

Socially and Environmentally Responsible Practices Survey

The Swarthmore Group

Please note: As part of our commitment to an open and transparent government, your completed survey will be posted in its entirety in electronic format on Treasury’s Web site at <http://www.patreaury.org>,

A. Women and Ethnic Minority Query

Firm Practices

1. Please detail the employee diversification of your firm, emphasizing executive and management positions that have decision-making responsibilities. Count each employee only once, except owners may be counted both as owners and employees if the owner has significant operational responsibilities. If s/he has multiple roles, count the employee in the category where s/he spends the most time.

Position	Ethnic Minority	Women	Female Minority	Other	Total
Owners (and % ownership)	3 (63 %)	3 (24.5 %)	1 (.03%)	9 (12.5 %)	16
Executive Management (e.g. CEO, COO, VP, Directors)	2	1	0	1	4
Investment Decision makers (portfolio managers, traders, etc.)	0	1	1	2	4
Investment Professionals (analysts, compliance officers, etc.)	0	0	0	1	1
All other FTE	0	4	0	0	4
TOTAL	5	9	2	13	29

2. Please describe relevant initiatives and/or policies that assist in recruiting women and minorities to your firm and retaining and promoting those employees in your firm.

As a minority and woman-owned investment advisory firm, The Swarthmore Group fully recognizes that a firm rich in culturally diverse backgrounds is a healthier firm, one that fosters innovation and creativity. Since our inception in 1991, it has been a priority of our firm to recruit and train individuals from diverse cultural backgrounds.

The Swarthmore Group both respects and values the varying talents and perspectives that each individual brings to the team. In fact, our policy of embracing diversity in the workforce is a contributing factor to our continued success.

Vendors and Subcontractors

3. What percentage of your trades utilizes minority/women-owned brokerage firms?

In keeping with our policy to utilize minority and women-owned entities, at the beginning of each year we establish a target for brokerage executed

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through minority broker dealers and monitor our usage of these firms on a regular basis to ensure our own compliance. For the period ending, June 30, 2010, The Swarthmore Group executed 16% of non-directed trades through minority and women-owned brokerage firms.

4. Do you consider women and minority ownership or makeup when hiring vendors/sub-contractors, consultants, advisors or other professional services? If so, how? If not, please explain why you do not.

We make a concerted effort to utilize minority and women-owned entities at every opportunity. Our efforts in promoting diversity extend to our dealings with vendors and suppliers.

5. Please provide any other information you feel may be relevant or may help Treasury understand your approach to employee and vendor/subcontractor diversification.

We are proud to be able to claim that our shareholders also represent an array of cultural backgrounds. Our policy of cultural diversity in the workplace not only contributes to our success as a company, but also serves to enhance our relationship with these shareholders.

The firm understands that diversity in the workforce is only successful when coupled with a culture that is fair and inclusive of everyone. The firm's employee handbook addresses equal employment opportunity as well as anti-discrimination and harassment policies.

B. Environmental/Sustainability Query

Firm Practices

1. Please provide information related to your firm's policy/initiatives/efforts with respect to environmentally responsible and sustainable practices.

Environmental Sphere

The Firm's offices are located within a building that has been awarded the Energy Star Award in 2010 by the US Environmental Protection Agency (EPA) and the US Department of Energy (DOE). This honor recognizes organizations that have made outstanding contributions to protecting the environment through energy efficiency. For example, our offices have occupancy center detectors and the building operators enact curtailment service when required in order to reduce energy use. In addition, all tenants are required to participate in recycling which allows the building operators to meet with the City of Philadelphia's requirements for waste stream recycling.

Social Sphere

The owners of the Firm are health-oriented and believe in healthy lifestyle alternatives. The Firm sponsors a weekly yoga class open to all employees and

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encourages employee participation in charitable events such as the Susan B. Komen Race for The Cure in Philadelphia.

The Swarthmore Group has also distinguished itself as actively involved in public service. The Firm's Chairman, James E. Nevels, spent nearly a decade in educational reform that culminated in five years of service to the Philadelphia School District that involved the most robust educational reform in an urban school district. Glenn E. Becker, President & CIO is co-founder and Chairman of Impact Thrift Stores Inc., a non-profit organization dedicated to raising funds for local charitable organizations, and Senior Equity Portfolio Manager, Kurt W. Brunner serves as President of the Board of Trustees of Episcopal Community Services.

Vendors and Subcontractors

2. Do you consider the environmental or sustainable practices of vendors and subcontractors in hiring decisions? If so, how? If not, please explain why you do not.

Yes, the firm considers environmental and sustainable practices of vendors and subcontractors when feasible.

Investment Decisions

3. Do you consider environmental / sustainability issues when making investment decisions? If so, how? If not, please explain why you do not.

The Firm invests in companies that exhibit sustainable earnings growth. Although the Firm does not screen on social or environmentally sustainability issues, as these issues are paramount to a company's ability to sustain earnings, they are part of our investment process.

4. Are there specific sectors or industries that you are likely to over or underweight due to climate risk or opportunity? If so, which ones?

No.

5. How do you obtain information about climate risk and environmental factors?

Not applicable.

6. Have you adopted the United Nations Principles for Responsible Investing? (<http://www.unpri.org/>). If not, are you in the process of evaluating, or would you consider evaluating adoption of the United Nations Principles for Responsible Investing?

In providing investment advisory services, the firm has a duty to act in the best interests of our clients. As directed by client guidelines, the firm will incorporate environmental, social, and corporate governance issues into policies and practices.

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Please detail any other information you feel may be relevant or helpful for Treasury to understand your approach to evaluating the significance of environmental and sustainability issues in making investment decisions.

C. Pennsylvania Commitment Query

Please provide numbers detailing the firm and client presence in Pennsylvania.

	PA	Total
Headquarters	1	1
Offices	1	1
Employees	12	12
Clients HQ in PA	41	47

Please detail any other information you think relevant regarding the extent of your business contacts or activities in Pennsylvania.

D. Geopolitical Risk

1. How do you take geopolitical risk into account when making investment decisions? If so, how? If not, please explain why you do not.

The firm takes geopolitical risk into account by following investment guidelines, and by obtaining research as needed.

2. Do you currently have in place policies that prohibit or limit investment in companies doing business with countries identified as state sponsors of terrorism by the U.S. State Department? If so, please provide those policies.

Yes, the Firm monitors the Sudan Divestment Task Force and is prepared to sell a position in a company if listed on the "watch list."