

**TRADITION ASIEL SECURITIES INC. ("TASI")
POLICY WITH REGARDS TO MSRB RULE G-43**

Background

I. General Obligations of TASI as a Broker's Broker

TASI's obligations when acting as a broker's broker include the following:

- Making a reasonable effort (employing the same care and diligence in doing so as if the transaction were being done for TASI's own account) to obtain a price for the dealer that is fair and reasonable in relation to prevailing market conditions,.
- Not taking any action that works against that dealer's interest to receive advantageous pricing.
- Acting presumably for or on behalf of the seller in a bid-wanted for municipal securities, unless both the seller and bidders agree otherwise in writing in advance of the bid-wanted.

II. Manner of Conducting Bid-Wanted

TASI conducts all bid-wanted in the following manner:

- TASI makes a reasonable effort to widely disseminate a bid-wanted (including, but not limited to, the underwriter of the issue and prior known bidders on the issue to multiple dealers with possible interest in the block of securities. No fixed number of bids is required but TASI observes the following policies:
 - I.* For securities with wide interest, TASI uses Fabkom for the purpose of disseminating bid-wanted;
 - II.* For securities with limited interest (*e.g.*, small issues with credit quality issues and/or features generally unknown in the market), TASI makes a reasonable effort to reach dealers which TASI is aware have a specific knowledge of the issue or which TASI is aware has a known interest in securities of the type being offered. For such securities, TASI may use Fabkom's services and/or seek to reach appropriate dealers by its own efforts through Bloomberg and/or by telephone calls;
 - III.* TASI does not limit the audience for a bid-wanted (such as through the use of screening or filtering) unless explicitly directed to do so by the seller.
- TASI, along with its trading system administrator Fabkom, has established predetermined parameters solely for compliance with Rule G-43. These parameters are determined by the recent history of a given CUSIP, including but not limited to a Bidding History, MSRB Trade Data, independent evaluations, and the specific description of the bond. The parameters are prominently disclosed on a website (provided by Fabkom for its Municipal Securities brokers and traders) in advance of the bid-wanted in which they are used and are periodically tested to verify that they identify most bids that do not represent the fair market value of the municipal securities in bid-wanted to which they are applied.

- Each bid-wanted has a deadline for the acceptance of bids, after which TASI does not accept any bids or any changes to bids. Such deadline is noted in the order record and is either a “sharp” deadline or an “around time” deadline. For “around time” deadlines, TASI does not accept bids or changes to bids after the earlier of:
 - i. The time the seller directs TASI to sell the securities to the current high bidder;
 - ii. The time the seller informs TASI that the bonds will not be sold in the bid-wanted; or
 - iii. The end of the trading day as publicly posed by TASI prior to the bid-wanted (which will be the same time identified by Fabkom).

III. Providing Cover Bids

TASI may provide the cover bid to the winning bidder at the time of execution if TASI contemporaneously makes the bidding information available to the market.

IV. Providing Bid Information on an Item that Becomes “Subject”

Should the seller change a component of a bid-wanted item during the auction process, the auction is considered “Subject” and therefore withdrawn or designated “No Trade.” The auction is then considered “completed” in MSRB terms and all bidding information will be made AVAILABLE by TASI. If the seller directs TASI to re-initiate the bid-wanted with the updated changes, a new auction will be opened using a new unique item number.

V. Providing Bid Information on an Item That Is Past Its Firm Time

On a Sharp/Firm or Around/Firm auction item a bidder is asked to bid the item by the stated time and hold its level until the Firm time has elapsed. There are a multitude of reasons why sellers occasionally cannot complete their internal processes by the Firm time. When a seller contacts TASI to inform TASI that the seller may or will miss the Firm time of its auction, the high bidder is then contacted by TASI who relays the situation and inquires whether or not the bidder will stand by their bid past the Firm time.

While the passing of the Firm time on a bid wanted necessarily moves all bids into the “Subject” column, it does not complete the process; the process is only complete when TASI receives direction from the seller as to a closed or completed status or the high bidder has indicated that it will not stand by its bid. As an active bid wanted, bid pad information is not made available to the market. In addition, bidding information should not be made available to the market unless or until the high bidder indicates it will not stand by its bid and the seller has closed the item.

VI. “For Sale” or “Will Trade” Items

If the seller directs TASI to sell an auction item, (“For Sale” designation), G-43 stipulates that TASI is to promptly sell the item to the current high bid in the bid pad. If a seller informs TASI that a bid wanted item “Will Trade” upon the completion of the bidding process, TASI has

duties under G-43 to employ the same care and diligence as if the transaction were being done for its own account. Further, TASI is not to take any action that would work against the seller's interest to receive advantageous pricing. TASI is, therefore, required to complete the process as requested by the seller and gather bids on the item, until such time that the seller directs TASI to sell the bonds.

VII. Communications During Bid-Wanted

TASI observes the following restrictions on communications during a bid-wanted:

- When the high bid received in a bid-wanted is above or below the predetermined parameters and TASI believes that the bid may have been submitted in error, TASI may contact the bidder prior to the deadline for bids without the consent of the seller to determine whether its bid was submitted in error.
- When the high bid is within the predetermined parameters but TASI believes that the bid may have been submitted in error, TASI may not contact the bidder to determine whether its bid was submitted in error without first receiving oral or written permission from the seller to do so. TASI obtains such seller's permission on a transaction-to-transaction basis and documents both TASI's request and the seller's response thereto in writing.
- When the high bid received in a bid-wanted is below the predetermined parameters, TASI must disclose that fact to the seller and observes the following procedures:
 - TASI documents, in writing, the notice provided to the seller, including the time that such notice was provided, the name of the person at TASI who provided such notice, the name of the person who received such notice on the seller's behalf, and the seller's acknowledgment that it has, in fact, received such notice.
 - TASI executes the transaction at that price only if directed to do so by the seller after the seller has acknowledged that the seller has received notice that the high bid is below the predetermined parameters.
 - TASI documents in writing any such direction to sell at a price that is below the predetermined parameters, including the name of the person at the seller that directs TASI to sell at that price, the time when the direction was received, and by whom the direction was received.
- If the winning high bidder's bid or cover bid in a bid-wanted has been changed, TASI discloses such change to the seller prior to execution and provide the seller with the original and changed bids.
- TASI informs the seller of the highest bid in a bid-wanted or offering.

VIII. Disclosures

TASI discloses information to bidders and sellers regarding its broker's broker activities, including the following:

- The nature of its undertaking for the sellers and bidders in bid-wanted and offerings;
- The manner in which TASI conducts bid-wanted and offerings;

- The commission or other economically similar compensation schedules for transactions, which reflect at a minimum the maximum charge that TASI could impose on a given transaction; and
- A description of the manner in which TASI satisfies its obligation to obtain a fair and reasonable price in the case of offerings and bid-wanted not conducted in accordance with Section II ("Manner of Conducting Bid-Wanted") above.

Such disclosures are posted in a prominent position on the website provided to TASI by Fabkom, which also discloses TASI's end of trading day time, the predetermined parameters in advance of the bid-wanted in which they are used; and TASI's broker's broker policies and procedures.

In addition, TASI observes the following transaction specific disclosures:

- When TASI allows customers (as defined in Rule D-9) or affiliates (as defined in Rule G-11(a) (x)) to place bids, TASI discloses such fact to both sellers and bidders in writing and further disclose to the seller if the high bid in a bid-wanted or offering is from a customer or an affiliate (such disclosure does not, however, identify the name of the customer or affiliate).

IX. Compensation

With respect to bid-wanted and offerings of municipal bonds, TASI is compensated on the basis of commissions or other economically similar basis.

X. Prohibitions

As a broker's broker, TASI is prohibited from engaging in the following activities:

- Self-dealing;
- Maintaining municipal securities in any proprietary or other accounts, other than for clearance and settlement purposes;
- Encouraging bids that do not represent the fair market value of municipal securities which are the subject of a bid-wanted or offering;
- Giving preferential information to bidders in bid-wanted, including but not limited to, "last looks," directions to a specific bidder that it should "review" its bid or that its bid is "sticking out";
- Changing a bid price or offer price without the bidder's or seller's respective permission;
- Failing to inform the seller of the highest bid in a bid-wanted or offering;
- Accepting a changed bid or a new bid from a bidder in the same bid-wanted after TASI has selectively informed that bidder whether its bid is the high bid ("being used") in the bid-wanted; and
- Subject to the provisions of bid-wanted requirements (if applicable) and the prohibition discussed in above bullet, providing any person other than the seller (which may receive all bid prices) and the winning bidder (which may only receive notice that its bid is the winning bid) with information about bid prices prior to the completion of the bid wanted, unless TASI makes such info available to all market participants on an equal

basis at no cost, together with disclosure that any bids may not represent the fair market value of the securities, and discloses publicly that it will make such info public.

Designated Supervising Principal

Our Municipal Securities Principal must ensure our full compliance with MSRB Rule G-43. To that end, our Municipal Securities Principal is responsible for ongoing assurance that all individuals under their immediate supervision are aware of, and act in compliance with, all rules and regulations governing TASI's obligations and restrictions as a broker's broker.

Supervisory Review Procedures and Documentation

On a monthly basis, our Municipal Securities Principal, as well as any other desk heads who supervise members of our municipal securities desk, will verify in writing with their signatures that the firm is in compliance with MSRB Rule G-43. Compliance will maintain documentation of this verification in its files.

If it is determined that the firm has failed to comply with MSRB Rule G-43, the Municipal Securities Principal will immediately bring the matter to the attention of our CCO and Senior Management so that remedial actions can be taken. Compliance will maintain documentation of the issues that raised concern and all follow-up actions in the file.