



Fund Evaluation Group[®]

investment advisors

Item 1 – Cover Page

Fund Evaluation Group, LLC
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March 31, 2011

This Brochure provides information about the qualifications and business practices of Fund Evaluation Group, LLC. If you have any questions about the contents of this Brochure, please contact us by phone at 513-977-4400 or by email at our website address www.feg.com, under the “contact us” section. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Fund Evaluation Group, LLC, is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Fund Evaluation Group, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous Brochure did not require.

Maureen Kiefer-Goldenberg joined the company in the role of Vice President and Chief Compliance Officer effective January, 2011. In addition, Chris Meyer assumed the role of Chief Investment Officer, effective February, 2011. Fund Evaluation Group, LLC considers these to be material changes from our most recent annual Form ADV dated February, 2010.

In the past we have offered or delivered information on our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Maureen Kiefer-Goldenberg, Chief Compliance Officer at 513-977-4400 or mkg@feg.com. Our Brochure is also available on our web site www.feg.com, free of charge.

Additional information about the Fund Evaluation Group, LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with the Fund Evaluation Group, LLC who are registered, or are required to be registered, as investment adviser representatives of Fund Evaluation Group, LLC.

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Brochure Supplement (s) will be delivered to all clients with this document.

Item 4 – FEG Advisory Business

Fund Evaluation Group, LLC (hereinafter referred to as “FEG”) was founded in 1988 in response to institutions seeking better solutions for their investment portfolios. During the 1980s, the investments of organizations, especially portfolios of small to mid-sized institutions, were characterized by a lack of diversification among asset classes and investment managers. A typical portfolio was invested by one manager in a balanced account of U.S. large cap stocks and high quality bonds. The fixed income allocation often comprised nearly half of the portfolio. FEG provided a solution for these organizations that lacked the resources and education to develop a well-diversified investment program. FEG established the firm in Cincinnati, Ohio with 30 clients and five team members.

Initially, FEG’s clients were defined benefit plans, however the client base quickly became diversified among retirement plans, not-for-profits, insurance companies, and high net worth individuals. Growing primarily through referrals, by 1995, FEG had become a national investment consulting firm with approximately \$10 billion in assets under advisement (which includes discretionary and non-discretionary consulting accounts) and 28 team members.

In 2002, the two majority partners sold FEG to a regional financial institution. The minority partners, that provided the consulting relationships to the firm’s clients, remained at FEG. In 2005, the same minority partners plus five additional key employees acquired FEG from the regional financial institution. The firm is once again independently owned, but with expanded ownership, which is paramount to the continuity and future of FEG.

Today, not-for-profit organizations comprise the majority of our client base, although it continues to be diversified among retirement plans, insurance companies and high net worth individuals. Additionally, our services have expanded to include financial intermediaries. Our continued growth has resulted in FEG becoming a nationwide investment advisory firm, with over 80 employees, approximately \$32 billion in assets under advisement (which includes both discretionary and non-discretionary accounts) as of 3/31/2011, and additional offices in Boston, Chicago, Detroit, and Indianapolis.

All managing principals own less than twenty-five percent of the company and are listed in Schedule 1A of Form ADV Part 1. Their full biographies can be found on ADV Part 2B.

In forming the basis for its recommendations, FEG will carefully review each client’s individual investment needs and objectives to determine which services or products are most suitable for that client. In some cases a combination of FEG’s services and products may be the most appropriate recommendation. Non-discretionary investment services are based upon the recommendations of each individual consultant. Recommendations can vary depending on each consultant and their specific area of expertise and individual subjective judgment. Although the goal of all recommendations or investment management by FEG is to increase investment performance and reduce risk, no guarantees can be made. All investors should be aware that past performance is no guarantee of future results. Consultants’ pay is based upon the fee charged by FEG for services provided. FEG provides ongoing investment supervisory services to its clients through two primary services:

Full Service Consulting

FEG's investment consulting accounts represent approximately seventy-five percent of its advisory services. Oversight of investment portfolios on a non-discretionary basis includes all of the following:

Investment Policy Statement: FEG will modify or draft a policy that specifies the client's goals and objectives, as well as the asset allocation targets and ranges, the performance and risk benchmarks, manager guidelines and restrictions, how the managers will be evaluated, and concludes with an acknowledgement section where all fiduciaries attest to these policies. FEG will review the Investment Policy Statement annually, and recommend updates as needed.

Asset Allocation Study: Based on the client's return objectives and risk tolerance, FEG will assist the client in developing the appropriate asset mix. The study includes FEG's 10-year capital market expectations, volatility of the asset categories, as well as correlations. FEG will utilize mean variance optimization to assist our clients in establishing an appropriate target asset mix. FEG will review the asset allocation annually.

Performance Reports: FEG will provide quarterly performance reports that track the progress of the total fund and the individual managers versus the objectives and benchmarks outlined in the Investment Policy Statement.

Manager Searches: FEG will assist the client in selecting new managers, when needed, and provide on-going monitoring and evaluation of existing managers. Formal manager reviews are completed each quarter by FEG's research staff. When a manager is terminated, or the client decides to add a new mandate, FEG will conduct a manager search. This includes reviewing several managers and their organizational structure, track record, personnel, and fees (among other things) and summarizing the results to assist the client in selecting the appropriate manager.

Alternative Investments: As in the "Manager Searches" section above for traditional asset classes, FEG will recommend alternative investment managers that meet the client's needs including direct partnerships and fund of funds, and FEG will provide on-going review (i.e., quarterly conference calls with hedge fund of funds) of the managers and sourcing of new managers.

Educational Material: Each quarter FEG will provide a research narrative on a specific topic that will assist the client in making well-informed decisions. FEG will also conduct research on topics at the client's request. These research studies are designed to open discussion on relevant investment topics, and to position the portfolio for future success.

FEG/Managed Portfolios

FEG/Managed Portfolios represent approximately twenty-five percent of its advisory services. Managed Portfolios include discretionary investment supervision program offered by FEG. FEG staff serves as the portfolio managers. FEG/Managed Portfolios are available to taxable and tax-exempt institutions and individuals on a separate account basis. With the exception of Manager

Searches (because of the discretionary nature), FEG/Managed Portfolios provides the same components described in full service consulting above, including a customized Investment Policy Statement and asset allocation to define and establish appropriate investment objectives for each client. Portfolio construction is comprised of a diversified portfolio of index funds, mutual funds, exchange traded funds and/or commingled fund products. Clients selecting FEG/Managed Portfolios receive a quarterly investment report incorporating performance measurement of the investments in accordance with the client's investment objectives.

Item 5 – Fees and Compensation

Full Service Consulting

An asset based fee is charged for Full Service Consulting

Assets	Fee
First \$100 million	0.100% annually
Next \$150 million	0.050% annually
Next \$250 million	0.020% annually
Next \$500 million	0.010% annually
Over \$1 Billion	0.0005% annually

The minimum consulting fee is \$50,000

Fees do not include travel and out of pocket expenses

FEG/Managed Portfolios

An asset based fee is charged for FEG/Managed Portfolios
Large Clients (typically over \$5 million)

Assets	Fee
First \$25 million	.40% annually
Next \$75 million	.30% annually
Over \$100 million	.20% annually

The minimum annual fee is \$25,000

Fees do not include travel and out of pocket expenses

An asset based fee is charged for FEG/Managed Portfolios
Small Clients (typically less than \$5 million)

Assets	Fee
First \$100,000	1.15% annually
Next \$400,000	.90% annually
Next \$500,000	.73% annually
Next \$1,000,000	.56% annually
Over \$2,000,000	.55% annually

Fees include travel and out of pocket expenses

FEG bills clients on a quarterly basis. All advisory fees are deducted directly from the client's account. All FEG fees are charged in arrears. Upon termination of FEG's services, FEG will assess a pro-rated fee for services rendered in accordance with the fee payment and termination provisions contained in the client contract. FEG fees are negotiable.

FEG also offers a variety of services and products with differing fee schedules, including the above services under "Full Service Consulting" on an a la carte basis, fees for which will be individually quoted based on the amount of time and expenses associated with those services.

FEG currently provides research and model portfolios, for a fee, to third parties who serve as financial intermediaries, and/or platform providers to clients. FEG has the ability to utilize the technology platforms of some of these third parties to support performance reporting and fee calculation and billing. A portion of FEG's own discretionary clients may pay a fee for this service. FEG currently has relationships with Envestnet, Placemark and Adhesion. For further disclosure on FEG's brokerage arrangements, please refer to Item 12 of this document.

FEG fees are assessed on the aggregate value of the client's total investments which include assets managed by non-affiliated managers on a separate account basis, mutual fund investments and alternative investments, and are in addition to charges assessed by: 1) other investment managers for separately managed accounts; 2) custodians; 3) brokerage commissions; or 4) mutual fund operating expenses as outlined in each fund's prospectus.

FEG client's assets invested in proprietary FEG Funds will not be included as assets for purposes of the fee schedules above. The proprietary FEG Funds charge their own advisory fees and operating expenses as set forth in their offering memorandums provided to clients.

Occasionally, FEG may, either directly or indirectly, through its affiliates, enter into side letter arrangements. These arrangements are in writing and agreed upon by all parties.

For further compensation arrangements please refer to Item 14 of this document.

Item 6 – Performance-Based Fees and Side-By-Side Management

In some cases, FEG may enter into performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client. FEG will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, FEG shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for FEG to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. FEG has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients. The fees will not be offered to any client residing in a state in which such fees are prohibited.

Item 7 – Types of Clients

FEG generally provides portfolio advisory services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, foreign funds, other U.S. and international institutions. FEG/Managed Portfolios has a minimum opening investment account size of \$50,000. There is no minimum amount to maintain the account.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Our investment philosophy is employed through a long-term total return approach, believing that investing in assets with higher return expectations outweighs their short-term volatility risk. Consequently, client portfolios will generally include a large exposure to equity or equity-like securities, recognizing that these types of securities will have a higher risk of loss than fixed income assets. Real assets are also generally included in client portfolios and may provide inflation protection. Fixed income and absolute return strategies are used to temper short-term risk of loss, especially during periods of deflation and negative equity markets. Cash is not a strategic asset of the FEG, but is a residual to the investment process and used to meet short-term liquidity needs.

We understand that styles of investing (growth and value) are cyclical, but we believe that over the long-term, value stocks outperform growth stocks and this is more pronounced for smaller market capitalization (cap) stocks. Therefore, client portfolios may generally be strategically overweight to value stocks, with a larger value overweight to mid and small cap stocks. This strategic positioning may have higher risks of loss when compared to traditional large cap equities.

FEG's analysis may include charting, fundamental, technical, and cyclical methods. The main sources of information FEG utilizes include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, annual reports, prospectuses, and filings with the Securities and Exchange Commission. On site interviews are conducted for recommended managers, focusing on operational due diligence reviews.

Investment strategies used to implement any advice given to clients includes:

Long-term purchases (securities held at least a year), short-term purchases, short sales, margin transactions, option writing, including covered options, uncovered options or spreading strategies.

FEG's investment philosophy is centered on the belief that consistent excess return can be generated more effectively through managing broad factor exposures (such as asset classes, investment styles, market capitalization, and geographic exposure) rather than through an exclusive focus on individual security selection. This proprietary approach is founded upon decades of collective experience researching thousands of investment managers and advising institutions comprised of billions of dollars in investments.

FEG seeks to provide risk-managed, low cost portfolio solutions that provide excess performance above appropriate benchmarks by employing a four-step investment process to construct client portfolios, including manager selection:

- **Strategic asset allocation**
- **Manager selection**
- **Dynamic asset allocation**
- **Review and monitoring**

Strategic Asset Allocation

FEG's approach is to ensure each portfolio benefits from diversifying sources of alpha beyond security selection in order to provide more consistent relative and absolute returns.

We take a broad-based view of asset allocation, with investments generally falling into one of four asset categories: global equity, global fixed income, real assets and diversifying strategies. Each category serves a specific role within a portfolio. An allocation to all four categories provides diversification to major market risk factors and provides a simple framework to view the exposures within the portfolio categories. FEG seeks to generate consistent returns and manage risk irrespective of the market environment.

FEG develops specific investment objectives for each client portfolio. The investment objectives define strategic allocation profiles targeting the risk and return characteristics, as well as performance benchmarks.

Manager Selection

Once target weights in each asset category are established, FEG evaluates investment costs, liquidity, alpha potential, and current market conditions to determine whether to implement a specific position using an active investment manager, enhanced manager or a passive manager.

The manager evaluation and selection process narrows the manager candidates from idea generation to formal recommendation through the following steps:

- Source managers
- Introductory meeting
- Review due diligence questionnaire and requested documents
- Performance evaluation and verification
- Reference checks
- On-site due diligence
- Research report
- Investment Committee review and approval

As an initial step, idea generation results from many possible inputs from FEG's research team. Within certain sectors, we recognize the need for proactive idea generation and seek meetings with managers believed to be a good fit with our selection criteria. Often these firms do not market themselves. Sources of ideas come from:

- Attendance and participation at various conferences
- Client recommendations
- Database screening (internal and external databases)
- Professional networks and contacts
- Industry publications
- Reference checks (through research of other investment managers)
- Select third-party marketing firms representing investment managers
- Subscription and public news sources

Manager meetings are an important component of the idea generation step in the research process. Analysts request information from managers prior to the meeting to ensure meetings are productive and remain within the focus of the group. All meetings have documented discussions as they pertain to the content of the meetings. FEG conducts approximately 900 meetings with investment managers annually.

FEG believes investment firms that meet our quality threshold on organizational structure, personnel, investment philosophy, and performance. FEG's research analysts use a combination of on-site visits and in-office interviews to become comfortable with each manager.

Dynamic Asset Allocation

Based on current market valuations for discretionary account, FEG will over or underweight asset categories and styles within investment policy parameters. This strategy seeks to provide outperformance and risk reduction relative to traditional portfolios constrained by a static asset allocation. FEG is not attempting to forecast short-term trends, but rather structure the portfolio to take advantage of over and under valuations in the market. Examples of valuation factors analyzed are price-to-earnings ratios, yields spreads, premiums to Net Asset Value (NAV), and implied inflation expectations. We believe these adjustments will add incremental returns (overweight out-of-favor categories) and also reduce risk (underweight those areas with above average valuations, thus avoiding speculative bubbles). Other than normal rebalancing due to cash flows, FEG expects to make two to four active asset allocation decisions per year. We recognize we may sometimes be early and believe active asset allocation requires patience and discipline as the approach is contrarian and requires investing against prevailing trends.

These opportunistic adjustments to the portfolio structure are not large market timing bets. Rather, they are incremental portfolio adjustments that maintain the long-term asset allocation profile while allowing the portfolio to take advantage of areas of the market that are out of favor. Examples of incremental adjustments to the portfolio structure include:

- Allocation between developed and emerging markets international equity holdings
- Domestic and international value versus growth
- Domestic mid cap versus domestic mega cap
- Domestic small cap versus domestic large cap
- Use of public real estate (REITs) and non-investment grade bonds (high-yield)

The decision criteria for making opportunistic adjustments are based on relative valuations between the various segments of the market. Adjustments are made when valuations are significantly apart from the

normal historical relationship. Due to a belief in the long-term asset allocation decision and a focus on minimizing transaction costs, these portfolio structure adjustments are infrequent.

Review and Monitoring

For discretionary accounts, the FEG portfolio management team meets weekly to review client portfolios to ensure they are consistent with Investment Policy targets. Current market conditions, investment themes and opportunities are key elements of the weekly strategy meeting. The portfolio managers review valuation metrics, capital markets and manager research, covering both traditional and alternative investment strategies, and insights gained from the numerous conversations and meetings held in the previous week with outside investment managers, portfolio strategists, economists and other investment professionals. Particular focus is placed on fundamental valuation criteria that show significant deviations from historic norms, as these often represent the best new opportunities for excess return and/or risk reduction.

Risk of Loss

Investing in securities and other financial instruments involves risk, including the potential loss of the client's principal. Although FEG seeks to preserve its client's capital and achieve real growth of assets, investing in securities and other financial instruments involves risk that the client should be prepared to bear. While certain strategies may offer the potential for greater growth, these same strategies may have greater potential for volatility. FEG's intent is to minimize risk when possible, even when certain strategies may impose greater risk.

Item 9 – Disciplinary Information

FEG is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FEG or the integrity of FEG's management. FEG reviews advisory personnel records on a periodic basis to ensure that no disciplinary events have been reported. FEG has no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Fund Evaluation Group, LLC is an 80% owner of FEG Investors, LLC, which is (1) a registered investment adviser under the Investment Advisers Act of 1940, (2) registered as a Commodity Pool Operator with the Commodity Futures Trading Commission and (3) a member of the National Futures Association. FEG Investors provides management services, including investment advisory services, for a fee, to hedge fund-of-funds and their offshore feeder funds. Interests in the funds are offered in a private placement under an exemption from the registration requirements of the Securities Act of 1933. FEG client assets invested in the funds will not be charged the asset based fees described in Item 5, but will pay the fund's annual management fee, which is higher than other FEG fees.

FEG Investors, LLC is the investment adviser of the FEG Absolute Access Fund, a federally registered investment company, FEG Absolute Access TEI Fund, LLC, a federally registered

investment company, FEG Equity Access Fund, LLC, an unregistered private fund, and is subject to the corresponding regulatory requirements.

Fund Evaluation Group, LLC is an 80% owner of FEG Private Investors, LLC, an investment adviser currently being registered under the Investment Advisers Act of 1940.

FEG Private Investors, LLC is the adviser to the Private Opportunities Fund, a Delaware limited partnership exempt from registration as an investment company pursuant to section 3 (c)(1) of the Investment Company Act of 1940, and designed for sophisticated investors. The general partner to the Fund is FEG POF, LLC, a Delaware limited liability company. The Fund is a private investment fund formed to provide access to a portfolio of private investment funds designed to generate an attractive return relative to similar opportunities available in the public markets and to access investment opportunities generally not available to public market investors. FEG client assets invested in the fund will not be charged the asset based fees describe in Item 5, but will pay the fund's annual management fee, based on the capital commitment of the Fund, which is higher than other FEG fees.

A potential conflict of interest exist in that FEG and its affiliated companies offer varying investment services and products, some of which provide greater compensation to FEG than others. FEG has procedures in place to ensure that appropriate disclosure is made to all clients regarding the fees to be charged and the services to be provided.

Item 11 – Code of Ethics

FEG has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. FEG's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth FEG's practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with FEG may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the express policy of FEG that no person employed by FEG shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, FEG requires that anyone associated with this advisory practice provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. FEG requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

FEG requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. FEG's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

FEG will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer at FEG's principal address.

There may be times when the interests of FEG and/or its representatives and affiliates correspond with the interests of its clients, and may invest in the same securities that are recommended to clients. While this may represent a potential conflict of interest, in each instance, this is fully disclosed to the client. In cases when applicable, FEG, its representatives and affiliates, will be “last in” and “last out” for the trading day.

FEG may serve on advisory boards to private investment vehicles in which FEG’s clients have investments. These advisory boards serve to represent the investors in such roles as, for example, reviewing potential of conflicts of interest, waivers of investment limitations, and/or investment valuations. FEG and its employees receive no compensation from these private investment vehicles or their managers for such service, but any reasonable expenses incurred in serving on these committees may be reimbursed.

Item 12 – Brokerage Practices

In placing orders for purchase and sale of securities and recommending or selecting brokers to effect these transactions, FEG seeks prompt execution of orders at the most favorable prices reasonably obtainable and in doing so will consider a number of factors, including, without limitation, the overall direct net economic result to the client (including commissions, which may not be the lowest available, but which ordinarily will not be higher than the generally prevailing competitive range), the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the availability of the broker to stand ready to execute possibly difficult transactions in the future, and other matters involved in the receipt of brokerage and research services. Allocation of multiple client trade orders will be made equitably, and if an order can only be partially filled, the allocation will be made on a pro-rata basis in relation to the clients’ requests.

FEG places trades for its client’s account subject to its duty of best execution and other fiduciary duties. FEG may use other broker-dealers to execute trades for client accounts maintained at their Preferred Custodians, but this practice may result in additional costs to clients. The execution quality may be different from other broker-dealers. For clients that wish to maintain certain brokerage relationships (i.e., directed brokerage), FEG does not negotiate commission rates and client may pay higher commissions than they would have had if FEG had brokerage discretion over the account.

In providing its non-discretionary services, FEG may assist clients in executing trades with the client’s selected broker-dealer. FEG may also assist non-discretionary consulting clients to execute trades by preparing and communicating to brokers any rebalancing recommendations.

FEG may be able to obtain a better execution and negotiate more favorable brokerage commissions for its clients by aggregating orders in the same security with the objective of executing a block of stock for various clients. Whenever FEG determines that it is in the client’s best interest to aggregate/block client orders, it will attempt to execute the transactions in this manner. Shares executed in block transactions are generally allocated pro-rata relative to account assets among the client for whom the stock is being traded. Shares allocated in accordance with these procedures are priced based on the weighted average price of the executions. FEG

periodically reviews its trading practices to ensure it is providing best execution to its clients at competitive commission rates.

These brokerage relationships, through Preferred Custodians, can make available to FEG other products and services that benefit FEG but are not solely based on the nature, cost or quality of custody and brokerage services provided to FEG's clients, and these products and services may not benefit FEG client's accounts. FEG's recommendation that a client place assets in custody may be based in part on benefits to FEG, and not solely on the nature, cost or quality of custody and execution services provided. Some of these other products and services assist FEG in managing and administering client's accounts. These services include software and other technology that provide access to client account data including trade confirmations, account statements and performance reports, facilitation of trade execution, including allocation of aggregated trade orders for multiple client accounts; facilitation of payment of FEG fees from client's accounts; and assistance with back-office functions, recordkeeping and client reporting, research, pricing information and other market data. Brokers/custodians make available to FEG other services intended to help FEG manage and further develop its business enterprise. These services may include conferences on practice management, information technology, business succession, regulatory compliance and marketing, as well as consultation and publications on these topics and may make available, arrange and/or pay for these types of services rendered to FEG by independent third parties. The brokers/custodians also may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to FEG.

For client accounts maintained at the Preferred Custodians, they may or may not be subjected to a separate custodial fee. FEG reserves the right to charge an additional fee when client utilizes a custodian other than FEG's Preferred Custodians. The fee may be up to .05%/year assessed on assets held with a non-preferred custodian, subject to a \$2,500/year minimum. FEG/Managed Portfolios service clients are subject to brokerage fees in addition to the investment advisory fee. FEG does not participate in fee sharing arrangements with any broker dealer in connection with preferred brokerage arrangements.

As a matter of policy, FEG does not participate in soft dollar arrangements.

Item 13 – Review of Accounts

Two departments within FEG are involved in the review, performance, and measurement process.

Client Service

A lead consultant heads each FEG client relationship, with primary responsibility for all aspects of client service. FEG has 18 full-time consultants, each responsible for 12-16 full service client relationships. The criteria for being a full service FEG client is as follows:

- Institutional (not third party, individual or family office)
- FEG/Consulting-Asset size \$10 million or more
- FEG/Managed Portfolios-Revenue of \$25,000 or more

- Not a reporting client

Research

FEG/Research is comprised of 21 full-time research analysts, who are responsible for the ongoing monitoring of managers included on FEG's recommended list. FEG/Research and Client Service Team/Reporting Group support FEG consultants.

FEG's performance reporting system measures the progress of the total portfolio, as well as each investment manager in the portfolio. Performance is measured in compliance with an Investment Policy Statement, specifically developed for each client's investment objectives. The components of the FEG performance report include:

- Performance versus established benchmarks
- Measurement of risk and risk adjusted returns
- Relative ranking in peer group universes
- Schedule of asset allocation and investment style composition
- Evaluation of each mutual fund/manager versus investment policy criteria
- Executive summary

FEG's Reporting Group has developed a quarterly compliance questionnaire, sent to each manager to verify performance and compliance with investment objectives and guidelines. Utilizing each client's investment custody statements, FEG prepares an independent performance calculation, closely scrutinizing the portfolio transactions and security positions to ensure compliance. To confirm returns are accurate, FEG reconciles their performance measurement against that reported by the investment manager.

An investment policy scorecard is prepared, comparing the individual progress of each manager versus the Investment Policy Statement objectives, including annualized rates of return by manager and universe quartile ranking.

FEG/Research conducts quarterly conference calls with recommended managers, designed to provide quality control measure by comparing performance-driving factors, such as security and sector selection, with present market conditions. The consistency of qualitative information, combined with FEG's independent return calculations, serve as a continuous due diligence effort regarding the investment managers retained by FEG's clients.

To ensure a disciplined investment program, performance calculations are complemented with other techniques designed to monitor adherence to the Investment Policy Statement. Peer group comparisons are used to measure a manager's ability to outperform other managers investing in similar strategies. Risk is measured by standard deviation and beta; risk-adjusted returns are measured by alpha.

Events warranting or triggering more frequent reviews may include such factors as: market conditions; changes in a client's investment objectives or financial condition; a manager

deviating from their stated objectives or investment style; significant changes in a manager's personnel; and the regulatory environment.

Required disclosure information pertaining to investment managers, recommended by, but not affiliated with FEG are described in detail in those adviser's Form ADV Part II or equivalent disclosure documents, and should be obtained from those respective advisers selected by the client.

Item 14 – Client Referrals and Other Compensation

FEG may compensate employees for new client relationships or project work developed and/or serviced by the employee.

Pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940, the "cash referral fee rule," FEG maintains a plan that compensates third parties for referrals when the referral results in a client relationship. Under this arrangement, FEG pays a solicitor a portion of the client's advisory fee.

FEG has various solicitor arrangements with adviser representatives in which they offer retail clients FEG/Managed Portfolios program. The advisory fee paid to FEG by the client is higher than fees paid by clients of FEG where no solicitor is involved. Standard advisory fees apply and an additional solicitor fee is determined between solicitor and client.

Each client introduced to FEG through a solicitor agreement will receive a Solicitor Disclosure Statement, which provides disclosure regarding the affiliation, if any, between FEG and any third party investment advisers; the terms of the solicitation agreement between FEG and the solicitor, including the amount of compensation paid to the solicitor; and the additional cost to the client, if any, as a result of the solicitation agreement.

Each advisory client will receive a copy of Form ADV Part II or equivalent disclosure document for FEG as well as any other third party investment adviser involved in the solicitation agreement.

Item 15 – Custody

FEG generally does not hold itself out as having custody over client funds and securities except for the following exceptions:

- Direct debiting of fees from client accounts
- General partner of a pooled investment vehicle (subject to an annual audit by an independent auditor)

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. FEG will pick a random sampling of

clients, on a quarterly and annual basis, to verify that they are receiving their quarterly custodial statements on a consistent basis.

Item 16 – Investment Discretion

Subject to each client's established guidelines, limitations or restrictions, FEG generally has the authority in its Managed Portfolio's service to determine for each client account, without prior client consent:

- Which securities/investments are to be bought or sold, and
- The total amount of securities/investments to be bought or sold

In most cases, FEG's Managed Portfolio's service does not request or accept discretionary authority regarding the broker-dealer to be used for the client account; however, there are some limited exceptions.

FEG has brokerage relationships with "Preferred Custodians," whereby their potential services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. These arrangements may contain the conditions described in the immediately following paragraphs, including a solicitor arrangement. These custodians may provide these various products, services and other benefits to FEG at no cost or a reduced cost based upon FEG's commitment that FEG's clients will place or maintain a specified dollar amount of assets in accounts within a specified period of time. FEG may be influenced by this commitment in recommending or requiring that clients' establish brokerage accounts with these custodians.

FEG may also provide their advisory services, for a fee, to certain other types of financial services entities (providing different kinds of financial services) and may periodically also recommend these entities to clients as custodians. In such situations, FEG simultaneously discloses the relationship to the client.

FEG is independently owned and operated and not affiliated with any of its Preferred Custodians.

Additional details about these custodian relationships are available upon request.

Investment guidelines and restrictions must be provided to FEG in writing.

Item 17 – Voting Client Securities

FEG will accept discretionary authority over a client's proxy if FEG has discretionary authority over the client's advisory account and the advisory contract does not expressly state that FEG will not be voting proxies or the client does not retain voting authority. Mutual funds and ETF's are the only securities subject to this policy. A voting officer has been delegated the authority for monitoring proxy actions, making voting decisions in accordance with these policies and

ensuring that proxies are submitted in a timely manner. Copies of the FEG proxy voting policy and its voting record for the past five years are available upon request to FEG Chief Compliance Officer.

Item 18 – Financial Information

FEG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Financials are audited by an independent auditor on an annual basis.