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This brochure provides information about the qualifications and business practices of Institutional Shareholder Services Inc. (ISS). If you have any questions about the contents of this brochure, please contact ISS' Chief Compliance Officer, Maria Carmen S. Pinnell. She can be reached at the phone number listed above or at mariacarmen.pinnell@msci.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. 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.

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* 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.

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A. ADVISORY BUSINESS

1. Background

ISS is a full-service proxy adviser with more than 25 years of experience helping institutional investors make more informed proxy voting decisions, manage the complex process of voting their shares, and report their votes to their stakeholders and regulators. In addition to these core services, ISS also offers a host of non-recommendation research reports, tools for portfolio screening and corporate governance ratings services.

ISS is an indirect, wholly owned subsidiary of MSCI Inc., a public company.

2. Services Provided

a. Governance Research and Vote Recommendations

○ 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. Annually, ISS covers more than 40,000 shareholder meetings – every holding in ISS' clients' portfolios – in over 100 developed and emerging markets worldwide. ISS offers a wide range of proxy voting policy options, including both ISS' standard benchmark policies and specialty policies that evaluate governance 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 \$45 per analysis for U.S. companies and \$125 per analysis for non-U.S. companies, and may vary depending on the volume and number of accounts.

○ M & A Edge

This service provides in-depth analyses regarding high-profile mergers and acquisitions and proxy contests. In this way, ISS helps clients better understand the strategic rationale for each covered transaction, and its impact on valuation, corporate governance and shareholder rights. M&A Edge clients receive analyses throughout the full lifecycle of the process, from deal announcement through shareholder meeting. Fees begin at \$25,000 annually.

b. Voting Services

ISS' ProxyExchange application and experienced account managers provide end-to-end management of the proxy voting process. ISS clients can control their voting policy and final vote decisions while outsourcing the processing and data management elements to an experienced service provider. To this end, ISS receives clients' proxy ballots, works with custodian banks, executes votes on clients' behalf, maintains vote records and provides comprehensive reporting. By outsourcing the administrative tasks associated with the voting process, ISS' clients free themselves to devote their internal resources to making more informed investment decisions. There is no

separate charge for this service; rather, the cost is bundled into the price of research and voting.

c. Disclosure Services for Institutional Investors

In addition to developing proxy voting policies, making vote recommendations, and processing votes, ISS also offers a Vote Disclosure Service to help investment companies comply with their regulatory disclosure obligations. ISS collects, reports and records the information the SEC requires on Form N-PX. Fees begin at \$10,000 and increase, based on the number of funds.

ISS also offers a comprehensive reporting service that includes full vote audit trail and intra-day updates of all fund, meeting and agenda information. Fees for this service begin at \$50 per account.

d. Non-Recommendation Governance and Social Issues Research and Screening Services

Among the services in this area are the following:

○ Governance Risk Indicators (GRId)

Governance Risk Indicators utilize a transparent governance rating methodology to provide a brief, high-level view of a company's corporate governance structures, flagging areas that might be of concern, and drilling down into those areas via underlying data. This service can easily be integrated into an institution's investment processes, including equity research, quantitative factor modeling and risk analysis. Fees begin at \$30,000 for profiles and vary for data feeds, depending on the coverage and level of detail.

○ ESG Solutions

This service, marketed by ISS under the name MSCI ESG Research, offers a number of screening tools and sustainability and risk analyses that support UN Principles for Responsible Investment signatories, proxy voting, climate risk management and investors' religious, regulatory and mission-driven mandates. Among other things, these services assess the ESG impact of more than 4,000 global companies and explore the materiality of ESG risks and opportunities. The ESG data screens allow portfolio managers to apply socially responsible guidelines to portfolios, implement client mandates, and meet compliance standards for corporate social responsibility. Fees range from \$7,500 to \$50,000 per year, depending on the specific service selected.

e. CFRA Products and Services

This suite of products and services, marketed by ISS under the name CFRA, includes an assessment of the quality of reported financial results of over 9,700 companies globally across six industry sectors. Where warranted by CFRA's assessment of risk factors, or where a client engages CFRA to do so, CFRA also prepares in-depth research reports on selected issuers. In addition, CFRA provides educational services

designed to support the training and continuing education needs of financial services professionals, as well as a service focused on legal and regulatory risks.

Most CFRA products are offered on a subscription basis, at fees ranging from \$15,000 to \$250,000 annually.

f. Securities Class Action Services

In addition to the services it produces, ISS also distributes the services of its wholly-owned subsidiary, Securities Class Actions Services, LLC (SCAS). This business monitors securities class action litigation and settlements on behalf of institutional investors and offers a fully outsourced claims filing service. This service provides coverage of securities class action lawsuits to hundreds of mutual fund, investment manager and pension fund clients. SCAS is available in three levels of service, designed to meet a variety of professional needs. Fees begin at \$10,000 annually and increase based on customization.

A COMPLETE LIST OF ISS' PRODUCT OFFERINGS CAN BE FOUND ON ISS' WEB SITE AT: www.issgovernance.com

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 may be negotiable. Most services are offered on an annual subscription basis, and paid for periodically 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, banks or thrift institutions, hedge funds, trusts, estates, charitable organizations and other institutional investors, as well as law firms, universities and compensation consultants. Many clients use ISS' services to satisfy their fiduciary obligations to their own clients.

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

In rendering proxy advice, ISS relies on publicly-available information to analyze the terms of proposals presented to shareholders. While analysts may consider company- and market-specific factors in generating voting recommendations, all proxy analysis is 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. Each analysis includes a URL for a direct hyperlink to ISS' summary voting guidelines for easy access by users of ISS' proxy service.

ISS also reviews clients' portfolios and provides issue screens for client-defined social criteria.

As indicated in Section A, above, ISS does not manage accounts or make investment recommendations to clients. 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

This item does not apply to ISS' business.

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 Japan, KK, RiskMetrics (Australia) Pty. Ltd., Research, Recommendation and Election Voting Ltd.) 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 Regulatory 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, Securities Class Actions Services, LLC (SCAS). Please note that this is not an investment advisory service, and SCAS is not registered as an investment adviser.

3. Services for Issuers

Another ISS wholly-owned subsidiary, ISS Corporate Services, 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' proxy research business. 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. ISS' Parent Corporation

As noted above, ISS is an indirect, wholly-owned subsidiary of MSCI Inc. MSCI is a provider of investment decision support tools to investors globally. MSCI's products and services include indices and portfolio risk and performance analytics tools. Also as noted above, ISS markets ESG solutions under the brand "MSCI ESG Research."

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.

You can find out more about MSCI by visiting its Web site located at: <http://www.msci.com>

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 (known as the "Regulatory Code of Ethics"), that describes certain standards of conduct that the company's employees must follow, and that addresses personal trading by officers, directors and employees and their related accounts.

A Copy of the Regulatory 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 Regulatory 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 Regulatory Code of Ethics devotes special attention to conflicts of interest, including potential conflicts between ISS' institutional proxy advisory services and the work of ICS with corporate issuers, conflicts within the institutional advisory business, conflicts arising from an analyst's stock ownership, conflicts related to ISS' affiliates, conflicts in connection with an individual issuer's review of ISS' draft proxy analyses and conflicts generally. In each case, the goal of the Regulatory Code of Ethics is to prevent conflicts wherever possible, and to manage and disclose those conflicts that cannot be prevented. 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 Regulatory Code of Ethics, ISS conducts periodic training sessions for employees and requires employees to affirm their commitment to compliance on an annual basis. Furthermore, ISS regularly monitors the sufficiency of the Code and the effectiveness of its implementation.

3. Additional Measures to Address Conflicts of Interest

- Firewall

In addition to the Regulatory Code of Ethics, another critical component of ISS' approach to conflicts of interest is the firewall it maintains between its institutional business and the corporate services performed by its subsidiary, ICS. 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 ensuring the objectivity and independence of ISS' research process and vote recommendations.

The firewall mitigates potential conflicts via several layers of separation:

1. ICS is a separate legal entity from ISS.
2. ICS is physically separated from ISS, and its day-to-day operations are separately managed.
3. ISS Global Research works independently from ICS.
4. ICS and ISS staff are prohibited from discussing a range of matters, including the identity of ICS clients.
5. ISS employees' salaries, bonuses and other forms of compensation are not linked to any specific ICS activity or sale.
6. ICS explicitly tells its corporate clients that ISS will not give preferential treatment to, and is under no obligation to support, any proxy proposal of an ICS client. ICS further informs its clients that ISS' Global Research team prepares its analyses and vote recommendations independently of, and with no involvement from, ICS.

As is the case with the Regulatory 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 review 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.

○ Maintaining the Independence of ISS

The Board of Directors of MSCI Inc. (ISS' ultimate parent company) has formally adopted resolutions stating: (i) that the formulation, development and application of ISS' proxy voting policies (including, without limitation, the establishment of voting standards), proxy analyses and vote recommendations are and shall remain the sole responsibility of ISS (and its management and employees, and where appropriate, the management and employees residing within MSCI Inc. or any of its subsidiaries) at all times; (ii) that the non-executive members of the MSCI Board of Directors shall have no role in formulating, developing or implementing ISS' proxy voting policies, proxy analyses and/or vote recommendations; (iii) that the non-executive members of the MSCI Board of Directors shall not be informed of the contents of any ISS proxy analyses or vote recommendations prior to their publication or dissemination. All ISS employees are required to perform their duties in accordance with the standards set forth in the Regulatory Code of Ethics.

The MSCI Inc. Board of Directors also has adopted a Conflicts of Interest Policy related to "Director Affiliated Companies" to address any potential conflicts of interest posed by other

public company board seats held by any MSCI Inc. director. A copy of this policy is posted at: http://www.issgovernance.com/files/MSCI_ISS2010.06_BoardConflictsPolicy.pdf

○ 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 Web site¹ to assist clients and prospective clients in fulfilling their own obligations regarding the use of independent, third-party proxy voting firms. This package includes a copy of ISS' Regulatory Code of Ethics, a description of other policies, procedures and practices regarding potential conflicts of interest and a description of the ICS business.

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, ICS or another MSCI subsidiary. Each analysis and report also notes that one or more proponents of a shareholder proposal may be a client of ISS or one of its affiliates, 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' Legal and Compliance Department for relevant details. This process allows 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.

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.

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 related persons, such as officers, directors or employees of ISS or of its affiliated companies, have a financial interest. Or, ISS' officers, directors or employees (or the employees 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' related persons.

With regard to personal trading, the Regulatory Code of Ethics obligates ISS' employees, officers and directors ("Access Persons") to report their trading activity to the company's chief compliance officer on a periodic basis. They also must receive the compliance officer's permission before investing in IPOs, 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, inside information, client information and/or ISS'

¹ www.issgovernance.com/practices.

voting recommendations. 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 CFRA reports, ESG reports and M&A reports.

In addition to the above, ISS Access Persons are subject to MSCI's Employee Trading Policy, including the Supplement for Transactions in MSCI Inc. Securities. This Policy, among other things, requires employees to adhere to mandatory blackout periods in trading in MSCI's publicly-traded common stock.

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.

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 advisory service involves analyzing shareholder proposals and making 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 in a different fashion. 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 voted their securities.

O. FINANCIAL INFORMATION

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