

Committee will normally review reports on the volume and type of business executed with various brokers.

Brokerage commissions which a client pays may vary in accordance with the particular broker used to execute a trade and the type of portfolio managed by Alkeon on behalf of a particular client. Rates for both listed and over-the-counter (“OTC”) trades executed through electronic crossing networks (“ECNs”) are transacted at rates less than that of commissions paid to brokers who provide research related services. These rates are reviewed by the Brokerage Committee on a regular basis to determine if changes are needed. Alkeon may pay lower commission rates on stocks and options below a certain dollar value per share or contract.

Alkeon may at times execute a trade through a certain broker but then “step out” the trade to a different broker. This occurs when Alkeon determines the order is best executed through a certain broker but would like to pay a commission to another broker for research provided to Alkeon. If trades are executed through an ECN and then “stepped out” to a broker providing research, clients and/or funds may sometimes pay a higher commission rate than would be paid if the commission were paid to the ECN as the rates for brokers providing research is typically higher than that of ECNs.

Alkeon may effect securities transactions with broker-dealers who may have provided Alkeon employees with gifts, business entertainment or other items of value. Alkeon has adopted a Gift and Business Entertainment Policy to address this potential conflict of interest and to ensure that brokers are selected on the basis of the brokerage and research services provided to Alkeon (all gifts in excess of \$100 must be reported to Jennifer Shufro, Alkeon’s Compliance Director). No Alkeon employee may solicit gifts, and no cash gifts may be accepted.

Alkeon may also execute securities transactions with broker-dealers whose representatives may have invested in funds to which Alkeon provides portfolio management and/or subadvisory services.

In the regular course of business, Alkeon may aggregate and enter with a single broker simultaneous trade orders in a given security for groups of its clients. Generally, trades are allocated pro-rata among all accounts in a client group or among different funds that employ the same strategy. The pro-rata allocation can be modified to level positions across multiple funds that employ the same strategy. This allows for accounts run in parallel to more closely track each other. Allocations may substantially vary among funds or client groups that employ similar investment strategies based on a number of factors, including cash availability, pending cash additions or withdrawals, account liquidity, any restrictions placed on a client’s portfolio by the client or by virtue of federal or state law, portfolio market exposure, sector exposures, position size, and concentration parameters that may vary among different strategies, offsetting existing or contemplated long or short positions and other factors.

Certain investments may qualify only for a subset of client groups or funds based on the nature of the underlying investment employed. Certain investments may not be simultaneously entered or exited for funds that employ different strategies.