



Item 1.

**Euclid Advisors LLC
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Hartford, CT 06103
800-248-7971**

www.virtus.com

March 30, 2012

This Brochure provides information about the qualifications and business practices of Euclid Advisors LLC (“Euclid”). If you have any questions about the contents of this brochure, please contact us at 800-248-7971. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission nor by any state securities authority.

Euclid 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 you may use to determine to hire or retain an adviser.

Item 2.

Material Changes

As of February 2012, Euclid may receive fees payable annually based upon documented performance metrics for designated client accounts, and may manage accounts with a variety of strategies, which may present conflicts of interest. In addition, Euclid may employ leverage in the form of borrowing. The principal items in this Brochure, dated **March 30, 2012**, that are being updated to reflect these changes are Item 6 ("Performance-Based Fees and Side-by-Side Management") and Item 8 ("Methods of Analysis, Investment Strategies and Risk of Loss").

In 2011, Euclid became the investment sub-adviser to investment companies previously managed directly by Euclid's affiliate Virtus Investment Advisers, Inc. ("VIA"), the investment adviser to the investment companies. The portfolio managers at VIA that were responsible for the investment companies continue to manage the investment companies on behalf of Euclid.

In August 2011, David Fusco was named Chief Compliance Officer of Euclid.

In October 2011, Euclid's principal office and place of business was relocated to 100 Pearl Street, Hartford, CT 06103. In addition, Euclid continues to house portfolio management activities in New York, NY.

This Brochure does not contain any other material changes from our last annual update, dated December 31, 2010. We will 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 the Chief Compliance Officer at **860-263-4732**, or david.fusco@virtus.com.

Additional information about Euclid 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 Euclid who are registered, or are required to be registered, as investment adviser representatives of Euclid.

Item 3.

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Item 4: Advisory Business

Euclid is an indirect, wholly-owned subsidiary of Virtus Investment Partners, Inc. (“Virtus”) a publicly traded multi-manager asset management business, as of December 31, 2008 (NASDAQ: VRTS). Euclid has been a registered investment adviser since 1997.

Euclid offers investment advisory services to registered investment companies.

Types of Investments

Euclid offers investment advisory services principally in the following types of instruments: equity securities (common stocks and equivalents) including exchange-listed securities, securities traded over-the-counter, foreign issues, warrants, certificates of deposit, investment company securities, including traditional mutual fund shares and exchange traded funds, debt securities and United States government securities. Euclid may also utilize, where appropriate, derivatives, options contracts on securities, futures contracts on intangibles, credit default swaps, participation notes, and foreign currencies both to purchase foreign securities and to hedge against the risk of a decline in the dollar.

Assets Under Management

The total assets under management of Euclid, as of December 31, 2011, amounted to \$4.3 billion. Euclid manages these assets on a discretionary basis.

Item 5. Fees and Compensation

Euclid offers its investment advisory services for a fee based on a percentage of assets under management.

Advisory Fees – Registered Investment Companies

The fee charged by Euclid to any particular registered investment company client is determined by the provisions of an investment advisory contract between Euclid and such investment company, which is approved by the investment company in accordance with the provisions of the Investment Company Act of 1940, as amended. The contracts may also provide that Euclid furnish to the investment company office space and all necessary office facilities, equipment and personnel for managing the investment and reinvestment of the assets of the investment company and arrange, if desired by the investment company, for members of Euclid’s staff to serve, without salaries from the investment company, as officers or agents of the investment company.

Advisory fees for services rendered under existing investment sub-advisory contracts with registered investment companies range between .08% to .30% depending upon the type and size of the portfolio.

Specific advisory fees and expense related information may be found in the prospectus and/or statement of additional information describing the investment policies and restrictions for the respective portfolio.

Investment company client agreements typically provide for termination without penalty generally on sixty days' notice by the client or adviser.

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

Euclid may receive fees based upon documented performance metrics for designated client accounts. In all cases where Euclid or its affiliates charge a performance-based fee, any such arrangements will comply with Section 205 of the Investment Advisers Act of 1940, as amended, and the rules thereunder, and all applicable laws and regulations.

Euclid currently serves as sub-adviser to a registered investment company (the "Fund") that is subject to a performance adjustment in accordance with a rate schedule. The performance adjustment increases or decreases the Fund's management fee paid to the Fund's investment adviser based on how well the Fund has performed relative to the S&P 500® Index (the "Index"). The fee rate will be adjusted by adding or subtracting 0.10% (10 basis points) for each 1.00% of absolute performance by which the Fund's performance exceeds or lags that of the Index. The maximum performance adjustment is plus or minus 1.00% (100 basis points), which would occur if the Fund performed 10 percentage points better or worse than the Index. The investment adviser to the Fund pays Euclid a fee that is adjusted upward or downward by applying 26% of the performance adjustment.

Performance is measured for purposes of the performance adjustment over the most recent 36-month period (i.e., a rolling 36-month period), consisting of the current month for which performance is available plus the previous 35 months. This comparison will be made, and the advisory fee adjusted, at the end of each month. During the period from February 6, 2012 to February 5, 2013, no performance adjustment will apply, and the Fund will pay the base fee without adjustment. Beginning on February 6, 2013, the performance adjustment will be calculated based upon the cumulative performance period since February 6, 2012; after 36 months have elapsed since that date, the Fund will begin calculating the performance adjustment based upon the most recent 36-month period on a rolling basis. In calculating the Fund's investment management fee when the performance adjustment applies, the fee rate as adjusted will be multiplied by the Fund's average daily Managed Assets over the same time period used to determine the level of the adjustment (generally, a rolling 36-month period, as set forth above). "Managed Assets" means the total assets of the Fund, including any assets attributable to borrowings, minus the Fund's accrued liabilities other than such borrowings.

Any performance adjustment will be based upon the Fund's performance compared to the performance of the Index. A performance adjustment will not be based on whether the Fund's absolute performance is positive or negative, but rather based on whether the Fund's performance is better or worse than the performance of the Index. The Fund could therefore pay a performance adjustment for positive relative

performance even if the Fund's shares decrease in value, so long as the fund's performance exceeds that of the Index.

Clients should be aware that the account subject to this performance fee may hold short positions while other Euclid portfolios hold long positions in the same or similar issuer. In addition, Euclid may be selling an issuer for the Fund while other portfolios are purchasing the same or similar issuer or vice versa.

This performance-based fee arrangement, and other performance-based fee arrangements, may give Euclid or an affiliate a financial incentive to favor the account with the performance-based fee because Euclid (and its employees and supervised persons) may have an opportunity to earn greater fees on such account as compared to client accounts without performance-based fees. Thus, Euclid has an incentive to direct its best investment ideas to a client account that pays performance-based fees, and to allocate, aggregate or sequence trades in favor of such account. Euclid also has an incentive to give the account with the performance-based fee better execution and better brokerage commissions.

Euclid's affiliate VIA advises a similar product that has a performance-based fee. The nature of the product mitigates any potential conflicts of interest. Additional details can be found in the Form ADV Part 2 for VIA.

Side-by-Side Management

"Side-by-side management" refers to the simultaneous management of multiple types of client accounts/investment products. Euclid manages numerous accounts with a variety of strategies, which may present conflicts of interest. For example, Euclid may be short a security in one client account and long the same or substantially similar security in another client account due to different client investment objectives and strategies. Additionally, Euclid may be selling or short-selling securities for one or more portfolios while purchasing the same or substantially similar securities for other portfolios. Euclid's traders and portfolio managers may also serve as traders and portfolio managers for Euclid's affiliates, and the aforementioned scenarios may apply.

Item 7: Types of Clients

Euclid currently provides investment advisory services for registered investment companies.

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

Euclid's security analysis methods include fundamental and technical analysis, as well as charting and cyclical review.

Sources of information Euclid uses include financial newspapers and magazines, research materials provided by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases. Other sources may include discussions of company activities with company spokespersons and others with knowledge of such activities, industry and trade publications, and statistical data prepared by others.

The investment strategies used to implement any investment advice given to clients may include one or all of the following:

- Long term purchases (securities held at least one year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Leverage in the form of borrowing
- Short sales of securities
- Option writing, including covered options, uncovered options or spread strategies
- Purchase or sale of foreign currency futures and/or forward contracts
- Derivative contracts, credit default swaps and participation notes to gain or reduce synthetic exposure to one or more portfolio risks.

The value of securities used in any of these strategies, whether equity or fixed, may go up, or down, in response to factors not within the control of the investment manager, such as the status of an individual company underlying a security, or the general economic climate. Investors should be aware their investment is not guaranteed and understand that there is a risk of loss of value in their investment.

Equity

When directly managing certain equity accounts, Euclid will employ a Growth at a Reasonable Price (GARP) philosophy in its equity security selection process. Generally, Euclid will invest in issuers having capitalizations within the range of companies included in the Russell 1000 Index; however, investments may be in mid- and small-cap issuers as well. Security selection begins with a top-down approach and econometric analysis of each sector. Each sector is then analyzed at the industry level. A fundamental analysis is then conducted within the industries to identify securities that the portfolio managers believe offer superior return opportunity. Euclid may also, when appropriate, invest in affiliated and unaffiliated open end mutual funds, unaffiliated exchange traded funds, other equity securities and high quality short-term securities.

Debt Securities

Some of Euclid's portfolios may invest in debt securities. Generally, the debt securities will be rated BBB- or better by Standard & Poor's Corporation ("S&P") or Baa3 or better by Moody's Investor Service, Inc. ("Moody's") or, if not rated, are judged to be of comparable quality as determined by Euclid.

However, Euclid may also invest in high-yield, high-risk debt securities, also known as “junk bonds.” After a purchase, the rating of a debt security may be reduced below the minimum rating acceptable for purchase by a portfolio. A subsequent downgrade does not require the sale of the security, but Euclid will consider such an event in determining whether to continue to hold the obligation.

The value of a portfolio’s investments in debt securities will change as interest rates fluctuate. When interest rates decline, the values of such securities generally can be expected to increase and when interest rates rise, the values of such securities can generally be expected to decrease. The lower-rated and comparable unrated debt securities described above are subject to greater risks of loss of income and principal than are higher-rated fixed income securities. The market value of lower-rated securities generally tends to reflect the market’s perception of the creditworthiness of the issuer and short-term market developments to a greater extent than is the case with more highly-rated securities, which reflect primarily functions in general levels of interest rates.

Other

Euclid may enter into derivative transactions for its clients so long as any use thereof is consistent with established client investment guidelines. A derivative is a financial arrangement between two parties whose payments or values are based on, or “derived” from, the performance of some agreed upon benchmark. Common benchmarks include securities, indices, commodities, interest rates, currency exchange rates, securities spreads and other assets or economic benchmarks with varying degrees and types of associated risks. Derivatives can be used for a variety of reasons. For example, hedging against price movements in markets in which a portfolio anticipates increasing its exposure; reducing the risk of fluctuations in the value of investments denominated in foreign currencies; modifying the risk/return profile of a portfolio without trading securities held by the portfolio; and more efficient transactions costs. Derivatives can be used to achieve these and other goals.

The writing of covered call options on securities and securities indices and the purchase of call and put options on securities and securities indices may also be utilized. In addition, an appropriate transaction may be utilized to close an open options position. Euclid may utilize financial futures and related options for hedging and risk management purposes.

As part of its overall portfolio management strategies, and in accordance with established client guidelines, Euclid may employ leverage in the form of borrowing and Euclid may sell securities short. A short sale is a transaction in which a security not owned by the client is sold in anticipation that the market price of that security will decline.

There are significant risks associated with derivatives, credit default swaps, participation notes, borrowing, short sales of securities and options that can result in the loss of principal, or, in certain cases, the loss of more than the initial investment.

Risks Associated with Derivatives, Credit Default Swaps and Participation Notes

The primary risks associated with derivatives, credit default swaps and participation notes are (i) market risk, the risk that the market value of the investment will decline, (ii) credit risk, the risk that the counterparty to the transaction will default on its obligations, (iii) liquidity risk, the risk that the instrument will not be readily marketable and (iv) valuation risk, the risk that because the instrument is thinly traded, it may have only one pricing source.

Borrowing Risk

When an account that is a registered investment company borrows money, it may be required to maintain continuous asset coverage (total assets including borrowings, less liabilities exclusive of borrowings) of 300% of the amount borrowed. If the asset coverage declines, for example as a result of market fluctuations, the account may be required to sell some of its portfolio holdings quickly to reduce the debt and restore the required asset coverage, even though it may be disadvantageous from an investment standpoint to do so. Borrowing may exaggerate the effect on the account's net asset value of any increase or decrease in the market value of the portfolio. Money borrowed will be subject to interest costs that may or may not be offset by appreciation of the securities purchased. The account also may be subject to other conditions or fees that would increase the cost of borrowing over the stated interest rate. The various costs of borrowing may therefore ultimately exceed the income or potential capital gains from investments made with such leverage.

Short Sales Risk

In order to establish a short position in a security, an account must first borrow the security from a broker or other institution to complete the sale. The account may not always be able to borrow a security, or to close out a short position at a particular time or at an acceptable price. If the price of the borrowed security increases between the date of the short sale and the date on which the account replaces the security, the account may experience a loss. The account's loss on a short sale is limited only by the maximum attainable price of the security (which could be limitless) less the price the account received for the security at the time it was borrowed. When engaging in short sales, the account will transact with a prime broker. In the event that the prime broker becomes insolvent, the account may be unable to settle pending short sales, engage in additional short sales and/or access its assets that are held by the broker for a period of time.

Risks Associated with the Purchase and Writing of Options

During the option period, the covered call writer has, in return for the premium on the option, given up the opportunity to profit from a price increase in the underlying securities above the exercise price, but, as long as its obligation as a writer continues, has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying securities at the exercise price. If a call option purchased for a client account is not sold when it has remaining value, and if the market price of the underlying security remains less than or equal to the exercise price, the client account will lose its entire investment in the option. Also, where an option on a particular security is purchased to hedge against price movements in a related security, the price of the

option may move more or less than the price of the related security. There can be no assurance that a liquid market will exist when seeking to close out an option position. Furthermore, closing out an option position may not be possible if trading restrictions or suspensions are imposed on the options market.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Euclid, or the integrity of Euclid's management. Euclid has no information applicable to this item.

Item 10: Other Financial Industry Activities and Affiliations

The following advisers are all subsidiaries of Virtus and affiliates of Euclid: Duff & Phelps Investment Management Co., Kayne Anderson Rudnick Investment Management, LLC, Newfleet Asset Management, LLC, Virtus Alternative Investment Advisers, Inc., Virtus Investment Advisers, Inc. and Zweig Advisers LLC.

VP Distributors, LLC, a subsidiary of Virtus, is a registered broker-dealer, which serves as the underwriter and distributor of the open-end registered investment companies in the Virtus Mutual Funds (i.e., Virtus Equity Trust, Virtus Insight Trust, Virtus Opportunities Trust and Virtus Total Return Fund) and Virtus Variable Insurance Trust. It is also the administrator for the Duff & Phelps Global Utility Income Fund Inc., Virtus Global Multi-Sector Income Fund, Virtus Total Return Fund, The Zweig Fund, Inc. and The Zweig Total Return Fund, Inc., whose portfolios are advised and/or sub-advised by Euclid's affiliates. Personnel of Euclid, including management persons, may be FINRA registered representatives under VP Distributors.

The investment management services of Euclid are offered by Virtus under its multi-adviser asset management platform. Distribution of investment products and services offered in conjunction with this platform may involve Euclid, its affiliates, and other entities in support of these activities. There may exist certain potential or actual conflicts of interests within these interrelationships, which may or may not be readily apparent to an investor.

In a variety of instances, Euclid may utilize the personnel and/or services of one or more of its affiliates in the performance of its business including, without limitation, investment advice and portfolio management, portfolio execution and trading, back office processing, accounting, reporting and client servicing. Such utilization may take a variety of forms including dual employee or delegation arrangements, formal sub-advisory or servicing agreements, or other formal and informal arrangements among Euclid and its affiliates. In these circumstances, the registered affiliate, with which the client has its investment management agreement, remains responsible for the account within the framework of the Investment Advisers Act of 1940, as amended (the "Advisers Act") and/or other applicable regulatory

frameworks and the relevant investment management agreement, and no additional fees are charged to the client for the affiliates' services except as set forth in the investment management agreement.

Euclid's traders and portfolio managers may also serve as traders and portfolio managers for Euclid's affiliates.

Additionally, Virtus and its affiliates may enter into marketing or sponsorship arrangements with third parties, sub-advisers and brokerage firms to promote the distribution of proprietary investment products including, but not limited to, mutual funds, closed-end funds, managed accounts or the general enhancement of the Virtus marketing image. Such third parties, sub-advisers and brokerage firms may concurrently have advisory, distribution or other relationships with Euclid. These arrangements may or may not necessarily result in additional assets under management by Euclid or inure to the direct or indirect benefit of clients of Euclid.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Euclid or a related person may recommend that clients buy or sell securities or investment products in which Euclid or a related person has some financial interest. Likewise, Euclid or a related person may buy or sell securities that Euclid also recommends to clients.

To fully protect the interests of Euclid's clients, employees, and affiliates, any employee found to engage in improper or unlawful activity faces appropriate administrative and legal action. Everyone has a responsibility to ensure that employees are conducting business professionally and are complying with the procedures and policies governing Euclid's collective responsibility. Anyone aware of employees engaged in wrongdoing or improper conduct must immediately report such activity to their supervisor and compliance officer. Failure to do so may result in additional action being taken against that individual.

Euclid has adopted The Virtus Code of Conduct and a Code of Ethics for personal trading, which are designed to prevent and detect possible conflicts of interest with client trades. Compliance with these codes is a condition of employment. All of our supervised persons must acknowledge their terms annually, or as amended. The following highlights some of the provisions of the Virtus Code of Conduct:

Virtus Code of Conduct

Commitment to Shareholders

- Conflicts of interest
- Insider trading and personal trading
- Market timing

Commitment to Customers

- Safeguarding assets

- Other market conduct
- Privacy

Commitment to Corporate Citizenship

- Complying with the legal and regulatory requirements
- Anti-money laundering
- Lobbying and political contributions

Commitment to Employees

- Equal opportunities
- Sexual harassment
- Workplace safety

Commitment to Ethics and Compliance

- Ethical decision-making
- Monitoring Code compliance
- Whistleblower protection

A complete copy of the Virtus Code of Conduct is available upon request.

Euclid Code of Ethics

The following highlights some of the provisions of the Euclid Code of Ethics:

- Pre-clearance is required for all non-exempt transactions with respect to which an employee is beneficial owner in order to prevent the employee from buying or selling at the same time as the firm.
- 60 day holding period for covered securities.
- Brokerage provision of duplicate copies of brokerage statements and confirmations to our Compliance Department, or the electronic equivalent.
- Employee provision of Initial Holdings Reports, Quarterly Transaction Reports, and Annual Certification and Holdings Reports, which our Compliance Department reviews for trading activity.
- Requirement that personal transactions be consistent with the Code of Ethics in a manner that avoids any actual or potential conflict of interest.
- Any covered employee not in observance of the above may be subject to discipline. Euclid does not purchase or sell securities for its own account. Euclid's directors, officers, and employees may buy, hold, or sell the same investments for their own accounts as are held or to be held or sold for a client account. None of Euclid's directors, officers, or advisory persons may buy or sell any security or any option to buy or sell such security, such that they hold or acquire any direct or indirect beneficial ownership as a result of the transaction and that they know at the time of such transaction that is being bought, sold, or considered for purchase or sale for a client account, unless:

- they have no influence or control over the transaction from which they will acquire a beneficial interest
- the transaction is non-volitional on their part or the client's
- the transaction is a purchase under an automatic dividend reinvestment plan or pursuant to the exercise of rights issues, pro-rata to them and other holders of the same class of the issuer's securities, or
- they have obtained, in advance, approval from someone authorized to grant such approval when circumstances indicate no reasonable likelihood of harm to the client or violation of applicable laws and regulations

Euclid's officers and employees are encouraged to invest in shares of Virtus Mutual Funds that Euclid advises.

Euclid ensures that the investment management and overall business of the firm complies with both Euclid and Virtus policies and applicable U.S. federal and state securities laws and regulations.

A complete copy of Euclid's current Code of Ethics is available by sending a written request to Compliance Department, Euclid Advisors LLC, 100 Pearl Street, Hartford, CT 06103.

Item 12: Brokerage Practices

Euclid is aware of its fiduciary obligation to seek the "best execution" of client transactions. Best execution is not measured solely by reference to commission rates. Euclid believes that paying fair and reasonable commission rates to broker-dealers in return for quality execution services benefits clients. Best execution is a process that entails the efficient placement of orders, clearance, settlement and overall execution quality, as well as the price obtained for the transaction. Euclid will seek to allocate client transactions to unaffiliated broker-dealers in the best interest of its clients, based on its review of the current market, and the broker-dealer. Various factors must be considered in the selection of broker. The primary factors include the broker's execution capabilities, particularly with the size and difficulty of the transaction, the commission rate to be charged for the transaction, and the broker's operational facilities which should allow the timely and error-free settlement of the transaction. Other factors which may be considered when placing trades are the overall quality of the service provided by the broker, including transactional brokerage and research, and the value of an ongoing relationship with the broker.

Euclid has established a formal Brokerage Committee consisting of members from investment management, trading and compliance. The Brokerage Committee will meet to review the brokerage allocation activity of the firm. The Brokerage Committee will, as necessary, review and approve any arrangements for research and brokerage services provided by brokers. This committee will also serve as a focal point in managing Euclid's brokerage allocation practices so as to ensure there will be no

improprieties or undisclosed referrals affecting the selection of brokers or allocation of brokerage transactions.

Research and Other Soft Dollar Benefits

Euclid will consider the amount and nature of research and research services to be provided by brokers, as well as the extent to which such services may be relied upon, and will attempt to allocate a portion of its brokerage business on the basis of that consideration. The actual allocation of brokerage business may vary, depending on Euclid's evaluation of all applicable considerations. In no case will Euclid make binding commitments as to the level of brokerage commissions it will allocate to a broker, nor will it commit to pay cash if an informal target is not met.

Subject to the criteria of Section 28(e) of the Securities and Exchange Act of 1934 (Section 28(e)), Euclid may pay a broker commission in excess of that which another broker may charge for effecting the same transactions, in recognition of the value of the brokerage and research services which may be provided by or through the broker. Euclid believes it is important to its investment decision-making processes to have access to independent research. Research and data furnished by brokers may be used to service any or all of Euclid's clients and may be used in connection with accounts other than those making the payment to the broker providing the research and/or data, as permitted by Section 28(e). A conflict of interest may exist by reason of Euclid's allocation of the costs of such services and benefits between those that primarily benefit Euclid and those that primarily benefit clients. Euclid may further benefit from the ability to obtain this information without additional expense related to personnel costs or direct payments to providers.

Brokerage and research services provided by brokers may include effecting securities transactions and performing services incidental thereto (such as clearance, settlement, and custody), and providing information regarding: the economy; industries; sectors of securities; individual companies; statistical information; taxation; political developments; legal developments; technical market action; pricing and appraisal services; credit analysis; risk measurement analysis and performance analysis. Such research services are received primarily in the form of written reports, telephone contacts and personal meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons, economists and government representatives.

In some cases, research services are generated by third parties but are provided to Euclid by or through brokers Euclid will utilize for execution of transactions. Such brokers may pay for all or a portion of data-feed service costs relating to the pricing of securities. Euclid uses a variety of securities quotation services for day-to-day portfolio management of some or all of its accounts and also for end of the month pricing for its portfolio accounting needs. These services include Bloomberg, Factset, New York Stock Exchange, National Association of Security Quotations, Option Price Reporting, and Chicago Board of Trade. Additional statistics, analytical tools and news used solely for portfolio management purposes are

received from Bloomberg, Factset, Stovel Research, Dow Jones and Company, The Markets.com, Valu-Trac Research and ISI Group.

From time to time, new issues of securities may be purchased for an account when appropriate, including affiliated and proprietary accounts, in a fixed price offering. In these situations, the seller may be a member of the selling group that will, in addition to selling the securities to clients, provide Euclid with research. The Financial Industry Regulatory Authority (formerly National Association of Securities Dealers) has adopted rules expressly permitting these types of arrangements under certain circumstances. Generally, the seller will provide research “credits” in these situations at a rate that is higher than that which is available for typical secondary market transactions. These arrangements may not fall within the safe harbor of Section 28(e).

Trade Aggregation and Allocation

Euclid may give advice, and take action, with respect to any clients which may differ from the advice given, or the timing or nature of action taken, with respect to any one other account. Euclid, to the extent practical and over a period of time, allocates investment opportunities to each account on a fair and equitable basis relative to other similarly-situated client accounts.

Euclid may aggregate orders, or “block trade,” as part of its effort to obtain best execution. Each account that participates in a block trade receives the average share prices and, subject to any individually negotiated commission and/or fee arrangements, a pro-rata portion of the transaction cost. In addition, Euclid may allocate on a basis other than pro rata, if, under the circumstances, such other method of allocation is reasonable, does not result in improper or undisclosed advantage or disadvantage to non-client accounts, and results in fair access over time to trading opportunities for all eligible managed accounts. For example, Euclid may identify investment opportunities that are more appropriate for certain accounts than others, based on such factors as security restrictions, tax status, account size, available cash and cash flows. Consequently, Euclid may decide it is more appropriate to place a given security in one account rather than another account. Other non-pro rata methods include rotation allocation and random allocation. Alternative methods of allocation are appropriate, for example, when the transaction size is too limited to be effectively allocated pro rata among all eligible accounts. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner.

Euclid may direct the purchase of securities in secondary market transactions, in public offerings directly from an underwriter or in privately negotiated transactions with an issuer. Securities purchased in public offerings may be resold shortly after acquisition in the immediate aftermarket for the security in order to take advantage of price appreciation from the public offering price or for other reasons. Short-term trading of securities acquired in public offerings, or otherwise, may result in higher portfolio turnover and associated brokerage expenses.

To reduce transaction costs and promote trading efficiency, Euclid may engage in inter-account transactions between certain client portfolios and/or portfolios managed by affiliates of Euclid for which Euclid shares traders and portfolio managers. Such transactions will be consistent with procedures adopted pursuant to Rule 17a-7 under the Investment Company Act of 1940, as amended. Furthermore, such transactions will be made only when permitted by the advisory account(s) affected and when Euclid and, if applicable, its affiliate(s) determine the transaction to be in the best interests of affected clients. Euclid will comply with the applicable disclosure and consent requirements associated with such transactions under the Advisers Act, as necessary.

Item 13: Review of Accounts

Euclid provides investment advisory services for registered investment companies. The Board of Trustees or Directors of registered investment companies establish guidelines and restrictions with respect to investment strategies that include the type of securities to be bought and sold. Such guidelines can be found in the applicable prospectus and Statement of Additional Information.

Euclid monitors its clients' for performance, and compliance with applicable investment restrictions set forth by the Advisory Agreement, applicable prospectus, Statement of Additional information and in accordance with policies and procedures approved by Euclid's clients' Boards of Trustees.

Item 14: Client Referrals and Other Compensation

Euclid, or a related person, does not have any arrangements where it receives compensation (including cash, commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

Euclid may enter into arrangements through which an individual or entity not considered a supervised person of Euclid may be compensated for client referrals. Euclid may permit certain designated persons (referred to as "Solicitors") to refer potential clients to Euclid. Any solicitor will be required to enter into a written agreement with Euclid that contains an undertaking that the Solicitor will deliver a disclosure document relating to Euclid and a separate disclosure document relating to the Solicitor's relationship with Euclid. Payments to Solicitors will be subject to negotiation on a case-by-case basis.

Item 15: Custody

Euclid does not have custody of client assets.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Euclid urges you to carefully review such statements and compare such official custodian records to the account statements that we may provide to you.

Item 16: Investment Discretion

Euclid manages accounts on a discretionary basis with full authority to determine which securities are purchased or sold. Euclid exercises its investment discretion consistent with investment policies, as well as with the investment guidelines adopted by client accounts.

Class Actions

Securities litigation can be a potential additional income source for investment portfolios that have had trade activity in a security that subsequently became the source of an organized class action lawsuit. The activities required for participation in class action settlements have been delegated to a non-affiliated third party vendor. The vendor determines the eligibility pertinent to the specific class action, files the claim as appropriate, monitors the class action and process receipt of any settlement.

Euclid will not file for managed accounts unless agreed to by client contract.

Item 17: Voting Client Securities

Euclid acknowledges its fiduciary responsibility to vote proxies. Proxies will be voted in a manner that ensures accrual to the benefit of the underlying participants and beneficiaries, while using the care, skill and diligence that a prudent person acting in a like capacity and familiar with such matters would use under the circumstances then prevailing. Unless directed otherwise by a client, Euclid will delegate, to a non-affiliated third party vendor, the responsibility to review proxy proposals and make voting recommendations on its behalf. Additionally, Euclid may vote a proxy contrary to the Guidelines if it determines that such action is in the best interests of the client.

Conflicts of Interests relating to proxy proposals will be handled in various ways depending on the type and materiality. Generally, where the Guidelines outline Euclid's voting position, as either "for" or "against" such proxy proposal, voting will be in accordance with the Guidelines. Where the Guidelines outline the voting position to be determined on a "case by case" basis for such proxy proposal, or such proposal is not listed in the Guidelines, then Euclid will choose either to vote the proxy in accordance with the voting recommendation of the non-affiliated third party vendor, or vote the proxy pursuant to

client direction. The method selected by Euclid will depend upon the facts and circumstances of each situation and the requirements of applicable law.

Euclid may choose not to vote proxies in certain situations, such as: 1) where the cost of voting is deemed to exceed any anticipated benefit to the client, 3) where a proxy is received for a client account that has been terminated, 4) where a proxy is received for a security no longer managed within the account (i.e. the entire position had previously been sold), and/or 5) where the exercise of voting rights could restrict the ability of the portfolio manager to freely trade the security.

A complete copy of Euclid's current Proxy Voting Policies, Procedures and Guidelines may be obtained by sending a written request to Compliance Department, Euclid Advisors LLC, 100 Pearl Street, 8th Floor, Hartford, CT 06103.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Euclid has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Euclid does not require or solicit prepayment of advisory fees. Euclid will not act as custodian for any client account. Euclid has not been the subject of a bankruptcy proceeding.