

ITEM 1: COVER PAGE FOR FORM ADV PART 2(A) BROCHURE

ULLICO INVESTMENT ADVISORS, INC.

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March 20, 2012

This brochure provides information about the qualifications and business practices of Ullico Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (202) 962-8951 or at RLaRocque@ullico.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority.

Additional information about Ullico Investment Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Any reference in this brochure to "registered" or "registration" with the SEC or any regulatory agency does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES TO FORM ADV PART 2A BROCHURE

On July 28, 2010, the SEC approved new requirements for the disclosure document (“Brochure”) required to be provided to clients and private fund investors that affected both the format and content of the Firm Brochure.

The Material Changes section of the Brochure will address specific material changes in future versions of the Brochure and include a summary of such change since the last annual update. Ullico Investment Advisors, Inc. will also state the last date of the annual update of the Brochure in this section.

In July, 2011 Item 1 of the Brochure was updated to reflect change in contact information.

In March 2012 the Brochure was updated to add the Ullico International Small Cap Fund L.P. to its product offerings. Ullico Investment Advisers amended the Brochure to reflect its regulatory assets under management as of January 31, 2012. Also, Ullico Investment Advisors changed its status in Canada from a registered portfolio manager to an exempt international adviser.

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ITEM 4: ADVISORY BUSINESS

A. Advisory Firm Description

Ullico Investment Advisors, Inc. (“UIA” or “Firm”) registered with the SEC in April 1990 as an investment adviser. UIA is 100% owned by Ullico Inc., a privately held stock company. The stock of Ullico Inc. is primarily owned by pension funds and other union-affiliated organizations.

B. Advisory Services Description

UIA provides investment management services to institutional investors through (i) separately managed accounts and (ii) privately offered commingled investment funds that are exempt from the registration requirements of the Securities Act of 1933, as amended and the Investment Company Act of 1940, as amended (“Funds”). With a few exceptions, UIA has hired unrelated sub-advisers to research and select securities and execute trades for the separately managed accounts and the Funds. UIA requires that all of the sub-advisers register with the SEC as investment advisers. UIA currently has sub-advisory agreements with:

- A. Allianz Global Investors Capital LLC (formerly Nicholas Applegate Capital Management LLC and Oppenheimer Capital LLC)
- B. Brandywine Global Investment Management LLC;
- C. Global Currents Investment Management LLC;
- D. GlobeFlex Capital LP;
- E. Hansberger Global Investors, Inc;
- F. Kennedy Capital Management, Inc.;
- G. Lee Munder Capital Group, LLC;
- H. New Amsterdam Partners, LLC
- I. Smith Breeden Associates, Inc.; and
- J. Vaughan Nelson Investment Management, L.P.

C. Tailoring Advisory Services

For clients with separately managed accounts, UIA tailors advisory services to the individual needs of the clients. Clients with separately managed accounts may impose restrictions on investing in certain securities or types of securities. The investment advisory services provided by UIA to the investors invested in the Funds are outlined in the each Fund’s private placement memorandum or offering brochure, limited partnership or trust agreement and subscription or offering documents. Investors invested in UIA’s Funds may not impose restrictions on investing in certain securities or types of securities.

D. Wrap Fee Program

A wrap fee program is defined by the SEC as any advisory program under which a specified fee or fees not based directly upon transactions in a client’s account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. UIA does not participate in any wrap fee programs.

E. Assets Under Management

As of January 31, 2012, UIA managed \$1,287.1 million in client assets on a discretionary basis. UIA does not manage any client assets on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

A. Advisory Fee Schedules

UIA charges investment advisory fees that are based on the amount of assets managed for each client or Fund investor.

The annual investment advisory fee schedules for Fund investors are:

Funds			
Name of Fund	Fee Schedule	Billing Method	Sub-Advisers
Ullico Diversified International Equity Fund, L.P.	0.80% on the first \$35 million in assets under management; 0.70% on the next \$15 million in assets under management; and 0.60% on assets greater than \$50 million	The fee is deducted monthly in arrears and is based on the Fund investor's ending assets under management as of the close of business on the last business day of each month.	Global Currents Investment Management, LLC; Hansberger Global Investors, Inc.; GlobeFlex Capital, L.P.; and Lee Munder Capital Group, LLC
TFA International Fund	0.80% on the first \$35 million in assets under management; 0.70% on the next \$15 million in assets under management; and 0.60% on assets greater than \$50 million	The fee is deducted monthly in arrears and is based on the Fund investor's ending assets under management as of the close of business on the last business day of each month.	Global Currents Investment Management, LLC; Hansberger Global Investors, Inc.; GlobeFlex Capital, L.P.; and Lee Munder Capital Group, LLC
Ullico Diversified SMID Cap Fund, L.P.	1.00% on all assets under management	The fee is deducted monthly in arrears and is based on the Fund investor's ending assets under management as of the close of business on the last business day of each month.	Vaughan Nelson Investment Management, L.P.; Allianz Global Investors Capital LLC; and Kennedy Capital Management, Inc.
Ullico International Small Cap Fund, L.P.	1.00% on all assets under management	The fee is deducted monthly in arrears and is based on the Fund investor's ending assets under management as of the close of business on the last business day of each month.	GlobeFlex Capital, L.P. and Lee Munder Capital Group, LLC
Ullico Infrastructure Fund, L.P.	1.75% on all assets under management Clients who participate in the first closing of the Ullico	The fee is deducted quarterly in arrears and is based on the Fund investor's ending assets under management as of the close of business on the last business day of each quarter.	None. The Ullico Infrastructure Fund, L.P. is managed internally.

	Infrastructure Fund, L.P. will pay a discounted investment advisory fee of 1.25% on all assets under management for the first two years following the initial call.		
Union Alternative Strategies Fund Ltd.	None	Not Applicable	None. Union Alternative Strategies Fund Ltd. is in liquidation.

The investment advisory fees for the Funds are not negotiable. Under certain circumstances, UIA may combine the assets of related client accounts invested in the same Fund so that the client accounts can benefit from the fee breakpoints. The fees for combined client accounts will be deducted from each combined client account on a pro rata basis.

The Ullico Inc. Pension Plan is the defined benefit pension plan for UIA employees. The Ullico Inc. Pension Plan has invested assets in the Ullico Diversified International Equity Fund, L.P. and the Ullico Diversified. SMID Cap Fund, L.P. The Department of Labor prohibits UIA from receiving any investment advisory fees for managing the Ullico Inc. Pension Plan assets. Therefore, UIA only charges the Ullico Inc. Pension Plan for the sub-advisory expense portion of the investment advisory fee charged by the Ullico Diversified International Equity Fund, L.P. and the Ullico Diversified SMID Cap Fund, L.P.

The annual fee schedules for clients with separately managed portfolios are:

Separate Managed Portfolios			
Investment Strategy	Fee Schedule	Billing Method	Sub-Adviser
Domestic Core Growth Equity (Large Company Stocks)	0.75% on the first \$10 million of assets under management; 0.50% on the next \$15 million of assets under management; 0.40% on the next \$75 million of assets under management; and 0.30% on assets greater than \$100 million	The fee is billed quarterly in arrears and is based on the either (1) the client's ending assets under management as of the close of business on the last business day of each quarter or (2) the client's average quarterly assets under management.	New Amsterdam Partners LLC
Domestic Growth Equity (Large Company Stocks)	0.75% on the first \$10 million of assets under management; 0.60% on the next \$40 million of assets under management; and 0.50% on assets greater than \$50 million	The fee is billed quarterly in arrears and is based on the either (1) the client's ending assets under management as of the close of business on the last business day of each quarter or (2) the client's average quarterly assets under management.	Allianz Global Investors Capital LLC Note: This strategy is no longer marketed to new clients.
Domestic Value Equity (Mid-size and Large Capital Stocks)	0.75% on the first \$10 million of asset under management; 0.50% on the next \$65	The fee is billed quarterly in arrears and is based on the either (1) the client's ending assets under	Brandywine Global Investment Management LLC. Note: This strategy is no

	million of assets under management; and 0.40% on assets greater than \$75 million	management as of the close of business on the last business day of each quarter or (2) the client's average quarterly assets under management.	longer marketed to new clients.
Domestic Small Cap Value Equity (Small Company Stocks)	1.00% on the first \$25 million of assets under management; 0.90% on the next \$25 million of assets under management; and 0.80% on assets greater than \$50 million	The fee is billed quarterly in arrears and is based on the either (1) the client's ending assets under management as of the close of business on the last business day of each quarter or (2) the client's average quarterly assets under management	Lee Munder Investments Ltd. Note: This strategy is closed to new investors.
Broad Market Fixed Income	0.375% on the first \$25 million of assets under management; 0.30% on the next \$50 million of asset under management; and 0.25% on assets greater than \$75 million	The fee is billed quarterly in arrears and is based on the either (1) the client's ending assets under management as of the close of business on the last business day of each quarter or (2) the client's average quarterly assets under management.	Smith Breeden Associates, Inc
Intermediate Duration Fixed Income	0.375% on the first \$25 million of assets under management; 0.30% on the next \$50 million of assets under management; and 0.25% basis points on assets greater than \$75 million	The fee is billed quarterly in arrears and is based on the client's ending assets under management as of the close of business on the last business day of each quarter.	None Note: This investment strategy is managed internally under a negotiated agreement with one client. This strategy is not marketed to new clients.

The investment advisory fees for separately managed portfolios are negotiable.

B. Fee Payment Methods

For the Funds, UIA deducts investment advisory fees monthly or quarterly for services provided in the previous month or quarter by redeeming Fund units owned by the investors. UIA does not allow Fund investors to elect to be billed for investment advisory fees.

For separately managed portfolios, clients are billed each calendar year quarter for services performed in the previous quarter unless the client requests another billing cycle. The method of billing for each separately managed client account is described in the Investment Management Agreement between UIA and each client. UIA does not allow clients with separately managed portfolios to elect to have investment advisory fees deducted from their account.

C. Other Fees and Expenses

Bank of New York Mellon (“BNY Mellon”) provides global custody services to the Funds, and the Funds pay a fee to BNY Mellon for the services provided. The Funds also pay audit expenses. All fees and expenses charged to investors or charged directly to the Funds are outlined in the Funds’ private placement memorandums or offering brochure. The private placement memorandums or offering brochure are available to qualified investors upon request.

Cash held by the Funds will be invested in money market funds. The money market fund expenses will include a management fee paid to the money market fund investment adviser. Fund investors also pay an investment advisory fee to UIA based on total assets under management, which include the money market fund investments. Therefore, Fund investors are paying two investment advisory fees for the assets invested in the money market funds.

All strategies may invest in Exchange Traded Funds (“ETF’s”). The cost of the ETF includes a management fee paid to the ETF investment advisor. Investors also pay an investment advisory fee to UIA based on total assets under management, which may include the ETF assets. Therefore, the investors may be paying two investment advisory fees for the assets invested in the ETF’s.

The Funds and separately managed portfolios will pay all brokerage and other transactions costs. Please refer to Item 12, Brokerage Practices for additional information on brokerage and transaction costs.

D. Advisory Fees Paid in Advance

UIA does not charge clients or Fund investors for fees in advance of services provided.

E. Sales Compensation

UIA pays cash referral fees to UIA employees and commissions to Ullico Investment Company, Inc. (“UIC”), a broker-dealer registered with the SEC and a member of the Financial Regulatory Authority, from the investment advisory fees paid by clients and Fund investors. Employees of UIA may be registered representatives of UIC.

1. Conflict of Interest

Cash referral fees paid to UIA employees and commissions paid to UIC are generally calculated as a percentage of the investment advisory fees, which are based on assets under management. This practice presents a conflict of interest. Advisory fees vary by product, and employees of UIA and UIC may be motivated to sell products with higher advisory fee schedules since the sale may generate a higher cash referral fee or commission. Each year, UIA reviews its business practices to identify those that might pose conflicts of interest between the Firm and its clients. UIA will disclose all significant conflicts of interest in Form ADV. In addition, UIA will review its existing procedures, and if needed, UIA will develop additional policies and procedures to address the conflicts of interest.

2. Unaffiliated Brokers

UIA investment services and Funds are not sold through unaffiliated brokers or agents.

3. Revenue from Commissions

UIA does not receive revenue from advisory clients generated from commissions or other compensation for the sale of investment products UIA recommends to clients. All of UIA's revenue is generated through investment advisory fees paid by investors invested in UIA-sponsored Funds or through advising clients with separately managed portfolios.

4. Commissions or Markups

UIA does not charge commissions or markups.

F. Additional Information

Ullico Inc., a private stock company, is the parent company of UIA. Shares of Ullico Inc. are owned by union organizations and their related funds. UIA may provide investment advisory services to the union organizations and their related funds that own shares of Ullico Inc. Shareholders of Ullico Inc., such as the Ullico Inc. Pension Plan, may receive an investment advisory fee discount based on various factors such as the size of the account or regulatory requirements. However, shareholders of Ullico Inc. do not receive an investment advisory fee discount based solely on their ownership of Ullico Inc. stock.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance based fees are based on a share of capital gains or capital appreciation of the assets of a pooled investment vehicle. UIA and its supervised persons do not charge or receive any performance based fees.

ITEM 7: TYPES OF CLIENTS

UIA's primary market focus is providing discretionary investment advisory services to jointly trustee benefit plans and the Funds, although the Firm may also provide services to other institutional investors, including government benefit plans, endowments and foundations, and insurance companies. UIA does not provide investment advisory services to any individuals.

There are requirements and limitations to investing in the Funds and to maintaining separately managed portfolios. The requirements and limitations are listed below:

Funds		
Name of Fund	Type of Investor	Minimum Investment
Ullico Diversified International Equity Fund, L.P.	Must be an institutional, tax exempt accredited investor who is a qualified purchaser	\$1,000,000
TFA International Fund	Must be an institutional, tax exempt accredited investor. Fund can only accept investments from pension, annuity and profit sharing plans.	\$1,000,000
Ullico Diversified SMID Cap Fund, L.P.	Must be an institutional, tax exempt accredited investor who is a qualified purchaser	\$1,000,000
Ullico International Small Cap Fund, L.P.	Must be an institutional, tax exempt accredited investor who is a qualified purchaser	\$1,000,000
Ullico Infrastructure Fund, L.P.	Must be an institutional, tax exempt accredited investor who is a qualified purchaser	\$5,000,000

Union Alternative Strategies Fund Ltd.	No longer applicable	Not Applicable. Fund is in liquidation
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Separate Managed Portfolios		
Investment Strategy	Type of Investor	Minimum Investment
Domestic Core Growth Equity (Large Company Stocks)	Must be an institutional investor	\$10,000,000
Domestic Growth Equity (Large Company Stocks)	Must be an institutional investor	\$5,000,000 Note: This strategy is no longer marketed to new clients.
Domestic Value Equity (Mid-size and Large Capital Stocks)	Must be an institutional investor	\$5,000,000 Note: This strategy is no longer marketed to new clients.
Domestic Small Cap Value Equity (Small Company Stocks)	Must be an institutional investor	This strategy is closed to new clients.
Broad Market Fixed Income	Must be an institutional investor	\$40,000,000
Intermediate Duration Fixed Income	Must be an institutional investor	This strategy is no longer marketed to new clients.

UIA reserves to the right to waive the minimum investment requirement for the Funds and separately managed portfolios.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The investment strategy and method of analysis is different for each Fund or separately managed portfolio advised by UIA. Therefore, the investment strategy and method of analysis for each Fund and separately managed portfolio advised by UIA is separately summarized below.

The investment strategies have some common risks of loss but there are also additional risks that are unique to a specific investment strategy. UIA has included a description of the investment risks specific to the investment strategy within the description of each Fund and separately managed portfolio. General investment risks are summarized at the end of this Item.

With the exception of Intermediate Duration Fixed Income, the methods of analysis are those used by the sub-advisers identified in Item 4. UIA follows established policies and procedures to review the sub-advisers' implementation of their investment strategies and methods of analysis. Additional information on the sub-advisers' methods of analysis, investment strategies and risks of loss is available by reviewing each sub-adviser's Form ADV Part 2A brochure.

The descriptions of method of analysis contain investment terms that are used throughout the descriptions. A brief definition of these investment terms is outlined below:

Fundamental analysis analyzes an individual company's financial statistics, as well as qualitative factors that cannot easily be measured, in order to predict future stock and bond price movements. Fundamental analysis reviews a company's financial record, management team, market, sales record and other factors. The information is used to attempt to predict the future success of a company.

Quantitative analysis applies mathematical principles to analyze measurable factors. Quantitative analysis often uses *quantitative models* to analyze data and formulate results. Quantitative models are computer programs that are used to determine whether or not a security is an attractive investment.

PRIVATELY OFFERED COMMINGLED FUNDS

I. Ullico Diversified International Equity Fund, L.P. and TFA International Fund

- A. Investment Strategy: The Funds allocate assets among three different investment strategies with a target allocation of 40% to international large cap value equity, 40% to international large cap growth equity and 20% to international small cap equity. The allocation is accomplished through hiring one or more sub-advisers for each investment strategy. UIA selects sub-advisers with the assistance of an independent third party and through an established due diligence process. UIA conducts ongoing due diligence reviews of the sub-advisers and has the authority to hire and fire sub-advisers.

Each sub-adviser has a specific investment strategy. The international large cap value equity strategy focuses on identifying stocks that are trading below their normal price based on certain financial measurements. The international large cap growth equity strategy focuses on identifying companies with superior growth characteristics. The international small cap equity strategies focus on identifying stocks with long term earning growth potential that are trading at an attractive price.

- B. Method of Analysis: Generally, the overall investment approach of the Funds focuses on the selection of individual stocks. The individual stocks are selected by the sub-advisers through a combination of quantitative and fundamental analysis.
- C. Strategy Risk of Loss
1. Foreign Securities: Foreign security investments involve special risks. There is the possibility of seizure of assets, unfavorable taxation, exchange control obligations, social instability and political developments that could adversely affect investments made within the foreign countries. In addition, foreign companies may not be subject to the same accounting, auditing and financial reporting standards that are required for US companies. The reporting standards may make it difficult to correctly analyze a foreign company. Foreign security markets usually have smaller trading volumes than U.S. markets, and as a result, foreign securities may be less liquid and more volatile than U.S. securities. Transaction costs for trading foreign securities may be higher than the cost for trading U.S. securities.
 2. Small Companies: The Funds will invest in the stocks of small companies. These small company stocks may be more volatile and less marketable than large company stocks.

3. **Currency Exchange Rates and Currency Hedging:** The Funds invest in securities denominated in foreign currencies. However, the Funds are valued in U.S. dollars. As a result, the value of the Funds will fluctuate with U.S. dollar exchange rates. The Funds may purchase currency futures to hedge against a decline in the U.S. dollar. The Funds' performance may be adversely impacted due to exchange rate fluctuations and the costs associated with currency hedging activities.
4. **Emerging Markets:** The Funds may invest in emerging markets. Emerging markets are developing countries with rapid growth in social and business activity and relatively low per capita income. Emerging market investments have additional risk, including possible currency devaluations, political uncertainty and instability, more substantial government involvement in the economy, higher rates of inflation, less government regulation of securities markets, controls on foreign investments, limitations on repatriation of invested capital, inability to exchange local currency for U.S. dollars, greater price volatility, and less liquidity.
5. **Securities Lending:** The Funds participate in a securities lending program managed by the Funds' qualified custodian. Securities lending is the temporary loan of a stock to a third party borrower. The lender receives a fee for lending the stock. Securities lending involves two major risks. First, the third party borrower may not return the stock to the lender. Second, collateral provided by the third party borrower may not perform as expected.
6. **Investment Restrictions:** The Funds prohibit purchasing stocks in countries where systematic human rights abuse is identified. Prohibiting investments in these countries may adversely affect the investment performance of the Funds.
7. **Fund Structure:** The Ullico Diversified International Equity Fund, L.P. is structured as a limited partnership, and the General Partner of the Fund is owned by UIA. The TFA International Fund is structured as a group trust. UIA is the investment manager for both Funds.
 - a. **Liquidity:** Limited partnership and group trust interests are not easily transferred to other investors and may be subject to liquidation restrictions.
 - b. **Mandatory Redemptions:** The General Partner or UIA has the right to require a limited partner or a group trust investor to redeem their investments at UIA's discretion.
 - c. **Substantial Redemptions:** Substantial redemptions by limited partners or group trust investors may require UIA to sell investments more quickly than desired. This rapid sale could adversely affect the value of the Funds.
 - d. **Indemnification:** The partnership and group trust adoption agreements contain broad provisions that limit the rights of limited partners and group trust investors to recover losses or costs.
 - e. **Management of Partnership:** The limited partners and group trust investors have no authority to make decisions or to participate in the management of the Funds.
 - f. **Unrelated Business Taxable Income ("UBTI"):** UBTI is income from a trade or business regularly carried on by a tax-exempt organization that is unrelated to its tax-exempt purpose. The partnership is organized to operate as a partnership for tax purposes. Therefore, all income, gains and losses will pass through the investment units to the limited partners and any tax on UBTI will be the responsibility of the

partnership. However, if a Fund investment consists of debt-financed property, the limited partners may incur UBTI.

- g. **Income Connected with the U.S. Trade or Business:** If it is determined that the partnership or group trust is engaged in a U.S. trade or business, the limited partners or group trust investors would be obligated to file a U.S. federal tax return to report the income.
- h. **Absence of Regulation.** The Funds are exempt from registering as an investment company under the Investment Company Act of 1940, as amended (“Investment Company Act”). As a result, certain protections of the Investment Company Act will not be available to the limited partners and group trust investors.

For more information on each investment strategy and method of analysis employed by the sub-advisers identified in Item 4 of this brochure, Fund investors should refer to the sub-advisers’ Form ADV Part 2A brochure. For more information on the risk of loss, Fund investors should refer to the Fund’s private placement memorandum or offering brochure and the General Investment Risk of Loss at the end of this Item.

II. Ullico Diversified SMID Cap Fund, L.P.

- A. **Investment Strategy:** The Fund allocates assets among three different investment strategies with a target allocation of 45% to SMID cap value equity, 35% to SMID cap growth equity and 20% to micro cap equity. The allocation is accomplished through hiring one or more sub-advisers for each investment strategy. UIA selects sub-advisers with the assistance of an independent third party and through an established due diligence process. UIA conducts ongoing due diligence reviews of the sub-advisers and has the authority to hire and fire sub-advisers.
 - a. The terms SMID cap and micro cap describe the size of the companies issuing the stocks purchased in this investment strategy. SMID cap combines small and medium size companies with market capitalizations that generally range between \$500 million and \$10 billion. Micro cap refers to companies with market capitalizations that generally range between \$50 million and \$200 million.
 - b. Each sub-adviser has a specific investment strategy. The SMID cap value equity investment strategy focuses on identifying stocks that have improving margins and fundamentals with strong balance sheets. The SMID cap growth equity investment strategy focuses on identifying companies whose returns are driven by above-consensus achievement of long term growth expectations. The micro cap investment strategy targets companies that display stronger fundamentals versus their peer group.
- B. **Method of Analysis:** Generally, the overall investment approach of the Fund focuses on the selection of individual securities. The individual securities are selected by the sub-advisers through a combination of quantitative and fundamental analysis.
- C. **Strategy Risk of Loss:**
 - 1. **Foreign Securities:** Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #1.

2. Small Companies: Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #2.
3. Securities Lending: Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #5.
4. Fund Structure: The Ullico Diversified SMID Cap Fund, L.P. is structured as a limited partnership, and the General Partner of the Fund is owned by UIA. Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #7.

For more information on each investment strategy and method of analysis employed by the sub-advisers identified in Item 4 of this brochure, Fund investors should refer to the sub-advisers' Form ADV Part 2A brochure. For more information on the risk of loss, Fund investors should refer to the Fund's private placement memorandum and the General Investment Risk of Loss at the end of this Item.

III. Ullico International Small Cap Fund, L.P.

- A. Investment Strategy: The fund will invest in a diversified portfolio of publicly traded equity securities of small companies located in numerous non-US countries. Small companies are defined as companies with market capitalizations of less than \$6 billion. The allocation of investments is accomplished through hiring one or more sub-advisers. UIA selects sub-advisers with the assistance of an independent third party and through an established due diligence process. UIA conducts ongoing due diligence reviews of the sub-advisers and has the authority to hire and fire sub-advisers.

Each sub-adviser has a specific investment strategy. The international small cap equity strategies focus on identifying stocks with long term earning growth potential that are trading at an attractive price.

- B. Method of Analysis: Generally, the overall investment approach of the Fund focuses on the selection of individual securities. The individual securities are selected by the sub-advisers through a combination of quantitative and fundamental analysis.

- C. Strategy Risk of Loss:

1. Foreign Securities: Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #1.
2. Small Companies: Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #2.
3. Currency Exchange Rates and Currency Hedging: Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #3.
4. Emerging Markets: Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #4.

5. Securities Lending: Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #5.
6. Investment Restrictions: Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #6.
7. Fund Structure: The Ullico International Small Cap Fund, L.P. is structured as a limited partnership, and the General Partner of the Fund is owned by UIA. Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #7.

For more information on each investment strategy and method of analysis employed by the sub-advisers identified in Item 4 of this brochure, Fund investors should refer to the sub-advisers' Form ADV Part 2A brochure. For more information on the risk of loss, Fund investors should refer to the Fund's private placement memorandum and the General Investment Risk of Loss at the end of this Item.

IV. Ullico Infrastructure Fund, L.P.

- A. Investment Strategy: The Fund will invest in a diverse portfolio of infrastructure businesses. Infrastructure is broadly defined as the physical structures and facilities that provide essential services to a functioning economy and community. The portfolio may invest in single assets such as toll roads or airports, unregulated assets such as seaports or freight rail lines, regulated utilities such as water utilities or gas transmission pipelines, or social infrastructure projects like hospitals or schools. The investments will primarily be made in small to mid-market, community level assets and will generally be made through the purchase of common or preferred stock, debt obligations or other securities. A target portfolio has been developed. The target portfolio is weighted 80% to mature assets and 20% to development assets. The target portfolio focuses on acquiring investments that adjust with inflation, have predictable revenue sources, and provide the Fund with control rights over the investment.
- B. Method of Analysis: The Fund will use fundamental analysis to select investments.
- C. Strategy Risk of Loss:
 1. Capital Limitations: The investments made by the Fund may require the contribution of additional capital. For example, additional capital may be required to prevent foreclosure on a property owned by one of the investments. There is no obligation for the investors in the Fund to contribute additional capital. Therefore, the investments could be lost as a result of the capital limitations.
 2. Business Risk: The Fund's investments will consist of securities issued by private companies, as well as interests in partnerships, limited liability companies or similar entities. There is the possibility that the private company or other entity may declare bankruptcy or act in a manner that is not consistent with the business interests of the Fund. Furthermore, it may be difficult for the Fund to sell its interest in an entity.
 3. Valuation: Most of the investments will not be listed on a recognized security exchange. Therefore, a public price for most of the investments will not be available. The valuation of the Fund's investments will involve uncertainties and will require good faith business judgment. The value of the investments will have an important impact on the Fund, including

the calculation of the investment management fee and the purchase and sale price of investors' interests in the Fund. The Fund could be adversely affected if it is determined that the value of an investment is incorrect.

4. **Limited Number of Investments:** The Fund may participate in a limited number of investments. Therefore, the Fund return may be substantially affected by the poor performance of a single investment.
5. **Limited Liquidity:** Investments made by the Fund are not liquid and cannot easily be sold. Investors in the Fund have limited opportunities to redeem their investment.
6. **Investment Risk:** The Fund may make investments in the electric utility industry, which is subject to regulatory and third party pressures. The Fund may make investments in renewable energy projects. The market for renewable energy is emerging and rapidly evolving, and its future success is uncertain. The Fund may be subject to commodity price risk and the commodity markets may be volatile. Many Fund investments will be subject to federal, state and local statutory and regulatory standards. Compliance with these regulations may add significant cost to the investments.
7. **Responsible Contractor Policy:** The Fund will implement a policy regarding the use of union labor. This policy may limit the Fund's investment opportunities.
8. **Fund Structure:** The Ullico Infrastructure Fund, L.P. is structured as a limited partnership, and the General Partner of the Fund is owned by UIA. Refer to the description under Ullico Diversified International Equity Fund, L.P. and the TFA International Fund, Strategy Risk of Loss #7.

For more information on the investment strategy, method of analysis and risk of loss, Fund investors should refer to the Fund's private placement memorandum and to the General Investment Risk of Loss at the end of this Item.

V. Union Alternative Strategies Fund, Ltd.

- A. **Investment Strategy:** The Fund is in liquidation. Currently the Fund is invested in four hedge funds with limited liquidity. As a limited partner in the hedge funds, UIA's strategy is to support all decisions that create cash for the hedge fund limited partners and result in a cash distribution to the Union Alternative Strategies Fund.
- B. **Method of Analysis:** The Fund is not making any new investments.
- C. **Strategy Risk of Loss:** During the liquidation process, the primary risk is that the Fund investors will not recover their invested assets. All Fund investments are illiquid. Cash will be distributed to Fund investors as the underlying hedge funds liquidate their investments and return cash to the Union Alternative Strategies Fund.

SEPARATELY MANAGED PORTFOLIOS

I. Domestic Core Growth Equity

- A. **Investment Strategy:** The investment strategy uses a proprietary quantitative model to identify the top 100 ranked stocks that are large and mid cap companies with better-than-average profitability and long term growth prospects selling at market or below-market multiplies. Fundamental analysis is conducted on the top 100 ranked stocks to select a portfolio of approximately 40 to 45 stocks. The fundamental analysis includes review of market data, attending company meetings, analyzing company reports, and building cash flow models and sensitivity analyses.
- B. **Method of Analysis:** This strategy uses an approach that is 50% quantitative analysis and 50% fundamental analysis.
- C. **Strategy Risk of Loss:** Refer to the General Investment Risk of Loss at the end of this Item.

For more information on the investment strategy and method of analysis employed by the sub-adviser identified in Item 4 of this brochure, clients should refer to the sub-adviser's Form ADV Part 2A brochure.

II. Domestic Growth Equity

- A. **Investment Strategy:** This investment strategy uses a proprietary quantitative model to identify companies that are expected to have an earnings growth rate in excess of consensus estimates. The stocks selected should demonstrate sustainable earnings growth and positive price trend relative to other stocks.
- B. **Method of Analysis:** This strategy uses an approach that is 80% quantitative analysis and 20% fundamental analysis.
- C. **Strategy Risk of Loss:** Refer to the General Investment Risk of Loss at the end of this Item.

For more information on the investment strategy and method of analysis employed by the sub-adviser identified in Item 4 of this brochure, clients should refer to the sub-adviser's Form ADV Part 2A brochure.

III. Domestic Value Equity

- A. **Investment Strategy:** This investment strategy invests in medium to large size companies that have relatively low valuations. Low valuation is defined as stocks with low price-to-earnings, low price-to-book, or low price-to-cash flow ratios relative to the overall market and relative to each stock's history.
- B. **Method of Analysis:** This strategy uses fundamental analysis.
- C. **Strategy Risk of Loss:** Refer to the General Investment Risk of Loss at the end of this Item.

For more information on the investment strategy and method of analysis employed by the sub-adviser identified in Item 4 of this brochure, clients should refer to the sub-adviser's Form ADV Part 2A brochure.

IV. Domestic Small Cap Value Equity

- A. **Investment Strategy:** The investment strategy identifies solid companies, with market capitalizations of less than \$2 billion, whose stock is temporarily out of favor. The strategy focuses on companies with higher returns on capital, free cash flow and strong balance sheets. Although the companies are relatively small, they often dominate a segment of a particular industry. Generally these industries have significant barriers to entry and as a result, the companies are able to generate a higher return on capital over time. The strategy will also invest in more cyclical companies with somewhat lower returns on capital when the market does not reward the company's long term earnings.
- B. **Method of Analysis:** This strategy uses a fundamental method of analysis.
- C. **Strategy Risk of Loss:** The portfolios will invest in the stocks of small companies. These small company stocks may be more volatile and less marketable than large company stocks.

For more information on the investment strategy and method of analysis employed by the sub-adviser identified in Item 4 of this brochure, clients should refer to the sub-adviser's Form ADV Part 2A brochure. For information on additional risks, refer to the General Investment Risk of Loss at the end of this Item.

V. Broad Market Fixed Income

- A. **Investment Strategy:** This strategy begins by analyzing current economic conditions and trends and developing overall market valuation themes with input from sector specialists. This information is used to develop a "top-down" portfolio strategy that includes a portfolio optimization model that examines risk and return net of general economic exposure. Securities are selected through a "bottom-up" proprietary pricing model that evaluates the risk and return of the individual securities. The strategy uses a relative value framework that attempts to construct portfolios with securities that appear to offer attractive risk-adjusted yields, while attempting to minimize general economic risks.
- B. **Method of Analysis:** The strategy uses quantitative and fundamental analysis.
- C. **Strategy Risk of Loss:**
 - 1. **Prepayment Risk:** The Broad Market Fixed Income investment strategy will invest in bonds that have prepayment risk. Mortgage-backed securities or "MBS" are securities where investors receive payments of interest and principal from mortgage loans secured by real estate. Asset-Backed Securities or "ABS" are securities where investors receive payments of interest and principal from a pool of assets such as credit card receivables, automobile loans or home equity loans. Unlike traditional bonds, which pay a fixed rate of interest until maturity when the entire principal amount comes due, payments on MBS and ABS include both the payment of interest and a partial payment of principal. The partial payment of principal may include the scheduled principal payment as well as an unscheduled payment from the voluntary prepayment, refinancing, or foreclosure of the underlying loans. As a result of these unscheduled payments of principal, the price and yield of MBS and ABS can be adversely affected. For example, during periods of declining interest rates, prepayments can be expected to accelerate. The sub-adviser would then be required to reinvest the proceeds at the lower interest rates available at that time. Prepayments of loans that underlie securities purchased at a premium (i.e an amount greater than the face value of the security) could result in capital losses because the premium may not have been fully amortized at the time the loan is prepaid. In addition, like other traditional bonds, the value of MBS and ABS

generally fall when interest rates rise. However, when interest rates fall, the MBS' and ABS' potential for capital appreciation is limited due to the existence of the prepayment option. Commercial Mortgage Backed Securities or "CMBS" are securities where investors receive payments of interest and principal from mortgage loans secured by commercial or multi-family real estate properties, such as shopping malls, office buildings, industrial or warehouse properties, hotels, apartments, nursing homes or similar properties. With CMBS, the rate of principal payments on the loans will be affected by any restrictions on prepayments of the principal. The restrictions may include a prohibition on prepayments for a period of time and/or requirements that principal prepayments are subject to prepayment penalties.

2. **Residential MBS:** The Broad Market Fixed Income investment strategy will invest in Residential MBS. Residential mortgage loans that secure Residential MBS may be subject to numerous U.S. federal and state laws and regulations regarding all aspects of the loans. The foreclosure process for residential mortgage loans may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

A portfolio of Residential MBS may be backed by residential mortgage loans with properties located in only a few states or regions. As a result, the residential mortgage loans may be more susceptible to geographic risks, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas. In addition, the residential mortgage loans may include "jumbo" mortgage loans. Jumbo loans have an original principal balance that is higher than the majority of residential mortgage loans. As a result, the properties that secure the jumbo loan may have a more limited market than those securing average-sized residential mortgage loans.

Residential MBS may have a balloon payment due at each loan's maturity date. Balloon residential mortgage loans involve a greater risk because the ability of the borrower to pay the balloon amount will depend on the borrower's ability to refinance the loan or sell the property at a price that allows the borrower to make the balloon payment. The borrower's ability to refinance the loan or sell the property will depend on a number of factors including the strength of the residential real estate markets, tax laws, interest rates, and general economic conditions. If the borrower cannot make the balloon payment, the related residential MBS may experience losses.

3. **Subprime and Nontraditional Residential MBS:** Borrowers have increasingly financed their homes with new mortgage loan products, which have allowed them to purchase homes that they might otherwise have been unable to afford. Many of these new products feature low monthly payments during the initial years of the loan that can increase over the loan term. When homes prices decline and economic conditions deteriorate, delinquencies and losses related to subprime and nontraditional residential mortgage loans are usually greater than conforming loans. Conforming loans are loans that meet the guidelines of government-sponsored entities like Fannie Mae and Freddie Mac. Some of the subprime and nontraditional residential loans are adjustable rate mortgage loans. Borrowers with adjustable payment mortgage loans may be subject to increased monthly payments when the mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate. The increase in the borrowers' monthly payments, combined with an increase in market interest rates, may result in significantly increased monthly payments for borrowers with adjustable rate mortgage loans. Borrowers who want to avoid the increased monthly payments by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. A decline in housing prices may also leave borrowers with

4. **Delinquent or Defaulted Residential MBS:** The pools of re-performing and non-performing sub-prime, or “scratch-and-dent,” mortgage loans securing or backing the Residential MBS may include mortgage loans that are either currently delinquent or have been delinquent in the past. Re-performing mortgage loans are loans where the borrower is at least 90 days behind on payment but has resumed making payments. “Scratch-and-dent” mortgage loans are loans with a defect or multiple defects caused by a number of factors. The factors can include the loan falling outside of the lenders’ guidelines, missing original loan documents, errors in regulatory compliance, irregular loan payment history or borrower default. Mortgage loans with a history of delinquencies are more likely to experience delinquencies in the future, even if these mortgage loans are current at the time of purchase.
5. **CMBS:** Commercial mortgage loans generally are nonrecourse loans (meaning that the borrower does not have any personal liability for the loan), lack standardized terms, tend to have shorter maturities than residential mortgage loans and may provide for the payment of principal only at maturity. In some cases, the properties securing commercial mortgage loans may be subject to additional debt. The additional debt may affect the borrower's ability to refinance the loan or result in reduced cash flow and deferred maintenance. Additional risks may result from the type and use of a particular commercial property. For instance, commercial properties that operate as hospitals and nursing homes may present special risks to lenders due to the significant governmental regulation of the ownership, operation, maintenance and financing of health care institutions. All of these factors increase the risks involved with commercial real estate lending. Commercial properties tend to be unique and are more difficult to value than single-family residential properties. Commercial lending generally exposes a lender to a greater risk of loss than residential lending since it typically involves larger loans to a single borrower than residential lending.

Commercial mortgage lenders typically use the debt service coverage ratio of a loan secured by income-producing property as a measure of the risk of default on the mortgage. The debt service coverage ratio is the ratio of cash produced by operation of the property to the total interest, principal and lease payments. Commercial property values and net operating income are subject to volatility. Therefore, the net operating income may be insufficient to cover the payment of the mortgage loan at any given time. The repayment of loans secured by income-producing properties is dependent on the successful operation of the real estate project rather than on the liquidation value of the real estate or the existence of independent income or assets of the borrower. Furthermore, the net operating income and value of a commercial property may be adversely affected by risks other than real property risks. These risks include events that cannot be predicted or controlled, such as changes in economic conditions and specific industries; declines in real estate values; declines in rental or occupancy rates; increases in interest rates, real estate tax rates and other operating expenses; changes in

governmental rules, regulations and fiscal policies; acts of God; acts of war; acts of terrorism; and social unrest and civil disturbances. The value of commercial real estate is also subject to a number of laws, such as laws regarding environmental clean-up. In addition, there are limits on remedies imposed by bankruptcy laws and state laws regarding foreclosures and rights of redemption.

A commercial property may not easily be changed to an alternative use if the operation of the commercial property for its original purpose becomes unprofitable. In such cases, changing the commercial property to an alternative use may require a substantial cost. Therefore, if the borrower is unable to pay the commercial mortgage loan, the liquidation value of a commercial property may be substantially less than the amount of the outstanding loan.

Mortgage loans underlying a CMBS issue may require a single “balloon” payment at maturity. If the underlying mortgage borrower experiences business problems or other factors limit refinancing alternatives, balloon payment mortgages are likely to experience payment delays or even default.

6. **Financial Difficulties of Residential MBS Servicers:** Residential MBS may require the servicer to make advances on delinquent mortgage loans. However, servicers experiencing financial difficulties may not be able to perform these obligations. Servicers who have sought bankruptcy protection may not be required to advance the payment. Even if a servicer were able to advance amounts on delinquent mortgage loans, its obligation to make the advances may be limited if it does not expect to recover the advances. In addition, a servicer’s obligation to make the advances may be limited to the amount of its servicing fee.
7. **Yankee Bonds:** The Broad Market Fixed Income investment strategy may invest in Yankee bonds. Yankee bonds are dollar-denominated fixed income securities issued in the U.S. capital markets by non-U.S. companies, governments and agencies. Yankee bonds are subject to country risks and other risks associated with foreign investments. One such risk is the possibility that a sovereign country might prevent capital, in the form of dollars, from flowing across their borders. Other risks include: adverse political and economic developments; adverse government regulation of financial markets and institutions; the imposition of foreign withholding taxes, and the expropriation or nationalization of foreign issues.
8. **Credit Risk:** An issuer of securities may be unable to pay principal and interest when due, or the value of the security may suffer because investors believe the issuer is less able to pay. Lower rated securities, while usually offering higher yields, generally have more risk and volatility because of reduced creditworthiness and greater chance of default.
9. **Interest Rate and Maturity Risk:** The market prices of fixed income investments may decline due to an increase in market interest rates. Generally, the longer the maturity or duration of a fixed-income investment, the more sensitive it is to changes in interest rates. Hedging interest rate and maturity risk will not generate profits in every situation and may not fully offset the losses on the positions resulting from changes in interest rates. The hedging positions, if any, will only minimize the effect of changes in interest rates. Sufficiently large and sudden movements in interest rates could result in substantial losses.
10. **Basis Risk:** Basis risk is the risk that changes in the value of a hedge instrument will not completely offset changes in the value of the assets and liabilities being hedged. A hedge instrument is used to limit investment risk, volatility or to lock in profits. Generally, a hedge

transaction will purchase an opposite position in the market. Basis risk may occur in many ways. For example, a hedge transaction may rise in value by \$100 in response to higher interest rates. At the same time, the security being hedged could decline in value by \$102 in response to the same market factor, such as higher interest rates. As a result, the hedge would not fully cover the loss in value of the security caused by higher rates since a \$2 differential would exist between the gain in value on the hedge and the assets' loss in value. The \$2 differential reflects basis risk. Basis risk can occur in other ways. For example, when a small change in interest rates occurs, both the hedge transaction and the hedged assets could decline in value, although by different amounts.

11. **Forward Trading:** The Broad Market Fixed Income investment strategy may purchase forward contracts. A forward contract is a contract to purchase securities for a fixed price at a future date beyond the customary settlement date. Prior to settlement, the portfolio's exposure from such transactions is similar to that of an investment funded by a short-term loan. Forward positions may increase overall investment exposure and involve a risk of loss if the value of the securities decline prior to the settlement date. Forward contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. Therefore, the portfolio is subject to the risk of the banks and dealers who are unable or refuse to act as a principal. Further, there is no limit on the daily price movements of forward contracts. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the sub-adviser would otherwise recommend, to the possible detriment of portfolio.

12. **Futures Contracts:** The Broad Market Fixed Income investment strategy may purchase futures contracts. A financial futures contract is similar to a forward contract but it is always exchange traded. Under a financial futures contract, one party (the "seller") agrees to sell and a second party (the "buyer") agrees to purchase, a particular investment or the basket of investments that comprises an index on a specified date in the future. The value of a futures contract tends to increase and decrease in concert with the value of its underlying investment or index. Therefore, purchasing futures contracts will usually increase exposure to price changes in the underlying investment or index. In contrast, when a futures contract is sold, the value of its futures position will usually move in an opposite direction to the underlying investment or index. Therefore, selling futures contracts will tend to offset both positive and negative market price changes, much as if the underlying investment or index had been sold. In addition, futures and forward contract prices are highly volatile. Such prices are influenced by numerous political and economic factors and may be subject to regulatory or governmental controls or restrictions. The low margin deposits normally required in futures contract trading permit an extremely high degree of leverage. The amount of leverage magnifies the effect of increases and decreases in price. An added risk in these volatile and highly leveraged markets is the possible inability to sell futures positions to prevent further losses or recognize unrealized gains. The inability to liquidate futures positions means that the sub-adviser is unable to control losses.

13. **Futures Margin Payments:** The buyer or seller of a futures contract is not required to deliver or pay for the underlying investment unless the contract is held until the delivery date, and it is not settled for cash. However, when the contract is entered into, a buyer or seller is required to deposit "initial margin" with a futures broker, known as a futures commission merchant ("FCM"). Initial margin deposits are typically a percentage of the contract's value. If the value of the buyer's or seller's position declines, the buyer or seller will be required to make additional "variation margin" payments to settle the change in value on a daily basis. A

- party that has a gain may be entitled to receive all or a portion of this amount. Initial and variation margin payments do not constitute purchasing securities on margin. In the event of the bankruptcy of an FCM that holds the margin, the buyer or seller may be entitled to return of the margin owed to it only in proportion to the amount received by the FCM's other customers, potentially resulting in losses.
14. **Repurchase Agreements:** The Broad Market Fixed Income investment strategy may invest in a repurchase agreement. A repurchase agreement is a contract under which a security is acquired for a short period of time (usually not more than one week) subject to the obligation of the seller to repurchase the security at a fixed time and price. If a seller fails to repurchase the security, the buyer could realize a loss on the sale if the sale price, including accrued interest, is less than the resale price, plus interest, listed in the repurchase agreement. In addition, if the seller is in bankruptcy, the buyer may incur a delay and additional costs in selling the underlying security or may lose principal and interest if the buyer is treated as an unsecured creditor.
15. **Dollar Roll Agreements:** The Broad Market Fixed Income investment strategy may invest in a dollar roll agreement. Dollar roll agreements are transactions where an investor sells a security for delivery in the current month and simultaneously enters into a contract to repurchase a similar (same type and coupon) security on a specified future date. During the roll period, the investor waives principal and interest paid on the security. The investor is compensated by the difference between the current sales price and the forward price for the future purchase (often referred to as the "drop") as well as by the interest earned on the cash proceeds of the initial sale. If the broker-dealer to whom the investor sells the security becomes insolvent, the investor's right to repurchase the security may be restricted. Other risks involved in entering into mortgage dollar rolls include the risk that the value of the security may change adversely over the term of the mortgage dollar roll and that the security the investor is required to repurchase may be worth less than the security the investor originally held.
16. **Risks Associated with Correlation of Price Changes.** Correlation is the relationship between two variables that shows a close match between the movements of the variables over time. There are a limited number of types of exchange-traded option and future contracts. Therefore, the standardized contracts available will not directly match the portfolio's current or anticipated market exposure. This creates the risk that the options or futures position will not track the performance of portfolio's investments. In addition, options and futures prices can also deviate from the prices of their underlying investments. Options and futures prices are affected by factors which may not affect security prices the same way. Imperfect correlation may also result from different levels of demand in the options and futures markets versus the securities markets, from structural differences in how options and futures and securities are traded, or from the imposition of daily price fluctuation limits or trading halts. The sub-adviser may purchase or sell options or futures contracts with a different value than the securities it wishes to hedge or intends to purchase in order to compensate for differences in volatility between the contract and the securities. If price changes in the options or futures positions are poorly correlated with its other investments, the positions may fail to produce anticipated gains or result in losses that are not offset by gains in other investments.

For more information on the investment strategy, method of analysis, and risk of loss, clients should refer to the Form ADV Part 2A brochure of the sub-adviser identified in Item 4 of this brochure. For additional information on risks, refer to the General Investment Risk of Loss at the end of this Item.

VI. Intermediate Duration Fixed Income

- A. Investment Strategy: This strategy will invest in high quality U.S. fixed income securities including Treasuries, corporate bonds, and mortgage and asset backed securities. The strategy will focus on identifying securities with durations of three to five years that generate income that exceeds the Barclay's U.S. Intermediate Credit index.
- B. Method of Analysis: This strategy uses fundamental analysis.
- C. Strategy Risk of Loss:
 - 1. Prepayment Risk: Refer to description under Broad Market Fixed Income, Strategy Risk of Loss #1.
 - 2. Residential MBS: Refer to description under Broad Market Fixed Income, Strategy Risk of Loss #2.
 - 3. Subprime and Nontraditional Residential MBS: Refer to description under Broad Market Fixed Income, Strategy Risk of Loss #3.
 - 4. Delinquent or Defaulted Residential MBS: Refer to description under Broad Market Fixed Income, Strategy Risk of Loss #4.
 - 5. CMBS: Refer to description under Broad Market Fixed Income, Strategy Risk of Loss #5.
 - 6. Financial Difficulties of Residential MBS Servicers: Refer to description under Broad Market Fixed Income, Strategy Risk of Loss #6.
 - 7. Credit Risk: Refer to description under Broad Market Fixed Income, Strategy Risk of Loss #8.
 - 8. Interest Rate and Maturity Risk: Refer to description under Broad Market Fixed Income, Strategy Risk of Loss #9.

For additional information on risks, refer to the General Investment Risk of Loss below.

General Investment Risk of Loss

- 1. Investing in securities involves the potential risk of loss of principal and income. Clients and Fund investors should be prepared to bear this loss before making an investment.
- 2. Market Risk: The market value of equity and fixed income securities may fall rapidly or unpredictably due to changing economic, regulatory, and political or market conditions or due to the financial condition of the issuer.
- 3. Liquidity Risk: Liquidity risk exists when particular investments are difficult to sell. It may be difficult to sell illiquid investments at the best prices.

4. **Importance of Sub-Advisers:** For many investment strategies, UIA has delegated stock selection and trading responsibilities to sub-advisers. UIA must rely on the sub-advisers to successfully implement their stated investment strategy, trade securities, and comply with the Funds' and clients' investment guidelines and restrictions.
5. **Distressed Securities:** On occasion, some of the securities held in the Funds and portfolios may become distressed. The ability to obtain a profit from these distressed securities often depends on factors that are unique to the company that issued the securities. Furthermore, the value of the distressed securities may rely on certain events, such as a reorganization or merger. If the expected event does not occur, a client or Fund investor may incur a loss on the security. Distressed securities may have a limited trading market, limited liquidity and present valuation difficulties.
6. **Illiquid Securities:** Illiquid securities are securities that cannot be easily sold. Some of the securities held in the Funds and portfolios may be illiquid or become illiquid. Investments in illiquid securities can have an adverse impact on performance in the event that the security must be sold.
7. **Increase in Assets under Management:** The more money managed by UIA or the sub-advisers, the more difficult it may be to profitably trade securities. Large positions are usually more difficult to trade without adversely affect the security price.
8. **Employee Retirement Income Security Act ("ERISA"):** UIA is an ERISA fiduciary for all Funds and separately managed portfolios. As an ERISA fiduciary, UIA and its sub-advisers are required to manage assets in accordance with certain rules outlined in ERISA. These rules may prohibit UIA and the sub-advisers from making certain investments that may otherwise be attractive.
9. **Initial Public Offerings:** The sub-advisers may purchase equity securities that are issued in initial public offerings ("IPO's"). IPO's are the first sale of stock by a company to the public. Companies offering IPO's are often new, young companies without a long operating history. Therefore, IPO's are often riskier investments than public companies with longer operating histories.
10. **Limitations on Ability to Invest in 144A Securities:** The sub-advisers may purchase privately offered securities pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may only be resold to "qualified institutional buyers" as defined under Rule 144A. Therefore the liquidity of Rule 144A securities is limited. A sub-adviser who is not a "qualified institutional buyer" will not be able to participate in, or benefit from, Rule 144A offerings.
11. **Investment Restrictions:** UIA prohibits investment in companies identified on the AFL-CIO Boycott List. Prohibiting investment in these companies may adversely affect the investment performance of the Funds or separately managed portfolios.
12. **Similar Investment Strategies:** UIA may provide advice to other clients with similar investment strategies. This situation may create conflicts of interest in the purchase and sale of investments. UIA or its sub-advisers will allocate or rotate investment opportunities among all clients over time on an equitable basis.

ITEM 9: DISCIPLINARY INFORMATION

The Department of Labor (“DOL”) filed a lawsuit against UIA and its affiliate, The Union Labor Life Insurance Company (“Union Labor Life”) in March 2002 claiming that a 1995 real estate equity transaction made by the Real Estate Investment Group of Union Labor Life was not a prudent investment. The transaction was part of an individually managed real estate equity portfolio customized for a specific client. During the first quarter of 2004, UIA and Union Labor Life settled the suit with the DOL. Under the consent order, UIA and Union Labor Life paid \$1,000,000 to each of the two pension funds involved and \$400,000 to the DOL in penalties.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker Dealer Registration

Ullico Investment Company (“UIC”), an affiliate of UIA, is a registered broker-dealer with the SEC and a member of the Financial Regulatory Authority. UIA management persons are registered representatives and principals of UIC. UIC does not make any independent recommendations to UIA clients.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration

UIA and its management persons are not registered nor do they have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

C. Related Person Relationships

UIC and its management persons market and sell the Funds advised by UIA. UIA pays a commission to UIC for the services provided. The commission is paid from investment advisory fees UIA receives from the Funds. Neither the Funds nor the Fund investors incur an additional expense for the commissions paid to UIC. Employees of UIA also work for UIC. UIC pays UIA for the cost of the services provided by UIA and its employees. Conflicts of interest may arise in the allocation of time and resources between UIA and UIC. Should a conflict of interest arise, UIA will mitigate the conflict by increasing available resources.

The Union Labor Life Insurance Company (“Union Labor Life”), an affiliate of UIA, is an insurance company registered in 50 states. Employees of UIA also work for Union Labor Life. UIA allocates the cost of services provided by UIA and its employees to Union Labor Life. Other affiliates of UIA include Ullico Casualty Company, Ullico Casualty Group, Inc., Ulico Standard of America Casualty Company, Ullico Management Company, MRCo, LLC, Unioncare LLC, and Ullicare LLC. Conflicts of interest may arise in the allocation of time and resources between UIA and Union Labor Life. Should a conflict of interest arise, UIA will mitigate the conflict by increasing available resources.

D. Other Investment Advisers

UIA selects unaffiliated sub-advisers to manage client and Fund assets. The sub-advisers are identified in Item 4 of this brochure. If the sub-advisers refer business to UIA or offer incentives that may benefit UIA but not its clients or Fund investors, UIA may be inclined to recommend the sub-

advisers when other investment advisers are more qualified. To address this potential conflict, UIA has procedures for the selection of sub-advisers that uses objective criteria. In addition, UIA employs an independent third party to screen sub-advisers based on the Firm's criteria. Finally, UIA has policies that prohibit its employees from accepting gifts or other incentives of more than nominal value.

E. Additional Information

1. UIA has arranged custodial and securities lending agreements with an unaffiliated qualified custodian on behalf of the Funds. If the unaffiliated qualified custodian refers business to UIA or offers incentives that may benefit UIA but not its clients or Fund investors, UIA may be inclined to retain the custodian when other custodians are more qualified or lower priced. To address this potential conflict of interest, UIA has procedures for monitoring the services provided by the unaffiliated qualified custodian. In addition, UIA has policies that prohibit its employees from accepting gifts or other incentives of more than nominal value.
2. UIA is relying on international adviser exemption in Canada.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics Description

UIA has adopted a Code of Ethics ("Code") which describes acceptable business conduct and requires all employees to comply with federal and state securities laws. In addition, the Code subjects all employees to certain trading restrictions and personal securities reporting requirements. The Code further requires that all employees report Code violations promptly. UIA's Code of Ethics will be provided to any client, prospective client, or current/ prospective Fund investor upon request.

B. Recommendation of Securities where UIA or Related Party has a Financial Interest

UIA is the General Partner of the Funds, which are organized as limited partnerships or group trusts, discussed in Item 8 of this brochure. Under the partnership and trust agreements, UIA receives payment for investment advisory fees from the limited partnerships or group trust. UIA does not invest in the limited partnerships or group trust. UIA has retained Ullico Investment Company, Inc., an affiliate, to solicit investments for the limited partnerships and group trust. Ullico Investment Company, Inc. receives payment for its solicitation services from the investment advisory fees paid to UIA.

C. Investment in Recommended Securities

A UIA related person may invest in the same or related securities that UIA or a UIA sub-adviser recommends to clients. This situation presents a possible conflict of interest for UIA. To address the conflict of interest, the securities recommended by UIA or a UIA sub-adviser will not be communicated to any UIA related person in advance of buying or selling the recommended security. The persons that buy or sell securities for the related persons are not UIA employees and they are located in a different office. In addition, UIA employees report all personal trades to the UIA Chief Compliance Officer within 30 days following the end of year calendar quarter for review and must obtain pre-approval for all investments in private placements and initial public offerings.

The Ullico Inc. Pension Plan has invested assets in the Ullico Diversified International Equity Fund, L.P. and the Ullico Diversified SMID Cap Fund, L.P. This situation presents a possible conflict of interest for UIA. To address the conflict of interest, UIA prohibits the Ullico Inc. Pension Plan from conducting any transactions based on insider knowledge prior to disseminating the information to all Fund investors.

D. Buying or Selling Recommended Securities

UIA or a UIA sub-adviser may buy or sell securities for client accounts at or about the same time that a UIA related person buys or sells securities for the related person's own account. Item C above describes the practice, the potential conflict of interest and the steps taken to address the conflict of interest.

ITEM 12: BROKERAGE PRACTICES

A. Selection or Recommendation of Broker-Dealers

UIA and/or its sub-advisers place and execute orders for the purchase and sale of portfolio securities. With the exception of the Intermediate Duration Fixed Income investment strategy, UIA does not select any brokers or execute any trades. Generally, the sub-advisers' primary objective is to seek the best combination of price and execution for each transaction. Among other things, sub-advisers consider the size of the order, the broker's ability to complete and settle the transaction promptly and efficiently, the sub-advisers' perception of the broker's reliability, integrity, knowledge of the market, willingness to commit capital, and broker's financial condition in determining the broker's execution capability. The amount of brokerage commission charged is also considered but it is not the decisive factor.

In selecting brokers for the Intermediate Duration Fixed Income investment strategy, UIA's primary objective is to achieve best price and execution for each transaction. To achieve best price and execution, the portfolio manager considers a number of factors. These factors include the price of the security, the transaction costs, the speed, accuracy and reliability of clearing, and the potential failure risk of the transaction. Transactions are usually executed on a principal basis, meaning that no brokerage commissions are charged. The brokers charge a mark-up or mark-down for the purchase or sale of a security. The mark-up or mark-down is not broken out from the price of the security but instead is included within the price. The portfolio manager will usually obtain prices for a security from competing brokers and will evaluate the prices based on the factors outlined above.

1. Research and Other Soft Dollar Benefits: UIA does not receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions. However, UIA's sub-advisers may have soft dollar compensation arrangements. Clients and Fund investors should refer to the Form ADV Part 2A brochures for the sub-advisers identified in Item 4 for a description of research and other soft dollar benefits received by each sub-adviser.
 - a. Client Brokerage Commission Used to Obtain Research: Not Applicable
 - b. Incentives to Select Broker-Dealers: Not Applicable
 - c. Higher Commissions for Soft Dollar Benefits: Not Applicable
 - d. Allocation of Soft Dollar Benefits: Not Applicable
 - e. Types of Products and Services Acquired with Commissions: Not Applicable
 - f. Procedures to Direct Transactions to a Broker-Dealer: Not Applicable

2. Brokerage for Client Referrals: UIA and its related parties do not receive client referrals from any third party broker dealer or any other third party. Ullico Investment Company, Inc., a UIA affiliate, markets and sells the privately offered funds advised by UIA. However, UIA does not execute any securities transaction through Ullico Investment Company, Inc. Therefore, a conflict of interest does not exist.
 - a. Incentives to Select Broker-Dealers: Not Applicable
 - b. Procedures to Direct Transactions to a Broker-Dealer: Not Applicable
3. Directed Brokerage
 - a. Practice to Direct Transactions to a Broker-Dealer: UIA does not recommend, request or require that a client direct UIA to execute transactions through a specified broker dealer.
 - b. Client Directed Brokerage: UIA permits clients to request that trades be directed to a specific broker. In cases of directed brokerage, UIA or its sub-advisers may be unable to achieve the most favorable execution of client transactions. Directed brokerage may cost clients more money. Clients who direct brokerage pay a higher brokerage commission or receive less favorable execution than might otherwise be possible. Directed brokerage practices may result in the sub-advisers' inability to obtain volume discounts or best execution in certain transactions due to disparities in commissions charged for similar trades among client accounts.
- B. Aggregation of Security Buys and Sells: UIA does not aggregate the purchase or sale of securities for various client accounts. Aggregation is performed by the sub-advisers. Clients should refer to the sub-advisers' Form ADV Part 2A brochure for a description of the condition under which aggregation occurs.

ITEM 13: REVIEW OF ACCOUNTS

- A. Review of Client Accounts: Internally, UIA and its sub-advisers continuously review client and Fund investor accounts. Accounts are reviewed with clients and Fund investors on a mutually agreed upon schedule. The supervised persons who conduct the reviews include the Sales Directors and Vice Presidents of Portfolio Management, Operations and Sales.
- B. Factors that Trigger Additional Reviews: Additional reviews may be needed due to a significant change in the investment policy, poor investment performance of the portfolio or Fund or other significant market events.
- C. Client Reports: Clients and Fund investors are provided monthly written reports. The reports include the current value of the client's or Fund investor's investment, the investment performance, a list of any transactions, and a list of current portfolio investments.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

- A. Economic Benefits Received from Third Parties for Providing Advisory Services: Ullico Investment Company ("UIC") is an SEC registered broker-dealer, member of FINRA and an affiliate of UIA.

UIC markets and sells the Funds advised by UIA, and UIA remits a commission to UIC for the services provided. UIA employees also work for UIC. UIC pays UIA for the cost of services provided by UIA and its employees. Conflicts of interest may arise in the allocation of time and resources to UIC. UIA reviews the time and resources allocated to UIC on a quarterly basis.

The Union Labor Life Insurance Company (“Union Labor Life”) is an insurance company registered in 50 states and a UIA affiliate. UIA employees provide services to Union Labor Life and UIA allocates the cost of services provided to Union Labor Life. Conflicts of interest may arise in the allocation of time and resources to Union Labor Life. UIA reviews the time and resources allocated to Union Labor Life on a quarterly basis.

UIA is a wholly owned subsidiary of Ullico Inc. By service agreement, Ullico Inc. provides UIA with the personnel and internal resources necessary to provide accounting, tax, human resources, and some recordkeeping. Conflicts of interest may arise in as a result of the cost of services provided by Ullico Inc. to UIA. UIA reviews the costs on a quarterly basis.

- B. Compensation to Third Parties for Client Referrals: UIA may provide non-cash compensation to employees of unaffiliated consulting firms through entertainment functions and dinners. The unaffiliated consulting firms may provide services to UIA’s current and prospective clients. The provision of non-cash compensation to unaffiliated consulting firms may influence the consulting firms to recommend UIA’s products and services to current and prospective clients.

ITEM 15: CUSTODY

Investors in the Funds receive account statements from the qualified custodian and from the Firm. Investors are urged to compare the account statement they receive from the qualified custodian to those received from the Firm. Investors in the Funds also receive audited financials on an annual basis.

ITEM 16: INVESTMENT DISCRETION

UIA accepts discretionary authority to manage securities on behalf of the Firm’s clients and Funds. With regard to the Funds managed by UIA, Fund investors do have not any authority to place limits on UIA’s discretionary authority. UIA’s discretionary authority limitations are outlined in the limited partnership or group trust documents for each Fund.

With regard to separately managed portfolios, clients may place limits on UIA’s discretionary authority. UIA’s discretionary authority limitations are included in the Investment Management Agreement between UIA and the client.

ITEM 17: VOTING CLIENT SECURITIES

- A. Voting Policies and Procedures Description:

UIA votes all proxies for the securities it manages in accordance with the terms and conditions of Employee Retirement Income Security Act, as amended, and the policies and procedures adopted by the Firm in accordance with SEC Rule 206(4)-6. All proxies will be voted in accordance with the proxy voting policies published by the American Federation of Labor and Congress of Industrial

Organizations (“AFL-CIO”). In those cases where the AFL-CIO proxy voting policies do not provide voting guidance, UIA will vote in accordance with the voting recommendations provided by Glass Lewis & Company, a third party proxy voting agent.

Although many proxy proposals can be voted in accordance with these established guidelines, UIA recognizes that some proposals require special consideration, which may require an exception to the guidelines. The basis for such exceptions will be documented and kept on file. In certain circumstances, the Firm may not vote proxies received if it is in the client’s best interest to abstain from voting. This situation will generally arise if UIA determines that the cost of voting the proxy exceeds the expected benefit to the client. In the case of international equity securities, some countries impose a practice called “share blocking”. Share blocking does not permit a shareholder to sell a security during the time period between voting a proxy and the shareholder meeting. UIA does not vote any securities subject to share blocking since the Firm believes the benefit of being able to sell a security at any time outweighs the benefit of voting a proxy.

Client Direction of Proxy Voting: Clients with separately managed portfolios may direct the proxy voting for a specific security by providing written notification to UIA. The written notification must be received by UIA no later 30 days prior to the voting deadline. Clients who invest in the Funds may not direct proxy voting.

Conflicts of Interest: When a proxy proposal raises a material conflict of interest between the interest of the Firm and the client, UIA has adopted procedures to address such conflicts. UIA will disclose the conflict of interest to the client and either obtain the client’s permission before voting the security, ask the client for instructions on how to vote the proxy or obtain a recommendation from a third party.

Proxy Voting Reports: UIA provides reports to clients on a semi-annual basis regarding how proxies were voted. Upon written request, UIA will provide clients with proxy voting information prior to the semi-annual report.

Proxy Voting Policies and Procedures: Client and prospective clients may obtain a copy of UIA’s proxy voting policies and procedures by contacting UIA.

- B. **Proxies Not Voted by UIA:** A client with a separately managed portfolio may reserve the right to vote proxies either themselves or through a third party of their choosing by advising UIA in writing. If a client elects to vote proxies themselves or through a third party, the client is responsible for providing their custodian with proxy delivery instructions.

ITEM 18: FINANCIAL INFORMATION

UIA does not require prepayment of any investment advisory fees and has not been the subject of a bankruptcy petition at any time during the past ten years. Therefore, UIA is not required to provide a balance sheet in the Form ADV Part 2A brochure.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not Applicable