

**MINUTES OF AN EXECUTIVE SESSION OF THE INDEPENDENT TRUSTEES OF
THE BOARD OF TRUSTEES OF BURNHAM INVESTORS TRUST**

August 21, 2014

An executive session of the trustees (the “Independent Trustees”) who are not “interested persons,” as such term is defined in the Investment Company Act of 1940, as amended (the “1940 Act”), of the Board of Trustees (the “Board”) of Burnham Investors Trust (the “Trust”) was convened following the full meeting of the Board on the 21st of August 2014. The following Trustees participated in person:

William F. Connell
Margaret M. Eisen
Bruce Mac Corkindale

Also present, by invitation of the Independent Trustees, were: Devon Archer and Andrew Godfrey, BAM Holdings LLC; Jon M. Burnham (Chair), Interested Trustee; Pat A. Colletti, Chief Financial Officer, Chief Compliance Officer and Treasurer of the Trust; Mary C. Moynihan, Perkins Coie LLP, independent counsel to the Independent Trustees; and Michael P. Malloy, Drinker Biddle & Reath LLP, counsel to the Trust.

I. CALL TO ORDER

Ms. Eisen called the meeting to order and said that the meeting had been convened to consider and discuss the proposed acquisition of Burnham Asset Management, Inc. (“BAM”) by an investor group that was expected to include Messrs. Archer and Godfrey (collectively, the “Acquirers”). She reminded the Independent Trustees that BAM was currently a wholly-owned subsidiary of Burnham Financial Group, Inc. (“BFG”), which also wholly-owned Burnham Securities, Inc. (“BSI”), a registered broker-dealer. Ms. Eisen stated that Mr. Archer and Mr. Godfrey were present at the meeting to respond in person to questions and concerns of the Independent Trustees.

II. PRESENTATION ON PROPOSED ACQUISITION

Ms. Eisen commenced the discussion by reference to the letter dated July 31, 2014 of the Independent Trustees to the Acquirers. She noted that the Independent Trustees had hoped to receive a response to the letter prior to the meeting. Mr. Archer stated that a written response had been prepared but that he had wanted to come to the meeting to discuss the response because of his view that information can be lost in letters exchanged through counsel. He stated his desire to talk through all of the open issues to avoid misconceptions. In response to a question, Mr. Archer stated that he believed the main misconception was that Mr. Jason Sugarman and certain of his associates (the “Sugarman Parties”) would be channeling influence and control over him. He stated that he wished to be unequivocal that Mr. Sugarman did not control or influence him.

In response to a question regarding certain events initiated by Mr. Sugarman, including the hiring or certain individuals by BFG, pressure to remove Mr. Anton Shutz, who managed two of the Trust’s series, and pressure to use the services of COR Clearing, and what he had done in



connection with those events, Mr. Archer stated that at the time those events had occurred, he had not been involved in the transaction.

Mr. Godfrey further clarified that when the Sugarman Parties had first reviewed the transaction, Mr. Schutz had recently launched a hedge fund that had failed to gain traction. He said there was a belief that Mr. Schutz could use additional support, which he now had through his recent hiring of Russell Echler.

The Independent Trustees next asked questions about the role in the transaction of Wealth Assurance, AG, a European life insurance company, domiciled in Lichtenstein ("Wealth Assurance") and controlled by the Sugarman Parties. Mr. Archer explained that Wealth Assurance offered two possible benefits--the first was with respect to capitalization and the second with distribution. He explained that as an insurance company, Wealth Assurance had a certain amount of available capital that could be used as a source of working capital to BAM. He further stated that the clients of Wealth Assurance were high net worth Europeans. He said there were significant assets invested through self-directed insurance policies issued by Wealth Assurance and that financial products manufactured by BAM could be made available for investment by those policyholders. Mr. Archer explained, however, that as requested by the Independent Trustees, Wealth Assurance would not have a role as an investor or source of capital for BAM. Mr. Archer explained that the only investors in BAM would be himself, Mr. Godfrey and Larry Liu through his company, Kirin Global Enterprises, Inc. ("Kirin").

Mr. Archer described his relationship with Bohai Harvest RST (Shen Zhen) Equity Investment Fund Management Co. Ltd. ("Bohai"), which he said was a joint venture company formed with BOHAI Capital and Ample Harvest ("Harvest"), an affiliate of Harvest Global, the largest mutual fund manager in China. He said that he was on the board of Bohai and that it was the oldest private equity firm in China. Mr. Archer said that he saw the potential through this connection in the future for a joint venture between BAM and Harvest Global. He said that he had known Mr. Larry Liu for approximately one year and that he had met him through Dan McClory. Ms. Eisen noted that Mr. McClory had been involved with certain financing transactions for Kirin while employed by Hunter Wise Securities. Mr. Godfrey stated that Mr. McClory had done multiple deals in China and had met Mr. Liu through those activities.

Mr. Archer detailed the capital structure for the acquisition of BAM. In response to a question he stated that he would be writing the check personally for his ownership interest and was not borrowing the money. Mr. Archer stated that the board of BAM would consist of himself, and Messrs. Godfrey, Liu and Burnham. He said that the board of the Burnham broker-dealer would consist of himself and Messrs. Godfrey, Burnham, Sugarman and Liu. He emphasized again that Mr. Sugarman would have no association or formal role with BAM. A brief discussion ensued regarding whether the current holding company structure would remain in place. Mr. Burnham noted that the asset manager did not require significant capital infusions, but that if capital were put into the broker-dealer, the net capital rules required that it remain there for some period of time. He said that for that reason, there might be a benefit in having a holding company if new capital were being raised or if additional subsidiaries were formed.

Ms. Eisen then sought to review the capitalization structure. Mr. Archer was not conversant with all of the numbers, but agreed that of the \$5.225 million so far contributed, the money had been funded by himself, Kirin, the wife of Jason Sugarman, and Messrs. Godfrey and Burnham. He reiterated his view that it would be a good idea to use Wealth Assurance as a source of capital but said that Wealth Assurance had not contributed any capital so far. In response to a question he said that he and Mr. Sugarman were on the board of Wealth Assurance and that it would be changing its domicile to Ireland.

Mr. Archer then detailed the ownership of BAM post-transaction and said he would own 55%; Mr. Godfrey would own 10%; Mr. Liu would own 25%; and Mr. Burnham would own 10%. The Independent Trustees questioned the ownership, insofar as Mr. Liu appeared to be contributing most of the money for a smaller ownership interest, but Mr. Archer explained that this was due to the time at which the investments had been made.

Mr. Archer stated that he was contributing \$1.5 million of his own money to the transaction in total, but that he did not know the exact allocation, now that ownership of the asset manager and broker-dealer was being split up. Mr. Archer further stated that he would be responsible from his own funds for working capital if the Independent Trustees did not wish to have capital contributed by Wealth Assurance. He again reiterated that the investment was “his dough” and that he was not borrowing any of the funds.

Mr. Archer next explained his interest in the transaction and various plans for the future. He stated that he expected to: (i) be an active director; and (ii) bring relationships that he had, which he said could include his relationship with Bohai and Harvest. Mr. Archer then described his existing businesses and stated that he was in the process of either recapitalizing or selling his real estate business. He said that he expected the relationship with the Burnham companies to grow and that he had a roster of people he hoped to bring in. He said that he believed that relative to the potential valuation he believed Mr. Sugarman also saw the transaction as a great investment.

In response to questions, Mr. Archer further commented on his personal wealth and business relationships and stated that he expected the sale of his real estate business to realize a significant amount of money (in the many millions) and noted his friendship with Chris Heinz. He further stated that he believed his personal net worth likely exceeded that of Mr. Sugarman. Mr. Archer again confirmed he was not beholden to Mr. Sugarman in any way.

Mr. Archer further discussed the possible sale of his company and the revenues that might be realized, which he said would be a big liquidity event for him, as well as his connections with Bohai, which he said was sponsored by major banks and institutional investors in China. He also discussed his client relationship with Yelena Baturina, who he said had invested over \$200 million dollars in his various investment funds. Mr. Archer emphasized that he had ample funding, but that the investors wanted to be efficient.

Mr. Archer explained that what interested him about the transaction was the history and Burnham name, which he said was a billion-dollar brand. He said that he and the other investors thought this was a unique moment and that there was significant upside for the firm. He stated

that if he had had sufficient liquidity at the time, he would have made the deal himself when it was first presented to him.

Mr. Archer then responded to various questions from the Independent Trustees concerning matters related to: use of COR Clearing (he confirmed the series of the Trust (the "Funds") would continue to clear through JP Morgan); whether Larry Liu knew Mr. Sugarman (Mr. Archer did not know, but believed they had not known each other prior to the transaction); the circumstances surrounding recommendation of investment into a potash company on which Mr. Archer served on the board (Mr. Archer stated this had been an inquiry made in passing to determine if this was the sort of investment the Funds might make and he regretted his involvement).

The Independent Trustees then stressed the importance of integrity in the operation of the Funds. Ms. Eisen noted that any person with experience in the industry would have known the Funds could not invest in a small potash mining company. The Independent Trustees stressed that while Jon had experience in the mutual fund business, it would be essential that new management demonstrate a familiarity with the regulations governing mutual funds and the Funds' permitted investments. Ms. Eisen stated that given Mr. Burnham's age, he would no doubt retire in the not too distant future and that choice of a successor to Jon would be critical to the Independent Trustees going forward.

A discussion followed concerning the relationship between the broker-dealer and the investment adviser. The Independent Trustees inquired as to whether there would be a governance protocol in place to separate the two firms; whether there would be lending or borrowing between the two firms; how staff and resources would be shared; and how expansion capital, if any, would be handled. It was understood that not all details had been worked out.

The Independent Trustees also expressed concern about how they might limit changes in ownership of BAM; who would provide cash for shortfalls and how they would be able to monitor the solvency of BAM. Mr. Godfrey agreed that any reports requested would be provided and it was agreed that quarterly balance sheet and profit and loss statements would be sufficient. The Independent Trustees also noted once again that they had requested but not received a business plan.

The Independent Trustees then reviewed events over the past seven months and noted the importance of reputation in the asset management business. Mr. Archer was specifically asked to explain statements he had made at his last meeting with the Independent Trustees in light of later developments concerning John Moran and Jason Galanis. Mr. Archer responded that he had been asked to remove Mr. Galanis from the deal and that he had done so, and said that he did not know Mr. Moran. The Independent Trustees stressed the damage that could be done by people whose past actions were subject to regulatory approbation to a firm like BAM and the risks they posed to shareholders. There followed a discussion of the background and associations of certain persons newly associated with BAM and BSI, including Mr. McClory and the connection with Revere Securities that had resulted in the recent hiring of Mr. Godfrey and several of his associates from Revere Securities.

Mr. Godfrey stated unequivocally that there was no connection between Mr. Galanis and Revere Securities, but that a current employee of BSI had been associated with Revere and was the source of the connection to Burnham.

Given the events described, the Independent Trustees, explained that they were very wary of possibly compliance and regulatory concerns. Mr. Archer stated that the problematic behavior had preceded his involvement in the transaction. The Independent Trustees then reviewed questions with respect to the background of individuals involved in the transaction and certain recent hires to the Newport Beach office of BSI, and Mr. Archer responded.

Messrs. Archer and Godfrey then discussed the need to fortify the balance sheet of the firm following the change of control and to strengthen the quality of personnel and detailed possible business opportunities with Bohai. Mr. Archer asked the Independent Trustees if they could clarify their view on the provision of financing from Wealth Assurance and the Independent Trustees clarified that no funding should be provided by Wealth Assurance. He also mentioned he would be meeting with bankers involved with the Kazakhstan sovereign wealth fund to explore possible opportunities for investment.

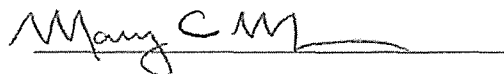
Mr. Burnham stated that he was excited about the possibilities for the firm and that he had no interest at the current time in retirement.

At this time, Messrs. Burnham, Colletti, Malloy, Archer and Godfrey left the meeting.

III. Discussion

IV. ADJOURNMENT

There being no further discussion, the meeting was adjourned.

A handwritten signature in cursive script, appearing to read "Mary C. Moynihan", is written over a horizontal line.

Mary C. Moynihan, Secretary *pro tem*