

## **APPENDIX 4**

### **CONFLICTS OF INTEREST AND CODE OF ETHICS POLICIES**

## CONFLICTS OF INTEREST POLICY

One of the primary reasons CapTrust was founded was to fulfill a need we saw to provide unbiased and objective answers and solutions for the investment of institutional assets. As fiduciaries, it is vital to avoid areas where conflicts can arise. To this day, we are constantly vigilant to identify any real or perceived conflicts of interest within our firm and we work hard to prevent them. Moreover, we approve of studies, such as the 2005 SEC report on the practices of pension consultants, relating to conflicts of interest and the questions plan fiduciaries should ask their consultants.

### OUR POLICY:

- CapTrust is privately-owned and we are registered as an investment adviser with the SEC. Our independence is critical to our success and we will operate without financial ties to any money manager we recommend, consider for recommendation or otherwise mention to our clients for consideration.
- CapTrust does not have any arrangement whereby we can benefit by having our clients direct their trading activity to a specific broker-dealer. We do not accept any soft-dollar arrangements and we do not receive fees from any outside party other than those we charge our consulting clients.
- From the outset, CapTrust designed policies and procedures to address conflicts of interest to prevent any relationship or bias, real or perceived, from being considered when providing advice to our clients. All policies must be read, understood and agreed to in writing by all employees of our firm and understanding must be re-certified on an annual basis. Policies and Procedures include:

Compliance Manual  
Code of Ethics and Standards of Professional Conduct  
Insider Trading Policy

- CapTrust is an independent entity owned solely by its partners and employees.
- Employees are prohibited from engaging in outside business activities without the prior approval of the CCO.
- CapTrust employees initially and annually complete a “Code of Ethics and Regulatory Compliance Manual Certification Questionnaire”, which CapTrust reviews to identify potential conflicts.
- CapTrust employs a third-party compliance consultant to periodically review our compliance program, including reviews to identify (potential) conflicts of interest.
- Mary Johnston acts in the capacity of Chief Compliance Officer to properly administer the policies, procedures and compliance within the firm.

## **CODE OF ETHICS SUMMARY \***

I recognize this Code of Ethics, its principles and obligations, are in addition to those set forth by any other codes or regulations which I have agreed to follow and govern my professional and ethical conduct:

1. I will, at all times, act with honesty and integrity, and avoid conflicts of interest, real or perceived.
2. I will always place the financial interests of the client first. All recommendations to clients and decisions on behalf of clients shall be solely in the interest of providing the highest value and benefit to them.
3. I shall fully disclose to clients all services provided and compensation received. I will responsibly determine the value of our services and compensation, taking into consideration the time, skill, experience and special circumstances involved in the performance of our business.
4. I will maintain full compliance with the Federal Securities Laws as set forth in the Rule 204A-I under the Advisers Act.
5. I will abide by CapTrust's Personal Securities Transaction and Insider Trading Policies.
6. I respect the confidentiality of information acquired in the course of our work and entrusted to us by our clients. I will carefully guard and not disclose any such information, except when authorized or otherwise legally obligated to do so.
7. I will avoid taking advantage of my position by accepting gifts or gratuities from anyone unless in compliance with the Gift Policy outlines in CapTrust's Compliance Manual.
8. I will constantly strive to improve my knowledge and skills, sharing ideas and information with colleagues and assisting them in their professional development. I will endeavor to establish and maintain excellence personally and among our colleagues in all aspects of investment management consulting.
9. At all times, I will maintain the highest standards of personal and professional conduct.

\*This Code of Ethics is a summary of CapTrust's standards and is consistent with the Code of Ethics contained in CapTrust's Compliance Manual and CapTrust's contractual agreements.