equity firm, and to take such actions as may be necessary to mitigate any actual or potential conflicts.
c. Disclosure Regarding Potential Conflicts

ISS provides its clients with an extensive array of information to ensure that they are fully informed of potential conflicts and the steps ISS has taken to address them. Among other things, ISS supplies a comprehensive due diligence compliance package on its website\(^1\) to assist clients and prospective clients in fulfilling their own obligations regarding the use of independent, third-party proxy voting firms. This package includes an overview of the ISS organization, suggested questions to be asked, an overview of ICS, policies, procedures and practices regarding potential conflicts of interest, and information about the processes designed to ensure the accuracy of ISS’ research and other work product. A copy of ISS’ Code of Ethics is also available on the website.

Moreover, each proxy analysis and research report ISS issues contains a legend indicating that the subject of the analysis or report may be a client of or affiliated with a client of ISS or ICS. Each analysis and report also notes that one or more proponents of a shareholder proposal may be a client of ISS or ICS, or may be affiliated with such a party. Clients who wish to learn more about the relationship, if any, between ICS and the subject of an analysis or report are invited to contact ISS’ compliance department for relevant details. Institutional clients can also obtain lists of all ICS clients. These processes allow ISS’ proxy voting clients to receive the information they need without revealing the identity of ICS clients to research analysts as they prepare vote recommendations and other research. Further, ISS has enhanced the functionality of the ProxyExchange platform with information regarding these relationships. On a vote-specific basis, institutions can easily identify potential conflicts through the ProxyExchange dashboard.

ISS believes that these extensive measures provide clients with a high degree of comfort that ISS has eliminated or is effectively managing the potential conflicts of interest its business entails. ISS welcomes questions from its clients and prospective clients on these matters, and encourages clients and prospective clients to incorporate a review of our conflict management procedures and practices in their own due diligence endeavors.

In addition, all ISS employees are required to perform their duties in accordance with the standards set forth in the Code of Ethics.

4. Participation or Interest in Client Transactions

This item does not pertain to ISS’ business.

5. Personal Trading

ISS may, from time to time, render advice to clients that may lead clients to buy or sell securities in which employees of ISS or of its affiliated companies have a financial interest. Or, ISS’ employees or those of its affiliated companies may buy for their own accounts securities that are the subject of advice rendered to clients. As described below, ISS has adopted internal procedures which it believes will protect its clients’ interests. At all times, advice to clients will be rendered independently of the securities holdings of ISS’ employees.

With regard to personal trading, the Code of Ethics obligates Access Persons to report their trading activity to the company’s Compliance department on a quarterly basis. They also must receive the Compliance

department’s permission before investing in initial public offerings, private placements or other limited offerings. ISS has also adopted restrictions on personal trading designed to prevent employees from improperly trading on, or benefiting from, material, non-public information. In this last regard, ISS maintains a restricted list of issuers whose proxies are currently being analyzed or acted upon by the company and prohibits Access Persons from buying or selling the securities of any issuer on that list. ISS also imposes restrictions on personal trading in issuers who are the subject of Special Situations Research reports.

I. BROKERAGE PRACTICES

This item does not apply to ISS’ business.

J. REVIEW OF ACCOUNTS

Please refer to Section N below for information about reports regarding the proxy votes ISS casts for clients. Otherwise, this item does not apply to ISS’ business.

K. CLIENT REFERRALS AND OTHER COMPENSATION

At a client’s election, ISS may receive cash payments from one or more broker-dealers in consideration for providing services to the client. In such a situation, ISS acts as a third-party research vendor to the client’s soft-dollar arrangement with its broker-dealer. ISS does not believe such situations involve any conflicts between ISS’ interests and those of ISS’ clients who choose to pay by this method.

From time to time, ISS may pay a cash fee to parties who refer advisory clients. Such solicitation fees are typically a portion of the fees ISS receives from the referred clients. Any such payments will be made in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940.

L. CUSTODY

This item does not apply to ISS’ business.

M. INVESTMENT DISCRETION

This item does not apply to ISS’ business.

N. VOTING CLIENT SECURITIES

As noted in Section A above, ISS’ core proxy advisory service involves analyzing shareholder proposals and providing proxy voting recommendations to clients in accordance with a standard, specialty or custom proxy voting policy chosen by the client. Clients always retain the right to override ISS’ recommendations and direct their voting as they determine. The many steps ISS takes to address potential conflicts of interest that may arise in connection with its proxy advisory service are described in Section H above.

All subscribers to ISS’ proxy advisory services have access to the proxy voting policies and procedures applicable to their accounts, as well as information about how ISS has cast votes on their behalf.
O. FINANCIAL INFORMATION

There is no financial condition that is reasonably likely to impair ISS’ ability to meet its contractual commitments to clients.