

[SAMPLE]

[IA] CAPITAL MANAGEMENT
AND ITS DESIGNATED AFFILIATES

AND

THE [IA] FUNDS

SALES MATERIAL POLICIES AND PROCEDURES

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SAMPLE

SALES MATERIALS POLICIES AND PROCEDURES

I. OVERVIEW

These policies and procedures explain the review process for all advertising and sales materials relating to any investment product, mutual fund, private fund and advisory service of [IA] Capital Management (“IACM”) and its designated affiliates as set forth on Attachment A (each, an “Adviser” and collectively, the “Advisers”) or the [IA] Funds.

II. MATERIALS SUBJECT TO LEGAL REVIEW

A. General

Sales Materials may not be distributed or used for any purpose until they have been reviewed and approved by the Advisers’ Compliance Department. When in doubt about whether a document, advertisement or other communication constitutes “sales material” subject to review, you must seek clarification from the Compliance Department or submit the material for review.

B. Definition of Sales Materials

For the purpose of these policies and procedures, the term “Sales Materials” is intended to include all “advertisements,” “sales literature,” “institutional sales materials,” “correspondence” sent to more than one person, reprints, and other communications with the public.

An “advertisement” is generally defined as any written communication addressed to more than one person, or any notice or other announcement in any publication or by radio or television, which offers any investment advisory service with regard to securities.¹ For separate account purposes, an advertisement has been interpreted by the Securities and Exchange Commission (“SEC”) staff to include communications made for the purpose of maintaining clients, as well as communications designed to obtain new clients. For mutual fund purposes, advertisements include any material (other than an independently prepared reprint and institutional sales material) that is published, or used in any electronic or other public media, where you cannot control the size of the audience that will hear or see the material.

For mutual fund purposes, “sales literature” includes any written or electronic communication (other than an advertisement, independently prepared reprint, institutional sales material and correspondence) that is generally distributed or made generally available to customers or the public.

¹ Rule 206(4)-1 of the Investment Advisors Act of 1940.

“Institutional sales material” consists of any communication that is distributed or made available only to institutional investors. An institutional investor is any of the following:

- (a) a bank, savings and loan association, insurance company, or registered investment company;
- (b) an investment adviser registered either with the SEC under Section 203 of the Investment Advisers Act of 1940 or with a state securities commission (or agency or office performing like functions);
- (c) any other entity (whether a natural person, corporation, partnership, trust, or otherwise) with total assets of at least \$50 million;
- (d) a governmental entity or subdivision thereof;
- (e) an employee benefit plan that meets the requirements of Section 403(b) or Section 457 of the Internal Revenue Code and has at least 100 participants, but does not include any participant of such a plan;
- (f) a qualified plan, as defined in Section 3(a)(12)(C) of the Act, that has at least 100 participants, but does not include any participant of such a plan;
- (g) a FINRA member or registered associated person of such a member; and
- (h) a person acting solely on behalf of any such institutional investor.

For the Advisers’ purposes, “correspondence” consists of any written letter or electronic mail message distributed by a member to one existing or prospective mutual fund or separate account customer, or one broker.

The law prohibits the use of any advertisement, sales literature, correspondence or institutional sales material that contains “any untrue statement of material fact, or which is otherwise false or misleading.”² Whether any advertisement is false or misleading will depend on the facts and circumstances surrounding its use including: (a) the form as well as the content of the sales material; (b) the implication or inferences arising out of the sales material in its total context; and (c) the sophistication of the prospective client.

C. Examples of Sales Materials

Sales Materials may originate from a variety of sources – internally through the Advisers’ Creative Services Department, externally through advertising agencies, or simply at a sales person’s personal computer. The following are common examples of Sales Materials used by the Advisers. They include, but are not limited to, the following:

² Rule 206(b)-1(a)(5) of the Investment Advisers Act of 1940.

- Broker letters
- CDs
- Circulars
- E-blasts
- Form letters (including multiple emails)
- Internet pages
- Newsletters
- Pitch (“new prospecting”) books
- PowerPoint presentations
- Press Releases
- Reprints or excerpts of any article
- Sales materials in client updates
- Seminar texts
- Telephone scripts
- Traditional advertisements (TV, radio and print media, including newspapers, magazines, brochures, conference materials, etc.)

III. MARKETING COORDINATORS

One or more employees of the Advisers will be designated as a Marketing Coordinator (the “Marketing Coordinator”). These persons have a practical, working familiarity with legal requirements and production processes necessary to take a sales piece from initial creation through production and distribution. Their role is to help facilitate the creation, updating and approval of a new or existing sales piece.

IV. PROCESS TO REVIEW SALES MATERIALS

A. Overview

The following process will be used for all Sales Materials that refer to any particular [IA] Fund, the [IA] Funds in general, or private funds, as well as all investment adviser advertising and sales materials, such as those for separate accounts and wrap accounts. Any Sales Materials that refer to both the investment adviser business as well as the [IA] Funds must comply with both sets of regulatory standards.

B. Marketing Coordinator Activities

1. Preparation of Review Package
 - a. *Project Request Form*

The Marketing Coordinator will complete an electronic Marketing project request form on SharePoint for each piece of Sales Material. Upon completion of

the electronic project request form, a tracking number for the piece of Sales Material will be automatically generated and an electronic “job jacket” will be automatically created in IACM’s advertising and Sales development tracking software program (“DevTrack”).

b. *Review for Required Disclosures*

The Marketing Coordinator will review each piece of Sales Material for appropriateness of disclosures, including inclusion of standardized disclosures, and make any necessary changes to the piece so that the draft is essentially final (subject to regulatory comments). The Marketing Coordinator will attach or cause to be attached the piece of Sales Material to the appropriate DevTrack job.

c. *Backup Materials*

(1) General

Backup is required to support and verify any material factual assertions in the Sales Material, such as performance numbers, rankings, ratings, third-party quotations, economic statistics, market statistics, etc. The Marketing Coordinator will attach to the DevTrack job all backup materials. Data provided as backup materials may originate from a variety of sources acceptable to the Compliance Department.

(2) Commonly Used Backup Materials

IACM's group responsible for the calculation and dissemination of all performance related data for IACM’s products and strategies, Data and Communications Services Department (“DACs”), maintains backup for certain commonly used facts and data, such as standardized fund performance, Morningstar ratings, Lipper rankings, collective fund performance, and assets under management. Backup materials maintained by DACs do not need to be attached to the DevTrack job.

(3) [IA] Fund Performance and Characteristic Data

(a) **[Fund Administrator]**

[Fund Administrator], the custodian of the [IA] Funds, is the sole source of [IA] Fund performance and data on certain portfolio characteristics. The [Fund Administrator] data is only provided via the following steps:

- [Fund Administrator] sends performance, yield and certain portfolio characteristic data to IACM’s Information Systems Group (“ISG”) via an electronic file.

- ISG then formats that data and posts it on the internal Content Management site (the “Content Management Site”). Performance data is posted on our intranet and also goes live on the web site one day after it is received from [Fund Administrator] – generally the fourth business day of each month.
- [Fund Administrator]’s [IA] Fund performance data is maintained by DACS. Other [IA] Fund characteristic data used in a piece must be attached to the DevTrack job.

(b) DACS Calculated Data

DACS compiles and/or verifies certain [IA] Fund characteristic data using IACM’s Data Warehouse or other such databases that provide data that may be used in Sales Materials. DACS approved data is distributed as follows:

- Frequently requested data is posted on the Content Management Site.
- Other [IA] Fund data may be distributed upon request and in compliance with the [IA] Funds’ “Policies on Disclosure of Portfolio Holdings.”

(4) Private Fund Performance and Characteristic Data

Reserved.

(5) Composite and Separate Account Data

Only DACS may compile or verify composite performance and portfolio characteristic data. For composite performance and portfolio characteristic data, DACS distributes data that is regularly requested to the Content Management Site. Distribution of data by DACS constitutes its approval of the data.

(6) Other Data

Unless, in the judgment of the Compliance Department the circumstances require otherwise, DACS must review and approve all other fund, portfolio or composite related data and characteristics not otherwise calculated by DACS or, in the case of the [IA] Funds, by [Fund Administrator].

Due to potential conflicts of interest, portfolio manager calculation and/or approval of data, by itself, is not sufficient. All portfolio manager and other sourced data and calculations must be verified by DACS or

another source acceptable to the Compliance Department.³ In all cases, documentation sufficient to verify and support such data calculations must be attached to the DevTrack job.

d. *Determination of Approvals on Review Package*

The Marketing Coordinator will identify all individuals who must review and approve a piece of Sales Material in the DevTrack job. At a minimum, in addition to approval by the Compliance Department, all [IA] Funds Sales Materials should be routed to, and approved by, the following people:

(1) Marketing Person

(a) **New Sales Materials, Annual Updates and Updates with Material Changes**

For all new Sales Materials and all Sales Materials with material updates, the Marketing Department supervisor responsible for authorizing the creation and use of the Sales Materials should take responsibility for all aspects of the piece, including whether the overall communication is accurate, fair and balanced. In the case of a [IA] Fund piece, a change is considered material if it is determined that the updated material will need to be filed with the Financial Industry Regulatory Authority (“FINRA”).

(b) **Non-Material Updates**

For existing Sales Materials with non-material updates, such as updating performance data and routine portfolio characteristics, the Marketing Coordinator may authorize the update in lieu of the Marketing Department supervisor.

(2) Quoted Employees

Any employee quoted in Sales Material, such as a portfolio manager, research analyst or senior officer, must confirm the accuracy of the quote. Such approval must also be obtained for all updates to Sales Materials previously approved by the quoted employee to confirm that circumstances have not changed which may render the topic of the quote inaccurate.

³ Nothing herein is intended to discourage portfolio managers from reviewing and approving fund data and sales materials, as necessary, to confirm that they also agree with the completeness and accuracy of the information they contain.

(3) DACS

(a) **Data on Content Management Site**

Distribution of data by DACS to the Content Management Site constitutes DACS' approval of such Sales Material. Accordingly no further approval of any such Sales Material by DACS or the Compliance Department is necessary.

(b) **Data Not Found on Content Management Site**

DACS' approval must be obtained with respect to the accuracy of any fund, portfolio or composite related data or characteristics not found on the Content Management Site.

(4) Marketing Coordinator

The Marketing Coordinator must confirm that the data distributed by DACS was accurately transcribed into the Sales Material.

(5) Other Persons

The Marketing Coordinator and the Compliance Department may require the approval of any other individuals or companies they deem appropriate to confirm the accuracy of any aspect of the information found in the Sales Material.

C. Internal Routing of Review Package

1. Internal Approvals

After completing the DevTrack job, the Marketing Coordinator will route the DevTrack job to the individuals whose approvals are identified as necessary. If a person is unwilling to approve a piece because of inaccurate data or if they have other questions or concerns, they shall communicate such questions or concerns to the Marketing Coordinator and work with him or her to revise the draft so that it is satisfactory and approval can be obtained.

2. Compliance Department Review and Approval

a. *Review*

The Compliance Department will review the entire piece for the accuracy and adequacy of disclosure, timeliness of performance and other data, and whether or not the piece is fair and balanced overall. If the Compliance Department has any comments, the Sales Material will be returned to the Marketing Coordinator for changes and resubmission.

b. *[IA] Funds Only - Distributor Submission*

After the Compliance Department concludes that the Sales Material is substantially complete and in compliance with applicable standards and requirements, it will forward the draft Sales Material to the distributor for the [IA] Funds, (“Distributor”).

(1) *Review by Distributor*

After receipt of the Sales Materials from the Compliance Department, Distributor will review the Sales Materials. Distributor will provide any comments it may have to the Compliance Department which will, in turn, make necessary changes to the Sales Materials through the Marketing Coordinator.

(2) *Pre-Filing with FINRA*

If Distributor or the Compliance Department determines that a piece of Sales Material needs to be pre-filed with FINRA, Distributor will prepare the necessary submission and coordinate the communications and receipt of the review letter from FINRA. Copies of all communications, including the final approval, will be provided to the Compliance Department.

(3) *Distributor Approval*

After Distributor has completed its review and, if applicable, received the necessary review letter from FINRA for any piece that was pre-filed, it will communicate its final approval to the Compliance Department and, if applicable, also forward a copy of the final FINRA review letter.

c. *Compliance Department Approval for Production and Usage*

After all required parties, including Distributor in the case of [IA] Fund Sales Materials, have reviewed and approved the Sales Materials, the Compliance Department will mark the DevTrack job as approved and return it to the Marketing Coordinator. At that point, the Sales Material is approved for production and the Marketing Coordinator may finalize, produce and distribute the Sales Material for use in accordance with the usage identified on the DevTrack job. While the Compliance Department will strive to promptly respond to all submissions, the Marketing Coordinator should allow at least three (3) business days for a DevTrack job to be reviewed.

D. Post Production

1. Copies to Compliance Department

After the Sales Material is produced, the Marketing Coordinator or the Creative Services Department will, within five (5) business days after first use, attach a final copy of the Sales Material to the DevTrack job.

2. Copies to Distributor/FINRA

In the case of [IA] Fund Sales Materials, after the Sales Material is produced and the final copies are provided, the Compliance Department will forward the necessary number of final copies to Distributor which will, in turn, forward them to FINRA within 10 business days of first use.

3. Record Retention

All completed Sales Materials and attachments will be preserved in DevTrack in accordance with the applicable record retention requirements.

E. Sales Materials Requiring Third-Party Broker-Dealer Approval ([IA] Funds Only)

1. FINRA Letters

If a piece of Sales Material will be used by a third-party broker-dealer, that fact should be noted in the DevTrack job. In such case, the Compliance Department will cause Distributor to obtain review letters from FINRA for the benefit of such broker-dealer.

2. Approval by the Third-Party Broker-Dealer's Compliance Department

After the Compliance Department has approved a piece of Sales Material for final production, the Marketing Coordinator will forward a copy to the compliance departments of those third-party broker-dealers who require such materials to also receive their approval. After approval has been obtained, the Marketing Coordinator will attach a copy of such approval to the DevTrack job. IACM will not use any Sales Materials with any third-party broker/dealer requiring such approval until it has been obtained.

F. Expirations and Resubmissions

1. Expirations

All approvals expire after a pre-determined period of time coded in the Tracking Number. In no event are Sales Materials approved for a period longer than one year. Some approvals may be for one-time or limited use only. The expiration month or quarter and year and renewal frequencies are also located within the tracking number.

2. Resubmissions

a. *[IA] Fund Sales Materials*

[IA] Fund Sales Materials must be submitted for review and approval each time they are updated with new text or data in accordance with the normal review procedures.

b. *Non [IA] Fund Sales Materials*

(1) Text Only Changes

Sales Materials containing text changes must be resubmitted to the Compliance Department for review and approval each time the text changes. Depending on the nature of the Sales Materials, the Compliance Department may require additional persons to also sign-off on the changes.

(2) Numerical Only Changes

Sales Materials that require numerical updates (such as performance data updates) must be submitted to the Compliance Department with the updated Sales Materials and backup for review and approval. The DevTrack job should indicate that the Sales Materials are being submitted only for the purpose of updating numerical data. The Marketing Coordinator must confirm that the new data was accurately transcribed into the Sales Material.

V. ANNUAL UPDATES OF SALES MATERIALS

All Sales Materials, unless they expire sooner (such as “limited use” materials which must be reviewed by the Legal Department each time they are used), must be reviewed and approved by the Compliance Department at least once per year. Sales Materials that have expired must be reviewed and approved again before re-distribution.

A. Sales Materials Not on Web Site

The Marketing Coordinators are responsible for tracking the expiration dates of Sales Materials. Prior to the expiration date of a piece of Sales Material, the Marketing Coordinators will resubmit the piece to the Compliance Department in accordance with the normal review procedures with sufficient time to prevent its expiration. The Marketing Coordinators are responsible for removing any Sales Materials from SharePoint and R:/GROUPS/Quarterly Marketing Approved PDFs at or before the expiration of such Sales Materials.

B. Sales Materials on Web Site

The Marketing Coordinators track where Sales Materials are posted on IACM's web site and when they expire. ISG is responsible for removing any Sales Materials at or before expiration.

C. Archived Sales Materials on Web Site

Commentary and Whitepapers can be placed in a separate archive location on IACM's web site. The Marketing Coordinator is responsible for archiving such Sales Materials following their expiration. Once the Sales Materials are placed in the archive file, the Marketing Coordinator must notify the Compliance Department in order to have the file and the Sales Materials reviewed by Distributor. The Marketing Coordinator must notify the Compliance Department each time a new piece is added to the archive file.

VI. TRAINING

Each employee of an Adviser who is involved in the preparation or review of Sales Materials needs to be educated with respect to this Policy. Training shall take place at least annually. Additionally, this Policy shall be posted on the Advisers' intranet, and the Compliance Department may issue periodic reminders to employees about their obligations pursuant to this Policy.

VII. AMENDMENTS

Any amendment to this Policy must be made in writing by the Legal Department. The Legal Department shall promptly distribute such amended Policy to all appropriate parties, and each such party shall sign, and return to the Legal Department, a certification of his/her receipt of such amended Policy.

VIII. SANCTIONS

Failure to comply with this Policy may result in disciplinary action at the discretion of the applicable Adviser's Chief Compliance Officer, including, but not limited to, issuance of a Compliance Violation Notice, a copy of which will be placed in the employee's personnel file, and/or termination of employment.