

**Part 2A of Form ADV: *Firm Brochure***

**Rampart Investment Management Company, LLC**

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This brochure provides information about the qualifications and business practices of Rampart Investment Management Company, LLC. If you have any questions about the contents of this brochure, please contact us at 617-342-6900 or [dcancela@rimco.com](mailto:dcancela@rimco.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Rampart Investment Management Company, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 165089.

## **Item 2    Material Changes**

Effective October 1, 2012, Rampart Investment Management, a registered investment adviser that specializes in customized options strategies for institutional and high-net-worth clients, became a wholly owned boutique asset management affiliate of Virtus Investment Partners. Since 1983, Rampart has provided systematic and disciplined options solutions to help their clients generate incremental yield, reduce downside risk and mitigate market volatility. Rampart continues to be led by co-founders Ronald M. Egalka, President and Chief Investment Officer, and David R. Fraley, Executive Managing Director, Client Services.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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#### **Item 4    Advisory Business**

Effective October 1, 2012, Rampart Investment Management, a registered investment adviser that specializes in customized options strategies for institutional and high-net-worth clients, became 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). Since 1983, Rampart has provided systematic and disciplined options solutions to help their clients generate incremental yield, reduce downside risk and mitigate market volatility. Rampart Investment Management Company, LLC is a SEC-registered investment adviser with its principal place of business located in Boston, Massachusetts. Rampart Investment Management Company, LLC continues to be led by co-founders Ronald M. Egalka, President and Chief Investment Officer, and David R. Fraley, Executive Managing Director, Client Services.

Rampart Investment Management Company, LLC offers the following advisory services to our clients:

#### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides asset management services of client funds based on the needs of each client guidelines. Through discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's investment guidelines. During our data-gathering process, we determine the client's objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income).

Our investment recommendations are not limited to any specific product or service and will generally include advice regarding the following securities:

- Exchange-listed securities as it pertains to specific strategy
- Over-the-counter options
- Listed Equity and Index Options – International
- Listed Equity and Index Options - Domestic

Because some types of investments involve certain additional degrees of risk, they will only be implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### **AMOUNT OF MANAGED ASSETS**

As of 10/01/2012, we were actively managing \$1,386,400,000 of clients' assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **PORTFOLIO MANAGEMENT SERVICES FEES**

The annualized fee for Portfolio Management Services will be charged as a percentage of assets under management, according to the following schedule:

#### **Services and Annual Fees**

#### **RAMPART OPTIONS MANAGEMENT SYSTEM ("ROMS®") - BASED STRATEGIES**

##### **YIELD ENHANCEMENT PROGRAMS**

Rampart uses a mathematically driven, proprietary technology platform, the Rampart Options Management System (ROMS), to continually evaluate the relative attractiveness of thousands of U.S. and international equity and index options. ROMS assists the client and portfolio manager in setting "Target Prices" or upside (downside) price points on individual stocks or a benchmark index providing for customized risk/reward profiles. Each day, ROMS sorts through hundreds of thousands of available options and selects the appropriate strike price, expiration date, and quantity of contracts that offers the optimal premium given the parameters of the programs. ROMS continually evaluates more than 300,000 listed options and is capable of managing positions on over 3,000 listed, optional U.S., non-U.S., and index-based securities.

#### **- CONCENTRATED STOCK AND PORTFOLIO OVERLAY STRATEGIES -**

The Rampart Concentrated Stock Overlay is designed to generate a new income stream from a client's existing equity position(s). CSO enhances the income potential of concentrated positions by leveraging a combination of sophisticated modeling programs and professional equity options management strategies. The trade-off is that the investor must be willing to forego some potential for upside stock appreciation. Rampart will seek to prevent its clients' securities to be sold without written authorization to do so.

The ROMS-driven Concentrated Stock Overlay is based on three guiding principles:

- A call writing strategy can generate additional cash returns by monetizing the volatility of an underlying stock.
- Options positions are based on the number of shares in the underlying stock and the amount of appreciation potential.
- At any point, there is a single optimal call option to be written.

#### **Fee Schedule:**

0.5000% on first \$20 million  
0.3750% on next \$30 million  
0.2500% on next \$50 million  
0.2250% on next \$150 million.

Minimum Account Sizes:

- Unaffiliated investors: \$20 million

- Investors affiliated with an RIA/Family Office: \$5 million
- Clients of one of Rampart's Strategic Partners: \$1 million

#### **- EQUITY PROGRAM OVERLAY STRATEGY -**

The Rampart Equity Program Overlay is designed to generate a new income stream from a client's existing equity positions. EPO uses portfolio assets to generate additional income by leveraging a combination of sophisticated modeling programs and professional index option management strategies. The trade-off is that the investor must be willing to forego some potential for portfolio upside appreciation.

The ROMS-driven Equity Program Overlay is based on three guiding principles:

- An index call writing strategy can generate additional cash returns by monetizing the volatility of a portfolio's underlying value.
- The number of index calls written is based on the *notional* value of the investor's portfolio in context with the investor's selected annual cash or Portfolio Target Price.
- At any point, there is a single optimal call option to be written.

#### **Fee Schedule:**

0.5000% on first \$20 million  
 0.3750% on next \$30 million  
 0.2500% on next \$50 million  
 0.2250% on next \$150 million

#### **Minimum Account Sizes:**

- Unaffiliated investors: \$25 million, \$5 million per portfolio
- Investors affiliated with an RIA/Family Office: \$10 million, \$3 million per portfolio
- Clients of one of Rampart's Strategic Partners: \$10 million, \$1 million per portfolio

### **RAMPART BENCHMARK STRATEGIES**

**- BENCHMARK BUY-WRITE STRATEGIES** seek to replicate the performance of a Chicago Board Options Exchange "CBOE®" buy-write index (BXM, BXY, BXR or BXN) and outperform a long only index (S&P 500®, Russell 2000® or NASDAQ® 100). The strategy writes against either a long only index or a notional portfolio and sells the one month at or near the money call option on that index. This monetizes the volatility of the long assets and creates an income stream from the sale of the options providing more return per unit of risk than investing in the long only index alone. Investors seeking a rules-based rather than an active options approach are best served using passive or indexed strategies. Rather than depending on a particular manager's skill set, these strategies follow portfolio construction and investment procedures through time to derive their risks and returns.

The long term benefits of this benchmark index are equity-like (S&P 500) performance with approximately two-thirds the risk of equities, as defined by standard deviation of returns. And while no strategy is optimal in all environments, the BXM tends to outperform the S&P 500 in down, flat and moderately up markets, while underperforming in strong, advancing markets. Because of its unique attributes, the BXM has been positioned by some as a separate asset class, while others retain it in the equity allocation category as an enhanced-index component.

**Fee Schedule:**

0.4000% on first \$20 million  
0.3000% on next \$30 million  
0.2000% on next \$50 million  
0.1500% on next \$150 million

**Minimum Account Sizes:**

- Unaffiliated investors: \$20 million
- Investors affiliated with an RIA/Family Office: \$5 million
- Clients of one of Rampart's Strategic Partners: \$3 million

**- RAMPART COLLAR STRATEGIES -**

A collar strategy uses benchmark index (or discrete equity) put options to provide for portfolio (or specific stock) protection in the event of significant erosion in the market (or stock) price level. The purchase of these puts is similar to a form of limited term insurance. The difference between the put strike price and the current index (or stock) price is similar to an insurance policy's "deductible."

The cost to purchase the put can be significant, depending upon the deductible, the length of time to option maturity and the volatility of the underlying asset. To offset this cost, the *Costless Collar* strategy sells index (or discrete stock) call options against the underlying asset.

The *Hybrid Collar*, a Rampart proprietary strategy, is another way to improve on the metrics of a costless collar. This strategy is typically employed with equity portfolios and takes advantage of a volatility arbitrage that exists between equity options and index options. The components of a portfolio will always have higher volatility than when those components are combined to form an index. And because option prices are predominantly impacted by anticipated volatility, the Hybrid Collar uses the sale of relatively expensive equity calls to produce far more premium to purchase the relatively cheaper index puts.

The *Put Spread Collar*, a form of costless collar, can be employed to provide more upside potential (a higher call strike price) or better protection (a closer-to-the-money put). The necessary additional option premium required is garnered by selling a farther out-of-the-money put with a strike price below that of the long put. This enhancement can improve the underlying asset's upside potential, downside protection or both. However, if the underlying asset declines sufficiently in price, the put that was sold reinserts the investor back into full exposure below the strike price of the written put.

**Fee Schedule:**

0.6000% on first \$20 million  
0.4500% on next \$30 million  
0.3500% on next \$50 million  
0.25000% on next \$150 million.

**Minimum Account Sizes:**

- Unaffiliated investors: \$100 million
- Investors affiliated with an RIA/Family Office: \$50 million
- Clients of one of Rampart's Strategic Partners: \$10 million

**Limited Negotiability of Advisory Fees:** Although Rampart Investment Management Company, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

**Fees Billed in Advance or Arrears:** Our advisory fees will be charged in one of two ways as agreed upon with the client:

- *In advance:* Advisory fees are billed in advance at the beginning of each calendar quarter based upon the asset value (market or fair market value in the absence of market value) of the client's account at the end of the previous quarter.
- *In arrears:* Advisory fees are billed in arrears at the end of each calendar quarter based upon the asset value (market or fair market value in the absence of market value), of the client's account at quarter-end.

Clients will be billed on a quarterly basis in accordance with the terms set forth in the Client Management Agreement.

## GENERAL INFORMATION

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

**Wrap Fee Programs and Separately Managed Account Fees:** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.



***IF APPLICABLE: Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to Rampart Investment Management Company, LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***IF APPLICABLE: ERISA Accounts:*** Rampart Investment Management Company, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Rampart Investment Management Company, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Rampart Investment Management Company, LLC's advisory fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

## **Item 6      Performance-Based Fees and Side-By-Side Management**

Rampart Investment Management Company, LLC does not charge performance-based fees.

## **Item 7      Types of Clients**

Rampart Investment Management Company, LLC provides advisory services to the following types of clients:

- High net worth individuals
- Tax exempt institutions
- Pension and profit sharing plans(other than plan participants)
- Corporations or other businesses not listed above

## Item 8    **Methods of Analysis, Investment Strategies and Risk of Loss**

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to identify when how long the trend may last and when that trend might reverse.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Quantitative Analysis.** We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

### **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer as part of our benchmark options strategies.

**Short-term purchases.** We purchase securities (typically a year or less) as part of our yield enhancement strategies to compensate for irrational assignments on the equity holding.

**Option writing.** We use options as part of an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time.

We will also use options to "hedge" the ownership of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security. We use "covered calls", in which we sell an option on security you own. We use a "spreading strategy", in which we execute two or

more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

If the client wants to sell the stock prior to the end of the option agreement, the option has to be bought back from the option buyer, for a possible loss. A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **Item 10 Other Financial Industry Activities and Affiliations**

Rampart Investment Management Company, LLC is an indirect, wholly-owned subsidiary of Virtus. Virtus offers our investment management services under its multi-adviser asset management platform utilizing both affiliates and non-affiliated investment advisers. The distribution of investment products and services offered in conjunction with this platform is dependent on the interrelationships among us, our affiliated partners, and other entities in support of these activities. The potential or actual conflicts of interest within these interrelationships may not be readily apparent to an investor and investors should attempt to understand the nature of the affiliations. In particular, our parent and affiliated subsidiaries 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, variable products, mutual funds, closed-end funds, managed accounts or the general enhancement of the "Virtus" marketing image. Such parties, sub-advisers, and brokerage firms may concurrently have advisory, distribution, or other relationships with us. These arrangements may or may not necessarily result in additional assets under management to us or inure to the direct or indirect benefit of clients of the firm.

VP Distributors, LLC, a subsidiary of Virtus, is a registered broker-dealer. VP Distributors serves as underwriter and distributor of certain registered investment companies in the Virtus family of funds, some of which we may sub-advise. Some of our employees are registered representatives of VP Distributors and they may market or assist with the marketing of products sold by VP Distributors.

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

In performing our business, we sometimes use personnel or services of one or more of our affiliates. These may include investment advice, portfolio execution and trading, back office processing, accounting, reporting and client servicing. Such utilization may include dual employee or delegation arrangements, formal sub-advisory or servicing agreements, or other formal and informal arrangements among our affiliates or us. In these cases, the affiliate that holds the investment management agreement is responsible for compliance with the Advisers Act and other regulations as well as the investment

management agreement. Clients are not charged any fees for these cases other than those specified in the investment management agreement. Some officers and directors of Virtus serve as our officers or directors.

Generally, conflicts of interest may arise based on the interrelationship between us, various entities associated with us and our affiliates, and other advised managed separate accounts. For example, the use of affiliate products or services may provide higher fees for the organization or influence the selection of a service provider. With respect to our advisory services, several such conflicts are mitigated given our policy of no double billing on client assets in affiliate funds and our policy regarding competitive rates should affiliate brokerage be utilized.

#### ***MANAGEMENT PERSONNEL Registrations:***

Ronald M. Egalka, David R. Fraley and Richard R. Davis will be/are separately licensed as registered representatives of **VP Distributors**, an **affiliated** FINRA member broker-dealer.

Clients should be aware that the receipt of additional compensation by Rampart Investment Management Company, LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Rampart Investment Management Company, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

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

To fully protect the interests of our 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 our 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.

We have 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.

### *Code of Ethics*

The following highlights some of the provisions of the 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.

Our firm, 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 our 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

Our officers and employees are encouraged to invest in shares of Virtus Mutual Funds.

We endeavor to ensure that the investment management and overall business of the firm complies with both our and Virtus policies and applicable U.S. federal and state securities laws and regulations.

A complete copy of our current Code of Ethics is available by sending a written request to Rampart Investment Management Company, LLC, One International Place, 14th floor, Boston, MA 02110.

### **Item 12 Brokerage Practices**

For discretionary clients, Rampart Investment Management Company, LLC requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions.

Rampart Investment Management Company, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Rampart Investment Management Company, LLC will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute option trades in a timelier, more equitable manner, at an average share price. Rampart Investment Management Company, LLC will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Rampart Investment Management Company, LLC's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Rampart Investment Management Company, LLC, or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Rampart Investment Management Company, LLC to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) Rampart Investment Management Company, LLC's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on Rampart Investment Management Company, LLC's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

### **Item 13 Review of Accounts**

#### **PORTFOLIO MANAGEMENT SERVICES**

**REVIEWS:** While the underlying securities within the accounts are continually monitored, all accounts are reviewed monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Brendan Finneran, Portfolio Manager, Robert Hofeman, Portfolio Manager and Ronald M. Egalka, Chief Investment Officer.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker-dealer, Rampart Investment Management Company, LLC will provide quarterly reports summarizing account performance, transactions and holdings.

### **Item 14 Client Referrals and Other Compensation**

#### **CLIENT REFERRALS**

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.



As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is Rampart Investment Management Company, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have custody of client accounts.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Class Action Litigation**

Advisory clients are sometimes entitled to participate in securities class action litigation brought by one or more Plaintiffs against the issuer(s) of certain securities. Various sources may provide notification of these class actions.

Each class action involves certain legal rights that the owner/beneficiary of the security should consider before becoming a member of the class. We do not instruct or give advice to non-investment company clients on whether or not to participate as a member of the class.

For our institutional separate accounts and other non-investment company clients, we may, if specifically requested to do so, provide information to assist clients with the claim process. We generally rely on the client's custody agent to notify clients of pending matters and to gather all necessary information for filing of a claim. It is the responsibility of the client to determine whether they are eligible to file and to pursue the class action recoveries on their own behalf.

**Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

**Item 18 Financial Information**

Rampart Investment Management Company, LLC has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Rampart Investment Management Company, LLC has not been the subject of a bankruptcy petition.