

PREAMBLE

Portfolio Evaluations, Inc. (PEI) Code of Ethics and Standards of Professional Conduct (Code and Standards) are fundamental to the values of PEI and essential to achieving its mission to being the best Independent Investment Consulting firm. High ethical standards are critical to maintaining our clients trust in our analysis as well as our guidance. Since the inception of PEI in September, 1992, the Code and Standards have promoted the integrity of PEI and its employees, regardless of job function, cultural differences, or local laws and regulations. All PEI employees must abide by the Code and Standards. Violations may result in disciplinary sanctions by PEI, which will include revocation of employment.

THE CODE OF ETHICS

All employees of must:

- 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.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on ourselves and the profession.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Promote the integrity of, and uphold the rules governing, capital markets.
- Use reasonable care and exercise independence professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

STANDARDS OF PROFESSIONAL CONDUCT

I. PROFESSIONALISM

- A. Knowledge of the Law.** All employees must understand and comply with all applicable laws, rules, and regulations (including the PEI Code of Ethics and Standards of Professional Conduct) of any government, regulatory organization, licensing agency, or professional association governing their professional activities. Employees must not knowingly participate or assist in and must dissociate from any violation of such laws, rules, or regulations.
- B. Independence and Objectivity.** Employees must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities. Employees must not offer, solicit, or accept any gift, benefit, compensation, or consideration that reasonably could be expected to compromise their own or another's independence and objectivity.
- C. Misrepresentation.** Employees must not knowingly make any misrepresentations relating to investment analysis, recommendations, or other professional activities.
- D. Misconduct.** Employees must not engage in any professional conduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on their professional reputation, integrity, or competence.

II. INTEGRITY OF CAPITAL MARKETS

- A. Material Nonpublic Information.** Employees who possess material nonpublic information that could affect the value of an investment must not act or cause others to act on the information.
- B. Market Manipulation.** Employees must not engage in practices that distort prices or artificially inflate trading volume with the intent to mislead market participants.

III. DUTIES TO CLIENTS

- A. Loyalty, Prudence, and Care.** Employees have a duty of loyalty to their clients and must act with reasonable care and exercise prudent judgment. Employees must act for the benefit of their clients and place their clients' interests before their employer's or their own interests. In relationships with clients, Employees must determine applicable fiduciary duty and must comply with such duty to persons and interests to whom it is owed.
- B. Fair Dealing.** Employees must deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, taking investment action, or engaging in other professional activities.
- C. Suitability.**
 1. When Employees are in an advisory relationship with a client, they must:
 - a. Make a reasonable inquiry into a client's or prospective clients' investment experience, risk and return objectives, and

- financial constraints prior to making any investment recommendation or taking investment action and must reassess and update this information regularly.
- b. Determine that an investment is suitable to the client's financial situation and consistent with the client's written objectives, mandates, and constraints before making an investment recommendation or taking investment action.
 - c. Judge the suitability of investments in the context of the client's total portfolio.
2. When Employees are responsible for conducting fund or investment manager searches, they must only make investment recommendations that are consistent with the stated objectives and constraints of the portfolio.
- D. Performance Presentation.** When communicating investment performance information, employees must keep information about current, former, and prospective clients confidential unless:
1. The information concerns illegal activities on the part of the client or prospective client.
 2. Disclosure is required by law.
 3. The client or prospective client permits disclosure of the information.

IV. DUTIES TO EMPLOYERS

- A. Loyalty.** In matters related to their employment, Employees must act for the benefit of their employer and not deprive their employer of the advantage of their skills and abilities, divulge confidential information, or otherwise cause harm to their employer.
- B. Additional Compensation Arrangements.** Employees must not accept gifts, benefits, compensation, or consideration that competes with, or might reasonably be expected to create a conflict of interest with, their employer's interest unless they obtain written consent from all parties involved.
- C. Responsibilities of Supervisors.** Employees must make reasonable efforts to detect and prevent violations of applicable laws, rules, regulations, and the Code and Standards by anyone subject to their supervision or authority.

V. INVESTMENT ANALYSIS, RECOMMENDATIONS, AND ACTION

- A. Diligence and Reasonable Basis.** Employees must:
1. Exercise diligence, independence, thoroughness in analyzing investments, making investment recommendations, and taking investment actions.
 2. Have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation, or action.
- B. Communication with Clients and Prospective Clients.** Employees must:
1. Disclose to clients and prospective clients the basic format and general principles of the investment processes used to analyze investments, select securities, and construct portfolios and must promptly disclose any changes that might materially affect those processes.
 2. Use reasonable judgment in identifying which factors are important to their investment analyses, recommendations, or actions and include those factors in communications with clients and prospective clients.
 3. Distinguish between fact and opinion in the presentation of investment analysis and recommendations.
- C. Record Retention.** Employees must develop and maintain appropriate records to support their investment analysis, recommendations, actions, and other investment-related communications with clients and prospective clients.

VI. CONFLICTS OF INTEREST

- A. Disclosure of Conflicts.** Employees must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients, and employer. Employees must ensure that such disclosures are prominent, are delivered in plain language, and communicate the relevant information effectively.
- B. Priority of Transactions.** Investment transactions for clients and employers must have priority over investment transactions in which a Member or Candidate is the beneficial owner.
- C. Referral Fees.** Employees must disclose to their employer, clients, and prospective clients, as appropriate, any compensation, consideration, or benefit received from, or paid to, others for the recommendation of products or services.

VII. RESPONSIBILITIES AS A PEI EMPLOYEE

- A. Conduct.** Employees must not engage in any conduct that compromises the reputation or integrity of PEI.
- B. Reference to PEI.** When referring to PEI, Employees must not misrepresent or exaggerate the meaning or implications of PEI.