

Chicago Equity Partners, LLC
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As of 06/25/2014

This Brochure provides information about the qualifications and business practices of Chicago Equity Partners, LLC (ADVISED). If you have any questions about the contents of this Brochure, please contact us at 312-629-8200 or info@chicagoequity.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. Chicago Equity Partners, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Chicago Equity Partners, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Chicago Equity Partners, LLC who are registered, or are required to be registered, as investment adviser representatives of Chicago Equity Partners, LLC.

Although Chicago Equity Partners, LLC is registered as an investment adviser under the Investment Advisers Act of 1940, such registration does not imply that Chicago Equity Partners, LLC or our personnel have a certain level of skill or training.

Item 2 Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules.

This Brochure has been updated to reflect the addition of a Founders Fee Arrangement that is available to investors in the Adviser’s Small Cap Value Product. This fee arrangement will be available to investors until the assets under management in the Small Cap Value Product reach \$100 million. After the \$100 million threshold is reached, new investors will be invoiced based on the standard fee schedule listed in Item 5 – Fees and Compensation. Investors who qualified for the Founders Fee will continue to maintain that fee arrangement.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure (ADV Part 2) may be requested by contacting Peter C. Williams, Chief Compliance Officer at 312-629-4505 or pwilliams@chicagoequity.com.

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Supplemental Information: Chicago Equity Partners Privacy Policy

Supplemental Information: Chicago Equity Partners ERISA 408(b) (2) Disclosure

Item 4 Advisory Business

Chicago Equity Partners, LLC (Adviser) is an institutional money manager that provides investment management services to corporate pension and profit-sharing plans, Taft-Hartley plans, public pension plans, charitable institutions, foundations, endowments, municipalities and other governmental bodies, banks, registered mutual funds (on a sub-advisory basis) and high net worth individuals. As of 12/31/2013 the Adviser managed \$9,985,964,440 in assets. All assets are managed on a discretionary basis. Assets under management are computed using account market values not including leverage based on market prices at closing as of the last business day of the calendar year.

Chicago Equity Partners, LLC was founded in 2000 when senior members of our firm led a management buyout of our firm from Bank of America. Our founding team started managing institutional assets in 1989, using the same fundamental principals we continue to use today. We provide a broad array of US equity and fixed income products.

In 2006 the firm added an outside investor as a majority owner of the firm. Chicago Equity Partners, LLC became an affiliate of Affiliated Managers Group, Inc. (NYSE * AMG), a publicly traded asset management company with passive equity-based investments in boutique investment management firms. AMG owns a majority interest of the firm, while the remainder of the ownership interest in the firm is retained by the employees of the firm. AMG also holds passive equity-based interests in other investment management firms ("AMG Affiliates"). Further information on both AMG and AMG's Affiliates is provided in Item 10.

As an asset manager for institutional clients, the Adviser recognizes that all of our clients are unique and that, therefore, their investment needs may be different. As such, we may modify our primary investment strategies, as necessary, to meet the goals that our clients specify, in an effort to accommodate the particular investment objectives and accompanying restrictions requested by our clients. At the commencement of the client relationship, each of our clients executes an investment management agreement, which sets forth their investment objectives, investment strategy and any investment restrictions that will be applicable to our management of the assets in the client's account. Prior to the execution of the agreement, we review requested objectives and restrictions and work with the client as needed to refine these objectives and restrictions to both meet the client's needs and provide us with sufficient discretion to properly invest the client's assets.

Investment Management Services:

Equity Products:

The Adviser offers quantitative equity investment management services that use a proprietary investment model to develop and manage client portfolios. The Adviser's strategy is to focus on stock selection while minimizing risk components including industry, sector, style, and capitalization exposures where we believe the client's portfolio

will not be adequately compensated for assuming those risks. The process for developing client portfolios is organized into two phases. First, the proprietary model ranks securities, within industry groups, based on expected return. The second phase is the portfolio construction, which utilizes various risk measurement tools in constructing portfolios with the most efficient ratio of risk to return. Clients may designate certain social, religious or statutory restrictions regarding portfolio investments within their investment guidelines. The Adviser will incorporate these restrictions into the construction and maintenance of the client's portfolio.

Fixed Income Products:

The Adviser's strategy for fixed income products is to deliver excess returns to a benchmark utilizing a quantitatively driven, risk controlled, relative value process. This process begins by determining the client's objectives, followed by the selection of a benchmark that is intended to gauge relative performance and establish the level of risk for the client's portfolio. The adviser applies relative value analysis at the issuing sector level or yield curve distribution and through specific security selection within a controlled duration range around the benchmark. The Adviser will incorporate the relative value decisions along with a number of risk constraints in the portfolio construction process. Clients may designate certain social, religious or statutory restrictions regarding portfolio investments within their investment guidelines. The Adviser will incorporate these restrictions into the construction and maintenance of the client's portfolio.

Item 5 Fees and Compensation

The Adviser's fees will generally be based on a percentage of the assets under management. Assets under management will be computed using closing prices for securities held in client portfolios on the quarter end date or in a manner prescribed by the client in the account agreement. Fees will generally be payable quarterly in arrears although other arrangements may be made at the convenience of the client. Normally, an advisory relationship may be terminated by either the client or the Adviser upon thirty (30) days written notice by either party.

Asset-based fees will be based on the Adviser's fee schedules, as set forth below, subject to negotiation and variation to take account of such circumstances, as the Adviser and the client may deem appropriate. Invoices will typically be delivered to clients on a quarterly basis unless other arrangements are requested by the client. Payment for amounts due the adviser is expected within 30 days after receipt of the invoice.

Notwithstanding these fee schedules, and subject to applicable laws and regulations, the Adviser retains discretion over the fees that it charges to its clients, as well as any changes in its fee schedules. Fees may be negotiated in the Adviser's sole discretion in light of a client's special circumstances, such as asset levels, service requirements, or other factors. In some cases, the Adviser may agree to offer clients a fee schedule that is lower than that of any other comparable clients in the same investment style. In addition, there may be

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historical fee schedules with longstanding clients that differ from those applicable to new client relationships. For comparable services, other investment advisers may charge higher or lower fees than those charged by the Adviser. Advisory fees may be subject to a specified annual minimum; however, the Adviser reserves the right to waive all or a portion of its management fee and negotiate minimum annual fees.

Product Fee Schedules:

Large Cap and Mid-Cap Equity Strategies:

50 basis points on the first \$10 million
35 basis points on the next \$90 million
30 basis points on the next \$100 million
25 basis points on the next \$300 million
20 basis points thereafter

Large Cap Enhanced Equity Strategy:

23 basis points on the first \$100 million
20 basis points thereafter

Large Cap Equity 130/30 Strategies:

60 basis points on the first \$50 million
55 basis points on the next \$50 million
50 basis points on the next \$100 million
40 basis points on the next \$300 million
32 basis points thereafter

Small Cap and Small/Mid Cap Equity Strategies:

80 basis points on the first \$25 million
70 basis points on the next \$75 million
60 basis points on the next \$100 million
50 basis points thereafter

A Founders Fee arrangement of 40 basis points is available to investors in the Adviser's Small Cap Value Product. This fee is available to investors until the assets under management in the Small Cap Value Product reach \$100 million. After the \$100 million threshold is reached, new investors will pay the amounts listed in the standard Small Cap fee schedule. Investors who qualified for the Founders Fee will continue to pay the 40 basis point fee.

Core and Intermediate Fixed Income Strategies:

25 basis points on the first \$25 million
20 basis points on the next \$75 million
15 basis points thereafter

Core Plus Fixed Income Strategy

30 basis points on the first \$25 million

25 basis points on the next \$75 million
20 basis points thereafter

Short Term Fixed Income Strategy
20 basis points on the first \$25 million
15 basis points on the next \$75 million
10 basis points thereafter

Intermediate and Long Corporate Fixed Income Strategies
30 basis points on the first \$25 million
25 basis points on the next \$75 million
20 basis points thereafter

Balanced Portfolios:

Fees for advisory services for balanced portfolios will be separately negotiated with each client.

Sub-advisory Arrangements

The Adviser has been engaged by certain investment advisers (including advisers to registered investment companies) and banks to manage certain accounts and funds of such advisers and banks. In its capacity as “sub-advisor” to such accounts and funds, the Adviser’s fees and services are determined by contract with the adviser or bank. Prospectuses for the registered investment companies (mutual funds) managed by the Adviser may be obtained by contacting the Adviser.

Private Funds

The Adviser serves as an investment adviser to funds that are not registered under the Investment Company Act and are offered solely to qualified investors. These funds will have fee arrangements that will typically include a base fee that represents a percentage of assets and an incentive fee based on appreciation of the fund’s market value. Investors or prospective investors in these funds should refer to their offering document for the fees applicable to their fund.

Special Reports:

The Adviser furnishes certain clients periodic securities investment reports for a flat fee.

Additional Fees and Expenses Payable by Clients

The Adviser’s fees are exclusive of brokerage commissions, transaction fees, service provider fees, audit fees, and other related costs and expenses which will be incurred by the client. Execution of client transactions typically requires payment of brokerage commissions by clients. “Item 12 – Brokerage Practices” further describes the factors that the Adviser considers in selecting or recommending broker/dealers for the execution of transactions and determining the reasonableness of their compensation (*e.g.*, commissions). Investment activity may also involve other transaction fees payable by clients, such as sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities

transactions. In addition, clients may incur certain charges imposed by custodians, broker/dealers, third-party investment consultants, and other third parties, such as custodial fees, consulting fees, administrative fees, and transfer agency. The Adviser shall not receive any portion of these commissions, fees, and costs.

From time to time, the Adviser may invest a portion of a client's portfolio in shares of one or more non-affiliated mutual funds in order to fulfill an asset allocation objective or to provide short-term liquidity to the portfolio. In such an event, the advisory fees paid by the client to the Adviser are in addition to the expenses and advisory fees borne by such mutual fund holdings, including sales charges (when applicable) and transaction fees. The fees payable to the Adviser could be avoided if the client invested directly in such mutual fund holdings.

Item 6 Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

For some accounts, the Adviser receives performance-based fees for its investment management services. A performance-based fee is a fee representing an asset manager's compensation for managing an account which is based upon a percentage of the net profits of the account being managed. When calculating net profits, performance-based fees may be based on absolute or benchmark relative returns. For accounts managed in accordance with certain investment strategies, a performance-based fee may represent our standard fee arrangement. However, in certain other instances, we may negotiate performance-based fees with specific clients. In any event, we may have both performance-based fee accounts and asset-based fee accounts within a particular investment strategy.

Performance-based fees create certain inherent conflicts of interest with respect to the Adviser's management of assets. Specifically, our entitlement to a performance-based fee in managing one or more accounts may create an incentive for us to take risks in managing assets that we would not otherwise take in the absence of such arrangements. Additionally, since performance-based fees reward us for strong performance in accounts which are subject to such fees, we may have an incentive to favor these accounts over those that have only asset-based fees (i.e., fees based simply on the amount of assets under management in an account) with respect to areas such as trading opportunities, trade allocation, and allocation of new investment opportunities.

To maintain fair and equitable treatment of all of accounts, the Adviser has implemented specific controls to further its efforts to treat all accounts fairly, regardless of their corresponding fee-structure. A primary control is that accounts managed under a performance based fee arrangement will generally be managed in a manner identical to other accounts within the same strategy subject to differences stated in the client's investment objectives (see side-by-side management). The firm will also review the investment returns of all accounts invested within a specific strategy to determine if performance based accounts have different performance than accounts not subject to

performance based fees. These activities, along with other controls existing in our organization, provide an environment that fosters the fair and equitable treatment of all accounts managed by the Adviser.

Side-by-Side Management

Our investment professionals simultaneously manage multiple types of portfolios, including separate accounts, private funds and sub-advised mutual funds according to the same or a similar investment strategy (i.e., side-by-side management). The simultaneous management of these different investment products creates certain conflicts of interest, as the fees for the management of certain types of products may be higher than others. Nevertheless, when managing the assets of such accounts, the Adviser has an affirmative duty to treat all such accounts fairly and equitably over time.

Although the Adviser has a duty to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that the Adviser use the same investment practices consistently across all portfolios. In general, investment decisions for each client account will be made independently from those of other client accounts, and will be made with specific reference to the individual needs and objectives of each client account. In fact, different client guidelines and/or differences within particular investment strategies may lead to the use of different investment practices for portfolios within a similar investment strategy. In addition, the Adviser will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, particularly if different portfolios have materially different amounts of assets under management by the Adviser or different amounts of investable cash available. As a result, although the Adviser manages numerous portfolios with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

Since side-by-side management of various types of portfolios raises the possibility of favorable or preferential treatment of a portfolio or a group of portfolios, the Adviser has procedures designed and implemented in furtherance of its efforts to treat all portfolios fairly and equally over time. Typically, the Adviser purchases and sells identical or substantially similar securities for each strategy simultaneously. By utilizing these procedures, the Adviser believes that portfolios that are subject to side-by-side management alongside other products are receiving fair and equitable treatment over time.

Item 7 Types of Clients

Types of Clients

The Adviser provides portfolio management services to corporate pension and profit-sharing plans, Taft-Hartley plans, public pension plans, charitable institutions, foundations,

endowments, municipalities and other governmental bodies, banks, registered mutual funds (on a sub-advisory basis), a group trust for 401k plans and private funds.

Conditions for Managing Accounts

As a general rule, the Adviser requires a minimum account size of \$10,000,000. However, the minimum account size is negotiable and may be waived or modified at the Adviser's discretion. In those circumstances where the Adviser may serve as an adviser within a wrap fee program or is an adviser or sub-adviser to other funds or accounts, the account minimums are generally determined by the Adviser's agreement with the relevant wrap fee program sponsor, fund, or account. Generally, the Adviser requires each client to execute an investment management agreement that details the nature of the discretionary investment advisory authority given to the Adviser.

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

The Adviser offers advisory services to its clients in separate accounts that are invested in portfolios of equity or fixed income securities. The Advisor generally engages in asset management relationships with sophisticated clients who typically employ an investment consultant to assist them in selecting advisers and in drafting investment strategies and investment guidelines.

The investment strategies utilized by the Adviser carry different levels of risk. In each strategy, all securities include a risk of loss of principal and any profits that have not been realized. The stock markets and bond markets fluctuate substantially over time and performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets the firm manages on your behalf, and such a loss may be out of our control. The Adviser cannot guarantee any level of performance and cannot guarantee that you will not experience a loss of your account assets.

Each of the Adviser's strategies has the potential for the clients' assets to decline in value based on market conditions. Some of the specific risks to which client assets may be susceptible are as follows:

- Underperformance relative to a designated benchmark
- Tracking error risk
- Security selection risk
- Sector risk
- Geopolitical risk
- Market Risk
- Interest rate risk (fixed income securities)

Long-Only Equity Products

Philosophy and Approach

Chicago Equity Partners believes that certain fundamental characteristics drive stock performance. That is, companies with favorable Valuation, Quality, Momentum and Growth characteristics will out-perform their peers. We focus on adding value through superior stock selection using a proprietary model to identify reasonably priced companies with attractive earnings momentum and growth prospects with strong balance sheets. We combine quantitative analysis with fundamental research to construct portfolios that we believe will generate excess returns relative to a specified benchmark at a specified risk level. The primary risk for clients is that they may suffer losses on investments in individual securities. Additionally, clients also face the risk that the portfolio managed by the Adviser may underperform the benchmark stated within the clients' investment guidelines among other risks as stated above.

Research and Screening Process

Our process uses a proprietary multi-factor model built and enhanced by our quantitative equity team over the last 20 plus years. The model pursues an intersection approach that combines a broad set of fundamental and behavioral factors to select the most attractive stocks. The factors are classified into four broad categories: Value, Quality, Momentum and Growth. All of the factors are proprietary, with specification unique to us. The factors are combined into one alpha score for each individual stock and ranked by industry. The portfolio is then optimized to maximize positions stocks with the most attractive alphas while minimizing overall portfolio risk. In the end we build a risk-controlled, diversified portfolio with positive tilts to companies with attractive valuation ratios, quality balance sheets, and positive growth and momentum expectations.

We use our model to drive security selection. The model generates a proprietary alpha for each stock in each industry. In general, we tend to buy stocks that are in the upper third of their industry alpha rankings and sell stocks that rank in the lower third. Nevertheless, the model alone does not drive investment actions. Our portfolio managers are also sector specialists and are highly integrated with the quantitative research team. The portfolio managers/analysts are responsible for analyzing the daily output of the quantitative model and the alpha scores for each stock within their sector. Our sector analysts focus on stock specific systematic factors, such as legal and regulatory issues, that are not incorporated by the quantitative model. They also work with Wall Street analysts and other data sources to gather and confirm data that we enter into our multi-factor model. The portfolio managers/analysts use the integrated alpha and risk model generated by the quantitative research team in the portfolio optimization process.

Portfolio Construction & Risk Control

Portfolio Construction

We will work with you to identify the segment of the market where you desire exposure as proxied by a benchmark. We then research the benchmark to thoroughly understand its characteristics focusing on among other things, market capitalization, industry, and sector breakdowns. We then set a tracking error constraint, which is a function of the client's

ability to tolerate risk as defined by deviation from the benchmark. Now we are ready to build the portfolio.

Our equity team formally convenes for a rebalancing meeting at least twice per quarter as well as reviewing the portfolio daily. At this meeting, every security in the portfolio is reviewed and compared to their peer. We then decide industry by industry on which trades we will make with a goal of increasing expected portfolio return or reducing portfolio risk. During this process we utilize a proprietary risk management system as a tool to identify and manage the major risks in the portfolio such as an overexposure to cash, industry, sector, style, or market capitalization versus the benchmark we are managing against. The output of this process is a portfolio that has benchmark-like risk characteristics, but is expected to outperform the benchmark.

Risk Control

Portfolio construction and risk control are critical to our goal of generating long-term risk-adjusted return. We seek to generate such returns by building portfolios that are market-cap- and sector-neutral relative to the benchmark. We utilize a proprietary integrated alpha/risk model as our primary risk tool. Portfolio (sector, market cap etc.) level, factor level, industry and stock level constraints are incorporated into our proprietary risk model. We generate an initial optimized portfolio based on inputs from our integrated risk model and quantitative stock alpha model. Our team of portfolio managers reviews the portfolios and incorporates any qualitative and stock specific risk elements to create the final portfolio. Prior to execution, we utilize our integrated risk model to analyze the impact of potential trades on marginal risk-return and overall tracking error of the portfolio.

Buy/Sell Discipline

We employ a structured buy and sell discipline. If a stock has a low expected alpha or high specific risk and there is a viable alternative, we will sell it. Typically, our trades are paired - when we purchase a security, we simultaneously sell a peer security whose alpha ranking or risk profile is less appealing. Our discipline re-evaluates stocks on a daily basis taking into account price movements that have occurred.

Trading

Once the portfolio management team has made the trading decisions, our traders use various trading systems such as ECNs (Electronic Communication Networks) and ATSs (Alternative Trading Systems) extensively to ensure best execution. Our traders use ITG's XIP as their trade order management system. As a trading standard, the traders stay dollar neutral, minimizing industry or market timing risks. The ECNs we typically use are LAVA, Instinet and B-Trade. ATS systems we use are ITG (which allows us to use Archipelago), Liquidnet, REDIplus and Pipeline. Trading frequency will generally be constricted by the expected portfolio turnover stated within the investment objectives. The Adviser may exceed the amount stated within those guidelines if the Adviser believes that turnover in excess of the stated amount will prove beneficial to the portfolio in meeting its investment objective.

130/30 (Long / Short) Equity Products

Philosophy and Approach

Chicago Equity Partners believes that certain fundamental characteristics drive stock performance. We follow a disciplined investment process through all market cycles. The key elements of our process are security selection and portfolio construction. We use a proprietary multi-factor quantitative model to systematically evaluate the relative risk and expected returns of a large universe of stocks. Over time we have improved the predictive ability of our models by adding and deleting factors as well as adjusting their weightings. This has enabled us to consistently identify long and short candidates across capitalization, sector and industry.

The removal of the long-only constraint for the 130/30 strategy allows us to make greater use of the information generated by our equity research process. In a long-only portfolio our ability to express negative forecasts is limited by the weight of a security within the benchmark. Shorting allows us to take a more active position in stocks seen as unattractive by our quantitative stock alpha model. The proceeds from the short sales are then used to put more funds in stocks seen as attractive by our quantitative stock alpha model. The resulting portfolio has a higher predicted information ratio than a comparable long-only portfolio. We combine quantitative analysis with fundamental research to construct portfolios that we believe will generate excess returns relative to a specified benchmark at a specified risk level. The primary risk for clients is that they may suffer losses on investments in individual securities. Additionally, clients also face the risk that the portfolio managed by the Adviser may underperform the benchmark stated within the clients' investment guidelines among other risks as stated above.

Research and Screening Process

Our process uses a proprietary multi-factor model built and enhanced by our quantitative equity team over the last 20 plus years. The model pursues an intersection approach that combines a broad set of fundamental and behavioral factors to select the most attractive stocks. The factors are classified into four broad categories: Value, Quality, Momentum and Growth. All of the factors are proprietary, with specification unique to us. The factors are combined into one alpha score for each individual stock and ranked by industry. The portfolio is then optimized to maximize positions stocks with the most attractive alphas while minimizing overall portfolio risk. In the end we build a risk-controlled, diversified portfolio with positive tilts to companies with attractive valuation ratios, quality balance sheets, and positive growth and momentum expectations.

We use our model to drive security selection. The model generates a proprietary alpha for each stock in each industry. In general, we tend to buy stocks that are in the upper third of their industry alpha rankings and sell or short stocks that rank in the lower third. Nevertheless, the model alone does not drive investment actions. Our portfolio managers are also sector specialists and are highly integrated with the quantitative research team. The portfolio managers/analysts are responsible for analyzing the daily output of the quantitative model and the alpha scores for each stock within their sector. Our sector analysts focus on stock specific systematic factors, such as legal and regulatory issues, that are not incorporated by the quantitative model. They also work with Wall Street analysts

and other data sources to gather and confirm data that we enter into our multi-factor model. The portfolio managers/analysts use the integrated alpha and risk model generated by the quantitative research team in the portfolio optimization process.

Portfolio Construction & Risk Control

Portfolio Construction

We will work with you to identify the segment of the market where you desire exposure as proxied by a benchmark. We then research the benchmark to thoroughly understand its characteristics focusing on among other things, market capitalization, industry, and sector breakdowns. We then set a tracking error constraint, which is a function of the client's ability to tolerate risk as defined by deviation from the benchmark. Now we are ready to build the portfolio.

Our equity team formally convenes for a rebalancing meeting at least twice per quarter as well as reviewing the portfolio daily. At this meeting, every security in the portfolio is reviewed and compared to their peer. We then decide industry by industry on which trades we will make with a goal of increasing expected portfolio return or reducing portfolio risk. During this process we utilize a proprietary risk management system as a tool to identify and manage the major risks in the portfolio such as an overexposure to cash, industry, sector, style, or market capitalization versus the benchmark we are managing against. The output of this process is a portfolio that has benchmark-like risk characteristics, but is expected to outperform the benchmark.

The portfolio maintains a benchmark relative Beta of one by offsetting short weight with a matching percentage of additional long weight. The target exposure for the portfolio is 130% long and 30% short, with a typical range of 132% long and 32% short to 127% long and 27% short.

Risk Control

Portfolio construction and risk control are critical to our goal of generating long-term risk-adjusted return. We seek to generate such returns by building portfolios that are market-cap- and sector-neutral relative to the benchmark. We incorporate portfolio-, factor-, industry- and stock-level constraints, such as short availability, into our proprietary integrated risk model. We generate an initial optimized portfolio based on inputs from our integrated risk model and quantitative stock alpha model. Our team of portfolio managers reviews the portfolios and incorporates any qualitative and stock-specific risk elements to create the final portfolio. Prior to execution, we rely on our integrated risk model to analyze the impact of potential trades on marginal risk-return and overall tracking error of the portfolio.

Buy/Sell Discipline

We employ a structured buy and sell discipline. On the long side, if a stock has a low expected alpha or high specific risk and there is a viable alternative, we will sell it. Conversely, on the short side if a stock has a high expected alpha, we will cover it. The portfolio is monitored daily to ensure that we incorporate any new stock-specific

information that may necessitate the immediate sale or cover of a stock. Typically, our trades are paired - when we purchase a security, we simultaneously sell or short a peer security whose alpha ranking or risk profile is less appealing. Our discipline re-evaluates stocks on a daily basis taking into account price movements that have occurred.

Trading

Once the portfolio management team has made the trading decisions, our traders use various trading systems such as ECNs (Electronic Communication Networks) and ATSS (Alternative Trading Systems) extensively to ensure best execution. Our traders use ITG's XIP as their trade order management system. As a trading standard, the traders stay dollar neutral, minimizing industry or market timing risks. The ECNs we typically use are LAVA, Instinet and B-Trade. ATS systems we use are ITG (which allows us to use Archipelago), Liquidnet, REDIplus and Pipeline. Trading frequency will generally be constricted by the expected portfolio turnover stated within the investment objectives. The Adviser may exceed the amount stated within those guidelines if the Adviser believes that turnover in excess of the stated amount will prove beneficial to the portfolio meeting its investment objective.

CEP Equity Market Neutral Master Fund:

The Adviser (CEP for the purpose of this fund) offers a market neutral (long/short) equity product through a private fund known as the CEP Equity Market Neutral Master Fund Ltd. The master fund has two feeder funds: CEP Equity Market Neutral Fund Ltd. (offshore feeder) and CEP Equity Market Neutral Fund, LLC (onshore feeder).

Investment Objective and Strategy

The Investment Objective. The investment objective of the Fund is to achieve superior risk-adjusted returns over time with modest exposure to overall equity (or other) market movements.

The Strategy.

Stock Ranking Based on "Forecasted Returns." CEP will attempt to construct "market neutral" portfolios of long and short positions in highly liquid, large capitalization, exchange-traded U.S. equities. The long and the short portfolios will have approximately equal market values, each generally totaling approximately 200% of the Asset Value of the Fund. These portfolios are constructed by acquiring long positions in stocks with the highest, and short positions in the stocks with the lowest, "forecasted returns" over the near- to mid-term as determined by CEP's statistical fundamental models. By taking approximately offsetting positions (in terms of market value) in such stocks within each industry segment in the Fund's Investable Universe, CEP's objective is to minimize exposure to overall equity market price movements (as such movements should have approximately offsetting effects on the Fund's long and short stock positions) while generating "alpha" from the long positions rising and the short positions declining in price.

CEP's stock selection process utilizes quantitative models developed and enhanced since 1989. The process involves "bottom up" systematic fundamental research that focuses on measuring companies' rankings with respect to various fundamental factors (*e.g.*, price-to-earnings ratios, cash flow and return on equity) included in four basic "factor groups" — Growth, Momentum, Quality and Value. These rankings are used to measure each stock's attractiveness relative to other stocks within the same industry classification (as determined by CEP). These rankings are potentially subject to adjustment daily based on stock price changes, but generally are only adjusted as significant new data becomes available — typically during the "earnings reporting season" each quarter. Occasionally, certain major events occur with respect to a given issuer (clinical trials, patent developments, major litigation, etc.) which result in ranking adjustments at unpredictable times, but generally an issuer's rankings remain constant throughout each quarter.

CEP gathers fundamental and quantitative data, maintaining an extensive database with respect to the stocks in the Fund's Investable Universe. CEP's models are run daily and generate a "forecasted return" for each stock. Other analytic models are applied monthly to monitor the correlation between specific factor exposures and price movements in the month then ended in an attempt to determine whether such correlation is consistent with CEP's current models.

CEP's "forecasted return" for each stock is calculated using the long-term average of the monthly factor regression coefficients reflecting the historical correlation of such factors to stock price movements (assumed to represent the contribution that exposure to these different factors makes to such movements). The regression data is updated quarterly (see above), with each update incorporating the most recent quarterly data into the long-term average.

For the purpose of determining factor weightings, CEP groups stocks into five "Super Sectors": TMT (Technology, Media and Telecom), Non-Cyclicals, Cyclicals, Energy/Utilities and Financials. The factors are the same for all of the Super Sectors; but their relative weightings vary across Super Sectors, depending on the long-term average of the correlation of each factor to stock price movements in that Super Sector. For example, price-to-earnings and price-to-book ratios may be statistically more correlated to the pricing of stocks in the Energy/Utilities Super Sector, while expected growth and cash flow are more correlated to the pricing of stocks in the TMT Super Sector.

CEP's portfolio managers/analysts analyze the daily output of the quantitative models and the factor rankings for each stock within the respective Super Sectors to which they are assigned. CEP's analysts also track issuer-specific data (legal and regulatory difficulties, management turnover, accounting irregularities, etc.) in an attempt to determine whether a specific stock should be removed from the portfolio due to the importance to its pricing of factors not incorporated into CEP's quantitative models. CEP analysts also: (i) review material changes in the factor rankings generated by the models in an attempt to control and/or filter out "outlier" changes resulting from aberrational or temporary circumstances; and (ii) check for errors in the raw data feeds for the stocks they cover.

CEP expects that each of the Fund's long and short portfolios will often include approximately 100 to 200 stocks and that the average holding period of any given stock in either portfolio will be between 9 and 15 months (although the actual number of stocks in each portfolio as well as their average holding periods may differ materially from the foregoing estimates at any time and from time to time). The Fund's respective long and short portfolios may include a materially different number of issuers, but the aggregate market value of these portfolios will be approximately the same (each being approximately 200% of the Asset Value of the Fund).

Portfolio Construction/Optimization. Having ranked the stocks in the Fund's Investable Universe in accordance with their respective "forecasted returns," CEP then applies a portfolio construction/optimization process. The first step in the portfolio construction/optimization process involves attempting to determine — through the application of technical market data (*e.g.*, moving average price levels for different stocks) — the current "market phase," *i.e.*, which of the four "factor groups" (Growth, Momentum, Quality or Value) is currently most important in determining price movements. CEP's market phase analysis identifies a single "factor group" as being dominate with respect to all Super Sectors; however, the effects of this determination when applied to the "factor rankings" of the stocks in each Super Sector diverge as the "factor groups" have different weightings within each Super Sector. The "factor rankings" of stocks are not affected by CEP's market phase analysis; rather this analysis affects the portfolio construction resulting from these "factor rankings."

CEP has developed proprietary industry classifications for the issuers included in its models. All issuers are assigned to a single industry classification (when an issuer has exposure to more than one industry, CEP assigns such issuer to a single industry based on CEP's market judgment of the primary activity of such issuer). In general, offsetting long and short positions are taken in each industry (not only across the portfolio as a whole).

Constraints are applied in the portfolio construction process to limit exposure to individual position size, industry, average capitalization, etc. The portfolio managers may also adjust the Fund's portfolio to reflect information not yet captured in the factor rankings, *e.g.*, recent estimated earnings revisions or significant management developments. Adjustments will also be made in an attempt to accommodate the data from companies reporting financial information on different timelines.

The goal of the portfolio construction/optimization process is to maximize the "forecasted return" of the long portfolio and minimize the "forecasted return" of the short portfolio while limiting exposure to risks not incorporated in CEP's models.

The "factor rankings" of stocks combined with the portfolio construction/optimization process (involving both "market phase" determinations and portfolio constraints) generates the Fund's portfolio. This portfolio is acquired by CEP's traders using both trade execution algorithms and their subjective market judgment as to how most efficiently and cost effectively to establish the indicated positions.

The Fund's portfolio will typically include:

Number of issues: 200 to 400

The Fund's *unleveraged* portfolio will typically have the following characteristics:

Net Exposure (Long minus Short): +/- 5%

Net Industry Exposure: +/- 2%

Individual Position Size: +/- 4% initially, +/- 5% including price change

Beta (an estimate of market exposure): +/- 10%

As the Fund will acquire long and short portfolio each with a market value approximately 200% the Fund's Asset Value, the foregoing portfolio characteristics can be approximately doubled in respect of the Fund's portfolio.

Portfolio Maintenance. CEP's stock selection and portfolio construction/optimization models are run daily and adjustments to the Fund's long and short portfolios made accordingly. In general, however, changes to the portfolios are expected to be made relatively infrequently. In determining whether to adjust the portfolio, CEP weighs the transaction costs of trading in one or more equities, as well as effecting the resulting rebalancing of the portfolio, against the expected improvement to the risk/return profile of the portfolio from adjusting the Fund's exposure to the stocks in question. CEP expects that there will frequently be trading days on which no transactions are effected for the Fund and that during any rolling 12-month period the Fund is unlikely to make trades (other than to reflect Subscriptions and Withdrawals) with an aggregate gross market value more than approximately 150% to 200% of the Fund's average Asset Value.

Other than the constraints which CEP imposes through its portfolio construction/optimization process, CEP will not implement risk management policies — for example, reducing positions if losses of a certain magnitude are incurred or Asset Value volatility exceeds certain levels. Barring unprecedented losses suggesting a basic flaw in its models, CEP believes that constructing a portfolio based on factor ranking the stocks in the Fund's Investable Universe, market phase identification portfolio construction and applying optimization policies designed to minimize exposure to exogenous risks not incorporated into CEP's models has material inherent risk management features, and that overlaying exogenous performance-based "risk policies" would disrupt CEP's portfolio construction process and likely diminish the Fund's long-term profit potential.

Core / Intermediate / Short Term Fixed income Products

Philosophy and Approach

Chicago Equity Partners believes that the role of fixed income is to provide income, stability and to reduce overall portfolio risk. We build diversified portfolios with an income advantage by purchasing bonds in the high-quality, non-Treasury sectors. The depth and breadth of our research adds value in sector allocation, yield curve positioning and security selection. We manage risk by maintaining a narrow duration band, limiting position size and avoiding illiquid and unproven securities. The primary risk for clients is that they may suffer losses on investments in individual securities. Additionally, clients also face the risk that the portfolio managed by the Adviser may underperform the benchmark stated within the clients' investment guidelines among other risks as stated above.

Research and Screening Process

Sector Allocation

Our active sector allocation approach seeks to identify where we are in the economy and credit cycle. Our sector, quality and industry decisions are further driven by the output of our proprietary, quantitative sector allocation model. This model consists of twelve factors that are divided into four areas: Macroeconomic, Fundamental, Risk Aversion, and Valuation. This creates our market conditions analysis

We formally establish our credit, sector and quality weights based on the output of this model and the input of our portfolio management team. Once these target weights are established, we begin our security selection process.

Security Selection

Our quantitative security selection model screens for bonds with the characteristics we have found to be the drivers of bond returns. Our proprietary model consists of nine factors that include both traditional fixed income metrics, as well as other equity-based criteria that we believe are good indicators of a bond's future performance. This approach allows us to evaluate a significant amount of bond market data in a systematic, unbiased and timely manner.

Our dedicated fixed income portfolio managers then work with our fundamental industry analysts to verify our quantitative ranking. They incorporate factors the data may not capture such as legal and regulatory issues, acquisitions / divestitures, competition, company management and other Wall Street insights. On a daily basis, our team of experienced portfolio managers receives a Corporate Bond Valuation Report that provides daily research alerts, as well as a focus list of issuers to be considered for the portfolio. A quantitatively driven, relative value model is used to evaluate opportunities in agency mortgage-backed securities. Model inputs include the level of rates, the composition of the mortgage index, the slope of the yield curve, and interest rate volatility. This process is applied exclusively to agency issued mortgage-backed securities because of their standardized underwriting platform, structural transparency, limited credit risk, and superior liquidity. The portfolio managers then work with the trading desk to determine if a bond is liquid, positioned on the right part of the yield curve and if its spread compensates us for the risk assumed.

Portfolio Construction & Risk Control

We follow a disciplined investment process through all market cycles combining quantitative and fundamental research with an experienced portfolio management team. The key elements of the process include sector allocation, security selection, yield curve positioning/duration management and risk management.

Yield Curve Positioning / Duration

Yield curve positioning is established as a result of our analysis of the Treasury curve and is designed to identify attractive opportunities along the yield curve. Our analysis considers historical term structure relationships as well as macroeconomic and technical trends with a bias towards a more bulleted term structure. Duration management plays a limited role in our investment process with our duration controlled at +/- 10% of the benchmark.

Risk Management

Risk management is an important part of our investment process, because it allows us to preserve the excess returns we generate. At the outset, we establish a risk budget that incorporates interest rate, yield curve, sector, industry, quality and specific issuer risks, both independently and in total. Next, we set diversification rules and position limits that foster consistency in our portfolio construction process. Our strict “buy” discipline provides further control by minimizing the number of times we need to use our “sell” discipline. Illiquid, unproven securities that have limited exposure to adverse market conditions where downside risk is difficult to quantify are avoided.

Buy/Sell Discipline

Our buy discipline focuses on securities that fall within areas defined by our core fixed universe. Corporate issuers should possess the fundamental characteristics we use in our credit selection process and a favourable review by our industry analysts. For mortgage/asset-backs, the securities should possess the structural, prepayment and liquidity characteristics we use in our structured products selection process. The security purchased will be valued fairly/attractively relative to its peer group on a historical basis. Finally, based on the portfolio manager’s judgment and experience, the security should be liquid and meet the client’s perceived risk tolerance.

Our sell discipline is based on several factors. The portfolio manager would sell a security if the facts surrounding the original purchase of the security no longer hold true, a change in our research ranking, a change in economic, industry or company fundamentals has occurred, or the security’s relative valuation versus its peer group is no longer attractive. In addition, if a bond is downgraded from one rating category to another, our ratings-based risk controls require at least a partial sale. Finally, we ask ourselves if we would buy the security again today — if not, it should be sold.

Trading

Trading Process

The trading desk serves as our “eyes and ears” in the bond market. All trades are executed by experienced fixed income traders who are integrated with the equity trading desk to

provide a comprehensive view of market activity. Orders are directed to the trading desk using the ITG XIP trading and compliance system and bonds are allocated to client accounts on a pro-rata basis. All trades are done on a best execution basis. Dispersion is minimized using a model portfolio for each product. We have found that electronic trading platforms improve the execution and efficiency of the trading process for many types of transactions. The on-line trading systems we currently use are Tradeweb and Market Axess.

Soft Dollars

Soft dollars are not used in fixed income trading.

Intermediate Corporate, Long Corporate, Long Credit Fixed Income Products:

Philosophy and Approach

Chicago Equity Partners believes that the role of fixed income is to provide income, stability and to reduce overall portfolio risk. We build diversified portfolios with an income advantage by purchasing bonds in the high-quality, non-Treasury sectors. The depth and breadth of our research adds value in sector/industry allocation, yield curve positioning and security selection. We manage risk by maintaining a narrow duration band, limiting position size and avoiding illiquid and unproven securities. We combine quantitative analysis with fundamental research to construct portfolios that we believe will generate excess returns relative to a specified benchmark at a specified risk level. The primary risk for clients is that they may suffer losses on investments in individual securities. Additionally, clients also face the risk that the portfolio managed by the Adviser may underperform the benchmark stated within the clients' investment guidelines among other risks as stated above.

Research and Screening Process

Sector/Industry Allocation

Our active sector allocation approach seeks to identify where we are in the economy and credit cycle. Our sector, quality and industry decisions are further driven by the output of our proprietary, quantitative sector/industry allocation model. This model consists of twelve factors that are divided into four areas: Macroeconomic, Fundamental, Risk Aversion, and Valuation. This creates our market conditions analysis. We formally establish our credit, sector/industry and quality weights based on the output of this model and the input of our portfolio management team. Once these target weights are established, we begin our security selection process.

Security Selection

Our quantitative security selection model screens for bonds with the characteristics we have found to be the drivers of bond returns. Our proprietary model consists of nine factors that include both traditional fixed income metrics, as well as other equity-based criteria that we believe are good indicators of a bond's future performance. This approach allows us to evaluate a significant amount of bond market data in a systematic, unbiased and timely manner.

Our dedicated fixed income portfolio managers then work with our fundamental industry analysts to verify our quantitative ranking. They incorporate factors the data may not capture such as legal and regulatory issues, acquisitions / divestitures, competition, company management and other Wall Street insights. On a daily basis, our team of experienced portfolio managers receives a Corporate Bond Valuation Report that provides daily research alerts, as well as a focus list of issuers to be considered for the portfolio.

The portfolio managers then work with the trading desk to determine if a bond is liquid, positioned on the right part of the yield curve and if its spread compensates us for the risk assumed.

Yield Curve Positioning / Duration

Yield curve positioning is established as a result of our analysis of the Treasury curve and is designed to identify attractive opportunities along the yield curve. Our analysis considers historical term structure relationships as well as macroeconomic and technical trends with a bias towards a more bulleted term structure. Duration management plays a limited role in our investment process with our duration controlled at +/- 10% of the benchmark.

Portfolio Construction & Risk Control

We follow a disciplined investment process through all market cycles combining quantitative and fundamental research with an experienced portfolio management team. The key elements of the process include sector/industry allocation, security selection, yield curve positioning/duration management and risk management.

Risk Management

Risk management is an important part of our investment process, because it allows us to preserve the excess returns we generate. At the outset, we establish a risk budget that incorporates interest rate, yield curve, sector, industry, quality and specific issuer risks, both independently and in total. Next, we set diversification rules and position limits that foster consistency in our portfolio construction process. Our strict "buy" discipline provides further control by minimizing the number of times we need to use our "sell" discipline. Illiquid, unproven securities that have limited exposure to adverse market conditions where downside risk is difficult to quantify are avoided. Our disciplined, consistent investment process provides our clients with the benefit of a solid research effort delivered by experienced professionals.

Buy/Sell Discipline

Corporate issuers should possess the fundamental characteristics we use in our credit selection process and a favourable review by our industry analysts. The security purchased will be valued fairly/attractively relative to its peer group on a historical basis. Finally, based on the portfolio manager's judgment and experience, the security should be liquid and meet the client's perceived risk tolerance.

Our sell discipline is based on several factors. The portfolio manager would sell a security if the facts surrounding the original purchase of the security no longer hold true, a change in our research ranking, a change in economic, industry or company fundamentals has occurred, or the security's relative valuation versus its peer group is no longer attractive.

In addition, if a bond is downgraded from one rating category to another, our ratings-based risk controls require at least a partial sale. Finally, we ask ourselves if we would buy the security again today — if not, it should be sold.

Trading

The trading desk serves as our “eyes and ears” in the bond market. All trades are executed by experienced fixed income traders who are integrated with the equity trading desk to provide a comprehensive view of market activity. Orders are directed to the trading desk using the ITG XIP trading and compliance system and bonds are allocated to client accounts on a pro-rata basis. All trades are done on a best execution basis. Dispersion is minimized using a model portfolio for each product. We have found that electronic trading platforms improve the execution and efficiency of the trading process for many types of transactions. The on-line trading systems we currently use are Tradeweb and Market Axess. Trading frequency will generally not exceed 150 % of the portfolio annually on a market value basis. The Adviser may exceed the amount stated within those guidelines if the Adviser believes that turnover in excess of the stated amount will prove beneficial to the portfolio meeting its investment objective.

Soft Dollars

Soft dollars are not used in fixed income trading.

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 the Adviser or the integrity of the Adviser’s management. The Adviser has no information applicable to this Item.

Item 10 Other Financial Industry Activities and Affiliations

Affiliations:

Affiliated Managers Group, Inc. (“AMG”), as previously referenced in Item 4, holds an equity interest in the Adviser. AMG also holds passive equity-based interests in certain other investment advisers (“AMG Affiliates”). Each of the AMG Affiliates, including the Adviser, is operated autonomously and independently, and except as described in this Brochure, the Adviser does not have any business dealings with these AMG Affiliates and does not conduct any joint operations with them. Moreover, the AMG Affiliates do not formulate advice for the Adviser’s clients. As such, AMG’s ownership interest in the Adviser does not, in the Adviser’s view, present any potential conflict of interest for the Adviser with respect to our clients. More information regarding AMG, including its public filings and a list of all AMG Affiliates, is available at www.amg.com.

The Adviser has a mutual fund subadvisory agreement with Managers Investment Group LLC, an AMG affiliate, under which the Adviser serves as subadviser to mutual funds in the Managers Funds family of mutual funds, for which Managers Investment Group LLC is the adviser. As described in each Fund's prospectus, the Funds pay Managers Investment Group LLC advisory fees, and Managers Investment Group LLC pays the Adviser subadvisory fees with respect to the Funds managed by the Adviser.

The Adviser is party to client service/marketing agreements with subsidiaries of AMG under which the AMG subsidiaries market the Adviser's investment services to clients and provide client services to the Firm's clients in various foreign jurisdictions. The Adviser pays the AMG subsidiaries a fee for these services.

The Adviser has a servicing agreement with Managers Investment Group LLC under which Managers Investment Group LLC provides non-discretionary back office support, administrative assistance, and marketing services to support the Adviser's provision of advisory services to or through various unaffiliated third-party investment programs, including wrap programs and dual contract programs sponsored by unaffiliated broker/dealers, banks, and other financial intermediaries. The Adviser pays Managers Investment Group LLC a fee for the services provided under these servicing arrangements.

Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a broker/dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of one of the foregoing types of entities.

In addition, certain of the Adviser's employees are registered representatives of Managers Distributors, Inc., a limited purpose broker/dealer that is a wholly owned subsidiary of Managers Investment Group LLC and that is the underwriter of the Managers Funds.

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

The Adviser has established variety of restrictions, procedures and disclosures designed to address conflicts of interest arising between and among client accounts as wells as between client accounts and the Adviser and its personnel. All the Adviser's personnel must act in accordance with the fiduciary standard.

Code of Ethics

The Adviser has a fiduciary duty to its clients, and accordingly has adopted a Code of Ethics (the "Code") that applies to all employees. The Code describes the standard of conduct the Adviser requires of its employees and sets forth restrictions on certain activities, including personal trading in accounts owned, managed or beneficially owned by the employee. The Code's provisions and other firm policies also include requirements relating to areas such

as gifts and business entertainment, confidentiality of information, and the provision and solicitation of political and charitable contributions. By setting forth the regulatory and ethical standards to which the Adviser's employees must adhere, the Code supports our efforts to promote a high level of professional ethical conduct in furtherance of our fiduciary duty to our clients.

Personal Trading

Among other things, the Code limits and monitors the personal trading activity of our employees, including members of our employees' households. These limitations seek to further the Adviser's efforts to prevent employees from personally benefiting from the Adviser's investment decisions for its clients and/or any short-term market effects of the Adviser's recommendations to clients. Specifically, the Code requires employees and certain members of their households to "pre-clear" their personal securities transactions with our firm's Compliance Department prior to execution, with some limited exceptions. The Code also prohibits such persons from trading in securities during specific periods of time when these securities are on a list of those being considered for purchase or sale by the firm for our clients' accounts (i.e., "blackout periods"). Limitations also exist for such persons on the participation in initial public offerings and private placements. All Employees must provide the Adviser with a listing of their securities holdings, as well as duplicate copies of statements and trade confirmations with respect to their brokerage accounts. These restrictions and requirements of the Code apply to all accounts over which employees have investment discretion, or in which they have a direct or indirect beneficial ownership interest.

Participation or Interest in Client Transactions

Certain principals of the Adviser and certain employees may invest their own or the firm's assets in accounts managed by the Adviser. These accounts may hold, purchase, or sell the same securities in which clients have interests. We may have an incentive to favor accounts in which our employees invest with respect to trading opportunities, trade allocation and allocation of investment opportunities. As such, the Adviser requires that any orders for employee-owned or firm-owned (i.e., proprietary) accounts that are managed by the Adviser must be executed at a period in time separate from all client orders have been executed for that security in the same strategy for the same set of transactions; or in the customary trade rotation for a particular order or set of orders.

The Adviser also does not engage in principal trades with our clients. In addition, due to the nature of our clientele, the Adviser may, from time to time, trade in securities issued by our clients. In all such instances, the Adviser will do so in what it believes to be the best interest of its clients who are trading in such securities. The Adviser will not, under any circumstances, consider a security issuer's status as a client of the firm when determining to trade in that issuer's security on behalf of other client accounts.

Insider Trading/Material Non-Public Information

All employees of the Adviser are subject to the Affiliated Managers Group, Inc. Insider Trading Policy and Procedures (the "AMG Insider Trading Policy"). The AMG Insider Trading Policy broadly prohibits the use of material, non-public information, and also

imposes restrictions on the trading of AMG's stock. In addition, the Adviser's Insider Trading Policy also includes policies and procedures prohibiting the use of material non-public information that are designed to prevent insider trading by an officer or employee of the Adviser. The research activities of the Adviser should not result in the receipt of non-public information. Should any employee otherwise become aware of any non-public information regarding any security the Chief Compliance Officer and the President will seek the advice of counsel on how best to protect the integrity of the firm and the economic well being of its clients.

Gifts and Business Entertainment

The Adviser's Code includes policies and procedures regarding giving or receiving gifts and business entertainment between the firm's employees and certain third parties (e.g., vendors, broker/dealers, consultants, etc.) to help mitigate the potential for conflicts of interest surrounding these practices. In general, the Adviser limits the amount (i.e., value and frequency) of gifts and business entertainment that may be provided by employees to these parties, and requires the pre-approval of certain items by senior management of the Adviser. Additionally, the Adviser specifically monitors for any potential conflicts of interest with respect to individual instances of gifts or entertainment, as well as patterns of the same over time, to prevent the interests of the Adviser and its employees from being placed ahead of the interests of our clients.

Charitable Contributions

From time to time, the Adviser may donate to charitable enterprises that are clients, are supported by clients, and/or are supported by an individual employed by one of our clients. In general, those donations are made in response to requests from clients and/or their personnel. Members of the Adviser's management team approve charitable contributions to be made by the firm. Management may take into consideration the importance of the client relationship as one factor in determining whether to approve a charitable contribution.

Political Contributions

The Adviser prohibits its employees from making political contributions on behalf of the Adviser or to be reimbursed for personal political contributions, or from making political contributions for the purpose of securing or retaining business. The Adviser maintains policies and procedures that set forth specific limitations as to whom employees may make contributions and the amounts of such contributions, as well as preclearance requirements for certain political contributions. The Adviser monitors all such contributions in furtherance of its efforts to comply with federal law and to inhibit the potential for any such contributions to affect the awarding of public business related to the management of assets.

Distribution of Code

We are firmly committed to making our employees and clients (both current and prospective) aware of the requirements within our Code. All of our employees are provided with a copy of our Code at the time of hire and annually thereafter, and each employee must affirm that they have received a copy of the Code, and that they have read

and understand its provisions. Additionally, we conduct periodic compliance training that addresses the requirements of the Code and the other policies described in this Item. A copy of the Adviser's Code is also available to clients or prospective clients upon request, and may be obtained by contacting:

Chicago Equity Partners, LLC
180 North LaSalle Street, Suite 3800
Chicago, IL 60601
312-629-8200
info@chicagoequity.com

Attention: Compliance Department, Code of Ethics Request

Item 12 Brokerage Practices

Generally, the Adviser is retained on a discretionary basis and is authorized to determine and direct execution of portfolio transactions within the client's specified investment objectives. Some clients limit the Adviser's authority in terms of the selection of broker-dealers in favor of their own brokerage arrangements. The Adviser has a fiduciary duty to seek best execution, and to ensure that trades are allocated fairly and equitably among clients over time.

Brokerage Relationships

The Adviser's relationships with broker/dealers, particularly those affiliated with large financial services organizations, are complex. The Adviser uses various broker/dealers to execute trades on behalf of clients, but the Adviser may also have many other relationships with such firms. For example:

- The Adviser may invest client assets in securities issued by broker/dealers or their affiliates.
- Certain broker/dealers may provide both internally-generated and third-party research to the Adviser, as part of a bundled service.
- A broker / dealer may provide consulting, custodial or other services to the clients of the Adviser or to funds sponsored by the Adviser.

Notwithstanding such relationships or business dealings with these broker/dealers, the Adviser has a fiduciary duty to its clients to seek best execution when trading with these firms, and has implemented policies and procedures to monitor its efforts in this regard.

Best Execution – Selection Factors for Broker/Dealers

As noted above, the Adviser has a duty to seek best execution of transactions for client accounts. "Best execution" is generally understood to mean the most favorable cost or net proceeds reasonably obtainable under the circumstances. In seeking best execution, the Adviser looks for the best combination of transaction price, quality of execution (e.g., the speed of execution, the likelihood the trade will be executed, etc.), and other valuable services that an executing broker/dealer may provide.

Clients typically grant the Adviser the authority to select the broker/dealer to be used for the purchase or sale of securities. The Adviser, in seeking best execution, will make this selection based on a number of factors, which may include, but are not limited to, the following: the broker/dealer's financial soundness; the broker/dealer's ability to effectively and efficiently execute, report, clear, and settle the order; the broker/dealer's ability to commit capital; the broker/dealer's ability to timely and accurately communicate with the Adviser's trading desk and operations team; the broker/dealer's research services provided in connection with soft dollar arrangements (explained in more detail in the "Soft Dollars" sub-section of this Item 12 below); the broker/dealer's commission rates; and similar factors. The Adviser does not consider any client referrals from a broker/dealer when determining best execution, or when placing client trades.

Recognizing the value of these factors, the Adviser may select a broker/dealer that charges a commission in excess of that which another broker/dealer might have charged for effecting the same transaction. The Adviser is not obligated to choose the broker/dealer offering the lowest available commission rate if, in the Adviser's reasonable judgment, the total cost or proceeds from the transaction may be less favorable than what may be obtained elsewhere or if a higher commission is justified by the service and/or research provided by another broker/dealer.

The Adviser has implemented a series of internal controls and procedures to address the conflicts of interest associated with its brokerage practices. To determine that it is receiving best execution for its transactions over time, the Adviser will obtain information as to the general level of commission rates being charged by the brokerage community, from time to time, and will periodically evaluate the overall reasonableness of brokerage commissions paid on client transactions by reference to such data. To the extent the Adviser has been paying higher commission rates for its transactions, the Adviser will determine if the quality of execution and the services provided by the broker/dealer justify these higher commissions. The Adviser maintains a best execution evaluation process whereby the research and execution capabilities of brokers are evaluated on a semi-annual basis.

Directed Brokerage

The Adviser does not direct or require its clients to use a specified broker/dealer for portfolio transactions in their accounts. In some cases, clients have directed the Adviser to use specified broker/dealers for all or a percentage of the portfolio transactions in their accounts. In such a case, the Adviser is not obligated to, and will generally not, solicit competitive bids for each transaction or seek the lowest commission rates for the client, as the commission rates have typically been pre-negotiated between the client and the designated broker/dealer ("directed broker"). Since the Adviser has not negotiated the commission rate and may not be able to obtain volume discounts, the commission rate charged by the directed broker may be higher than what the Adviser could receive from another broker/dealer. In addition, the client may be unable to obtain the most favorable price on transactions executed by the Adviser as a result of the Adviser's inability to aggregate/bunch the trades from this account with other client trades. Furthermore, the

client may not be able to participate in the allocation of a security of limited availability. In some situations, the Adviser may not execute a client's securities transactions with its directed broker until non-directed brokerage orders are completed. Accordingly, clients who direct commissions to specified broker/dealers may not generate returns equal to clients that do not direct commissions. Clients who direct brokerage should understand that similar brokerage services may be obtained from other broker/dealers at lower costs and possibly with more favorable execution.

The Adviser reserves the right to reject or limit client requests for directed brokerage, and clients may be charged a premium for such arrangements.

Step-Outs

The Adviser may use "step-out trades" when we determine that it may facilitate better execution for certain client trades. Step-out trades are transactions which are placed at one broker/dealer and then "given up" or "stepped out" by that broker/dealer to another broker/dealer for credit. Step-out trades may benefit the client by finding a natural buyer or seller of a particular security so that the Adviser can trade a larger block of shares more efficiently. Unless directed otherwise by the client, the Adviser may use step-out trades for any client account.

The Adviser may use step-out trades to accommodate a client's directed brokerage mandate. In the case of directed brokerage accounts, trades are often executed through a particular broker/dealer and then "stepped-out" to the directed brokerage firm for credit. In circumstances where the Adviser has followed the client's instructions to direct brokerage, there can be no assurance that the Adviser will be able to step-out the trades, or, if it is able to step-out the trades, that it will be able to obtain more favorable execution than if it had not stepped-out the trades.

Step-out trades may also be used by the Adviser in order to generate soft-dollar credits, provided that the Adviser has determined that such transactions are consistent with the principles of best execution and applicable regulations. Please see the discussion of the Adviser's soft dollar transaction practices in the "Soft Dollars" sub-section below.

Cross Trades

The Adviser does not engage in cross trades in its client's accounts

Liquidity Rebates

In selecting broker/dealers to execute transactions for the accounts we manage, the Adviser does not consider any "liquidity rebates" that may be available to those broker/dealers. Broker/dealers may earn "liquidity rebates" (i.e., a certain cash rebate) when placing orders in certain market centers while trading on behalf of the Adviser. However, the Adviser chooses broker/dealers based on our policy of seeking best execution, which is determined by several quantitative and qualitative factors. It is against the Adviser's policy to take into consideration a broker/dealer's potential to earn liquidity rebates when deciding whether to choose a particular full service broker/dealer.

Soft Dollars

The Adviser may direct certain transactions for execution to certain broker/dealers in recognition of brokerage and research services provided by those broker/dealers and/or other third-party providers. The practice of obtaining research in this manner is referred to as using "soft dollars." Soft dollar transactions generally cause clients to pay a commission rate higher than would be charged for execution only. The products and services received through soft dollar transactions include: data employed in the firm's quantitative analysis processes, investment advice (either directly or through publications or writings) as to the value of securities, the advisability of investing in, purchasing, or selling securities, the availability of securities or purchasers or sellers of securities, presentation of special situations and trading opportunities, advice concerning trading strategy, and analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy, and the performance of specific strategies. To the extent that the Adviser is able to obtain such products and services through the use of clients' commission dollars, it reduces the need to produce the same research internally or through outside providers for hard dollars and thus provides an economic benefit to the Adviser and its clients. As an example, the Adviser has received research services relating to data made available from Thomson Reuters such as Market QA, IBES Consensus and History and Market quotes. Services received from Standard and Poors include S&P Index History and Compustat. A complete list of services obtained under soft dollar arrangements is available from the Adviser upon request. The Adviser may have an incentive to select a broker/dealer in order to receive such products and services whether or not the client receives best execution. However, the Adviser may give trading preference to those broker/dealers that provide research products and services, either directly or indirectly, only so long as the Adviser believes that the selection of a particular broker/dealer is consistent with the Adviser's duty to seek best execution.

The Adviser also receives services which, based on their use, are only partially paid for through soft dollars. Any such service is considered "mixed-use" because it is used by the Adviser for both research or brokerage and non-research, non-brokerage purposes. In each such case, the Adviser makes a good faith determination of which portion of the service should be paid for with soft dollars and which portion should be paid for with hard dollars. The Adviser thereafter retains documentation of the soft dollar to hard dollar allocation. In making good faith allocations between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of the Adviser's allocation of the costs of such benefits and services between those that primarily benefit the Adviser and those that primarily benefit its clients.

The research products/services provided by broker/dealers through soft dollar arrangements benefit the Adviser's investment process for client accounts and may be used in formulating investment advice for any and all clients of the Adviser, including accounts other than those that paid commissions to the broker/dealers on a particular transaction. Nonetheless, not all research generated by a particular client's trade will benefit that particular client's account. In some instances, the other accounts benefited may include accounts for which the accounts' owners have directed their portion of brokerage commissions to go to particular broker/dealers other than those that provided the

research products/services. However, research services obtained through soft dollar transactions may be used in advising all accounts, and not all such services would necessarily be used by the Adviser in connection with the specific account that paid commissions to the broker/dealer providing such services.

The Adviser periodically reviews the past performance of broker/dealers with whom it has been placing orders in light of the factors discussed above. Notwithstanding any research provided, the Adviser may cease to do business with certain broker/dealers whose performance may not have been competitive, or we may demand that such broker/dealers improve their performance before receiving any further orders. The overall reasonableness of commissions paid is evaluated by reviewing what competing broker/dealers were willing to charge for similar types of services. The evaluation would also consider the timeliness and accuracy of the research received. Reasonableness is evaluated on an ongoing basis.

From time to time, certain clients may request that the Adviser not generate soft dollar credits on trades executed for their accounts. While the Adviser may accommodate such requests in its discretion, trades for these clients generally do not experience lower transaction costs. In addition, the trading process for these clients may be adversely affected in other ways, including that the client may not participate in aggregated orders with clients that have not made such a request, therefore preventing the client from receiving the price and execution benefits of the aggregated order. In addition, and as with other directed or customized brokerage arrangements, the positions of these accounts in trade ordering and trade rotation may be impacted. Please see the "Directed Brokerage" sub-section above for more information on how customized brokerage arrangements may adversely impact trading results. The Adviser reserves the right to reject or limit client requests of this type, and clients may be charged a premium for such arrangements.

As noted previously, the Adviser maintains a series of internal controls and procedures relating to its brokerage practices, including its use of soft dollars. These controls and procedures are designed to mitigate the potential conflicts of interest described in this item.

Trade Aggregation

When two or more portfolios are simultaneously engaged in the purchase or sale of the same security, the Adviser may, but is not obligated to, combine and aggregate the transactions to form a "bunched trade" or "block trade." In such cases, these accounts will receive the average price of the transactions in that security for the day. Trades in the same security for different accounts will be accumulated for a reasonable period of time to allow for aggregation, unless a particular account's interest would be unduly prejudiced. The Adviser may, but is not required to, aggregate orders into block trades where the Adviser believes this is to be appropriate, in the best interests of the client accounts, and consistent with applicable legal requirements. Transactions executed in a block will typically be allocated to the participating client accounts before the close of the business day.

Since more than one account's orders are included in a block trade, the Adviser has adopted a policy of using a "pro rata allocation" to allocate the trade among each account whose order makes up part of the block. Under a pro rata allocation, as securities are being purchased or sold as part of the block trade, the securities are being allocated to (or away from, in the case of a sale) accounts in the proportion by which each account's order size (as determined by the portfolio manager at the time of order entry) makes up a percentage of the entire block. In cases where the Adviser is unable to fulfill a block trade the same day (i.e., purchase or sell all securities within the block trade), those securities that have been purchased or sold by the end of the day will generally be allocated pursuant to the Adviser's pro rata allocation methodology.

The Adviser believes that, in most instances, a pro rata allocation of block trades will assure fairness. However, we also recognize that no rigid formula will necessarily lead to a fair and reasonable result, and that a degree of flexibility to adjust the formula to accommodate specific circumstances is necessary when determining how to allocate block trades. Therefore, under certain circumstances, allocation of block trades on a basis other than strictly pro rata may occur if we believe that such allocation is fair and reasonable. Nevertheless, all securities purchased or sold through a block trade, including expenses incurred in the transaction, will be allocated on a fair and equitable basis over time, to the extent practicable, without favoring any account or type of account or client (including any proprietary or affiliated account). On a periodic basis, our portfolio managers and compliance personnel monitor the proportional amounts allocated to all portfolios to determine whether such allocations are fair and equitable over time.

The ability of a client account to participate with other accounts in bunched/block transactions may produce better execution for the individual client account. However, in some instances, a client may have designated a specific broker/dealer to whom the client's trades must be directed. (See the "Directed Brokerage" sub-section above.) This designated broker/dealer may not (or, in some cases, will not) execute bunched or block trades, and even if it does, the Adviser may not be able to direct the entire block trade to this designated broker/dealer because it would conflict with the Adviser's duty to obtain best execution. In such cases, since the Adviser will place the client's trade with the designated broker/dealer as instructed rather than include the client's order in the block trade, the client may not necessarily get the better price and/or level of execution that those clients who participate in the block may receive.

When executing short sales on behalf of accounts of, or funds sponsored by the Adviser, the Adviser will typically execute these trades through a prime broker who will hold the securities of the account or fund. Where possible the Adviser will attempt to execute short sales apart from purchases or sales of the same securities by long only accounts managed by the Adviser. Should this segregation prove impractical, the Adviser will execute the trades in a manner the Advisers determines to be fair and equitable to all accounts participating in the purchase and/or sale transactions for a respective security. With respect to accounts or funds participating in a short sale of the same security among differing brokers, the Adviser will implement a procedure (typically a trade rotation) that

provides fair and equitable treatment with respect to the short sale transaction impacting participating accounts or funds.

Initial Public Offerings (“IPOs”)

In general, the Adviser does not participate in Initial Public Offerings (IPO). Should the Adviser determine that purchasing an IPO would be beneficial to its clients the Adviser’s Investment Committee will determine the appropriate procedure to ensure equitable allocation of the purchases among the Adviser’s clients.

Trade Errors and Trade Error Accounts

As in any business, mistakes will happen despite the good intentions of employees and the controls of management. The Advisers corrects mistakes in a timely manner with no financial loss to our clients. Any trade errors will be documented promptly and completely. The firm does not maintain trade error accounts with any broker.

Clients invested in private funds sponsored by the Adviser may be subject to a different standard of care with respect to correction of trade errors. Clients or prospects of private funds should consult their offering document for a discussion of losses due to trade errors.

Item 13 Review of Accounts

The Adviser’s Equity and Fixed Income Portfolio Management and Client Service teams are responsible for the regular review of the assets of the accounts under their supervision. The number of reviewers and accounts assigned to each varies depending on the nature of the product, service, or strategy. In addition, certain events may trigger a particular additional review and rebalancing.

For Equity accounts, staff within the Client Service unit review the cash balance of each account on a weekly basis. The Adviser’s investment research analysts are typically responsible for tracking a variety of companies within sectors and industries in order to make recommendations for the Adviser’s portfolios. The individual holdings within client accounts are reviewed by investment research analysts on a daily basis. The relative attractiveness of one stock compared to other stocks within the same sector based on the Adviser’s quantitative model is the basis for the research analyst’s decision to purchase or sell a stock across client portfolios. In addition, the Advisers’ investment research analysts will typically hold a rebalancing meeting at least twice per quarter to discuss the stocks that the Adviser is monitoring for potential purchase or sale, to rebalance sector weightings and to assess other factors that are expected to position client portfolios to outperform a specified benchmark.

For Fixed Income Accounts, staff within the Client Service unit review the cash balance of each account on a weekly basis. The Adviser’s Fixed Income Portfolio Managers review the fixed income holdings on at least a weekly basis. The portfolio managers will evaluate changes in the yield curve, the duration of client portfolios, the credit quality of client

portfolios among other factors that are expected to position client portfolios to outperform a specified benchmark.

For Balanced Accounts, staff within the Client Service unit review the assets of each account on a weekly basis for portfolio strategy and for asset allocation compliance, where client guidelines specify the Adviser has responsibility for asset allocation.

Regular reviews of client accounts are also conducted at various intervals by compliance personnel in order to monitor adherence to internal investment guidelines, client mandated or contractual guidelines and regulatory requirements. Compliance will also compare individual client accounts against other accounts invested in a similar manner to assess the consistency of holdings and performance, and to reconcile any outliers or other exceptions that are found. Exceptions are immediately reported to senior management of the Adviser.

The Adviser also performs reconciliations of its records of the securities and cash within its clients' accounts against the records of the custodians who actually hold the securities and cash. These reconciliations are performed by the Adviser's operations personnel. For accounts whose assets are held at large custodians, cash and asset positions are reconciled on a daily basis. The cash and asset positions of all accounts are reconciled to their respective custody account on at least a monthly basis. To the extent any discrepancies are identified through the performance of these reconciliations, the operations personnel will work with the custodian to resolve any such discrepancies. Any large discrepancies are reported to the Chief Compliance Officer. The custodian's statements and records are the official books and records for the account.

Reporting

Clients generally receive monthly or quarterly account reports from both the Adviser and their independent qualified custodians, unless they request more frequent reporting. The reports typically include:

1. Listing of individual holdings, including number of shares and current market value;
2. Quarterly, year-to-date, and from-inception time-weighted rates of return;
3. Purchase and sale transactions occurring during the quarter.

Item 14 Client Referrals and Other Compensation

Relationships with Solicitors

The Adviser is party to agreements with third party solicitors pursuant to which the Adviser pays a fee to these parties in connection with their solicitation of clients and other services that they provide on Adviser's behalf, such as sales, marketing, client referrals, and client services. Notwithstanding these various arrangements with other parties, the Adviser employs procedures to provide reasonable assurance that all clients and accounts

are treated fairly and equitably over time, and that the Adviser's relationships with such parties do not give rise to any inappropriate preferential treatment.

The Adviser is currently party to Client Service/Marketing Agreement(s) with one or more subsidiaries of Affiliated Managers Group, Inc. (AMG), a related person of the Adviser, under which the AMG subsidiaries market certain of the Adviser's investment strategies to wholesale clients and may provide client services to clients of the Adviser in certain foreign countries.

The Adviser is currently party to an investment adviser servicing agreement with Managers Investment Group LLC ("Managers") (which is an affiliate of the Adviser by virtue of Affiliated Managers Group's majority equity ownership position in each of the Adviser and Managers), under which Managers provides certain services to the Adviser in connection with the Adviser's provision of investment advisory services to certain clients, including those in certain wrap fee programs, and a subadvisory marketing agreement with Managers under which Managers markets the Adviser's sub-advisory services to intermediaries that sponsor sub-advised investment products, with the Adviser paying a fee to Managers for these services. At present those platforms contain no active relationships.

The Adviser is currently party to a Placement and Referral Fee Agreement with Boomerang Capital LLC ("Boomerang"), under which Boomerang identifies and makes referrals of investors for the Adviser's CEP EMN Funds and manages CEP EMN separate accounts (investors solicited by Boomerang collectively referred to herein as "Boomerang Investors"). Boomerang is compensated only for those services rendered with respect to the Boomerang Investors. In compliance with Rule 206(4)-3 of the Advisers Act, Boomerang discloses this fee arrangement and the other material terms of their relationship with the Adviser, in writing, to prospective investors prior to making such referrals.

Other Compensation

In limited instances, Adviser has and may in the future enter into a sub-advisory agreement with the investment manager to a private investment partnership to manage a portion of the partnership's assets. Under the terms of the sub-advisory arrangement, Adviser or another entity that is wholly or substantially owned by associated persons of the Adviser will establish a capital account in the partnership and maintain a minimum investment balance equal to a percentage of the assets of the partnership managed by the Adviser as agreed to between Adviser and general partner of the private investment partnership. As such, Adviser, or the affiliated entity, whichever is the investing entity ("Investing Entity") will be a special limited partner in the partnership. No asset based management fees will be received by the Adviser from the partnership under this arrangement; however, the Investing Entity will be entitled to receive a performance-based profit allocation from the partnership based on the performance of (i) the assets managed by the Adviser exclusive of the Investing Entity's capital account and (ii) the Investment Entity's capital account, which is subject to certain loss and profit priority partnership allocations.

Relationships with Consultants

Many of our clients and prospective clients retain investment consultants to advise them on the selection and review of investment managers. The Adviser may have certain accounts that were introduced to the Adviser through consultants. These consultants or their affiliates may, in the ordinary course of their investment consulting business, recommend the Adviser's investment advisory services or otherwise place the Adviser into searches or other selection processes for a particular client.

The Adviser has extensive dealings with investment consultants, both in the consultants' role as adviser for their clients and through independent business relationships. Specifically, we provide consultants with information on portfolios we manage for our mutual clients, pursuant to our clients' directions. The Adviser also provides information on our investment styles to consultants, who use that information in connection with searches they conduct for their clients. The Adviser may also respond to "Requests for Proposals" from prospective clients in connection with those searches.

Clients obtained from these consultants may instruct the Adviser to direct some or all of their brokerage transactions to these consultants, which may also be a broker/dealer, or to the particular broker/dealers with whom they have relationships. In the alternative, the Adviser may simply choose to allocate brokerage to such consultants or broker/dealers. Other interactions that the Adviser may have with consultants include, but are not limited to, the following:

- The Adviser may invite consultants to events or other entertainment hosted by the Adviser.
- The Adviser may, from time to time, purchase software applications, access to databases, and other products or services from some consultants.
- The Adviser may pay registration or other fees for the opportunity to participate, along with other investment managers, in consultant-sponsored industry forums or conferences. These conferences or forums provide the Adviser with the opportunity to discuss a broad variety of business topics with consultants, clients, and prospective clients.
- In some cases, the Adviser may serve as investment adviser for the proprietary accounts of consultants or their affiliates, or as adviser or sub-adviser for funds offered by consultants and/or their affiliates.

In general, the Adviser relies on each consultant to make appropriate disclosure to its clients of any conflict that the consultant may believe to exist due to its relationship with our firm.

Consulting Databases

The Adviser may pay consultants or other third parties to include information about the Adviser's investment approaches in databases that they maintain to describe the services provided by investment managers to prospective clients.

Compensation from Third Parties

The Adviser does not receive any monetary compensation or any other economic benefit from a non-client for the Adviser's provision of investment advisory services to a client.

Item 15 Custody

The Adviser does not act as a custodian over the assets in the accounts we manage for our clients. Clients must make their own arrangements for custody of securities in their accounts. Such custodians may be broker/dealers, banks, trust companies, or other qualified institutions. The qualified custodian will typically provide the client with at least quarterly account statements relating to the assets held within the account managed by the Adviser. Each client should carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in the client's account and all account activity over the relevant period. Any discrepancies identified by a client should be immediately reported to the Adviser and the qualified custodian.

In addition to the account statements provided by qualified custodians to our clients, the Adviser also provides account statements to clients, typically on a monthly basis. As such, we encourage clients to compare the statements provided to them by the Adviser against those provided to them by the qualified custodians who hold the assets of their accounts, and to report any questions, concerns, or discrepancies to both the Adviser and the qualified custodian promptly. Such questions, concerns, or discrepancies may be communicated to the Adviser by writing, e-mailing, or telephoning us using the following contact information:

Chicago Equity Partners, LLC
180 North LaSalle Street, Suite 3800
Chicago, IL 60601
Phone: (312) 629-8200
E-mail: info@chicagoequity.com
Attention: Client Service

Our statements may vary from custodial statements based on accounting procedures, reporting dates, and/or valuation methodologies of certain securities. However, please note that custodian statements reflect the official books and records for the accounts we manage.

With respect to funds sponsored by the Adviser, the Adviser is deemed to have custody by the SEC Custody Rule by virtue of having the ability to authorize the movement of cash belonging to the funds. The security holdings of each fund will be custodied at a prime broker. Admissions and withdrawals of interests in the funds will be processed by a fund administrator. In accordance with the SEC Custody Rule the funds will be subject to annual audits and audited financial statements prepared in accordance with generally accepted accounting principles (GAAP) will be distributed to all investors on an annual basis.

Item 16 Investment Discretion

The Adviser is typically granted discretionary authority by a client at the outset of an advisory relationship to determine the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts of securities for purchase or sale, the Adviser observes the investment policies, limitations, and restrictions that are applicable to our clients' accounts, as set forth by our clients. Any investment guidelines and restrictions, including amendments, must be provided to the Adviser by our clients in writing. A client will grant the Adviser discretionary authority by executing an investment management agreement, which includes, among other items, a statement giving the Adviser full authority to invest the assets identified by the client in a manner consistent with the investment objectives and limitations delineated by the client or those limitations imposed by law and to engage in transactions on a discretionary basis in the client account.

Class Action Suits and Other Legal Actions

Although the Adviser has significant discretionary authority the Adviser is not obligated to, and does not take any legal action with regard to class action suits relating to securities purchased by the Adviser for its clients. The Adviser provides instructions to custodians and brokers regarding tender offers and rights offerings for securities in client accounts. However, the Adviser does not provide legal advice to clients and, accordingly, does not determine whether a client should join, opt out of or otherwise submit a claim with respect to any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the client. The Adviser generally does not have authority to submit claims or elections on behalf of clients in legal proceedings. Should a client, however, wish to retain legal counsel and/or take action regarding any class action suit proceeding, the Adviser will provide the client or the client's legal counsel with information that may be needed upon the client's reasonable request.

Item 17 Voting Client Securities

Client accounts may hold stocks or other securities with voting rights. The Adviser's clients often have the right to cast votes at the corporate issuers' shareholder meetings. However,

since shareholders often do not attend shareholder meetings, they have the right to cast their votes by "proxy." In such cases, the Adviser's clients will either retain proxy voting authority or delegate it to the Adviser. If a client has delegated such authority to the Adviser (whether in the client's investment management agreement with the Adviser or otherwise), the Adviser will vote proxies for that client. If a particular client for whom the Adviser has investment discretion has not explicitly delegated proxy voting authority to the Adviser, the Adviser will not vote such client's proxies, and the client will retain the voting authority for its account. In such a case, the client will receive proxy solicitations from its custodian and the client may contact the Adviser with any questions about a particular solicitation.

Where clients have delegated proxy voting authority to the Adviser, as an investment adviser and a fiduciary of client assets, the Adviser has implemented proxy voting policies and procedures intended to protect the value of shareholder investments and designed to reasonably ensure that the Adviser votes proxies in the best interest of clients. In voting proxies, the Adviser seeks to both maximize the long-term value of our clients' assets and to cast votes that the Adviser believes to be fair and in the best interest of the affected client(s). If a client has delegated proxy voting authority to the Adviser, but would nevertheless like to direct our vote on a particular proxy solicitation, the client may make arrangements to direct the vote for this proxy by contacting their Client Service Representative.

Voting Agent /Proxy Research Provider

The Adviser has contracted with an independent third-party provider who provides voting agent services and advice on how the Adviser may vote specific proxy proposals. Voting agent services typically include executing proxy votes and keeping various records necessary for tracking proxy voting materials and proxy voting actions taken for the appropriate client account. The service provider also conveys proxy voting advice to the Adviser. The Adviser has adopted a set of proxy voting guidelines, which are supplemented by the advice received from the proxy research provider. The Adviser has appointed a proxy voting coordinator who reviews the advice rendered by the proxy research provider and determines the vote to be cast on specific proposals in light of the Adviser's proxy voting guidelines and the advice received from the proxy research provider.

Conflicts of Interest

As noted, the Adviser has an agreement with an independent proxy agent and research provider. The proxy voting agent and research provider has established policies and procedures designed to address conflicts of interest and the service provider has agreed to notify the Adviser when a conflict arises that prevents the provider from rendering fair and impartial advice. In such instances that the proxy research provider cannot issue impartial advice and the proposal(s) are not included within the Adviser's standard voting guidelines, then the Adviser's Proxy Committee will determine how the proxy proposal(s) will be voted.

The Adviser has also drafted a proxy voting policy that addresses conflicts of interest that the Adviser may encounter in voting client proxies. Clients may obtain a copy of the

Adviser's Proxy Policy and/or a proxy voting statement from their Client Service Representative. Prospective clients may obtain a copy of the Adviser's Proxy Policy from their Sales Representative.

Item 18 Financial Information

The Adviser has no financial condition that impairs our ability to meet our contractual and fiduciary commitments to our clients. The Adviser has not been the subject of a bankruptcy proceeding.

Supplemental Information – Chicago Equity Partners Privacy Policy:

This notice describes the privacy practices of Chicago Equity Partners.

Your privacy is important to us. Our policy is to respect the privacy of current and former clients and to protect non-public information entrusted to us. We do not share any nonpublic information of clients or former clients with any third parties except as permitted by law or as authorized by our clients. Chicago Equity Partners has no affiliated companies or entities.

In the course of providing products and services to you, we collect nonpublic information about you from various sources such as account applications or agreements, investment guidelines, transactions in your account, information provided by your consultant and through interacting with your custodian. Such information may include your name, address, account and tax identification numbers, the types and amounts of investments, your bank account number and your custodial account information.

In the normal course of serving clients, information we collect may be shared with companies that perform various services such as custodians, broker-dealers and other service firms. The organizations that receive that information will use that information only for the services required and as allowed by applicable law or regulation, and are not permitted to share or use this information for any other purpose.

Access to customers' nonpublic information is restricted to employees who need to access that information. Chicago Equity Partners uses industry standard, physical, electronic, and procedural safeguards to protect client information. A client's right to privacy extends to all forms of contact with us including telephone, written correspondence, and electronic media such as e-mail and the Internet.

For questions concerning Chicago Equity Partners' privacy policy, please contact your Sales or Client Service representative.

Supplemental Information –ERISA 408(b) (2) Disclosure:

We are providing this information in accordance with the amended rules issued by the U.S. Department of Labor under ERISA Section 408(b) (2).

Should you have any questions concerning this guide or the information provided to you with respect to the services provided by Chicago Equity Partners or the compensation received by the firm, please contact your Client Service representative.

Description of Services provided by Chicago Equity Partners:

Chicago Equity Partners provides investment management services to your plan under the terms stated in the investment advisory agreement that you executed with our firm. This agreement includes specific investment guidelines, which govern the investment of plan assets. As such, Chicago Equity Partners is a “covered service provider”.

Statement of Fiduciary Services:

Chicago Equity Partners provides services to your plan as a fiduciary within the meaning of section 3(21) of ERISA.

Registered Investment Adviser Status:

Chicago Equity Partners provides services to your plan as a registered investment adviser under the Advisers Act.

Direct Compensation:

Chicago Equity Partners receives direct compensation for its services as an investment manager in accordance with the fee schedule included in the account agreement for your plan.

Indirect Compensation:

Chicago Equity Partners receives eligible indirect compensation with respect to the investment management services provided in the form of “soft dollars” for plans that invest in equity securities. A complete description of how Chicago Equity Partners uses soft dollars is included in our Form ADV Part 2A, Section 12 – Brokerage Practices.

For plans invested solely in fixed income securities there will be no indirect compensation received by Chicago Equity Partners.

Employees of Chicago Equity Partners may receive indirect compensation in the form of gifts and entertainment from vendors and brokers. Receipt of such gifts and entertainment is subject to a Code of Ethics and, in aggregate, does not exceed the Department of Labor de minimis.

Compensation paid among related parties:

Chicago Equity Partners, LLC
Form ADV Part 2A
June 25, 2014

Chicago Equity Partners does not receive any compensation from related parties with respect to the services provided to your plan.

Termination Compensation:

Chicago Equity Partners will not receive any compensation upon termination of your plan's agreement with our firm.

Manner of receipt of compensation:

Chicago Equity Partners will bill the plan for services provided based on the fee schedule stated in your plan's account agreement. The source of the funds to be paid for the services provided will also be stated in that agreement or will be otherwise directed by the plan.