

Breckinridge Capital Advisors, Inc. Part 2A of Form ADV The Brochure

200 High Street
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www.bondinvestor.com

Updated: January 2011

This brochure provides information about the qualifications and business practices of Breckinridge Capital Advisors, Inc. ("BCA"). If you have any questions about the contents of this brochure, please contact us at 617-443-0779. 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.

Additional information about BCA is also available on the SEC's website at: www.adviserinfo.sec.gov.

Material Changes

BCA's most recent update to Part 2 of Form ADV was made in December 2009. BCA's business activities have not changed materially since the time of that update. However, in 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by BCA in prior years.

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Advisory Business

Breckinridge Capital Advisors, Inc. (BCA) provides investment advice for the management of both taxable and tax free fixed income bond portfolios. BCA provides its services to individuals, trusts, estates, and/or charitable organizations, corporations and/or other business entities, an investment company registered under the Investment Company Act of 1940, and private investment funds (see Item 2G). Clients' primary access to BCA is through other financial advisors or wrap programs. BCA may have direct contractual arrangements with clients or maintain master agreements with other financial advisors or wrap sponsors.

BCA serves as portfolio manager in the following Wrap programs:

ADVISOR SELECT PROGRAM

Sponsor

DB ALEX. BROWN

BRINKER PLATFORM ADVISER

Sponsor

BRINKER CAPITAL

CONSULTING SERVICES SELECTS

Sponsor

BANC OF AMERICA INVESTMENT ADVISORS, INC.

CONSULTING SERVICES UMA

Sponsor

BANC OF AMERICA INVESTMENT ADVISORS, INC.

CHASE PORTFOLIO MANAGER PROGRAM

Sponsor

CHASE INVESTMENT SERVICES, CORP.

COMPASS FINANCIAL ADVISORS

Sponsor

COMPASS FINANCIAL ADVISORS

MANAGED ACCOUNT SOLUTIONS PROGRAM

Sponsor

ENVESTNET ASSET MANAGEMENT

ENVESTNET PREMIER ASSET MANAGEMENT PROGRAM

Sponsor

ENVESTNETPMC

PRIVATE WEALTH AND ASCENT PORTFOLIO MANAGEMENT

Sponsor
ENVESTNETPMC

KEYBANK INVESTMENT ADVISOR PROGRAM

Sponsor
KEYBANK NATIONAL ASSOCIATION

LOCKWOOD MANAGED ACCOUNT LINK

Sponsor
LOCKWOOD ADVISORS, INC.

LOCKWOOD MANAGED ACCOUNT ADVISOR

Sponsor
LOCKWOOD ADVISORS, INC.

LOCKWOOD MANAGED ACCOUNT COMMAND

Sponsor
SECURIAN ADVISORS
KEY INVESTMENT SERVICES

MERRILL LYNCH UMA

Sponsor
MERRILL LYNCH

MORGAN STANLEY ACCESS

Sponsor
MORGAN STANLEY

MORGAN STANLEY SMITH BARNEY FIDUCIARY SERVICES

Sponsor
MORGAN STANLEY SMITH BARNEY

NICOLET

Sponsor
NICOLET NATIONAL BANK

PERSHING ADVISOR SOLUTIONS

Sponsor
PERSHING ADVISOR SOLUTIONS

PPS DIRECT

Sponsor
COMMONWEALTH EQUITY SERVICES

SEPARATE ACCOUNT MANAGER MANAGED ACCOUNT SELECT PROGRAM

Sponsor
CHARLES SCHWAB & CO, INC.

HARRIS SULLIVAN, BRUYETTE, SPEROS & BLANEY, INC.
Sponsor
HARRIS BANK SULLIVAN, BRUYETTE, SPEROS & BLANEY, INC.

PRIVATE PORTFOLIO MANAGEMENT
Sponsor
THE PRIVATE BANK

UBS Access
Sponsor
UBS

UBS Strategic Wealth Portfolio
Sponsor
UBS

WP STEWART ASSET MANAGEMENT LTD.
Sponsor
WP STEWART ASSET MANAGEMENT LTD.

BCA was founded in 1993 and is primarily owned by Peter Coffin. As of September 30, 2010 BCA managed \$13,428,800,418 on a discretionary basis and \$16,184,503 on a non-discretionary basis on behalf of approximately 5,700 clients.

Fees and Compensation

The maximum fee BCA assesses for management of a client account is 35 basis points. Fees are negotiable based on the size and nature of the portfolio and if the portfolio is managed through a wrap account. As the custodian will not do so, it is the client's responsibility to verify that the fee is properly calculated. Fees will be payable quarterly, either in advance or in arrears. BCA may deduct fees directly from client custodial accounts, or bill primary advisors or clients directly for fees. The manner in which fees are deducted is detailed in the signed agreement with the primary advisor or client.

Clients may terminate an advisory contract within five business days after execution without penalty; otherwise the contract may be terminated upon thirty days prior written notice. Advisory contracts cannot be assigned without the approval of the client. Fees paid in advance for the current quarter will be pro-rated on a daily basis and any unused portion returned to the client. Fees paid in arrears for the current quarter will be pro-rated on a daily basis and billed to the client.

All holdings in BCA accounts are priced at month-end by Standard and Poors. If a security's price is unavailable from Standard and Poors, BCA will seek the most accurate

price (at its discretion) available from either a) Bloomberg pricing, b) dealer/underwriter evaluation or c) portfolio manager evaluation.

In addition to BCA's investment management fees, clients bear trading costs and custodial fees. To the extent that clients' accounts are invested in mutual funds, these funds pay a separate layer of management, trading, and administrative expenses.

Performance Based Fees and Side-by-Side Management

BCA does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to BCA.

Types of Clients

Breckinridge Capital Advisors, Inc. (BCA) provides investment advice for the management of both taxable and tax free fixed income bond portfolios. BCA provides its services to individuals, trusts, estates, and/or charitable organizations, corporations and/or other business entities, an investment company registered under the Investment Company Act of 1940, and private investment funds.

BCA provides advice to private investment funds in limited partnerships or limited liability form (that are not registered under the Investment Company Act) that invest in similar securities as other advisory clients. BCA is not the general partner to any private investment funds and does not receive placement fees with respect to investments in private investment funds.

Accounts of \$500,000 or more will be accepted, however, smaller accounts may be accepted when part of a household with more than \$1,000,000 total value.

Methods of Analysis, Investment Strategies and Risk of Loss

For both strategies, the firm uses a straightforward investment approach based on the analysis of five primary risks: credit, interest rate, call (early redemption), liquidity and tax. Using its resources in municipal trading and analysis, portfolios are then structured and invested to achieve the optimal balance of risk and return according to the objectives and parameters of each individual investor.

Tax-Exempt Municipal Bond Strategy

Overview:

Investors who pay income taxes at the top marginal or corporate tax rate - such as high net worth individuals and insurance companies - often seek to maximize risk-adjusted, after-tax returns through tax-exempt investment strategies.

As a municipal bond specialist, Breckinridge has deep knowledge of the tax-exempt municipal market. We actively pursue opportunities to diversify across issuers, sectors and the yield curve to deliver long-term, reliable, risk-adjusted returns.

Additionally, we recognize that each of our clients has a unique tax status, investment objective and risk tolerance. As such, we utilize proprietary technology to customize portfolios to client-specific tax bracket, state of residence and maturity/duration parameters.

Investment Objective:

Maximize after-tax income while minimizing overall risk through opportunistic trading, fundamental credit analysis and proactive portfolio structure.

Investment Philosophy:

Since municipal bonds are often greatly over or undervalued due to the inefficient nature of the market, it's important to take advantage of opportunities to improve a portfolio's risk adjusted returns, customize portfolios according to each client's objectives and risk parameters and focus on preserving capital and generating a reliable income stream

Taxable Municipal Bond Strategy

Overview:

Endowments, foundations, pension funds and other tax-exempt entities seek to maximize risk-adjusted returns through the purchase of taxable fixed income securities with positive spread to Treasuries. Our high-grade, fixed income investment strategies strive to achieve this goal with a primary allocation to taxable municipal bonds, providing both yield spread and quality.

With the advent of the Build America Bond program in 2009, the taxable municipal market is poised to grow substantially. Having invested in the taxable municipal market since 1996, Breckinridge is well positioned to take advantage of the growing opportunity in taxable municipal bonds.

We also tactically pursue opportunities in other fixed-income sectors including high quality corporate bonds, agencies and Treasuries.

Investment Objective:

Maximize risk-adjusted returns through the construction of a high quality portfolio of taxable securities including taxable municipals, agencies, Treasury securities and high quality corporate bonds.

Investment Philosophy:

We believe it is important to invest in low-risk assets, while limiting duration and prepayment risk, take advantage of opportunities to improve a portfolio's risk-adjusted returns, customize portfolios according to each client's objectives and risk parameters and focus on preserving capital and generating a reliable income stream

Disciplinary Information

BCA and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

BCA and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

To avoid any potential conflicts of interest involving personal trades, BCA has adopted a Code of Ethics ("COE"), which includes personal trading reporting and review policies and procedures and insider trading policies and procedures. BCA's COE requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of BCA above one's own personal interests;
- Adhere to the fundamental standard that one should not take inappropriate advantage of his/her position;
- Avoid or disclose any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on oneself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve his/her professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the federal securities laws. BCA's COE also requires employees to: 1) pre-clear certain personal securities transactions, 2) report

personal securities transactions on at least a quarterly basis, and 3) provide BCA with a detailed summary of certain holdings and securities accounts (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

A copy of BCA's COE is available to any client or prospective client upon request.

Brokerage Practices

BCA has been granted the authority by a substantial majority of its clients to determine, without specific consent, the securities to be bought or sold, the amounts of those securities, and the broker-dealers utilized to effect those trades. Any limitations which might be placed on BCA are "client specific" and, to the extent that they exist, are detailed at the opening of the client's account. BCA invests client assets primarily in individual municipal bond issues. BCA may also invest client assets in U.S. Government securities and corporate debt securities.

Absent an existing custodial relationship, BCA may assist the client in developing a relationship with a custodian with whom Breckinridge has an existing relationship. While there is no direct link with the investment advice given, economic benefits may be received which would not be received if BCA did not place client assets at the selected custodian. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to trading desks serving institutional managers exclusively; ability to have investment advisory fees deducted directly from client accounts; receipt of compliance publications; ability to view account balances and activity online; etc. The benefits received may or may not depend upon the amount of assets custodied. To the extent that BCA receives these benefits, the benefits may be used to facilitate the management of not only the client accounts responsible for generating the benefits, but all client accounts.

On occasion, BCA may receive sell-side research from broker-dealers, including market indices, that is not available to the general public. BCA does not direct trades in order to obtain this research. To the extent that BCA receives this research, the research may be used to facilitate the management of all client accounts.

BCA combines orders for clients. The combining of orders may allow BCA to achieve lower transaction costs and more effective execution for orders than would be the case if each individual client order were placed separately with one or several dealers. Clients may also be able to achieve lower trade execution prices as a result of this practice.

In selecting broker-dealers, BCA's guiding principle is to seek to obtain the best overall execution for each client on each trade. BCA considers a number of factors, including, without limitation, the actual handling of the order, the ability of the dealer to settle the trade promptly and accurately, the financial standing of the dealer, the ability of the dealer to commit capital, BCA's past experience with similar trades and other factors that may be unique to a particular order. In recognition of the value of these qualitative

factors, BCA may cause clients to pay markups or markdowns that are higher than the lowest cost that might otherwise be available for any given trade.

Breckinridge may use a bid wanted platform when soliciting bids for account liquidation. When an existing account terminates and requests liquidation, Breckinridge must execute that request objectively and expeditiously. Using a bid wanted platform expands the number of broker-dealers alerted to and responding to our bid wanted and helps to ensure that we will receive an acceptable bid.

Subject to any contractual restrictions or requirements under ERISA or the Investment Company Act of 1940, Breckinridge may conduct cross-trades between client accounts. All cross trades must be beneficial to both parties and adhere to all investment objectives and trade allocation guidelines. Transaction prices will be based on prices provided by independent third party pricing services. All cross trades will be processed through broker-dealers not affiliated with Breckinridge.

Generally, a client may not direct BCA to utilize a particular broker-dealer to execute some or all transactions for the client's account; however, the client will be required to choose its own custodian. The client is responsible for negotiating the terms and arrangements for the account with that custodian. As a result, BCA will be unable to influence the transaction costs charged by the custodian to settle BCA trades for clients.

Notwithstanding the above, if a client insists that BCA direct its trading to a particular broker or dealer, the client should be aware that it may lose out on certain benefits that would otherwise be obtained and it should be understood that BCA will not have authority to obtain volume discounts, lower commissions, or narrower spreads. Consequently, clients directing the use of a particular broker or dealer may not receive best execution.

If BCA sells non-fixed income debt securities on the client's behalf, it will do so with the broker or dealer affiliate of the custodian. BCA executes the sells at the direction of the client as a courtesy and the assets are not considered managed by BCA until such sales are completed. Clients should be aware that BCA claims no experience as an equity manager, nor does it evaluate execution quality for the broker-dealers' execution of equity transactions.

If BCA executes over-the-counter securities transactions on an agency basis at the client's request, clients may incur two transaction costs for a single trade: a commission paid to the executing broker-dealer plus any mark-up or mark-down charged by the market-making broker-dealer, which is included in the offer or bid price of the securities purchased or sold.

If BCA manages the client account of a wrap fee client, the client should be aware that BCA may not be provided sufficient information by the wrap program sponsor to perform an assessment as to the suitability of BCA's services for the client. BCA will rely on the wrap program sponsor who, within its fiduciary duty, must determine not only the suitability of BCA's services for the client, but also the suitability of the wrap fee program

for the client. Furthermore, BCA will make every effort to obtain best execution within any constraints that may be set forth by the client and the wrap program sponsor.

Review of Accounts

All accounts will be continuously monitored. As market and credit conditions change, the impact on each account will be assessed.

Each portfolio's interest rate risk profile (duration, convexity, call protection, etc.) will be updated and evaluated to determine whether it complies with stated objectives.

Each bond is assigned an internal credit quality rating and is reviewed according to the level of risk.

Peter Coffin, Martha Field Hodgman, David Madigan, Susan Mooney and /or Matthew Buscone will be the Reviewer for all accounts.

Portfolio reports are produced on at least a quarterly basis which will include: **

- 1) Complete list and description of Portfolio Holdings
- 2) Graphics showing overall portfolio structure (ratings, maturity, duration and sector profiles)

Peter Coffin, Martha Field Hodgman, David Madigan, Susan Mooney and/or Matthew Buscone will be available to review all accounts with clients on a regular basis either in person or by telephone.

** Excludes portfolios managed through certain wrap-fee programs when such information is provided by the wrap-fee program sponsor.

Client Referrals and Other Compensation

BCA does not directly or indirectly compensate any person for client referrals.

Custody

All clients' accounts are held in custody by unaffiliated broker/dealers or banks, but BCA can access many clients' accounts through its ability to debit advisory fees. For this reason BCA is considered to have custody of client assets. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by BCA.

Investment Discretion

BCA has been granted the authority by a substantial majority of its clients to determine, without specific consent, the securities to be bought or sold, the amounts of those securities, and the broker-dealers utilized to effect those trades. Any limitations which might be placed on BCA are "client specific" and, to the extent that they exist, are detailed at the opening of the client's account.

Voting Client Securities

Our Proxy Administrator is Peter B. Coffin, who is charged with identifying the proxies upon which BCA will vote, voting the proxies in the best interest of clients, and submitting the proxies promptly and properly. BCA will only be responsible for voting proxies for those municipal bond issues actively managed by BCA.

Our policy is to vote client proxies in the interest of maximizing bondholder/shareholder value. To that end, BCA will vote in a way that it believes, consistent with its fiduciary duty, will cause the issue to increase the most or decline the least in value. BCA will consider both the short and long-term implications of the proposal to be voted on when considering the optimal vote.

We have identified no current conflicts of interest between client interests and our own within our proxy voting process. Nevertheless, if Peter B. Coffin determines that he or BCA is facing a material conflict of interest in voting a proxy (e.g., an employee of BCA may personally benefit if the proxy is voted in a certain direction), BCA will convene a Proxy Voting Committee to determine the appropriate vote. Decisions of the Committee must be unanimous. If the Committee cannot reach a unanimous decision, BCA will engage a competent third party, at our expense, who will determine the vote that will maximize shareholder value. As an added protection, the third party's decision is binding.

We maintain written proxy voting guidelines and records of all proxy actions. Our guidelines are available for review. Our complete voting record is available to our clients. Contact BCA for any questions or to request review of either of these documents.

Financial Information

BCA has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

Breckinridge Capital Advisors, Inc. Part 2B of Form ADV The Brochure Supplement

200 High Street, Boston
MA 02110
www.bondinvestor.com

Updated: December 2010

This brochure supplement provides information about Peter Coffin, Martha Hodgman, David Madigan, Susan Mooney, and Matthew Buscone. It supplements BCA's accompanying Form ADV brochure. Please contact BCA's Chief Compliance Officer at 617-443-0779 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

Additional information about Messrs. Coffin, Hodgman, Madigan, Mooney, and Buscone is available on the SEC's website at www.adviserinfo.sec.gov.

Peter Coffin’s Biographical Information

Educational Background and Business Experience

Peter B. Coffin DOB: 03/30/1959

Educational Background

Hamilton College Clinton, NY	1982 – BA Classical Studies
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Business Background

Breckinridge Capital Advisors, Inc. President	1993 to present
Massachusetts Financial Services SVP, Municipal Portfolio Manager	1987 to 1993

Disciplinary Information

Mr. Coffin has not been involved in any legal or disciplinary events that would be material to a client’s evaluation of Mr. Coffin or of BCA.

Other Business Activities

Mr. Coffin is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of BCA.

Additional Compensation

Mr. Coffin does not receive economic benefits from any person or entity other than BCA in connection with the provision of investment advice to clients.

Supervision

Mr. Coffin’s investment recommendations are supervised by BCA’s Chief Investment Officer, David Madigan. Mr. Coffin’s activities are also overseen by the Chief Operating Officer and Chief Compliance Officer, Andrew Meyers. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

Martha Hodgman's Biographical Information

Educational Background and Business Experience

Martha Field Hodgman, CFA

DOB: 04/30/1951

Educational Background

Trinity College
Hartford, CT

1973 – BA
Intercultural Studies

Business Background

Breckinridge Capital Advisors, Inc.
Senior Vice President
Loomis Sayles & Co, LP
SVP, Municipal Portfolio Manager

2001 to present

1991 to 2001

Disciplinary Information

Ms. Hodgman has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Ms. Hodgman or of BCA.

Other Business Activities

Ms. Hodgman is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of BCA

Additional Compensation

Ms. Hodgman does not receive economic benefits from any person or entity other than BCA in connection with the provision of investment advice to clients.

Supervision

Ms. Hodgman's investment recommendations are supervised by BCA's Chief Investment Officer, David J. Madigan. Ms. Hodgman's activities are also overseen by the Chief Operating Officer and Chief Compliance Officer, Andrew Meyers and the President, Peter B. Coffin. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

Susan Mooney's Biographical Information

Educational Background and Business Experience

Susan S. Mooney DOB: 7/30/53

Educational Background

Union College Schenectady, NY	1975 - BA American Studies
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Business Background

Breckinridge Capital Advisors, Inc. Senior Vice President, Portfolio Management	2007 to present
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Freedom Capital Management Director of Fixed Income and Principal	2003 to 2007
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Harbor Capital Management Director of Fixed Income, Managing Director	1979 to 2003
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Disciplinary Information

Ms. Mooney has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Ms. Mooney or of BCA.

Other Business Activities

Ms. Mooney is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of BCA.

Additional Compensation

Ms. Mooney does not receive economic benefits from any person or entity other than BCA in connection with the provision of investment advice to clients.

Supervision

Ms. Mooney's investment recommendations are supervised by BCA's Chief Investment Officer, David J. Madigan. Ms. Mooney's activities are also overseen by the Chief Operating Officer and Chief Compliance Officer, Andrew Meyers and the President, Peter B. Coffin. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

Matthew Buscone's Biographical Information

Educational Background and Business Experience

Matthew Buscone DOB: 5/8/1970

Educational Background

Bryant College 1992 - BS
Smithfield, RI Economics

Business Background

Breckinridge Capital 2008 – present
Portfolio Manager
Trader 2002-2008

Mellon Private Asset Mgmt
Trader 2000-2002

David L. Babson & Co
Portfolio Manager 1996-2000

Municipal Market Data 1994-1996

Disciplinary Information

Mr. Buscone has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Buscone or of BCA.

Other Business Activities

Mr. Buscone is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of BCA.

Additional Compensation

Mr. Buscone does not receive economic benefits from any person or entity other than BCA in connection with the provision of investment advice to clients.

Supervision

Mr. Buscone's investment recommendations are supervised by BCA's Chief Investment Officer, David Madigan. Mr. Buscone's activities are also overseen by the Chief Operating Officer and Chief Compliance Officer, Andrew Meyers. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.



September 2010

PRIVACY POLICY NOTICE

Breckinridge Capital Advisors, Inc. respects the privacy of our client relationships and is committed to maintaining the highest standards of confidentiality. In that regard, we are providing this annual Privacy Notice to all of our clients who obtain financial products and services from us in accordance with Title V of the Gramm-Leach-Bliley Act of 1999 and its implementing regulations.

Collection and Use of Your Personal Information

We collect and use non-public personal information ("Information") such as name, address, birth date, social security number, assets and income. This Information comes primarily from account applications, financial statements or other forms you or your agent submit to us. We also receive your Information through oral, written or electronic communication. We use this information to administer your accounts, process transactions, and provide customer services.

Sharing of Your Information

In the normal course of business, we may share your Information with parties that represent you, such as custodians, financial consultants or other non-affiliated third parties at your consent or direction. Non-affiliated third party disclosure may also include companies under contract with us to perform services for us or on our behalf: vendors providing data processing or computer software maintenance. We may disclose your Information with government agencies and regulators, as in the course of regulatory review and as necessary to protect our rights or property.

Outside of the above exceptions, we do not share your Information with non-affiliated third parties.

BCA does not have any affiliates with which we share consumer (or client) information.

If your relationship with us ends or becomes inactive, we continue to treat your Information that we have collected in accordance with this Privacy Notice.

Information Security Procedures

We restrict access to your Information to only those employees who need to know that information to provide our financial services to you. We maintain physical, electronic, and procedural safeguards that comply with federal and certain state standards to guard your Information from unauthorized disclosure. Our employees, when working with your Information, must protect the integrity and the confidential nature of your Information. Our employees are bound by our Code of Ethics and policies to access customer information only for legitimate business purposes and to keep your Information confidential.

Updating the Privacy Policy

As federal law requires, we will notify you annually of our privacy policy. In the future, if it is necessary to disclose your Information that is not consistent with this policy, we will provide you with advance notice of the proposed change so that you will have the opportunity to opt out of such disclosure.

If you have any questions or require further information, please contact us at 1-888-720-1399 or clientadmin@bondinvestor.com.

15. PROXY VOTING AND CLASS ACTIONS

Implementation Date: October 2004
Most Recent Amendment Date: July 2009

Introduction

In Proxy Voting by Investment Advisers, Investment Advisers Act Release No. 2106 (January 31, 2003), the SEC noted that, “The federal securities laws do not specifically address how an adviser must exercise its proxy voting authority for its clients. Under the Advisers Act, however, an adviser is a fiduciary that owes each of its clients a duty of care and loyalty with respect to all services undertaken on the client’s behalf, including proxy voting. The duty of care requires an adviser with proxy voting authority to monitor corporate events and to vote the proxies.”

Rule 206(4)-6 under the Advisers Act requires each registered investment adviser that exercises proxy voting authority with respect to client securities to:

- Adopt and implement written policies and procedures reasonably designed to ensure that the adviser votes client securities in the clients’ best interests. Such policies and procedures must address the manner in which the adviser will resolve material conflicts of interest that can arise during the proxy voting process;
- Disclose to clients how they may obtain information from the adviser about how the adviser voted with respect to their securities; and
- Describe to clients the adviser’s proxy voting policies and procedures and, upon request, furnish a copy of the policies and procedures.

Additionally, paragraph (c)(2) of Rule 204-2 imposes additional recordkeeping requirements on investment advisers that execute proxy voting authority, as described in the *Maintenance of Books and Records* section of this Manual.

The Advisers Act lacks specific guidance regarding an adviser’s duty to direct clients’ participation in class actions. However, many investment advisers adopt policies and procedures regarding class actions.

BCA votes proxies for some of its clients, and therefore has adopted and implemented this Proxy Voting Policy and Procedures. Any questions about this document should be directed to the BCA Proxy Administrator.

Risks

In developing this policy and procedures, BCA considered numerous risks associated with its voting of client proxies. This analysis includes risks such as:

- BCA does not maintain a written proxy voting policy as required by Rule 206(4)-6.
- Proxies are not voted in clients’ best interests.

- Proxies are not identified and voted in a timely manner.
- Conflicts between BCA's interests and the client are not identified; therefore, proxies are not voted appropriately.
- The third-party proxy voting services utilized by BCA are not independent.
- Proxy voting records and client requests to review proxy votes are not maintained.
- BCA lacks policies and procedures regarding Client's participation in class actions

BCA has established the following guidelines to effectuate and monitor its proxy voting policy and procedures.

Proxy Voting Policy

It is the policy of BCA to vote client proxies in the interest of maximizing Shareholder/Bondholder Value. To that end, BCA will vote in a way that it believes, consistent with its fiduciary duty, will cause the value of the issue to increase the most or decline the least. Consideration will be given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote.

Any general or specific proxy voting guidelines provided by an advisory client or its designated agent in writing will supersede this policy. Clients may wish to have their proxies voted by an independent third party or other named fiduciary or agent, at the client's cost.

Procedures for Identification and Voting of Proxies

These proxy voting procedures are designed to enable BCA to resolve material conflicts of interest with clients before voting their proxies in the interest of shareholder/bondholder value.

1. BCA shall maintain a list of all clients for which it votes proxies. The list will be maintained either in hard copy or electronically and updated by the Proxy Administrator or his designate, who will obtain proxy-voting information from client agreements.
2. The Proxy Administrator or his designate shall receive all proxy voting materials and will be responsible for ensuring that proxies are voted and submitted in a timely manner.
3. The Proxy Administrator or his designate will review the list of clients and compare the record date of the proxies with a security holding list for the security or company soliciting the proxy vote.

For any client who has provided specific voting instructions, Proxy Administrator or his designate shall vote that client's proxy in accordance with the client's written instructions.

Proxies of clients who have selected a third party to vote proxies, and whose prox-

ies were received by BCA, shall be forwarded to the designee for voting and submission.

Proxies received after the termination date of a client relationship will not be voted. Such proxies should be delivered to the last known address of the client or to the intermediary who distributed the proxy with a written or oral statement indicating that the advisory relationship has been terminated and that future proxies for the named client should not be delivered to the Adviser.

4. The Proxy Administrator will reasonably try to assess any material conflicts between BCA's interests and those of its clients with respect to proxy voting by considering the situations identified in the Conflicts of Interest section of this document.
5. So long as there are no material conflicts of interest identified, BCA will vote proxies according to the policy set forth above. BCA may also elect to abstain from voting if it deems such abstinence in its clients' best interests. The rationale for "abstain" votes will be documented and the documentation will be maintained in the permanent file.
6. The Proxy Administer shall compare the cost of voting the proxy to the benefit to the client. As most of our holdings have generally afforded us the ability to vote proxies in a cost effective manner, in the event that the costs of voting appear to outweigh the benefits, the Proxy Administrator or his designate, shall document such rationale and maintain the documentation in the permanent file (for example, voting a foreign security may require additional costs that overshadow the benefits or BCA has no current investment interest in the security).

BCA is not required to vote every client proxy and such should not necessarily be construed as a violation of BCA's fiduciary obligations. BCA shall at no time ignore or neglect its proxy voting responsibilities. However, there may be times when refraining from voting is in the client's best interest, such as when an adviser's analysis of a particular client proxy reveals that the cost of voting the proxy may exceed the expected benefit to the client (i.e., casting a vote on a foreign security may require that the adviser engage a translator or travel to a foreign country to vote in person). Such position also complies with Interpretive Bulletin 94-2 of the DOL.

7. The Compliance Officer shall be responsible for conducting the proxy voting cost-benefit analysis in those certain situations in which BCA believes it may be in its clients' best interest for BCA not to vote a particular proxy.
8. If the Proxy Administrator or his designate detect a conflict of interest, BCA will, at its expense, engage the services of an outside proxy voting service or consultant who will provide an independent recommendation on the direction in which BCA should vote on the proposal. The proxy voting service's or consultant's determination will be binding on BCA.

9. The Proxy Administrator or his designate shall collect and submit the proxy votes in a timely manner.
10. The Compliance Officer will report any attempts by BCA's personnel to influence the voting of client proxies in a manner that is inconsistent with BCA's Policy. Such report shall be made to BCA's Proxy Administrator, or if the Proxy Administrator is the person attempting to influence the voting, then to BCA's outside counsel.
11. All proxy votes will be recorded and the following information will be maintained:

- Date Received
- Security Name
- Ticker Symbol
- Cusip
- Shareholder Meeting Date
- Number of Shares Voted, if known
- Proposal Identification Code
- Proposed by Issuer / Shareholder
- How Voted
- Voted with or against Management
- Client Directing Alternative Vote, if any
- Client Name
- Custodian Account #

See Attachment 15-A and 15-B.

In the event that BCA votes the same proxy in two directions, it shall maintain documentation to support its voting (this may occur if a client requires BCA to vote a certain way on an issue, while BCA deems it beneficial to vote in the opposite direction for its other clients) in the permanent file.

12. Proxies received after a Client terminates its advisory relationship with BCA will not be voted. The Proxy Administrator, or his designee, will promptly return such proxies to the sender, along with a statement indicating that BCA's advisory relationship with the client has terminated, and that future proxies should not be sent to BCA.

Conflicts of Interest

Although BCA has not currently identified any material conflicts of interest that would affect its proxy voting decisions, it is aware of the following potential conflicts that could exist in the future:

- **Conflict:** BCA retains an institutional client, or is in the process of retaining an institutional client that is affiliated with an issuer that is held in BCA's client portfolios. For example, BCA may be retained to manage BCA's pension fund. BCA is a public company and BCA client accounts hold shares of BCA. This type of relationship may influence BCA to vote with management on proxies to gain favor with management. Such favor may influence BCA's decision to continue its advisory relationship with BCA.
- **Conflict:** BCA retains a client, or is in the process of retaining a client that is an officer or director of an issuer that is held in BCA's client portfolios. The similar conflicts of interest exist in this relationship as discussed above.
- **Conflict:** BCA's employee(s) maintain a personal and/or business relationship (not an advisory relationship) with issuers or individuals that serve as officers or directors of issuers. For example, the spouse of a BCA employee may be a high-level executive of an issuer that is held in BCA's client portfolios. The spouse could attempt to influence BCA to vote in favor of management.
- **Conflict:** BCA or an employee(s) personally owns a significant number of an issuer's securities that are also held in BCA's client portfolios. For any number of reasons, an employee(s) may seek to vote proxies in a different direction for his/her personal holdings than would otherwise be warranted by the proxy voting policy. The employee(s) could oppose voting the proxies according to the policy and successfully influence BCA to vote proxies in contradiction to the policy.
- **Conflict:** BCA has a financial interest in the outcome of a vote, such as when BCA receives distribution fees (i.e., Rule 12b-1 fees) from mutual funds that are maintained in client accounts and the proxy relates to an increase in 12b-1 fees.
- **Resolution:** Upon the detection of a material conflict of interest, the procedure described under Item 8 of the *Procedures for Identification and Voting of Proxies* section above will be followed.

BCA realizes that due to the difficulty of predicting and identifying all material conflicts, it must rely on its employees to notify the Proxy Administrator or his designate of any material conflict that may impair BCA's ability to vote proxies in an objective manner. Upon such notification, the Proxy Administrator will notify its legal counsel of the conflict who will recommend an appropriate course of action.

In addition, any attempts by others within BCA to influence the voting of client proxies in a manner that is inconsistent with the proxy voting policy shall be reported to the President or CCO. The President or CCO should then report the attempt to legal counsel.

The Proxy Administrator should, as necessary, report to legal counsel all conflicts of interest that arise in connection with the performance of BCA's proxy-voting obligations (if any), and any conflicts of interest that have come to his attention (if any). The Proxy Administrator will use the form included as Attachment 15-B to this document. This information can lead to future amendments to this proxy voting policy and procedure.

Recordkeeping

BCA must maintain the documentation described in the following section for a period of not less than five (5) years, the first two (2) years at its principal place of business. The Proxy Administrator or his designate will be responsible for the following procedures and for ensuring that the required documentation is retained.

Client request to review proxy votes:

- Any request, whether written (including e-mail) or oral, received by any employee of BCA, must be promptly reported to the Proxy Administrator or his designate. All written requests must be retained in the permanent file.
- the Proxy Administrator or his designate will record the identity of the client, the date of the request, and the disposition (e.g., provided a written or oral response to client's request, referred to third party, not a proxy voting client, other dispositions, etc.) in a suitable place.
- In order to facilitate the management of proxy voting record keeping process, and to facilitate dissemination of such proxy voting records to clients, the Proxy Administrator or his designate will distribute to any client requesting proxy voting information the complete proxy voting record of BCA for the period requested. Reports containing proxy information of only those issuers held by a certain client will not be created or distributed.³

Any report disseminated to a client(s) will contain the following legend:

"This report contains the full proxy voting record of BCA. If securities of a particular issuer were held in your account on the date of the shareholder meeting indicated, your proxy was voted in the direction indicated (absent your expressed written direction otherwise)."

- Furnish the information requested, free of charge, to the client within a reasonable time period (within 10 business days). Maintain a copy of the written record provided in response to client's written (including e-mail) or oral request. A copy of the written response should be attached and maintained with the client's written request, if applicable and maintained in the permanent file.
- Clients are permitted to request the proxy voting record for the 5 year period prior to their request.

Proxy Voting Policy and Procedures:

- Proxy Voting Policy and Procedures.

Proxy statements received regarding client securities:

³ For clients who have provided BCA with specific direction on proxy voting, the Proxy Administrator and/or his designate will review the proxy voting record and permanent file in order to identify those proposals voted differently than how BCA voted clients not providing direction.

Upon receipt of a proxy, copy or print a sample of the proxy statement or card and maintain the copy in a central file along with a sample of the proxy solicitation instructions.

Note: BCA is permitted to rely on proxy statements filed on the SEC's EDGAR system instead of keeping its own copies.

Proxy voting records:

- BCA Proxy Voting Record.
- Documents prepared or created by BCA that were material to making a decision on how to vote or that memorialized the basis for the decision.
- Documentation or notes or any communications received from third parties, other industry analysts, third party service providers, company's management discussions, etc. that were material in the basis for the decision.

Disclosure

BCA will ensure that Part II of Form ADV is updated as necessary to reflect: (i) all material changes to the Proxy Voting Policy and Procedures; and (ii) regulatory requirements.

Proxy Solicitation

As a matter of practice, it is BCA's policy to not reveal or disclose to any client how BCA may have voted (or intends to vote) on a particular proxy until after such proxies have been counted at a shareholder's meeting. BCA will never disclose such information to unrelated third parties.

The Proxy Administrator or his designate is to be promptly informed of the receipt of any solicitation from any person to vote proxies on behalf of clients. At no time may any employee accept any remuneration in the solicitation of proxies. The Proxy Administrator shall handle all responses to such solicitations.

Class Action Policy

As a fiduciary, BCA always seeks to act in its clients' best interests with good faith, loyalty, and due care. The Proxy Administrator, or his designee, will determine whether clients will participate in a recovery achieved through a class action. Any decision to participate would be based on the specific nature of the action and the impact on Breckinridge or its clients. BCA may also opt out of the class action and separately pursue their own remedy. The Proxy Administrator, or his designee, oversees the completion of Proof of Claim forms and any associated documentation, the submission of such documents to the claim administrator, and the receipt of any recovered monies. The Proxy Administrator, or his designee, will maintain documentation associated with clients' participation in class actions.

Employees must notify the CCO if they are aware of any material conflict of interest associated with clients' participation in class actions. The Proxy Administrator will evaluate any such conflicts and determine an appropriate course of action for BCA.

BCA generally does not serve as the lead plaintiff in class actions because the costs of such participation typically exceed any extra benefits that accrue to lead plaintiffs.