

Sierra Investment Partners, Inc.

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This Brochure provides information about the qualifications and business practices of Sierra Investment Partners, Inc. If there are any questions about the contents of this Brochure, please contact Sierra at (925) 941-6300 or via email at JM McGuire@sierrainv.com. Office hours are 8AM to 5PM PST. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Sierra Investment Partners, Inc. is a Registered Investment Adviser with the SEC. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide Clients with information that they may use to determine whether to hire or retain Sierra. Additional information about Sierra Investment Partners, Inc. is also available on the SEC's web site at www.adviserinfo.sec.gov.

Item 2 - Material Changes

Our last filing was in April, 2014. This is our annual filing and we have the following material changes to disclose:

1. We have updated our assets under management in Item 4 - Advisory Business
2. Sierra is no longer offering the Concentrated Growth Balanced strategy through our sub-advisory arrangement with Pioneer Institutional Asset Management, Inc.
3. Sierra is no longer offering the Large Cap Intrinsic Value Balanced strategy through our sub-advisory arrangement with Todd Asset Management, LLC.

Sierra will ensure that Clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the business' fiscal year which is September 30th. Sierra will also promptly provide other ongoing disclosure information about material changes as needed. Sierra will provide Clients with a new Brochure, as necessary, based on changes or new information. Sierra's Brochure may be requested at any time, without charge, by contacting James G. McGuire III at (925) 941-6300 between 8AM and 5PM PST.

Additional information about Sierra Investment Partners, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. Clients can search this site by using a unique identifying number, known as a CRD number. The CRD number for Sierra Investment Partners, Inc. is 110954. The SEC's web site also provides information about any persons affiliated with Sierra Investment Partners, Inc. who are registered, or are required to be registered, as investment adviser representatives of Sierra Investment Partners, Inc.

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Item 4 - Advisory Business Introduction

Sierra Investment Partners, Inc. (“Sierra”) is a privately held, employee owned, independent registered investment advisory firm. Sierra was founded in February 1996 and is registered through and regulated by the United States Securities and Exchange Commission (“SEC”). Sierra operates as an investment management boutique that is focused exclusively on the investment needs of Taft-Hartley plans.

Sierra was founded by Bruce Dereschuk, who serves as the President and Chief Executive Officer, John Delissio Jr., who serves as the Senior Vice President, and James G. McGuire III, who serves as the Vice President. They have put together a team of individuals with over 100 years of combined experience in the Taft-Hartley industry. These team members are required to have a bachelor degree in a related field, five to ten years of investment-related experience or an equivalent combination of both. This team is committed to the observation of the highest ethical standards and the exercise of proper judgment in all aspects of their business dealings.

Sierra is a manager of managers and has exclusive sub-advisory and marketing arrangements with seven institutional investment firms. These sub-advisors manage the Client’s investment portfolios on behalf of Sierra. Sierra performs the marketing and Client servicing functions and monitors the investment process performed by the sub-advisors. Both Sierra and its sub-advisors function as a “Fiduciary”, as that term is defined in Section 3 (21) (A) of ERISA, with respect to the Investment Management Services provided for the assets in Client accounts.

Sierra is committed to forming partnerships with its Clients that are based on honesty, integrity and full disclosure. Sierra believes in the importance of ongoing communication with its Clients. Sierra provides Clients with ongoing communication through quarterly investment reports showing net-of-fee returns, periodic Client meetings, proxy voting consistent with AFL-CIO guidelines, and quarterly investment outlook newsletters. Sierra believes that by placing its Clients’ interests first, they add value to the investment management process and earn the Clients’ trust and respect.

Services

Sierra provides various investment management services exclusively for the Taft-Hartley marketplace. Sierra’s focus is on helping develop and execute plans that are designed to meet the investment objectives and requirements of the Clients’ Taft-Hartley plans. Sierra provides multiple products which are selected by the Client or consultant based on the individual needs of the Client or as established by the Client’s investment policy. The products Sierra offers are as follows: Core and Intermediate Fixed Income, Concentrated Growth Equity, International Growth Equity, Franklin Global Equity, Franklin Templeton Collective Investment Trust (Sierra/Franklin Non-U.S. Equity Trust – Commingled Fund), Non-U.S. Equity, Templeton Global Equity, Sierra/Templeton International Equity Trust (Commingled Fund), Large Cap Intrinsic Value Equity, , Intrinsic Value Opportunity , Small Cap Value Equity, High Yield Fixed Income and Fort Washington High Yield Investors II, LLC (Commingled Fund). These are offered through Sierra’s exclusive sub-advisory and marketing arrangements with seven institutional investment firms employed by Sierra to manage its Clients’ portfolios. The sub-advisors employed by Sierra are: PMG Advisors, LLC; Pioneer Institutional Asset Management, Inc.; Franklin Equity Group; Templeton

Investment Counsel, LLC; Todd Asset Management, LLC; Fort Washington Investment Advisors, LLC; and Robert W. Baird & Co. Incorporated and Baird Investment Management. The portfolio managers with these sub-advisors have extensive experience. Each sub-advisor was chosen because of their experience with a specific portfolio.

Accounts are typically managed in accordance with the sub-advisor's overall investment style focused on an investment philosophy. However, Sierra and its sub-advisors comply with all standards of fiduciary responsibility as required by ERISA in managing Client accounts. The minimum account size for individually managed accounts is \$5 million although initial deposits of less than \$5 million may be allowed and will be reviewed on a case-by-case basis. Deposits of less than \$10 million for initial funding are generally available to funds with less than \$25 million in total assets. Exceptions may be allowed and will be reviewed on a case-by-case basis.

As of 09/30/2014, Sierra provided investment management services for 120 accounts managing assets of \$3,280,764,222.

Assets under management are generally managed on a discretionary basis, which means the Client has given Sierra and its sub-advisors the authority to determine the following without their consent:

- Securities to be bought or sold for Client's account
- Amount of securities to be bought or sold for Client's account
- Broker-dealer to be used for a purchase or sale of securities for Client's account
- Commission rates to be paid to a broker-dealer for Client's securities transaction

The Client may have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct Sierra or the sub-advisor not to purchase certain stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction Clients request.

Sierra also imposes the following purchasing restrictions on its sub-advisors:

- Labor sensitive company issues
- Risk-averse security selection
- Adherence to the AFL-CIO boycott list unique to the Taft-Hartley marketplace

These purchasing restrictions reflect Sierra's commitment to servicing its Clients who utilize Taft-Hartley plans to fulfill their employer responsibilities.

Under certain conditions, securities from outside accounts may be transferred into the Client's advisory account; however, it may be recommended that Clients sell any security if it is believed not to be suitable for the current recommended investment strategy. Sierra does not provide tax advice or tax management services. Clients should always consult with their tax advisor for specific tax advice.

Sub-Advisors

Sierra's sub-advisors are all registered with the SEC and manage investment portfolios for its Clients on its behalf. The Client determines which sub-advisor's portfolios suit their investment needs, objectives

and strategies. Each sub-advisor manages a particular portfolio(s) and has full discretion to manage these portfolios in accordance with their specific investment philosophy and process, within the Client's guidelines.

The sub-advisors selected for these programs have discretion to determine the securities to buy and sell within the account, subject to any reasonable restrictions imposed by the Client. Sierra shall provide its ADV upon hire, at the request of the Client and following material revisions. The sub-advisor's ADV may also be provided upon Client request.

PMG Advisors, LLC

In the Fixed Income arena, Sierra chose PMG Advisors as its exclusive sub-advisor. PMG Advisors, LLC ("PMGA") is an investment management and advisory firm specializing in U.S. Dollar-denominated fixed income portfolios and is based in West Conshohocken, Pennsylvania. PMGA has provided discretionary advisory services to institutional Clients and high net-worth individuals since 1996.

Fixed Income Portfolio

PMGA believes that superior returns can be consistently achieved by utilizing a conservative but active strategy of investing in high-quality U.S. intermediate securities or longer term securities for total return accounts. PMGA actively manages portfolios comprised of U.S. Treasury, Agency, Mortgage Pass-Through, and Corporate Securities. PMGA applies a conservative, disciplined investment approach and seeks to outperform benchmark indices through a combination of 'quantitative' and 'fundamental' tools. PMGA offers four distinct products for Sierra's Clients tailored to suit the needs of the jointly-managed marketplace. These investment programs are as follows:

- Fixed Income Core-Government/Credit
- Fixed Income Core-Aggregate
- Fixed Income Intermediate
- Fixed Income Short Government

PMGA's fixed income products are managed by their Investment Committee; however, each Client portfolio is assigned to a Managing Director to ensure adherence to specific Client guidelines. PMGA's portfolios have a consistent track record with an excellent historical long-term performance record. PMGA's portfolios are high quality, liquid and less volatile. PMGA's portfolio management team has worked together for more than 23 years serving institutional investors and high net worth individuals.

Pioneer Institutional Asset Management, Inc.

Sierra chose Pioneer Institutional Asset Management, Inc. ("PIAM") as one of its exclusive sub-advisors. PIAM specializes in providing products to the Taft-Hartley marketplace. PIAM offers Concentrated Growth Equity portfolios as part of its sub-advisory services to Sierra and its Clients.

Pioneer Institutional Asset Management, Inc. was founded in 2006, is based in Boston, Massachusetts, and is a Registered Investment Adviser. PIAM provides investment advisory services to various entities such as state and local retirement boards, pension and profit sharing plans, corporations and other businesses and institutional Clients. Advisory services only include portfolio management for businesses or institutional Clients.

Concentrated Growth Equity Portfolio

This portfolio's investment process emphasizes high-quality companies that take advantage of business trends, demonstrate competitive strength, and have attractive returns on incremental invested capital. PIAM believes that a concentrated portfolio of companies that exhibit dominant business franchise, strong long-term growth characteristics, and the ability to capitalize on secular trends will provide consistent, superior performance over time.

PIAM seeks companies with above average profitability, return on invested capital, growth potential, market position and balance sheet and management that are selling at a significant discount to PIAM's estimation of their intrinsic value.

Franklin Equity Group

Sierra chose Franklin Equity Group ("FEG") as its sub-advisor for International Growth Equity, Global Equity and Franklin/Templeton Collective Investment Trust (Sierra/Franklin Non-U.S. Equity Trust – Commingled Fund). Founded in 1947, FEG has a team of over 70 investment professionals spread around the globe. Over 30 dedicated industry specialists, organized into sector teams, provide a robust research platform leveraged by the FEG portfolio teams. The firm is based in New York, New York.

International Growth Equity Portfolio

FEG invests in listed equities of companies globally. FEG believes that by looking across a broad opportunity set, conducting in-depth research on individual companies, and selecting in a limited set of what they believe are the best opportunities; they can offer investors the opportunity to participate in faster growing regions or secular trends in the global economy. The investment teams focus on companies they believe have the ability to outperform peers over multiple years as a result of a strong competitive advantage, consistent free cash flow, a responsible management team and by not over-paying upon investment.

FEG believes that a well-diversified international equity portfolio which focuses on regions and companies with significant earnings potential, managed within a disciplined process of active asset and sector allocation, will provide long-term capital appreciation. They begin with a top-down approach to regional, country, and currency analysis. This macro analysis is then used to develop sector and theme changes that highlight investment opportunities as well as issues selection. These issues must also pass the in-depth Sierra International Social Screening[®] process which eliminates those stocks that do not meet Sierra and FEG's rigorous standards. These screens favor companies that protect human rights, workers' safety, labor's right to collectively bargain, ethical employment standards, and the creation of U.S. jobs through exports to the U.S. They also protect against ownership in companies that use child or prison labor, displace American products or workers or impose unfair trade barriers against the U.S. FEG's team searches for companies with sustainable business models across all industry groups, and invests primarily in companies that have higher expected revenue and earnings growth than their peers. The focus on return on equity, free cash flow, and the creation of shareholder value underpins the search for quality.

FEG's comprehensive global investment platform encompasses a broad range of investment disciplines. FEG's experienced portfolio managers apply proven investment philosophies within a defined

framework of risk control and oversight. Their specialist portfolio managers benefit from the perspective gained through collaboration among diverse investment teams.

Franklin Global Equity

FEG offers a broad range of strategies that vary according to investment style, market capitalization and geography. FEG's portfolio managers and analysts apply a disciplined, bottom-up approach to selecting stocks. FEG employs a team approach to managing the portfolio, which includes a team approach to buy and sell decisions.

The strategies are managed in accordance with FEG's investment philosophy and approach, which are based on three tenets: value, patience, and bottom-up stock selection. Combining time-proven fundamental analysis with original research, FEG looks for companies that meet their criteria of quality and valuation.

Based on these research results, managers construct portfolios within established parameters for diversification. Portfolio managers review portfolios to assess sector and industry risk exposure in response to changing market conditions. The highly disciplined selling strategy is designed to pursue capital appreciation opportunities.

Franklin Templeton Collective Investment Trust (Sierra/Franklin Non-U.S. Equity Trust – Commingled Fund)

The Franklin International Equity approach utilizes fundamental research analysis to construct a concentrated, yet diversified portfolio of companies that meet the team's growth, quality and valuation investment criteria. The investment team believes an in-depth research and a carefully chosen portfolio of companies has the ability to generate consistent returns for investors, while diversification of earnings drivers among those companies helps maintain reasonable risk levels. They focus on absolute value and long-term appreciation. Country and industry weightings are the residual of the stock selection process, they do not drive it. An integral part of the process is the in-depth Sierra International Social Screening process that eliminates those stocks that do not meet Sierra and Franklin's rigorous standards. These screens favor companies that protect human rights, workers' safety, labor's right to collectively bargain, ethical employment standards, and the creation of U.S. jobs through exports to the U.S. They also protect against ownership in companies that use child or prison labor, displace American products or workers, or impose unfair trade barriers against the U.S.

Templeton Investment Counsel, LLC

Sierra chose Templeton Investment Counsel, LLC ("TIC") as its sub-advisor for the International Value and Global Equity strategies and the Sierra/Templeton International Equity Trust (Commingled Fund). TIC has one of the longest global investment track records in the world and is based in Fort Lauderdale, Florida. For more than 70 years, TIC has been managing assets globally with portfolio managers and analysts strategically located in offices throughout the world. The depth, experience and analytical capabilities of the global research team are key to the Templeton process. TIC's global equity portfolio management team has an average of more than 17 years investment experience and an average of 11 years tenure with the firm. The TIC investment products follow the investment management principles

established by its founder and former chairman, Sir John Templeton, who is no longer affiliated with the Templeton organization, and has not been since 1992.

TIC provides both equity and fixed income investment advisory services to large tax-exempt institutional accounts, primarily pension and profit-sharing plans, endowment funds, foundations, commingled trusts, investment companies registered with the SEC pursuant to the Investment Company Act of 1940 (the “1940 Act”), pooled investment vehicles that are exempt from registration under the 1940 Act and separate accounts.

TIC’s management services primarily offer a long-term approach to value-oriented global, international and emerging markets’ investing by focusing on fundamental analysis and “bottom-up” selection of securities issued by companies around the world.

Non-U.S. Equity

TIC’s equity management services primarily offer a long-term approach to value-oriented global, international and emerging markets investing by focusing on fundamental analysis and “bottom-up” selection of securities issued by companies around the world. TIC seeks companies that are trading at a discount to what the research indicates the company may be worth. Security prices can fluctuate more widely than underlying security values but market efficiencies should recognize and correct these security prices over time. They identify value through rigorous fundamental analysis of a company’s business to determine what its economic worth is based on future earnings, cash flow or asset value potential.

Templeton Global Equity

The Templeton Global Equity Group (“GEG”) manages all global, regional and single country equity products. GEG is comprised of senior management personnel, including the Chief Investment Officer, Director of Portfolio Management and Director of Research. Each of these representatives is supported by the resources of the entire GEG with all members of GEG contributing research ideas and critical feedback. Generally, the CIO is responsible for all aspects of GEG while the Director of Portfolio Management coordinates the global portfolio management activities and the Director of Research oversees the equity research process.

TIC also offers multi asset strategies, which may combine strategies from various advisers within Franklin Templeton Investments or be outcome oriented in nature.

The Global Equity strategy provides an investment opportunity utilizing a time-tested approach to investing with origins dating back over 60 years. Templeton’s industry recognition has been built upon a philosophy that seeks value in all corners of the world using a global industry focus and long-term investment horizon. The investment process is founded on three tenets: Value, Patience, and Bottom-up stock selection.

Sierra/Templeton International Equity Trust (Commingled Fund)

The international value equity investment approach, which focuses on absolute value and long-term appreciation, distinguishes this portfolio from others. TIC believes international diversification provides investors with greater opportunity and may reduce overall portfolio risk. TIC seeks value wherever it

can be found. Country and industry weightings are residuals of the stock selection process, they do not drive it. This enables the incorporation of the best ideas into every portfolio, subject only to its specific geographic mandate and investment guidelines, which includes the in-depth Sierra International Social Screening[®] process that eliminates those stocks that do not meet Sierra and TIC's rigorous standards. These screens favor companies that protect human rights, workers' safety, labor's right to collectively bargain, ethical employment standards, and the creation of U.S. jobs through exports to the U.S. They also protect against ownership in companies that use child or prison labor, displace American products or workers, or impose unfair trade barriers against the U.S.

Todd Asset Management, LLC

Sierra chose Todd Asset Management, LLC ("TAM"), as its exclusive sub-advisor to offer Large Cap Intrinsic Value Equity and Intrinsic Value Opportunity products to the Taft-Hartley marketplace. TAM, based in Louisville, Kentucky, is one of the region's oldest and largest money management firms. Todd Asset Management LLC, formerly Todd-Veredus Asset Management LLC began operations on June 1, 1998 as Veredus Asset Management LLC ("VAM"). Effective May 1, 2009, VAM combined with Todd Investment Advisors, Inc. ("TIA") through a series of transactions in which VAM acquired substantially all of the assets and identified liabilities of TIA in exchange for 45% of the equity units of VAM. TIA (and its predecessors) was founded in 1967 by Bosworth M. Todd. Upon the combination of VAM and TIA in 2009, Veredus Asset Management LLC changed its name to Todd-Veredus Asset Management LLC (TVAM).

On February 28, 2013, TVAM redeemed ownership units held by individuals who supported the growth products founded under VAM. Prior to the redemption, investment operations of these products ceased. Subsequent to this redemption, TVAM changed its name to Todd Asset Management, LLC ("TAM"). TAM will continue to offer the same products and strategies managed by the same individuals and process founded under TIA.

Sierra did not use TVAM for their growth strategies so this does not affect Sierra's Clients or their portfolios. The intrinsic value philosophy is managed by investment professionals from TAM. TAM's portfolio managers have an average of over 20 years' experience each.

Large Cap Intrinsic Value Equity

The Intrinsic Value Equity approach is long term and risk averse. TAM's investment results demonstrate that a portfolio of companies, selling at a relative and significant discount to their fair market value with positive company-specific catalysts, should consistently outperform the market. TAM uses an intrinsic value approach that identifies stocks selling at significant discounts or premiums to their intrinsic value. Diversification across sectors, industries, and individual securities combined with an emphasis on quality give the portfolio attractive risk characteristics. TAM believes that company-specific fundamental prospects signaling improvement in a company's prospects and positive change in investor expectations should lead to higher returns.

The objective of the Large Cap Intrinsic Value product is to achieve competitive investment returns by purchasing equity securities of companies that are attractively priced and with positive fundamental and market acceptance characteristics. Equity securities are selected that also have a minimum market

capitalization of \$1 billion and a quality rating of B- or better. A review of an invested security would be initiated when there is a deterioration of fundamental criteria or the target sell price is reached.

Intrinsic Value Opportunity

The Intrinsic Value Opportunity strategy employs TAM's core Price to Intrinsic Value discipline to manage a portfolio using a rules based process. TAM uses the S&P 500 as the source for the stocks in the fund, and screens for the most attractively valued names in that universe. This first screening results in a pool of about 165 stocks that are used as a base group. TAM then screens for those stocks that have one of three additional qualities, market acceptance (as measured by technical indicators), balance sheet strength (financial ratio oriented to measuring return to shareholder) or income statement strength (as measured by ratio of profitability). Once the list of companies with these attributes is determined, TAM reviews the inputs into each component of the screening to ensure their accuracy. This typically results in approximately 30 holdings.

TAM believes that when you purchase attractively valued stocks with either top ranked technical strength, top ranked balance sheet strength, or top ranked income statement strength, that the portfolio typically outperforms the S&P 500 over time.

If a holding underperforms the index by 10%, it becomes a sale candidate. If a holding underperforms by 20%, it is automatically sold. If a stock rises into the top third of the universe by valuation, it is reviewed by the portfolio management team for potential sale. Proceeds from sales can be redeployed or held as cash at manager's discretion.

The portfolio is rebalanced every 3 months because TAM's studies have shown that rebalancing helped to maximize gains, Valuation and Relative Strength measures change with stock prices, and Financial Strength changes with economic fundamentals.

The portfolio is not required to be diversified by sector, and should be considered a more sector concentrated, aggressive application of the price to intrinsic value discipline.

Fort Washington Investment Advisors, Inc.

Sierra chose Fort Washington Investment Advisors, Inc. ("Fort Washington") as its exclusive sub-advisor to offer High Yield Fixed Income and Fort Washington High Yield Investors II, LLC (Commingled Fund) products to the Taft-Hartley marketplace. Fort Washington Investment Advisors, Inc. based in Cincinnati, Ohio, is a registered investment adviser and the primary investment arm of Western & Southern Financial Group, Inc. and their insurance affiliates. As sub-advisor, Fort Washington is responsible for developing, constructing, and monitoring the portfolios in compliance with mandates established by the Client.

High Yield Fixed Income

Fort Washington believes that the most appropriate risk-return scenario within the High Yield market exists in the higher quality, less volatile segments. Further, they believe that focus on these segments can also produce attractive absolute returns. They believe these results are best achieved by focusing on higher quality credits with lower default risk and mature sectors that can weather a full cycle. They

look to outperform over a full market cycle by protecting principal and providing a stable level of income with a favorable upside and downside capture experience.

Fort Washington High Yield Investors II, LLC (Commingled Fund)

Sierra invests the assets of the Client's Account in the Fort Washington High Yield Investors II, LLC investment in accordance with the Private Placement Memorandum provided to the Client. This is for Clients who wish to work with one provider for public equities, fixed income, and alternative assets. All of the public equity, fixed income and private equity strategies are available through commingled funds. Related persons of Fort Washington act as a managing member of these funds. Certain of Fort Washington's employees may have a direct or indirect investment interest in the commingled funds.

Robert W. Baird & Co. Incorporated and Baird Investment Management

Robert W. Baird & Co. Incorporated ("Robert Baird") is registered as a broker-dealer under the Exchange Act and an investment adviser under the Advisers Act. Robert Baird offers investment advisory services to Clients through Baird Investment Management ("BIM"), an investment management department of Robert Baird. BIM is based in Milwaukee, Wisconsin and is a registered investment adviser which was founded in 1919. Sierra has contracted with Robert Baird to offer BIM's Small Cap Value Equity product to the Taft-Hartley marketplace. Sierra chose Robert Baird and BIM because of BIM's philosophy, proven investment process, and seasoned portfolio team.

Small Cap Value Equity Portfolio

The Small Cap Value Equity Portfolio goal is to provide superior risk-adjusted returns and consistently outperform the benchmark index over a full market cycle (typically 3-5 years). BIM believes value and growth investing are not mutually exclusive and seeks to generate consistent, long-term performance.

The BIM Small Cap Value Equity Portfolio can be categorized as a fundamental and research driven approach to investing in small capitalization value stocks with market caps between \$100 million and \$2.5 billion. The Portfolio fundamentals consistently reflect a value style and seek to own securities that BIM expects to exceed street expectations and that trade at a discount to BIM's proprietary calculations of fair value. The Portfolio typically owns companies exhibiting high-quality characteristics including, but not limited to, strong balance sheets, high returns on equity, competitive advantages, high barriers to entry and above average profit margins. Generally, the presence of these criteria indicates a company likely to exceed industry expectations but trades at a discount to in-house calculations of fair value. To help control risks, the Portfolio is generally diversified among companies in a broad range of industries and economic sectors. Typically, no single holding in the Portfolio will exceed 5% of the Portfolio at cost or 8% of the Portfolio measured at market value. As a result, overall portfolio characteristics are targeted to possess above-average prospects for growth and below-average valuations relative to the benchmark index selected by the Client and/or their Consultant.

Item 5 - Fees and Compensation

Sierra provides investment management services through its sub-advisors for a fee. Fees include all fees to Sierra and its sub-advisors. Sierra's fees do not include brokerage commissions, transaction fees, and

other related costs and expenses that may be applicable to certain transactions. Clients may incur charges imposed by custodians, third party investment companies and other third parties including: fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Some investments also charge internal management fees, which may include, but are not limited to, a management fee, upfront sales charges, and other expenses. Sierra does not receive any compensation from these fees. All of these fees are in addition to the management fee the Client pays to Sierra. Clients should review all fees charged to fully understand the total amount they will pay.

Sierra's Investment Management Agreements define what fees are charged by Sierra and their frequency. Sierra bills fees either in advance or in arrears, on a quarterly basis, per the Client's instructions. The Client will pay management fees directly to Sierra upon receipt of Sierra's invoice. Management fees are prorated for each contribution and withdrawal made during the applicable calendar quarter (with the exception of small inconsequential contributions and withdrawals).

The Investment Management Agreement will remain in force until terminated by either party with written notice to the other. The Client's Investment Management Agreement will specify the exact termination requirements. The termination of an Investment Management Agreement shall not affect any obligation or liability on the Client's part for any transaction entered into or obligation on the Client's behalf prior to the termination.

Investment Management Fee Schedule

The fee charged is based on the ending balance of the account under management for the preceding quarter. Payments are due and will be assessed on the first day of each quarter, for services which will be provided for the following quarter (in advance) or if requested by the Client, for services which were provided for the preceding quarter (in arrears), in an amount that is shown on Exhibit "B" which is attached to the Client's Investment Management Agreement. The fee is calculated based upon the schedules for each designated product as determined according to Sierra's Form ADV and the Investment Management Agreement for each Client. The fees shown are annual fees. The Client will be billed one quarter of this amount on a quarterly basis. The Client will pay Sierra directly for all fees. No increase in the annual fee shall be effective without prior written notification to the Client.

If Sierra serves as the investment adviser for less than an entire quarter, compensation will be prorated and calculated on the market value of the assets in the Account as of the last day of the calendar quarter immediately preceding the date of termination. If Sierra has served as the adviser for less than one calendar quarter from the date the Investment Management agreement was signed, then the fee will be based on the value of the assets at signing. Sierra will reimburse the Client for any services not rendered for the previously paid quarterly fees. Any fees that are due, but have not been paid, will be billed to the Client and are due immediately.

Sierra's minimum individual account size is \$5 million; however, under certain circumstances, account minimums may be negotiable. Fees are generally not negotiable although Sierra may negotiate fees under certain circumstances, which might include the following:

- Total fund size
- Amount of assets under Sierra's direct management
- Asset allocation
- Competitive environment

Sierra believes its advisory fees are reasonable considering the fees charged by other investment advisers offering similar services/programs; however, similar comparable services may be available at a lower cost.

Sierra Fees by Sub-Advisor and Portfolio

PMG Advisors, LLC

Fees are assessed in accordance with the Investment Management Agreement with Sierra under the terms of the sub-advisory agreement. The following strategies are included in the Fixed Income pricing shown in the charts below: Fixed Income Core-Government/Credit, Fixed Income Core-Aggregate, Fixed Income Intermediate, and Fixed Income Short Government. Sierra will assess annual fees as shown below:

Fixed Income – \$10 million minimum

Percentage	Portfolio Size (AUM)
0.35%	First \$25 million
0.30%	Next \$40 million
0.25%	Next \$60 million
0.20%	Over \$125 million

Fixed Income – Deposits under \$10 million, minimum of \$5 million

Percentage	Portfolio Size (AUM)
0.50%	First \$5 million
0.40%	Over \$5 million

Pioneer Institutional Asset Management, Inc.

Fees are assessed in accordance with the Investment Management Agreement with Sierra under the terms of the sub-advisory agreement. Sierra will assess annual fees as shown below:

Concentrated Growth Equity and Concentrated Growth Balanced – \$10 million minimum

Percentage	Portfolio Size (AUM)
0.65%	First \$25 million
0.55%	Next \$25 million
0.45%	Next \$50 million
0.40%	Over \$100 million

Concentrated Growth Equity and Concentrated Growth Balanced – Deposits under \$10 million, minimum of \$5 million

Percentage	Portfolio Size (AUM)
0.80%	First \$5 million
0.70%	Over \$5 million

Franklin Equity Group

Fees are assessed in accordance with the Investment Management Agreement with Sierra under the terms of the sub-advisory agreement. Sierra will assess annual fees as shown below:

International Growth Equity – \$50 million minimum

Percentage	Portfolio Size (AUM)
0.70%	First \$25 million
0.55%	Next \$25 million
0.50%	Next \$50 million
0.40%	Next \$150 million
0.35%	Next \$250 million
0.30%	Over \$500 million

Franklin Global Equity – \$50 million minimum

Percentage	Portfolio Size (AUM)
0.70%	First \$25 million
0.55%	Next \$25 million
0.50%	Next \$50 million
0.40%	Next \$150 million
0.35%	Next \$250 million
0.30%	Over \$500 million

Franklin Templeton Collective Investment Trust (Sierra/Franklin Non-U.S. Equity Trust – Commingled Fund) – \$3 million minimum

Percentage	Portfolio Size (AUM)
0.85%	First \$25 million
0.75%	Next \$25 million
0.70%	Next \$50 million
0.60%	Next \$150 million
0.55%	Over \$250 million

Templeton Investment Counsel, LLC

Fees are assessed in accordance with the Investment Management Agreement with Sierra under the terms of the sub-advisory agreement. Sierra will assess annual fees as shown below:

Non-U.S. Equity – \$50 million minimum

Percentage	Portfolio Size (AUM)
0.70%	First \$25 million
0.55%	Next \$25 million
0.50%	Next \$50 million
0.40%	Next \$150 million
0.35%	Next \$250 million
0.30%	Over \$500 million

Sierra/Templeton International Equity Trust (Commingled Fund) – \$3 million minimum

Percentage	Portfolio Size (AUM)
0.85%	First \$25 million
0.75%	Next \$25 million
0.70%	Next \$50 million
0.60%	Next \$150 million
0.55%	Over \$250 million

Templeton Global Equity – \$50 million minimum

Percentage	Portfolio Size (AUM)
0.70%	First \$25 million
0.55%	Next \$25 million
0.50%	Next \$50 million
0.40%	Next \$150 million
0.35%	Next \$250 million
0.30%	Over \$500 million

Todd Asset Management, LLC

Fees are assessed in accordance with the Investment Management Agreement with Sierra under the terms of the sub-advisory agreement. Sierra will assess annual fees as shown below:

Large Cap Intrinsic Value Equity – \$5 million minimum

Percentage	Portfolio Size (AUM)
0.60%	First \$5 million
0.50%	Next \$20 million
0.40%	Next \$75 million
0.35%	Over \$100 million

Large Cap Intrinsic Value Balanced – \$5 million minimum

Percentage	Portfolio Size (AUM)
0.55%	First \$5 million
0.45%	Next \$20 million
0.35%	Next \$75 million
0.30%	Over \$100 million

Intrinsic Value Opportunity – \$5 million minimum

Percentage	Portfolio Size (AUM)
0.75%	First \$25 million
0.70%	Next \$25 million
0.65%	Next \$50 million
0.60%	Over \$100 million

Fort Washington Investment Advisors, Inc.

Fees are assessed in accordance with the Investment Management Agreement with Sierra under the terms of the sub-advisory agreement. Sierra will assess annual fees as shown below:

High Yield Fixed Income – \$100 million minimum

Percentage	Portfolio Size (AUM)
0.45%	\$100 million Plus

High Yield Fixed Income – Deposits under \$100 million, minimum of \$20 million

Percentage	Portfolio Size (AUM)
0.50%	Up to \$100 million

Fort Washington High Yield Investors II, LLC (Commingled Fund) – \$3 million minimum

Percentage	Portfolio Size (AUM)
0.55%	\$3 million Plus

Robert W. Baird & Co. Incorporated and Baird Investment Management

Fees are assessed in accordance with the Investment Management Agreement with Sierra under the terms of the sub-advisory agreement. Sierra will assess annual fees as shown below:

Small Cap Value Equity Portfolio – \$5 million minimum

Percentage	Portfolio Size (AUM)
0.90%	First \$10 million
0.80%	Next \$15 million
0.70%	Next \$25 million
0.60%	Next \$50 million
0.55%	Over \$100 million

Small Cap Value Equity Portfolio – Deposits under \$5 million

Percentage	Portfolio Size (AUM)
1.00%	Up to \$5 million

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

Sierra does not charge any performance-based fees to Clients. These are fees that are based on a share of capital gains on or capital appreciation of the assets of a Client. Sierra and its sub-advisors do not practice side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while also managing accounts that are not charged performance-based fees.

Item 7 - Types of Client(s)

Sierra provides portfolio management services to corporate pension and profit-sharing plans who utilize Taft-Hartley plans to fulfill their employee benefit obligations and responsibilities.

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

Sierra provides investment management services exclusively via sub-advisors. The methods of analysis and investment strategies utilized are developed by each sub-advisor. These methods of analysis and investment strategies may include all or a combination of the following:

1. Fundamental Analysis

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental

analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

One of the primary assumptions of fundamental analysis is that the price on the stock market does not fully reflect a stock's "real" value. A combination of qualitative and quantitative factors is used to try and find stocks that are undervalued. Both macroeconomic factors such as the overall economy and industry conditions and company-specific factors such as financial condition and management are considered. When examining a stock, the stock's annual dividend payout, earnings per share, Price to Earnings ratio and many other quantitative factors may be considered. However, no analysis is complete without taking into account brand recognition and other qualitative factors.

The end goal of performing fundamental analysis is to produce a value that can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

In order to perform this fundamental analysis, many resources are used, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Research materials prepared by others
- Company press releases
- Corporate rating services
- Timing services
- Company websites
- Inspections of corporate activities
- Macroeconomic and industry data

The investment strategies used include:

- Long-term purchases - securities held at least a year
- Short-term purchases - securities sold within a year
- Trading - securities sold within 30 days

Once undervalued investments are discovered, the company offering these investments is looked at to determine stability and volatility of the investments.

2. Modern Portfolio Theory (MPT)

Publicly available research and reports regarding individual securities, issuers, investment strategies and performance of asset classes are used to select the funds offered. Modern Portfolio Theory was created by some of the world's leading academic economists. They conducted extensive research, demonstrating that asset class selection (such as small-cap vs. large-cap, value vs. growth and U.S. vs.

international), not stock selection or market timing, is the most important determinant of portfolio performance.

Modern Portfolio Theory tries to understand the market as a whole, rather than looking for what makes each investment opportunity unique. Investments are described statistically, in terms of their expected long-term return rate and their expected short-term volatility. The volatility is equated with "risk", measuring how much worse than average an investment's bad years are likely to be. The end goal is to identify the Client's acceptable level of risk tolerance, and then to find a portfolio with the maximum expected return for that level of risk.

The investment strategies used include:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)

3. Technical Analysis

Technical analysis is a technique that attempts to determine a security's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information, so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

In order to perform technical analysis, the following techniques are used:

- Calculate moving averages
- Stochastic oscillators, which incorporate support and resistance levels to determine momentum
- Charting and chart patterns
- Supply and demand indicators
- Investor behavior and psychology

The investment strategies used include:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop.

4. Cyclical Analysis

Cyclical analysis attempts to find recurring major and minor peaks and troughs in price movement for better trade timing. Cyclical analysis may be used in conjunction with other strategies to help determine if shifts are required in Client's investment strategies depending upon long and short-term trends in financial markets and the performance of the overall national and global economy.

In order to perform cyclical analysis, many resources are used, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Research materials prepared by others
- Timing services

5. Sub-Advisors – Additional Analytical Methods and Investment Strategies

In addition to the previously described methods of analysis and investment strategies, analytical methods and investment strategies can include the following for each sub-advisor:

PMG Advisors, LLC

PMG Advisors, LLC ("PMGA") uses a conservative, disciplined investment approach and seeks to outperform benchmark indices through a combination of 'fundamental analysis' and 'quantitative' tools. PMGA applies fundamental analysis to determine the most favorable portfolio structure. They identify quantitative trends in the marketplace to guide interest rate and sector allocation decisions. Quantitative or technical analysis is based upon extensive statistical study of market data over time, primarily price and volume patterns. This is a dynamic process and portfolios are actively re-balanced to leverage changing market trends.

Portfolio strategy is based on current market conditions, not forecasts. PMGA uses economic and price momentum models and relative performance analysis of the fixed income markets together with fundamental analysis of the global economy, domestic/foreign monetary policy, and inflation expectations to determine the portfolio allocation.

PMGA manages four primary investment strategies that are applicable to Sierra's Clients. Each strategy is guided by a designated duration target range and performance benchmark. Duration is the "length" of a fixed income security best explained as a weighted-average measurement to maturity of the bond's cash flows. Each interest payment on the bond is assigned a present value which in total comprises a percentage of the bond's full price. These investment strategies include:

- Fixed Income Core-Government/Credit - Highly liquid, investment grade portfolios benchmarked against the Barclays Government/Credit Index. Duration ranges from 4 to 6 years and sector allocations are based on technical analysis and relative performance models.
- Fixed Income Core-Aggregate - Highly liquid, investment grade portfolios benchmarked against the Barclays Aggregate Index. Duration ranges from 3.5 to 5.5 years and sector allocations are based on technical analysis and relative performance models.

- Fixed Income Intermediate - Highly liquid, investment grade portfolios benchmarked against the Barclays Intermediate Government/Credit Index. Duration ranges from 3 to 4.5 years and sector allocations are rotated based on technical and relative performance analysis.
- Fixed Income Short Government - U.S. Treasury and U.S. Agency portfolios benchmarked against the Barclays 1-3 Year A+ Government/Credit Index. Duration ranges from 1 to 3 years and maximum maturity of individual securities is typically under five years.

PMGA's objective is to create fixed income portfolios in an asset allocation model that act as an "anchor" to the overall risk profile, provide interest rate hedges and achieve returns above the benchmark index with similar volatility. PMGA bases investment decisions on proprietary analysis of trends in the fixed income markets. PMGA avoids extreme duration bets, complex derivative securities, and non-investment grade securities. All PMGA investment strategies are considered "long only" which means that securities are not sold short; additionally, PMGA does not use margin or derivatives.

PMGA is an active fixed income manager which means that they may buy and sell securities frequently if necessary to adjust the risk profile of each Client portfolio. Although each portfolio maintains core investments held longer than one year, PMGA does actively trade a portion of most Client portfolios in line with the parameters of Client mandates. PMGA utilizes economic and price momentum models and relative performance analysis of the fixed income markets together with fundamental analysis of the global economy, domestic/foreign monetary policy, and inflation expectations to determine:

- Portfolio interest rate risk - PMGA normally varies the portfolio's duration within a year of the benchmark index.
- Sector weightings - PMGA can over- or underweight sectors (U.S. Treasury, U.S. Agency, Agency mortgage-backed, Corporate, etc.) in the portfolio versus the benchmark based on the relative value of each sector.
- Security selection - Only investment grade securities are used and PMGA performs its own internal credit review in selecting specific issuers and security structures.
- Yield curve positioning - Bullet, barbell, and ladder maturity structures are used to capture relative changes in the yield curve.

All of the above tools allow PMGA to actively manage Client portfolios to achieve above-benchmark returns with limited swings in portfolio prices.

Pioneer Institutional Asset Management, Inc.

Pioneer Institutional Asset Management, Inc. ("PIAM") utilizes macroeconomic research regarding economic forecasts and analysis, as well as industry data relating to profits and trends. Demographic, technological and social trends are also analyzed in the overall analysis of certain securities. PIAM offers the following equity strategy:

- Pioneer U.S. Concentrated Growth - this strategy is an equity strategy, which focuses on high quality, well-managed companies that are able to generate high returns on invested capital, and possess solid prospects for continued earnings growth. The strategy uses a highly analytical approach to stock selection focused on three critical factors that define a company's ability to

build long-term shareholder wealth, notably, high returns on reinvestment of capital, competitive advantages and long-term reinvestment opportunities.

PIAM generally sells a portfolio security when they believe that the security no longer offers the potential for above average earnings and revenue growth.

Franklin Equity Group

Franklin Equity Group (“FEG”) invests in listed equities of companies globally. They believe that by examining a broad opportunity set, conducting in-depth research on individual companies, and selecting in a limited set of what they believe are the best opportunities can offer investors the opportunity to participate in faster growing regions or secular trends in the global economy. The investment teams focus on companies they believe have the ability to outperform peers over multiple years as a result of a strong competitive advantage, consistent free cash flow, a responsible management team and by not over-paying upon investment.

FEG’s investment philosophy is based on fundamental analysis and decisions are made with a long-term perspective. In seeking to achieve such objectives, each portfolio emphasizes different strategies and invests in different types of securities. FEG offers growth equity investment strategies across market capitalizations. FEG’s equity strategies are complemented by their ongoing assessment of risk at both the security and portfolio levels.

In addition to fundamental, technical and cyclical analyses discussed above, FEG’s method of security analysis includes credit analysis to gauge the creditworthiness of issuers of securities, analysis of industry, sector and economic background, assessment of the macro-economic environment and the outlook for the currency in the country where companies operate. FEG offers investment strategies that differ in credit quality orientation. FEG may use outside sources of information, including economic consultants, technical industry specialists and market technicians.

FEG may use derivatives in the management of an account and/or fund for various purposes, including for hedging, proxy hedging and investment purposes. FEG measures the use of derivatives used in an Account by either market value or notional value as it deems appropriate in accordance with its internal procedures.

Templeton Investment Counsel, LLC

Templeton Investment Counsel, LLC (“TIC”) offers a range of products which utilize various investment strategies including, but not limited to, equity, fixed income and multi-asset.

The objective of the TIC’s equity strategies is to uncover significantly undervalued stocks in markets across the globe. The strategies are managed in accordance with the TIC’s investment philosophy and approach, which are based on three tenets: value, patience, and bottom-up stock selection. By combining time-proven fundamental analysis with original research, the investment team searches for companies that meet their criteria of quality and valuation. When choosing equity investments for the strategies, TIC applies a “bottom-up,” value-oriented, long-term approach, focusing on the market price of a company’s securities relative to the TIC’s evaluation of the company’s long-term earnings, asset value and cash flow potential. Based on these research results, portfolio managers construct individual

portfolios within established parameters for the mandate as well as diversification. Portfolio managers continually review portfolios to assess sector and industry risk exposure in response to changing market conditions.

TIC adheres to a strict buy and sell discipline based on the valuation thresholds mentioned above. Stocks are sold: (i) if the current security price exceeds the full value of the security estimated by a research analyst, (ii) if significantly greater value exists in another similar security, or (iii) if a fundamental change occurs at a company to alter the research analyst's forecasts. All holdings are regularly reviewed to ensure that the research analyst's recommendations are up-to-date and accurately reflect any changes in company fundamentals. In this way, ongoing fundamental research drives all buy and sell decisions.

TIC utilizes fundamental analysis as previously described and may use derivatives in the management of an account and/or fund for various purposes, including for hedging, proxy hedging and investment purposes. TIC measures the use of derivatives used in an Account by either market value or notional value as it deems appropriate in accordance with its internal procedures. The use of derivatives involves risks different from, or possibly greater than, risks associated with investing directly in securities and other traditional investments. While some derivative strategies can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in other portfolio investments. Clients should bear in mind that there is no assurance that any particular Account will engage in these derivatives transactions at any time, including in an attempt to reduce exposure to risks, when doing so would be beneficial.

Todd Asset Management, LLC

Supplementary to the fundamental, technical and cyclical analyses utilized by Todd Asset Management, LLC ("TAM"), quantitative and qualitative analyses are also used. Quantitative analysis employs mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative analysis provides evaluation of non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, to help predict changes to share price based on that data.

The Intrinsic Value team of TAM uses price to intrinsic value to measure the price a private market buyer would be willing to pay for a given stock, which has been proven to work both in the stock market and in merger and acquisition valuations. The intrinsic value of a stock is the present value of all future cash flows. Price to intrinsic value compares the market price to the intrinsic value, and allows skilled portfolio managers to compare companies across the full spectrum of stocks available for investment. Other valuation measures tend to have biases for or against certain groups, limiting the diversification possibilities for their portfolios. While valuation is central to TAM's philosophy, common sense dictates that it must be corroborated by company fundamentals and market acceptance. Combining valuation, fundamental and market acceptance disciplines is what TAM does in all of their intrinsic value products

because the more indicators that point in the direction of a stock being valuable and having that value recognized, the higher the potential of outperforming the market.

Experienced management sharing a common set of core beliefs and having the ability to recognize the underlying drivers for growth and value in individual stocks are the centerpiece of the strategies. TAM couples this with sell disciplines based on valuation and fundamentals for all of their strategies to limit the risks inherent in stock selection. TAM also maintains diversification requirements in their Large Cap Intrinsic Value strategy to ensure it is a stock selection that is providing the most value to Clients. The Opportunity strategy is unconstrained and will allow for more sector concentration in its pursuit of value.

The investment strategies used include:

1. Long term purchases - securities held at least a year

Typically we employ this strategy when:

- we believe the securities to be currently undervalued or have underappreciated earnings potential, and/or
- we want exposure to a particular sector over time, regardless of the current projection for this sector.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

2. Short term purchases - securities sold within a year

When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Fort Washington Investment Advisors, Inc.

Fort Washington Investment Advisors, Inc. ("Fort Washington") employs quantitative analysis in addition to fundamental and technical analyses.

For certain public securities, Fort Washington uses mathematical models to obtain measures of the quality of a company's business model and compares the results of that assessment to the market's perception of that company using valuation and price-related factors. A risk in using quantitative analysis is that the models may be more backward looking in nature and may be based on assumptions

that prove to be incorrect or that the quantitative model may not capture all relevant or current information necessary to determine a company's value.

For public securities, Fort Washington attempts to assess the value of a security by evaluating economic and financial factors specific to the particular security and, in addition, conditions in the relevant sector and the overall economy. Fundamental analysis attempts to incorporate all of the relevant security-specific attributes and the many macro-driven factors that may affect the security in order to arrive at a solid assessment of the current value of a security.

For certain public securities, Fort Washington may analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns and to predict future price movement.

The investment strategies used include:

- Long-term purchases - securities held for longer than one year
- Short-term purchases - securities sold within a year (short-term purchases may involve higher brokerage or other transaction costs than other investment strategies)

Robert W. Baird & Co. Incorporated and Baird Investment Management

Robert W. Baird & Co. Incorporated and Baird Investment Management ("BIM")'s investment philosophy is driven by fundamental analysis and a research-oriented approach. BIM does not believe that value and growth investing are mutually exclusive. BIM seeks to invest in outstanding businesses that BIM believes have underappreciated growth prospects, attractive valuations and operating/competitive advantages, and may provide down-side protection. BIM looks for companies with high returns on equity, durable market positions, clean balance sheets, and low multiples to long-term growth rates. Generally, BIM believes the presence of these criteria is indicative of a company likely to exceed "street" expectations but trades at a discount to BIM's in-house calculations of fair value. BIM utilizes a buy and hold approach, owning a concentrated low-turnover portfolio of high quality companies.

BIM develops its own research and valuation systems and uses such services provided by others. Information provided by others includes company-issued literature (e.g., annual reports, prospectuses, press releases and other information) and analyses by many outside investment firms. Government and Federal Reserve Bank publications, financial and other newspapers, journals and corporate ratings services (e.g., Moody's, Standard and Poor's) as well as electronic data information sources (e.g., Bloomberg, Morningstar, MTI, First Call, INSYNC, Baseline, Dow Jones, Reuters, QSG and International Strategy and Investment) may provide data for security analysis and general economic information. BIM may also utilize research reports created by other departments of Robert Baird. BIM may also employ the use of computers and third party application software to more readily display information and to assist with the evaluation and analysis.

The investment strategies used include:

- Long-term purchases – securities held at least a year

- Short-term purchases – securities sold within a year

6. Risks

Sierra cannot guarantee the sub-advisor's analysis methods will yield a return. In fact, a loss of principle is always a risk. Investing in securities involves a risk of loss that Clients should be prepared to handle. Clients need to understand that investment decisions made for Client accounts are subject to various market, currency, economic, political and business risks. The investment decisions made will not always be profitable nor can Sierra guarantee any level of performance. For a more comprehensive description of all the risks associated with strategies, methodology, and products please refer to the glossary at the end of this brochure under **Risks**.

Alternative Investment Risk

Investing in alternative investments is speculative, not suitable for all Clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- Loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices
- Lack of liquidity in that there may be no secondary market for the fund and none expected to develop
- Volatility of returns
- Restrictions on transferring interests in the fund
- Absence of information regarding valuations and pricing
- Delays in tax reporting
- Less regulation and higher fees

More specific information can be found under **Risks** in the Glossary.

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 the Client's evaluation of Sierra or the integrity of its management. There is no information to disclose here about Sierra or any of its officers. Sierra adheres to the highest ethical standards for all advisors and associates. Sierra strives to always do what is in its Client's best interests.

Item 10 - Other Financial Industry Activities and Affiliations

Denise Suihkonen, the Senior Vice President, CCO and CFO of Sierra is a CPA with her own firm, Suihkonen CPAs and Consultants, LLP.

This affiliation does not represent a conflict of interest for Sierra's Clients.

Sierra's other officers do not participate in other business activities or have any outside affiliations at this time. The sub-advisors may each have arrangements with other advisors, broker-dealers, investment companies and other pooled investment vehicles and may also have affiliates, subsidiaries or be subsidiaries of other firms.

Sub-Advisor Other Financial Industry Activities and Affiliations

PMG Advisors, LLC

PMG Advisors, LLC ("PMGA") is a minority owner of Emerald Fixed Income Advisers, LLC ("EMFINC"). Under the contractual terms of this relationship, certain employees of PMGA provide investment management services to EMFINC and their Clients consistent with their other day-to-day activities.

PMGA receives an economic benefit (fees) due to their affiliation with third party advisers. These conflicts of interest are managed by:

- applying a standard fee schedule to ensure that Client fees are fair across all channels
- using a trade allocation process so Clients managed under the same investment strategy receive equal percentage allocations of securities regardless of channel
- employing a portfolio review and client service model which treats all Clients individually and fairly across all channels
- following a rigorous compliance program to meet PMGA's fiduciary duties for all Client accounts

PMGA's outside affiliations do not represent a conflict of interest for Sierra's Clients.

Pioneer Institutional Asset Management, Inc.

Pioneer Institutional Asset Management, Inc. ("PIAM") has a number of relationships with related persons that are material to its advisory business or its Clients. PIAM is a wholly owned subsidiary of Pioneer Investment Management USA Inc. ("PIM USA").

PIAM's investment strategies are managed by management persons who also work for Pioneer Investment Management, Inc. ("PIM"), a registered investment advisor, and manage registered investment companies (Pioneer mutual funds) with investment strategies similar to those of Client accounts managed by PIAM. Securities frequently meet the investment objectives of one or more investment strategies of PIAM Clients and Pioneer mutual funds. In such cases, the decision to recommend a purchase to one Client or fund rather than another is based on a number of factors. The determining factors in most cases are the amount of securities of the issuer then outstanding, the value of those securities and the market for them. Other factors considered in the investment recommendations include other investments which each Client presently has in a particular industry and the availability of investment funds.

At times similar securities may be held by more than one Client. However, positions in the same issue may vary and the length of time that any Client may choose to hold its investment in the same issue may likewise vary. To the extent that more than one of the investment strategies or Pioneer mutual funds

seeks to acquire the same security at about the same time, the investment strategy may not be able to acquire as large a position in such security as it desires or it may have to pay a higher price for the security. Similarly, the investment strategy may not be able to obtain as large an execution of an order to sell or as high a price for any particular portfolio security if PIAM decides to sell on behalf of another Client account the same portfolio security at the same time. On the other hand, if the same securities are bought or sold at the same time by more than one investment strategy or fund, the resulting participation in volume transactions could produce better executions for the investment strategy. In the event more than one investment strategy purchases or sells the same security on a given date, the purchases and sales will normally be made as nearly as practicable on a pro-rata basis in proportion to the amounts desired to be purchased or sold by each investment strategy. In this instance, there may exist a conflict of interest for Sierra Clients if they are unable to obtain securities they need for their portfolios.

Vanderbilt Capital Advisors, LLC (“VCA”), a wholly owned subsidiary of PIAM, is a registered investment adviser primarily engaged in providing investment advice to institutional investors and structured financial vehicles. Employees of VCA may also be employed by PIAM to provide investment advice or recommendations for certain investment strategies.

PIAM is a minority shareholder in Oak Ridge Investments, LLC (“Oak Ridge”) with the option to increase its ownership to a majority stake in future years. Oak Ridge is a registered investment adviser primarily engaged in providing ongoing investment advice to Clients. Pioneer Investment Management USA Inc., Pioneer Funds Distributor, Inc. and Pioneer Institutional Asset Management, Inc. are indirect wholly owned subsidiaries of UniCredit. UniCredit has other subsidiaries that are engaged in the investment management business that are not registered as investment advisers under the Investment Advisers Act of 1940.

These affiliations do not represent a conflict of interest for Sierra’s Clients.

Franklin Equity Group

Franklin Templeton Institutional, LLC (“FTI, LLC”) is a wholly-owned subsidiary of Franklin/Templeton Distributors, Inc., which is a wholly-owned subsidiary of Franklin Resources, Inc., a holding company that, together with its various subsidiaries, is referred to as Franklin Templeton Investments.

FTI, LLC serves as an investment sub-advisor to one or more investment companies registered with the SEC pursuant to 1940 Act (the “U.S. Registered Funds”) managed by Sierra, some of which have an investment goal and strategy similar to that of U.S. Registered Funds for which FTI, LLC or its affiliates serve as the investment advisor. Even when there is similarity in investment goal and strategy, investment performance and portfolio holdings will vary between investment companies, potentially significantly, as a result of, among other things, differences in: inception dates, cash flows, asset allocation, security selection, liquidity, income distribution or income retention, fees, fair value pricing procedures, diversification methodology, use of different foreign exchange rates, use of different pricing vendors, ability to access certain markets due to country registration requirements, legal restrictions or custodial issues, legacy holdings in the fund, availability of applicable trading agreements such as ISDAs, futures agreements or other trading documentation, restrictions placed on the account (including

country, industry or environmental and social governance restrictions) and other operational issues that impact the ability of a fund to trade in certain instruments or markets. This potential conflict of interest is monitored by Sierra to ensure all Clients are handled fairly and consistently with their fiduciary responsibilities.

Templeton Investment Counsel, LLC

Templeton Investment Counsel, LLC (“TIC”) is a wholly-owned subsidiary of Templeton Worldwide Inc., which is a wholly-owned subsidiary of Franklin Resources, Inc., a holding company that, together with its various subsidiaries, is referred to as Franklin Templeton Investments.

TIC is under common control with Franklin/Templeton Distributors, Inc. (“FTDI”), Franklin Templeton Financial Services Corp. (“FTFSC”) and Templeton/Franklin Investment Services, Inc. (“TFIS”), all of which are registered broker-dealers.

TIC also serves as investment sub-advisor to one or more U.S. Registered Funds managed by Sierra, some of which have an investment goal and strategy similar to that of U.S. Registered Funds for which TIC or its affiliates serve as investment adviser. Even when there is similarity in investment goal and strategy, investment performance and portfolio holdings will vary between investment companies, potentially significantly, as a result of, among other things, differences in: inception dates, cash flows, asset allocation, security selection, liquidity, income distribution or income retention, fees, fair value pricing procedures, diversification methodology, use of different foreign exchange rates, use of different pricing vendors, ability to access certain markets due to country registration requirements, legal restrictions or custodial issues, legacy holdings in the fund, availability of applicable trading agreements such as ISDAs, futures agreements or other trading documentation, restrictions placed on the account (including country, industry or environmental and social governance restrictions) and other operational issues that impact the ability of a fund to trade in certain instruments or markets. This potential conflict of interest is monitored by Sierra to ensure all Clients are handled fairly and consistently with their fiduciary responsibilities.

Todd Asset Management, LLC

Todd Asset Management, LLC does not have financial industry affiliations.

Fort Washington Investment Advisors, Inc.

Fort Washington Investment Advisors, Inc. (“Fort Washington”) is affiliated with the following broker-dealers: Touchstone Securities, Inc.; Capital Analysts Incorporated; and W&S Brokerage Services, Inc. Fort Washington is affiliated with the following registered investment advisers: Touchstone Advisors, Inc.; Capital Analysts Incorporated; and Peppertree Partners, LLC. Fort Washington is also affiliated with the following insurance companies: The Western and Southern Life Insurance Company; Western-Southern Life Assurance Company; Integrity Life Insurance Company; National Integrity Life Insurance Company; Columbus Life Insurance Company; and The Lafayette Life Insurance Company.

Fort Washington owns or controls a number of limited liability companies which each serve as the managing member or general partner of a pooled investment vehicle formed for investment purposes. In addition, Fort Washington generally serves as the investment adviser to each of the Managing

Entities. Fort Washington personnel may spend as much time as deemed necessary on activities relating to the Managing Entities and the Pooled Vehicles.

Banking Institution:

Fort Washington Savings Company ("FWSC") is an Ohio-chartered thrift institution located in Cincinnati, Ohio and an affiliate of Fort Washington. Fort Washington serves as an investment advisor to FWSC.

As part of Fort Washington's agreement with Sierra, any other potential Taft-Hartley advisory agreements that Fort Washington enters into must be approved, in advance, by Sierra.

These affiliations do not represent a conflict of interest for Sierra's Clients.

Robert W. Baird & Co. Incorporated and Baird Investment Management

Robert W. Baird & Co. Incorporated ("Robert Baird") is registered as a broker-dealer under the Exchange Act and an investment adviser under the Advisers Act. Certain management persons of Baird Investment Management ("BIM") are registered, or have an application pending to register, as registered representatives and associated persons of Robert Baird to the extent necessary or appropriate to perform their job responsibilities.

Robert Baird is affiliated with certain investment advisors and investment products that are identified below, including certain mutual funds, ETFs and private equity funds.

Robert Baird and its Financial Advisors may, from time to time refer Clients to BIM or to Baird Advisors or Baird Public Investment Advisors, other investment management departments of Robert Baird. Baird Financial Advisors are eligible for special referral compensation to be paid by Robert Baird that is based upon, among other factors, the compensation received by Robert Baird.

Robert Baird is the investment adviser and principal underwriter for the Baird Funds, Inc. ("Baird Funds"), a registered open-end management investment company. Baird Advisors provides investment management and other services to certain Baird Funds investing primarily in fixed income securities (the "Baird Bond Funds"). BIM provides investment management and other services to certain Baird Funds investing primarily in equity securities (the "Baird Equity Funds"). As compensation for those services, Robert Baird receives a fee from each Baird Fund, which is disclosed in each Fund's prospectus.

Currently, Baird Advisors serves as sub-adviser to a mutual fund series of the New Covenant Funds and a mutual fund series of CNI Charter Funds, Inc. Additional information about these mutual funds, including information relating to the compensation paid to Baird by these funds for investment management services, is available in each fund's prospectus and statement of additional information.

Robert Baird is affiliated with, and may be deemed to control, Riverfront Investment Group, LLC ("Riverfront") by virtue of Robert Baird's equity ownership of Riverfront and representation on Riverfront's Board of Directors. Riverfront is an investment advisor that is based in Richmond, Virginia. Due to Robert Baird's equity ownership in Riverfront, Robert Baird and BIM have a conflict of interest to the extent Robert Baird or BIM would advise Clients to participate in advisory programs offered by or invest in mutual funds, ETFs or other investment products offered by Riverfront because the value of

Robert Baird's investment in Riverfront increases as Riverfront's assets under management increase. However, although BIM and Robert Baird provide information about Riverfront and its investment products to Clients, BIM does not provide a Client advice regarding the Client's decision to retain Riverfront or select an investment product offered by Riverfront, and BIM does not cause Clients to purchase Riverfront investment products or retain Riverfront to manage their accounts.

Robert Baird is also engaged in a private equity business through Baird Private Equity ("BPE"), Baird's global private equity group. Certain departments of Robert Baird, other than BIM, may refer Clients to BPE. BPE makes venture capital, growth equity and buyout investments in the business services, manufactured products and healthcare/life sciences sectors.

These affiliations do not represent a conflict of interest for Sierra's Clients.

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

1. Code of Ethics and Personal Trading

Sierra has adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to the Client. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures.

Sierra's Code of Ethics defines personnel as an Access Person or Advisory Person:

- Access Persons are directors, officers, general partners and advisory personnel
- Advisory Persons have access to non-public information regarding any Client's purchase or sale of securities and/or portfolio holdings, involved in the making or have access to securities recommendations to Clients, or is an employee of Sierra

All Advisory and Access Persons must take the following steps when making personal securities transactions:

- Report initial holdings
- Certify to all holdings on a quarterly and annual basis
- Pre-clear certain transactions

Sierra prohibits the use of material non-public information. While Sierra may on occasion have access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity and are subject to Sierra's Insider Trading Policy. Specifically, no person may trade, either personally or on the behalf of others, including accounts managed by Sierra, while in possession of material, nonpublic information; nor may such persons communicate material, nonpublic information to others. This applies to the trading of any security, including but not limited to, stocks, bonds, notes and commercial paper of public and/or privately held companies.

Typically gifts of a nominal value may be offered or received. Gifts in excess of a nominal value must be declined or returned.

Any outside business activity involving a non-affiliated company must be pre-approved.

Sierra's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of its employees will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Sierra and/or individuals associated with it may buy or sell for personal accounts securities identical to or different from those recommended to Clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a Client.

As these situations represent actual or potential conflicts of interest to Clients, Sierra has established the following policies and procedures for implementing the firm's Code of Ethics, to ensure it complies with its regulatory obligations and provides Clients and potential Clients with full and fair disclosure of such conflicts of interest:

- No director, officer, or employee of Sierra may put his or her own interest above the interest of an advisory Client
- No director, officer, or employee of Sierra may buy or sell securities for their personal portfolio(s) where their decision derives from information received as a result of his or her employment unless the information is also available to the investing public, including the decision by Sierra or its sub-advisors to buy or sell a security that may impact the value of that security
- Sierra requires prior approval for any initial public offering or private placement investments by related persons of the firm
- Sierra has established procedures for the maintenance of all required books and records
- All of Sierra's directors, officers, and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices
- Sierra requires delivery and acknowledgement of the Code of Ethics by each access and advisory person of the firm
- Sierra has established policies requiring that Code of Ethics violations be reported to Sierra's Senior Management
- Any individual who violates any of the above restrictions may be subject to penalties up to and including termination

Anyone may request a copy of Sierra's Code of Ethics by contacting James G. McGuire III in writing.

2. Participation or Interest in Client Transactions

Sierra or related persons do not participate in or have an interest in Client accounts.

3. Privacy Statement

Sierra is committed to safeguarding its Clients' confidential information and hold all personal information provided in the strictest confidence. These records include all personal information that Sierra collects from Clients or receives from other firms in connection with any of the financial services provided. Sierra also requires other firms with whom it deals to restrict the use of Client information. Sierra's Privacy Policy is available upon request by contacting James G. McGuire III in writing.

4. Prohibited Acts

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices
- Participating in Client accounts
- Making any improper payment or bribe

5. Due Diligence

Due diligence performed by Sierra prior to signing on new products and sub-advisors includes:

Performance analysis, risk analysis, depth of personnel, years of experience of portfolio managers and marketing staff, style analysis, overall investment capabilities, headquarter and regional office locations. Other criteria may be considered due to special circumstances present to any particular sub-advisor consideration. Sierra seeks to form alliances with sub-advisors based on the firm's people, processes, and overall philosophy. On-site due diligence is also performed before final selection of a sub-advisor.

Item 12 - Brokerage Practices

Sierra and its sub-advisors seek best execution on each trade on behalf of Clients as more fully described below. Best execution includes evaluating a number of factors, including among others the price at which the trade will be executed, cost of effecting the transaction, the ease and speed of execution, the reliability of the broker through past experience, the familiarity of the broker with the particular security at issue, and the ability to manage volume trades without negative market impact.

1. Research and Other Soft Dollar Benefits

Sierra does not receive any soft dollar benefits. However, the sub-advisors that Sierra utilizes may receive soft dollar benefits which are defined as certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). These research products and/or services may assist the sub-advisor in their

investment decision making process. Such research generally will be used to service all of the sub-advisor's Clients, but brokerage commissions paid by the individual Clients may be used to pay for research that is not used in managing that particular Client's account. The account may pay a Broker-Dealer a commission greater than another qualified Broker-Dealer might charge to effect the same transaction where the sub-advisor has determined, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

There may be other benefits to the sub-advisors from recommending specific broker-dealers such as software and other technology that (i) provides access to Client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocates aggregated trade orders for multiple Client accounts; (iii) provides research, pricing and other market data; and (iv) assists with back-office functions, recordkeeping and Client reporting.

Other benefits received by sub-advisors may include performance reporting, contract management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology.

When sub-advisors use Client brokerage commissions to obtain research or brokerage services, they receive a benefit to the extent that they do not have to produce such products internally or compensate third-parties with their own money for the delivery of such services. Therefore, such use of Client brokerage commissions results in a conflict of interest, because they have an incentive to direct Client brokerage to those brokers who provide research and services, even if these brokers do not offer the best price or commission rates for Clients. This may interfere with the sub-advisor's duty of best execution. Sierra requires all sub-advisors to adopt procedures to ensure that soft dollar usage complies with the legal requirements and that the cost is reasonable in light of the benefits to the Clients and sub-advisors.

2. Brokerage for Client Referrals

Sierra, in selecting or recommending broker-dealers, does not consider whether Sierra or a related person receives Client referrals from the broker-dealer or third party. Sierra's Clients and their consultants decide which sub-advisors to use based on the Client's needs.

3. Directed Brokerage

Sierra delegates responsibility for selection of brokerage and obtaining best execution on Client trades to each sub-advisor for their respective products.

Clients may instruct the sub-advisor to trade all or a portion of the portfolio transactions with a designated broker-dealer. This practice is known as 'directed brokerage.' Sub-advisors may accept Client directed brokerage as long as this arrangement does not materially undermine their ability to provide best qualitative execution for these Clients. The sub-advisors generally do not negotiate commissions or volume discounts for Clients under directed brokerage arrangements, and therefore Clients must negotiate commission rates on their own behalf. These arrangements may disadvantage

Clients to the extent they may pay a higher commission rate or receive less favorable execution than they would if the sub-advisor had full discretion to select the broker-dealer.

Subject to any Client directed brokerage arrangements, it is generally the policy of the sub-advisors employed by Sierra to select the broker-dealers to execute Client transactions in a manner that is consistent with the fiduciary obligations of Sierra and the sub-advisor to the Client for whom the transaction is being executed, and to employ a trading process that attempts to maximize the value of a Client's portfolio within the Client's stated investment objectives and constraints. The sub-advisor must seek 'best execution' for the Clients. Best execution means that the total costs or proceeds to a Client are the most favorable under the circumstances. Best execution does not mean that the sub-advisor must obtain the lowest possible commission cost (or markup or markdown), but rather means that the sub-advisor should seek to obtain the best overall qualitative execution for the Client. In assessing the best execution available for any transaction, the sub-advisors may consider factors they deem relevant, including the size and type of the transaction, the nature and character of the markets for the security to be purchased or sold, the execution capabilities and financial condition of the broker-dealer and the reasonableness of the commission or dealer spread, if any (whether for a specific transaction or on a continuing basis). Therefore, sub-advisors may not always receive the most favorable execution of Client transactions, which may cost Clients higher execution charges than from other broker-dealers.

4. Trading

Trading habits will vary depending upon the sub-advisor chosen by the Client.

Transactions for each Client account generally will be effected independently, unless the sub-advisor or sub-advisors decide to purchase or sell the same securities for several Clients at approximately the same time. Sub-advisors may (but are not obligated to) combine or 'batch' such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Clients differences in prices and commission or other transaction costs.

Principal and Cross Agency Transactions

Sierra does not affect any principal or agency cross securities transactions for Client accounts. Sierra also does not cross trades between Client accounts. Sierra's sub-advisors may perform principal or agency cross securities transactions for Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

5. Sub-Advisors Brokerage Practices

PMG Advisors, LLC

Soft Dollars

In allocating trades and commission dollars to brokers, PMG Advisors, LLC (“PMGA”) also considers their research services. PMGA is permitted by law and with certain restrictions to cause a Client to pay a broker-dealer providing them with brokerage and research services, commission fees in excess of the amount other brokers would charge for the same transaction. Sometimes PMGA uses brokers who provide useful research services even though a lower commission may be charged by another broker who does not offer research. Therefore, transactions will not always be executed at the lowest available price or commission when PMGA considers these other qualitative factors. These excess commissions are known as ‘soft dollar commissions.’ PMGA only uses soft dollars if they determine in good faith that the greater commission is warranted in terms of either a particular transaction or their overall responsibility to Clients.

PMGA has adopted strict compliance policies to ensure that their use of soft dollars is consistent with the duty to obtain the best available execution and that research services represent fair and measurable value for Clients. Some, but not all soft dollar research services benefit the accounts which pay the commission to the broker providing such services. PMGA does not attempt to direct a transaction in a particular account; instead, research services are obtained from brokers that PMGA believes add value to a broad range of accounts, although perhaps not useful to every account in every case.

To minimize conflicts of interest, the Investment Policy Committee and Chief Compliance Officer regularly review commission rates to affirm their reasonableness.

Directed Brokerage

For most Client portfolio transactions, PMGA has discretion to select brokers and negotiate commissions. Exceptions do apply under directed brokerage arrangements and for accounts managed under broker-sponsored investment programs.

PMGA maintains a list of approved broker-dealers with whom the Trading Desk may transact business across all trading venues, including electronic platforms. All changes to the broker-dealer list must be approved in advance of trade execution by a Managing Director or the Chief Compliance Officer. Each year, PMGA hires an outside research firm to independently review broker-dealers to evaluate their best execution capabilities. This review considers:

- Financial statements
- Public reports
- Historical PMGA trade volume reports
- Perceived contribution to successful implementation of PMGA’s investment strategy
- Regulatory trade execution reports

PMGA accepts Client directed brokerage as long as this arrangement does not materially undermine their ability to provide best qualitative execution for these Clients. PMGA does not negotiate commissions or volume discounts for Clients under directed brokerage arrangements, and therefore Clients must negotiate commission rates on their own behalf. These arrangements may disadvantage Clients to the extent they may pay a higher commission rate or receive less favorable execution than they would if PMGA had full discretion to select brokers.

Trading

PMGA trades all accounts managed to the same style as a 'bunched' trade whenever possible. Trades are allocated pro-rata based on a target percentage, which allows all accounts, both large and small, to benefit equally. In most cases, trade aggregation improves transaction prices and lowers commission rates. PMGA seeks the best combination of price and execution for each transaction. To determine the broker's overall best qualitative execution capabilities PMGA considers, among other things: (1) order size; (2) broker's ability to effect and settle trades promptly and efficiently; and (3) broker's reliability, integrity, and financial condition. When trading corporate bonds, PMGA generally 'steps out' wrap transactions (meaning PMGA trades away from the wrap sponsor), allowing PMGA to aggregate wrap and non-wrap transactions to achieve best execution. If aggregation is not possible, PMGA strives to trade wrap and non-wrap transactions simultaneously to achieve equitable pricing and minimize performance differences across accounts.

PMGA generally executes trades on an 'all-or-none' basis so that no account is disadvantaged in the trade allocation process. If necessary, however, the Managing Director is authorized to reallocate an original trade order to protect the best interests of Clients. Trade aggregation does not interfere with PMGA's ability to comply with Client account restrictions.

Under PMGA's trade policy, directed brokerage trades are executed after all discretionary trades are completed in the same security. During volatile markets, this delay in the timing of trade execution may result in trade price disparities versus aggregated Client trades. At the present time, only a small percentage of PMGA Clients request that PMGA directs their business to a specific broker.

To fulfill PMGA's fiduciary duty for directed brokerage accounts, PMGA compares trade execution prices and commission rates to all other PMGA accounts to evaluate fair treatment. Circumstances which put directed brokerage Clients in a disadvantaged position are discussed with Clients.

Principal and Cross Agency Transactions

In keeping with the mission to deliver unbiased advice, PMGA does not trade for their own account, otherwise known as principal trading. It is PMGA's policy to refrain from engaging in agency cross transactions. An agency cross transaction occurs when the investment adviser acts as broker for the advisory Client and the other party to the trade. PMGA does not cross trades between Client accounts.

Pioneer Institutional Asset Management, Inc.

Soft Dollars

Consistent with Section 28(e) of the 1940 Act, if Pioneer Institutional Asset Management, Inc. ("PIAM") seeks to determine, in good faith, that the amount of commissions charged by a broker-dealer is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer, a Client may pay commissions (or markups or markdowns) to the broker-dealer in an amount greater than the amount another firm may charge. These services may include: advice concerning the value of securities; the advisability of investing in, purchasing or selling securities; the availability of securities or the purchasers or sellers of securities; providing stock quotation services, credit rating service information and comparative fund statistics; furnishing analyses, electronic information services,

manuals and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and performance of accounts and particular investment decisions; and effecting securities transactions and performing functions incidental thereto (such as clearance and settlement). PIAM benefits when it uses Client brokerage commissions (or markups or markdowns) to obtain research or other services that it would otherwise have to produce or purchase. PIAM may have the incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services rather than on the Clients interest in getting the most favorable execution.

PIAM maintains a listing of broker-dealers who provide such services on a regular basis. However, because many transactions on behalf of a Client and other investment companies or accounts managed by PIAM are placed with broker-dealers without regard to the furnishing of such services, it is not possible to estimate the proportion of such transactions directed to such broker-dealers solely because such services were provided. PIAM believes that no exact dollar value can be calculated for such services. The research received from broker-dealers may be useful to PIAM in rendering investment management services to the Client whose account generated the soft dollar benefit, as well as other investment companies or other accounts managed by PIAM, although not all such research may be useful to a Client. Conversely, such information provided by broker-dealers who have executed transaction orders on behalf of such other accounts may be useful to PIAM in carrying out its obligations to a Client. The receipt of such research enables PIAM to avoid the additional expenses that might otherwise be incurred if it were to attempt to develop comparable information through its own staff. PIAM will seek to allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the accounts generate.

Certain brokerage and research services also may assist PIAM beyond the investment decision making process. In such instances, PIAM will determine the portion of such brokerage and research not used in the investment decision-making process and will pay for such portion out of its own funds.

Directed Brokerage

Subject to any directed brokerage arrangements, it is the policy of PIAM to select brokers or counterparties to execute Client transactions in a manner that is consistent with the fiduciary obligations of PIAM, and to employ a trading process that attempts to maximize the value of a Client's portfolio within the Client's stated investment objectives and constraints. This policy embodies the obligation of an adviser to seek 'best execution'. Best execution means that the total costs or proceeds to a Client are the most favorable under the circumstances. Best execution does not mean that PIAM must obtain the lowest possible commission cost (or markup or markdown), but rather means that PIAM should seek to obtain the best overall qualitative execution for the Client.

PIAM will place orders pursuant to its investment determinations for each Client either directly with the issuer or with any broker-dealer, foreign currency dealer, futures commission merchant or others selected by it. PIAM will seek the best overall execution available in the selection of broker-dealers or counterparties and the placing of orders for each Client. In assessing the best execution available for any transaction, PIAM may consider factors it deems relevant, including the size and type of the transaction, the nature and character of the markets for the security to be purchased or sold, the execution capabilities and financial condition of the broker-dealer or counterparty, and the

reasonableness of the commission or dealer spread, if any (whether for a specific transaction or on a continuing basis).

PIAM accepts Client directed brokerage as long as it does not materially undermine their ability to provide best qualitative execution for these Clients. PIAM does not negotiate commissions or volume discounts for Clients under directed brokerage arrangements, and therefore Clients must negotiate commission rates on their own behalf. These arrangements may be a disadvantage to Clients since they may pay a higher commission rate or receive less favorable execution than they would if PIAM had full discretion to select brokers.

Trading

PIAM will aggregate orders to purchase or sell the same security for multiple accounts if permitted by a Client. Whenever PIAM aggregates orders, all accounts that participate in the transaction will participate on a pro-rata or other objective basis.

Certain accounts may have directed brokerage arrangements or other limitations that restrict PIAM's ability to aggregate orders for such accounts with orders for other accounts and provide best execution. In those cases, PIAM will make an effort to obtain prices comparable to those obtained for unrestricted accounts; however, trades for restricted accounts will generally occur after trades for unrestricted accounts. Trades will be prioritized among restricted accounts in a fair and equitable manner. PIAM does not engage in activities such as directing brokerage to a broker-dealer who either has made a referral or has been designated by a solicitor.

Principal and Cross Agency Transactions

PIAM may enter into transactions for Clients with affiliated funds or other Clients (known as 'crossing securities' or 'cross trades'), subject to applicable law. PIAM believes that the potential benefit to Client accounts that may result from crossing securities outweighs the potential risks. Cross trades are affected pursuant to procedures established by PIAM. PIAM will cross securities between Client accounts where possible if it is in the best interests of the account. The ability to cross securities between Client accounts is subject to Client permission. All cross trades are properly categorized as such on PIAM's trade management system. Each cross trade is reported on a quarterly basis to the global compliance department and upon request to a respective Client.

Franklin Equity Group

Soft Dollars

Franklin Equity Group ("FEG") or its related person may direct brokerage transactions for Client accounts to broker-dealers who provide FEG with research and/or brokerage products and services. FEG becomes eligible for Client commission credits by sending trading and paying trade commissions to broker-dealers who both execute the trades and provide FEG with research services in the following forms: (1) research reports generated by the broker-dealer, (2) conferences with representatives of issuers, and/or (3) Client commission credits that can be used to obtain research reports or services from others. The portion of any trade commission attributable to the Client commission research services cannot be identified at an individual account level.

The research provided can be either proprietary (created and provided by the executing broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third-party but provided by the executing broker-dealer). To the extent permitted by applicable law, FEG may use Client commissions to obtain proprietary and third party research as well as certain brokerage products and services. The receipt of research in exchange for Client commissions benefits FEG by allowing them to supplement their own analyses and also gain access to specialists with expertise on certain companies, industries, areas of the economy and market factors.

FEG believes that such research benefits all Clients. In determining whether a service or product qualifies as research or brokerage, FEG evaluates whether the service or product provides lawful and appropriate assistance to FEG in carrying out its investment decision-making responsibilities.

Directed Brokerage

FEG will accept Client directed brokerage as long as it does not undermine their ability to provide best qualitative execution. FEG does not negotiate commissions or volume discounts for Clients who direct brokerage. Clients must negotiate commission rates on their own behalf. This may be disadvantageous to Clients since they may pay a higher commission rate or receive less favorable execution than they would if FEG had full discretion to select brokers.

In effecting portfolio transactions, FEG will attempt to obtain the best combination of low commission rates relative to the quality of brokerage and research services received with the view towards maximizing value for FEG's Clients.

The single most significant consideration is the quality of the execution of the transaction. In assessing execution quality, multiple factors may be considered such as order size, knowledge, commissions, promptness of execution, technology, back office capabilities, responsiveness, experience, financial stability, confidentiality, etc.

The determination and evaluation of the reasonableness of the brokerage commissions paid in connection with portfolio transactions is based on the professional opinions and judgments of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, the experience of these individuals in the securities industry and information available to them concerning the level of commissions being paid by other institutions of comparable size and type.

Trading

Orders may be aggregated or 'batched' for execution in accordance with established procedures. Generally, for each account, batched transactions are averaged as to price and allocated as to amount in accordance with daily purchase or sale orders actually placed for the account. Generally, all accounts that are batched will participate on a pro-rata, relative order size, percentage, or other objective basis. Orders may be batched to facilitate best execution, as well as for the purpose of negotiating more favorable brokerage commissions beneficial to all accounts. Alternatively, trades may be placed according to an alternating sequence or rotation system. Trades placed through directed brokerage arrangements that cannot be batched may be executed after discretionary trades. FEG may also batch

orders for Clients that permit such arrangements with Clients that do not permit such arrangements. In such cases, FEG batches such orders to obtain best execution and does not seek a research credit for the portion of the trade that is executed for Clients that do not permit such arrangements.

Where the Client has directed FEG to use a specific broker-dealer, FEG may not be able to combine or batch Client orders for purposes of execution with orders of the same securities for other accounts managed by FEG; and, therefore, FEG may not be able to obtain best execution for the Client. This may result in a price disparity and the Client who directs brokerage may receive a price that is less favorable than the price obtained for the batched order. Under these circumstances, the direction by a Client of a particular broker-dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if FEG was empowered to negotiate commission rates or spreads freely or to select broker-dealers based solely on best execution considerations. In addition, certain foreign markets may require trades to be executed on an account by account basis. As portfolio transactions in such markets cannot be batched, prices may vary among accounts.

Principal and Cross Agency Transactions

FEG may effect cross transactions directly between advisory accounts, provided that such transactions comply with conditions similar to those under Rule 17a-7 under the Investment Company Act. When buying or selling fixed income securities in dealer markets, FEG will generally deal directly with market makers in the securities. On these transactions, FEG typically will affect trades on a 'net' basis, and will not pay the market maker any commission, commission equivalent or markup/markdown other than the 'spread.' Usually, the market maker profits from the spread, that is, the difference between the price paid (or received) by FEG and the price received (or paid) by the market maker in trades with other broker-dealers or other customers. In some instances, a broker-dealer who also serves as custodian for an account may assess a 'ticket charge' for executing the transaction or a 'trade away' charge for settling a transaction executed by a different broker.

TIC may also place orders to buy and sell equity securities where the broker is acting on a principal rather than agency basis if the Registrant's traders believe that trading on a principal basis will provide best execution.

Templeton Investment Counsel, LLC

Soft Dollars

Templeton Investment Counsel, LLC ("TIC") or a related person may direct brokerage transactions for Client accounts to broker-dealers who provide TIC with research and/or brokerage products and services. TIC becomes eligible for Client commission credits by sending trading and paying trade commissions to broker-dealers who both execute the trades and provide TIC with research services in the following forms: (1) research reports generated by the broker-dealer, (2) conferences with representatives of issuers, and/or (3) Client commission credits that can be used to obtain research reports or services from others. The portion of any trade commission attributable to the Client commission research services cannot be identified at an individual account level.

The research provided can be either proprietary (created and provided by the executing broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third-party but provided by the executing broker-dealer). To the extent permitted by applicable law, TIC may use Client commissions to obtain proprietary and third party research as well as certain brokerage products and services. The receipt of research in exchange for Client commissions benefits TIC by allowing them to supplement their own analyses and also gain access to specialists with expertise on certain companies, industries, areas of the economy and market factors.

TIC believes that such research benefits all Clients. In determining whether a service or product qualifies as research or brokerage, TIC evaluates whether the service or product provides lawful and appropriate assistance to TIC in carrying out its investment decision-making responsibilities.

Directed Brokerage

TIC does not routinely recommend, request or require that a client direct brokerage to any specific broker-dealers. In selecting brokers through whom portfolio transactions will be executed, TIC's first responsibility will be to comply with any client instructions specifying the use of a particular broker.

TIC will accept Client directed brokerage as long as it does not undermine their ability to provide best qualitative execution. TIC does not negotiate commissions or volume discounts for Clients who direct brokerage. Clients must negotiate commission rates on their own behalf. This may be disadvantageous to Clients since they may pay a higher commission rate or receive less favorable execution than they would if TIC had full discretion to select brokers.

In effecting portfolio transactions, TIC will attempt to obtain the best combination of low commission rates relative to the quality of brokerage and research services received with the view towards maximizing value for TIC's Clients.

The single most significant consideration is the quality of the execution of the transaction. In assessing execution quality, multiple factors may be considered such as order size, knowledge, commissions, promptness of execution, back office capabilities, responsiveness, experience, financial stability, confidentiality, etc.

The determination and evaluation of the reasonableness of the brokerage commissions paid in connection with portfolio transactions is based on the professional opinions and judgments of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, the experience of these individuals in the securities industry and information available to them concerning the level of commissions being paid by other institutions of comparable size and type.

Trading

TIC may aggregate orders of its Clients to effect a larger transaction and thereby reduce transaction costs. TIC must then allocate the securities among the participating accounts. Although such bunching of transactions is permissible, potential conflicts of interest exist with respect to the aggregation and allocation of Client transactions. For example, with respect to the allocations of aggregated trades, TIC

could be viewed as allocating securities that they anticipate will increase in value to certain favored Clients, especially those that pay a performance-based fee.

TIC has implemented trade aggregation and allocation procedures (the “Allocation Procedures”) designed to address these potential conflicts of interest. The Allocation Procedures provide that block trading should be utilized whenever possible (subject to certain enumerated exceptions), and require that an average price be used for multiple executions of a particular security through the same broker-dealer on the same terms on the same day. The Allocation Procedures describe the allocation methodologies to be applied, and permissible exceptions from standard allocation methods that must be pre-approved by a designated trading desk compliance officer.

The Allocation Procedures provide that all associated costs of an aggregated transaction will be shared on a proportionate basis by participating accounts. Previous allocations are reviewed periodically to consider whether any account was systematically disadvantaged due to bunched transactions and whether the order was appropriate for each of the participating accounts. Examination of the aggregation of orders and the allocation of securities is undertaken periodically to determine whether TIC considered the best interests of each Client during the process.

Transactions for a Client that directs brokerage may not be combined or batched for execution purposes with orders for the same securities for other accounts managed by TIC and may be placed at the end of batched trading activity for a particular security. This may result in a price disparity and the Client who directs brokerage may receive a price that is less favorable than the price obtained for the batched order. Under these circumstances, the direction by a Client of a particular broker-dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might not be the case if TIC was empowered to negotiate commission rates or spreads freely or to select broker-dealers based solely on best execution considerations. Therefore, in instances where a Client directs TIC to use a particular broker to execute trades, TIC may not be able to obtain best execution for such Client-directed trades.

In addition, certain foreign markets may require trades to be executed on an account by account basis. As portfolio transactions in such markets cannot be batched, prices may vary among accounts.

Principal and Cross Agency Transactions

TIC may effect cross transactions directly between advisory accounts, provided that such transactions comply with conditions similar to those under Rule 17a-7 under the Investment Company Act.

Cross trades may present potential conflicts of interest in that they may be viewed as favoring one Client over another. For example, an adviser receiving performance-based compensation could be perceived as crossing trades that are anticipated to increase in value from a registered investment company to an investment account merely to increase the performance-based compensation it receives from the account. The reverse is true with respect to securities expected to decrease in value. In that case, the adviser may be perceived to cross-trade such securities from an investment account to a registered investment company to minimize the effect of those securities on the performance-based

compensation. Templeton has implemented inter-account transaction procedures to address these potential conflicts of interest by, among other things, requiring pre-clearance of all cross-trades.

TIC may also place orders to buy and sell equity securities where the broker is acting on a principal rather than agency basis if the Registrant's traders believe that trading on a principal basis will provide best execution.

Todd Asset Management, LLC

Soft Dollars

Todd Asset Management, LLC ("TAM") may direct brokerage transactions for Clients' portfolios to brokers who provide research and execution services to TAM and, indirectly, to TAM's Clients. These services are designed to augment TAM's own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the Client. This act may cause the Client account to pay more than the lowest available commission for executing a securities trade in return for research services. Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. TAM does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among Clients, believing that the research TAM receives will help to fulfill the overall duty to their Clients. TAM may not use each particular research service, however, to service each Client. As a result, a Client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific Client. Broker-dealers TAM selects may be paid commissions for effecting transactions for Clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if TAM determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or the overall duty to Client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such 'mixed-use' products or services will be fairly allocated and TAM makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services are paid by TAM to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

Directed Brokerage

TAM usually selects the broker-dealers for Client accounts at the onset of the relationship. TAM will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help TAM in providing investment management services to Clients.

If directed to use a particular broker-dealer, TAM generally will not attempt to negotiate commissions and may not obtain as favorable an execution as they would if they selected the broker-dealer.

Therefore the Clients may pay a higher execution price and not receive comparable execution as they would if TAM selected the broker-dealer. TAM will endeavor to select those broker-dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help TAM in providing investment management services to all Clients.

Trading

If TAM believes that the purchase or sale of a security is in the best interest of more than one Client, consistent with TAM's duty to obtain best execution for all Clients, it may (but is not obligated to) aggregate the securities to be sold or purchased to obtain favorable execution or lower brokerage commissions, to the extent permitted by applicable laws and regulations. Aggregation should, on average, slightly reduce the costs of execution. Where trades are aggregated, the transactions, as well as the expenses incurred in the transactions, will be allocated by TAM according to a policy designed to ensure that such allocation is equitable (no advisory Client will be favored over any other Client) and consistent with TAM's fiduciary duty to its Clients (including its duty to obtain best execution of Client trades). Pursuant to this policy, each Client that participates in an aggregated order will participate at the average share price for all TAM's transactions in that security on a given business day, with transaction costs shared pro-rata based on each Client's participation in the transaction. The accounts aggregated may include accounts in which TAM's employees or affiliates own interests. Before entering an aggregated order, TAM will prepare a written allocation statement specifying the participating Client accounts and how it intends to allocate the order among such accounts. Under limited circumstances, TAM may allocate the order on a basis different from that specified in the allocation statement if all Client accounts receive fair and equitable treatment.

Client directed portfolio transactions may be aggregated with trades of other Clients, if the broker-dealer selected by TAM to execute the transaction allows the directed trade to be separated or 'stepped out'. In such cases, the Client's directed broker-dealer will receive a pro-rata share of the commission for the aggregated trade. If a directed brokerage Client's trade is aggregated with other non-directed accounts, it is possible the directed Client's account may have increased commission costs because the trade was executed away from its designated broker. This may occur when the directed broker is also serving as the custodian.

If TAM is directed to execute transactions through a particular broker-dealer, and the trade cannot be handled through a 'step-out' from an aggregated trade, the directed trade may be executed after the aggregated order has been placed and completed. This could also affect the execution of the trade as the transaction price may differ from that achieved in the aggregated order. TAM will work through those trades directed by the Client in a pre-determined rotation if necessary.

Fort Washington Investment Advisors, Inc.

Soft Dollars

Fort Washington Investment Advisors, Inc. ("Fort Washington") does not use Soft Dollars as part of their fixed income investment management services.

Directed Brokerage

It is Fort Washington's policy to seek best trade execution with respect to each transaction, in light of the overall quality of brokerage and research services provided to it or its Clients. Fort Washington has a Best Execution Committee that oversees the firm's compliance with these objectives. Best execution is not limited to obtaining the lowest commissions possible exclusively but instead also considers other factors, including a broker's execution capability, trading expertise, accuracy of execution, commission rates, research, reputation and integrity, fairness in dispute resolution, financial responsibility, and responsiveness.

Fort Washington will accept direction from Clients regarding the brokers to be used for that Client. Clients may have existing arrangements permitting them to offset certain administration, accounting, custody, consulting or other fees in relation to the amount of brokerage transactions handled by a specific broker. In addition, a Client may direct Fort Washington to use a broker that has referred the Client to them to provide management services.

In following the Client's direction to use a particular broker to execute either all or part of the brokerage transactions for their accounts, Fort Washington may be unable to achieve best execution. Where the Client authorizes Fort Washington to effect all portfolio transactions charged at a rate agreed upon between the Client and the broker-dealer, as a result, directed brokerage Clients may not receive best execution.

A Client who directs the use of a broker-dealer may also be subject to certain disadvantages regarding allocation of new issues and aggregation of orders. A Client considering a directed brokerage arrangement should consider the costs and possible disadvantages of the arrangement and verify that the broker can provide adequate price and execution of most transactions.

Trading

Fort Washington will aggregate trades where possible and when advantageous to Clients. Clients will share transaction costs equally on a pro-rated basis. Fort Washington will typically aggregate trades among Clients who have given them discretion to choose the broker to use for their account's trades, and generally will rotate or vary the order of brokers for equity transactions.

Fort Washington's block trading policy and procedures are as follows: Transactions for any Client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the Client's advisory agreement with Fort Washington or the firm's order allocation policy. Fort Washington may block proprietary trades with Client trades but will do so only if Fort Washington can seek to achieve best execution of the transaction. The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for each participating Client and is consistent with the Clients' investment objectives and with any investment guidelines or restrictions applicable to the Clients' accounts. The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Fort Washington to seek best execution for each Client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. There are many components to seeking 'best execution', execution price or commissions are not the sole determinants. Generally, each Client that participates in the aggregated order must do so at an

average price, and must share, if applicable, in the commissions on a pro-rata basis in proportion to the Client's participation.

Principal and Cross Agency Transactions

Fort Washington or related persons (including affiliates) may buy securities for the firm or for themselves from our advisory Clients; or sell securities owned by the firm or the individual(s) to our advisory Clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory Clients. Fort Washington is prohibited from engaging in agency cross transactions.

Robert W. Baird & Co. Incorporated and Baird Investment Management

Soft Dollars

Clients generally give Baird Investment Management ("BIM") the authority to determine independently the specific broker(s) or dealer(s) used to execute trades for their accounts. BIM selects brokers or dealers to execute a Client's transactions based on the broker or dealer's ability to provide best execution for the Client. When selecting a broker or dealer, BIM may consider the following factors: Client preferences; research services (including strategy reviews, domestic and international economic analysis, technical commentary and other materials); execution capability and past execution performance; commission rates; financial standing of executing firm and counterparty risk; timeliness in rendering services; availability, cost and quality of custodial services; and continuity and quality of the overall provision of services.

BIM may receive research (in addition to execution services) from broker-dealers in connection with its Clients' securities transactions. These research benefits are commonly referred to as "soft dollar benefits". BIM has four formal soft dollar arrangements. In addition, a number of firms, including unaffiliated broker-dealers and other research services, periodically advise BIM of certain suggested minimums related to specific levels of service with respect to direct trading access, access to research analysts, invitations to industry conferences, contact with specialists and other matters. Under these arrangements, BIM may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers who provide execution-only services in return for soft dollar benefits. However, BIM will seek to obtain commission rates that it considers appropriate for each Client for the level and quality of service received from brokerage firms.

BIM receives the following soft dollar benefits in connection with effecting Client transactions: economic analysis and forecasts, financial market analysis and forecasts, industry and company specific analysis, interest rate forecasts, and analysis of pending and proposed governmental legislation and regulations. The research BIM receives includes both proprietary research (i.e., research created or developed by the broker-dealer) and research created or developed by a third party.

BIM seeks to allocate brokerage commissions to broker-dealers in a way that, in BIM's judgment, reflects the quality and consistency of service provided by broker-dealers and research service providers. At the beginning of each year, a commission budget is established and BIM investment professionals help determine which broker-dealers will be eligible to execute Client transactions and

establish a target commission amount for each broker-dealer based upon this budget. BIM investment professionals review and vote on the quality of research and level of support a minimum of six times per year. Each vote is followed by an analysis of the vote rankings and performance trends. BIM then makes adjustments to target commission amounts, if any, and adds or removes broker-dealers based upon the voting results. To the extent more than one broker-dealer is considered capable of providing best execution for a particular Client transaction, BIM may direct the Client transaction to a broker-dealer based upon the target commission amounts then in effect.

Research services received from brokers and dealers are supplemental to BIM's own research effort. When BIM uses Client brokerage commissions (or markups or markdowns) to obtain research, BIM receives a benefit because BIM does not have to produce or pay for the research itself. BIM, therefore, may have an incentive to select or recommend a broker-dealer based on BIM's interest in receiving soft dollar benefits, rather than on Clients' interest in receiving most favorable execution. However, BIM seeks to select broker-dealers based upon the broker's or dealer's ability to provide best execution. Furthermore, BIM does not select broker-dealers to execute transactions for Client accounts based upon Client referrals received from broker-dealers.

Research services provided by internal and external sources are used in managing Client accounts, and in the business judgment of BIM are important to each Client; although, perhaps, in differing degrees at different times. As a general matter, such research services, including soft dollar benefits, are used to service all of BIM accounts. However, each and every research service may not be used to service each and every account managed by BIM, and BIM does not allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the accounts generate. Accordingly, research that BIM receives for a particular Client's securities transactions may not be particularly useful for that Client or may be useful not only for that Client but for other Clients as well. Similarly, Clients may benefit from the research received from the transactions of other Clients. Research information and its application and the interpretation of its worth are matters of professional judgment made by BIM.

Directed Brokerage

If a Client directs BIM to use a designated broker-dealer for trade execution (a "directed brokerage arrangement"), BIM may be unable to achieve best execution for the Client's transactions because BIM cannot negotiate better prices and lower commission rates for the Client, nor can BIM aggregate the Client's account trades with orders for other BIM Clients in order to seek volume discounts (i.e., "block transactions"). Directed brokerage arrangements may cost the Client more money as they may result in the Client paying higher commissions and greater bid/offer spreads, or receiving a less favorable net price than the Client may experience if BIM negotiated commission rates and spreads and selected broker-dealers to execute trades for Client's account. Directed brokerage arrangement orders, because they are directed to the specified broker-dealer, may be manually executed by BIM after the trade execution is completed for other BIM's Client accounts. Any benefit that a Client receives, including the receipt of goods and services, as a result of directing brokerage to a broker-dealer, is to be negotiated solely by the Client for the Client's benefit.

If a Client directs BIM to use a particular broker-dealer, and if the designated broker-dealer referred the Client to BIM or if the particular broker-dealer refers other Clients to BIM or Robert Baird in the future,

BIM or Robert Baird may benefit from the Client's directed brokerage arrangement. Because of these potential benefits, BIM and Robert Baird may have an economic interest in having the Client continue the directed brokerage arrangement. The benefits BIM and Robert Baird receive may conflict with the Client's interest in having BIM recommend that the Client utilize another broker-dealer to execute some or all transactions for the Client's account.

Before directing BIM to use a particular broker-dealer, Clients may wish to compare the possible costs or disadvantages of directed brokerage arrangements.

Trading

In order to seek best execution for Clients, BIM may aggregate contemporaneous buy and sell orders for the accounts of its discretionary advisory Clients ("block transactions"). This practice may enable BIM to obtain more favorable execution, including better pricing and enhanced investment opportunities, than would otherwise be available if orders were not aggregated.

All advisory Clients participating in a block transaction will receive the same execution price for the security bought or sold. Average prices may be used when allocating purchases and sales to a Client's account because such securities may be purchased and sold in a series of transactions. A Client's commissions or transaction costs may vary depending upon, among other things, the type of advisory Client account and the commission rate that the Client has negotiated.

The amount of securities available in the marketplace, at a particular price at a particular time, may not satisfy the needs of all Clients participating in a block trade and may be insufficient to provide full allocation across all Client accounts. To address this possibility, Robert Baird has adopted trade allocation policies and procedures for BIM to follow that require BIM to make security allocations to Client accounts in a manner such that all Clients receive equitable treatment. If a block transaction cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day will generally be allocated pro-rata among the Clients participating in the block trade. However, BIM may also make random allocations to Client accounts in certain circumstances, such as when BIM deems a partial fill for the total block order to be small. Adjustments to this pro-rata allocation may be made, at the discretion of BIM, to take into consideration account specific investment restrictions, undesirable position size, account portfolio weightings, Client tax status, Client cash positions and Client preferences. Adjustments may also be made to avoid a nominal allocation to a Client account.

BIM generally aggregates buy and sell orders when executing trades for discretionary Client accounts when it has the opportunity to do so. However, BIM determines whether or not to utilize block transactions for a Client in its sole discretion and BIM's decision is subject to its duty to seek best execution. BIM will aggregate a Client's trade orders only when BIM deems it to be appropriate and in the best interests of the Client, consistent with a Client's investment objectives and risk tolerance, and permitted by regulatory requirements. When BIM is not able to aggregate trades, BIM generally uses a trade rotation process that is designed to be fair and equitable to all BIM Clients.

If a Client's account is subject to a directed brokerage arrangement, BIM may not be able to aggregate the Client's account trades with orders for other BIM Clients. See "Directed Brokerage" above.

In connection with the execution of block transactions, BIM may, on occasion, employ the use of "step-outs" to satisfy Client directed brokerage arrangements. A "step-out" typically occurs when an executing broker executes the trade at no commission and then "steps out" the trade to a clearing broker that confirms and settles the trade.

It is Robert Baird's policy that if there is a trade error for which Robert Baird is responsible, trades will be adjusted or reversed as needed in order to put the Client's account in the position that it would have been in as if the error had not occurred. Errors will be corrected at no cost to Client's account, with the Client's account not recognizing any loss from the error. The Client's account will be fully compensated for any losses incurred as a result of an error. If the trade error results in a gain, the gain may be retained by Robert Baird; however, any gain retained by Robert Baird may not be used to offset previous losses charged to a Robert Baird associate.

Principal and Cross Agency Transactions

In certain circumstances and to the extent permitted by applicable law and regulation, BIM may effect "agency cross" transactions through Robert Baird with respect to a Client's account. An "agency cross" transaction is a transaction in which Robert Baird or its affiliates act as broker for the party or parties on both sides of the transaction. As compensation for its brokerage services, Robert Baird may receive compensation from parties on both sides of an agency cross transaction, the amount of which may vary. Therefore, Robert Baird may have a conflicting division of loyalties and responsibilities. However, in all cases, BIM will seek to obtain the best execution for each respective advisory Client and will effect agency cross transactions only in accordance with the requirements of Rule 206(3)-2 under the Advisers Act. Furthermore, BIM will comply with additional conditions imposed by ERISA if the Client account is a Retirement Account.

From time to time, when BIM believes that each respective transaction is consistent with the Client's best interest, such as when accounts are adjusting their respective durations, when one account is in a liquidation mode while another is in an accumulation mode, or for tax management purposes, BIM, acting as investment manager, may cause the sale of securities from an advisory Client's account while at or about the same time causing the purchase of the same securities for the account of another advisory Client. Such transactions may have the benefit of reducing transaction and market impact costs.

In such cases, because BIM is acting as investment manager for both buyer and seller, BIM is subject to potentially conflicting interests in causing (or recommending) the transactions. Also, because BIM is acting as investment manager for both buyer and seller, transaction prices may be determined more by reference to market information or dealer indications for the securities involved, and less through the type of independent arms-length negotiation that might otherwise occur. In these transactions, BIM seeks to obtain best execution for each respective advisory Client and to ensure that each Client receives fair and equitable treatment.

Subject to the requirements of applicable law, Robert Baird may, when it is in the best interest of a Client to do so, execute transactions for a Client account while acting as principal for Robert Baird's own account (that is, Robert Baird may sell a security from Robert Baird's inventory to a Client, or Robert Baird may purchase a security from a Client for Robert Baird's inventory).

In addition to the advisory fee paid by a Client, Robert Baird may realize profits from principal transactions with a Client based on the difference between the price Robert Baird paid for the security and the price at which Robert Baird sold the security, which may include a markup or markdown from the prevailing market price, an underwriting fee, selling concession, or other incentive to execute the transaction. In trading as principal with a Client, Robert Baird will have potentially conflicting division of loyalties and responsibilities regarding Robert Baird's own interests and the interests of the Client. This profit potential may give Robert Baird an incentive to recommend a transaction in which Robert Baird acts as principal. Nonetheless, Robert Baird has a fiduciary duty to act in the best interest of Clients and to obtain best execution for its advisory Clients. Furthermore, Robert Baird has adopted internal procedures designed to ensure that Robert Baird will not act in a principal capacity for any transaction in an advisory Client's account, absent disclosure of the transaction to the Client, including all material information regarding Robert Baird's interest in the transaction, and the Client's prior written approval of the transaction or unless otherwise allowed by applicable law, and provided that such transaction is not otherwise prohibited by ERISA.

Item 13 - Review of Accounts

1. Duty to Supervise

Sierra is responsible for ensuring adequate supervision over its employees. Sierra also oversees the activities of its sub-advisors in the following manner:

2. Account Reviews

Clients' accounts are reviewed when Sierra and the sub-advisors receive the monthly and quarterly statements which are provided by the Client's designated custodian. The sub-advisors reconcile the custodial statements to ensure accuracy.

Clients will also receive reviews during formal trust fund meeting presentations which the Client schedules throughout the fund's fiscal year. Sierra is notified in advance of the fund's trust meetings and brings the appropriate officers and sub-advisor personnel as may be necessary to fully apprise the Client of the account's performance.

The review process of Clients' accounts involves providing timely and pertinent investment information specific to the investment portfolio. Information presented to the Board of Trustees and Professionals involves the following: copies of portfolio growth, performance, asset allocation, portfolio holdings, sector weightings, economic outlook as well as additional portfolio specific information. Occasionally, portfolio managers from applicable sub-advisors may accompany sales officers of Sierra to Board of Trustee Meetings.

Sierra's officers who participate in Client reviews are:

- Bruce Dereschuk - President/CEO
- John Delissio Jr. - Sr. Vice President
- James G. McGuire III - Vice President
- Jim Anisi - Vice President
- Pete Mastandrea - Assistant Vice President

Additional reviews may also be required due to a significant change in the Client's investment policy. Generally, Sierra's sub-advisors will monitor for changes and shifts in the economy, changes to the management and structure of a company in which Client assets are invested and market shifts and corrections.

Clients will have an annual fiscal year-end audit performed by a CPA in conjunction with actuarial consultants, attorneys and investment consultants. This audit helps Sierra to complete the Schedule C Form 5500 for each Client of the firm.

3. Reports

Clients will be provided with portfolio evaluations reflecting the transactions occurring in the account on a monthly basis from the Client's designated Custodian. Sierra sends a quarterly statement to the trustees and fund professionals. Clients will also be provided with confirmations for each securities transaction executed in the account when requested by the Client. Clients must notify Sierra of any discrepancies in the account statements or any concerns they have about the account.

Item 14 - Client Referrals and Other Compensation

Sierra and its advisors do not receive any compensation for referring Clients to another adviser nor does Sierra pay any compensation to another adviser for them referring Clients to Sierra. If a sub-advisor refers a Client to Sierra, Sierra charges the same investment management fee as stated in their ADV and Investment Management Agreement.

Item 15 - Custody

Sierra uses multiple custodians, via its sub-advisory arrangements, as the custodian and/or broker-dealer for all Clients' accounts. Clients select the custodian of their choice to hold their assets. Sierra does not have physical custody of any accounts or assets. The Custodian will provide the Client immediate transaction confirmations and monthly statements. The statement lists the total value of the account at the beginning of the month, itemizes all transaction activity during the month, and lists the types, amounts, and total value of securities held as of the end of the month.

Sierra is not allowed to make alterations or amendments to the custodian's statement. This preserves the integrity of the Custodian's statement and provides Clients with an independent appraisal of the account. Sierra urges Clients to carefully review such statements and compare this official custodial

record to the portfolio evaluations that Sierra may provide to them. If Clients notice any discrepancies, Sierra should be notified in writing.

Item 16- Investment Discretion

Sierra and its sub-advisors usually receive discretionary authority from the Client at the beginning of an advisory relationship to select the identity and amount of securities to be bought or sold, broker-dealer to be used for a purchase or sale of securities for the Client's account and the commission rates to be paid to a broker-dealer for securities transaction. This information is described in the Investment Management Agreement between Sierra and the Client. When selecting securities and determining amounts, Sierra and its sub-advisors observe the investment policies, limitations and restrictions the Client has set. In addition, Sierra imposes the following purchasing restrictions on its sub-advisors:

- Labor sensitive company issues
- Risk-averse security selection
- Adherence to the AFL-CIO boycott list unique to the Taft-Hartley marketplace

These purchasing restrictions reflect Sierra's commitment to servicing Clients who utilize Taft-Hartley plans to fulfill their employer responsibilities.

Investment guidelines and restrictions must be provided to Sierra in writing. Clients may also change/amend such limitations by providing Sierra with written instructions.

Sub-Advisors' Investment Discretion

PMG Advisors, LLC

Clients generally delegate discretionary authority for investment decisions to PMG Advisors, LLC ("PMGA") at the outset of an advisory relationship. Most accounts are managed on a fully discretionary basis where PMGA retains full decision making authority for investment decisions within the parameters outlined in the written Client Investment Management Agreement and the designated investment strategy. Client investment objectives, policies, limitations, and restrictions must be provided to them in writing.

PMGA manages a small subset of accounts on a non-discretionary basis where PMGA does not retain complete authority over all investment decisions per the Client's request.

Pioneer Institutional Asset Management, Inc.

Pioneer Institutional Asset Management, Inc. ("PIAM") usually receives discretionary authority from the Client at the outset of an advisory relationship to select 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 account and the Investment Management Agreement for such Client. Investment guidelines and restrictions must be provided to PIAM in writing.

Franklin Equity Group

Generally, Franklin Equity Group ("FEG") has discretionary authority to supervise and direct the investment of the assets under its management of the U.S. Registered Funds managed by Sierra for which FEG serves as the investment sub-advisor, without obtaining prior specific Client consent for each transaction. However, this authority is subject to such limitations as a Client may impose by notice in writing. Under FEG's discretionary authority, FEG may make the following determinations in accordance with the Client's investment objectives, internal policies and applicable law and practice, without prior consultation or consent before a transaction is effected: which securities to buy or sell, the total amount of securities to buy or sell, the broker-dealer through whom securities are bought or sold, and/or the prices and commission rates at which securities transactions for Client accounts are effected.

FEG may also provide services to advisory accounts with no investment discretion. Advisory accounts for which FEG does not have investment discretion may or may not include the authority to trade for the account and are subject to such limitations as a Client may impose in writing. With respect to certain accounts for which FEG does not have investment discretion or trading authority, FEG may delay a recommendation to buy or sell if FEG believes that the execution of such recommendation could have a material impact on pending trades for discretionary accounts.

FEG may, in its sole discretion, accept one or more categories of social restrictions requested in writing by Clients. Unless otherwise agreed to with a Client, FEG's compliance with such restrictions will be based on good faith efforts and may be satisfied by utilizing a third party service to screen issuers against such restrictions, or, in its sole discretion, other market data services such as Bloomberg and Factset as well as internal research.

Templeton Investment Counsel, LLC

Generally, Templeton Investment Counsel, LLC ("TIC") has discretionary authority to supervise and direct the investment of the assets under its management, without obtaining prior specific Client consent for each transaction. However, this authority is subject to such limitations as a Client may impose by notice in writing. Under its discretionary authority, TIC may make the following determinations in accordance with the Client's investment objectives, internal policies and applicable law and practice, without prior consultation or consent before a transaction is effected: which securities to buy or sell, the total amount of securities to buy or sell, the broker-dealer through whom securities are bought or sold, and/or the prices and commission rates at which securities transactions for Client accounts are effected.

TIC may also provide services to advisory accounts without investment discretion. Advisory accounts for which TIC does not have investment discretion may or may not include the authority to trade for the account and are subject to such limitations as a Client may impose in writing. With respect to certain accounts for which TIC does not have investment discretion or trading authority, TIC may delay a recommendation to buy or sell if TIC believes that the execution of such recommendation could have a material impact on pending trades for discretionary accounts.

TIC may, in its sole discretion, accept one or more categories of social restrictions requested in writing by Clients. Unless otherwise agreed to with a Client, TIC's compliance with such restrictions will be based on good faith efforts and may be satisfied by utilizing a third party service to screen issuers

against such restrictions, or, in its sole discretion, other market data services such as Bloomberg and Factset as well as internal research.

Todd Asset Management, LLC

Todd Asset Management, LLC (“TAM”) usually receives discretionary authority from the Client at the outset of an advisory relationship to select 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, TAM observes the investment policies, limitations and restrictions of the Clients for which it advises. Investment guidelines and restrictions must be provided to TAM in writing. Clients may also change/amend such limitations by providing them with written instructions.

Fort Washington Investment Advisors, Inc.

Clients may hire Fort Washington Investment Advisors, Inc. (“Fort Washington”) to provide discretionary asset management services, in which case Fort Washington makes investment decisions and places trades in a Client's account without prior consultation with the Client. This discretionary authority includes the ability to do the following without contacting the Client: determine which securities to buy or sell, the total amount of securities to buy or sell, the broker-dealer through whom securities are bought or sold, and/or the prices and commission rates at which securities transactions for Client accounts are effected.

Clients have the ability to limit this authority through written instructions or based on their investment policy statements. Clients may also change/amend such limitations by providing Fort Washington with written instructions or by revising the Client's investment policy statements.

In non-discretionary accounts, Fort Washington makes periodic recommendations to Clients regarding the securities to be purchased or sold and the size of those transactions.

Robert W. Baird & Co. Incorporated and Baird Investment Management

Clients grant Baird Investment Management (“BIM”) discretionary authority over their accounts when they sign a discretionary agreement with the firm, and may limit this authority by giving BIM written instructions. This discretionary authority includes, without limitation: the power to select, buy, sell, retain and exchange investments, and exercise such other powers as deemed appropriate to manage and execute transactions for the Client's account consistent with the Client's financial circumstances. Clients may impose limitations on this discretionary authority and reasonable limitations or restrictions regarding investment of the Client's account. Any such restrictions must be in writing. Clients may change or amend these limitations or restrictions at any time. Such amendments must also be in writing and must be reasonable.

Clients generally give BIM the discretionary investment authority to determine independently the specific securities purchased or sold, the amount of securities purchased or sold, and the broker(s) or dealer(s) used to execute trades for their accounts. By executing an investment management agreement with BIM, a Client grants to BIM complete and unlimited trading authorization and appoints

BIM as agent and attorney-in-fact with respect to the Client's accounts and all related trading and other decisions. The appointment provides BIM the authority, in its sole discretion and at the client's risk, to purchase, sell, exchange, convert and otherwise trade the securities and other investments in the Client's account, as well as arrange for delivery and payment in connection with the above, and act on the Client's behalf in all matters necessary or incidental to the handling of the account.

BIM generally accepts reasonable limitations to its discretionary authority with respect to brokerage direction and securities selection. Any such limitations agreed to by Client and BIM are generally included in the Client's investment policy statement or in a separate letter of understanding. When possible, BIM will also attempt to observe any non-binding statement of Client preferences with respect to factors such as brokerage direction, holding periods, and securities selection.

In the event that a Client's account is restricted from investing in certain securities, BIM will select such other replacement securities as it deems appropriate. Accounts with investment restrictions may perform differently from accounts without restrictions and performance may be poorer. In addition, in the event there is a change in the classification or credit rating of a security held in the Client's account, a Client's investment restrictions may force BIM to sell such security at an inopportune time, possibly negatively impacting account performance and/or causing a taxable event to the Client.

Item 17- Voting Client Securities

Clients may elect to delegate their proxy voting authority to Sierra; in such cases, Sierra will provide the following services:

- Receipt and verification of proxies
- Analysis of issues according to Client's guidelines
- Voting of proxies according to Department of Labor guidelines
- Reporting on voting positions provided semi-annually
- Record keeping consistent with established standards
- Voting records can be requested at any time

Sierra applies a disciplined approach when voting the proxies of its Clients. Sierra votes its Clients' proxies pursuant to policies and procedures that are based on AFL-CIO guidelines unless provided with specific proxy voting instructions from a Client. The AFL-CIO guidelines provide a model set of proxy voting guidelines tailored for worker benefit funds and their voting fiduciaries. These guidelines are designed to meet, and in some cases exceed, the various legal requirements applicable to proxy voting. A copy of the AFL-CIO guidelines will be provided upon request.

Alternatively, Clients may, at their election, choose to vote proxies related to their own accounts. When Sierra has discretion to vote proxies per the terms of the Client's Investment Management Agreement it will vote those proxies in the best interests of its Clients and in accordance with Sierra's established Proxy Guidelines Policies and Procedures document.

Sierra uses ISS (Institutional Shareholder Services), an MSCI Brand as its third-party proxy voting service to vote its Clients' proxies. This vote reporting service keeps Clients informed with accurate and timely information, including full audit trails and intra-day updates of all fund, meeting and agenda information. If the Client has designated Sierra as the voting agent, Sierra mails or emails (per the Client's instructions) Proxy Reports semi-annually.

Following each voting period, Sierra receives proxy reports from ISS that provide a description of the matters that were voted on and provides detail on how each proxy was voted. These reports are reviewed by Sierra to monitor the performance of ISS in voting proxies and to ensure compliance with the AFL-CIO guidelines and for overall completeness and accuracy. Sierra analyzes each proxy on a case-by-case basis to determine that all votes are cast solely in the best interest of the participants and beneficiaries of the plans. Sierra will act with the care, skill, prudence and diligence under the prevailing circumstances that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. When proxies due Sierra's Clients have not been received, Sierra will make reasonable efforts to obtain missing proxies. Sierra is not responsible for voting proxies it does not receive.

If the Client has designated Sierra as the voting agent, Sierra mails or emails (per the Client's instructions) Proxy Reports semi-annually to the Administrator of each Client. Additional copies are e-mailed to any trustees or plan professionals who request a copy sent directly to them. These proxy voting reports will demonstrate Sierra's compliance with its responsibilities and will enable Clients to monitor Sierra's proxy voting review processes. Clients can request their proxy voting record at any time by contacting Sierra's corporate offices at (925) 941-6300 Monday through Friday between 8:00 AM PST and 5:00 PM PST or by email at JMcguire@sierrainv.com. All requests must be received in writing from the Client. Sierra will promptly provide any information requested.

A copy of the Proxy Voting Policy Statement, Guidelines and Procedures is provided to each Client at the time Sierra is retained. Sierra will revise its guidelines as events warrant; including but not limited to when AFL-CIO guidelines are amended. Sierra will provide its Clients revised copies of this proxy voting policy statement and guidelines whenever material revisions have been made.

Sub-Advisor Proxy Voting

Sub-advisors do not vote Client proxies for any of Sierra's Clients.

Item 18 - Financial Information

Sierra does not charge fees that are both in excess of \$1,200 and more than six months in advance. Therefore, Sierra is not required to provide a balance sheet. However, as an SEC-registered investment adviser, Sierra is required to disclose information about our financial condition. Sierra has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

None of the sub-advisors employed by Sierra have any financial condition to disclose that impairs their ability to meet contractual and fiduciary commitments to Clients, and have not been the subject of a bankruptcy proceeding.

Item 19 - Requirements for State Registered Advisers

Sierra is registered with the United States Securities and Exchange Commission ("SEC"); this section is not applicable.

Glossary of Key Terms

Adviser – Sierra Investment Partners, Inc.

Advisor – Client's representative at Sierra Investment Partners, Inc. or at the sub-advisor.

Asset Allocation – The process of dividing investments among different kinds of assets, such as stocks, bonds, real estate and cash, to optimize the risk/reward tradeoff based on an institutions specific situation and goals.

Asset-class investment portfolios – An asset class is a grouping of similar investments whose prices tend to move together. Asset classes can be defined on a very general level, such as stocks or on a more specific level, such as American silver producing companies. The concept of asset classes is important because one of the goals when building an investment portfolio is to use different asset classes which are not correlated with each other.

Exchange-Traded Funds (ETFs) – A type of an investment company (either an open-end company or UIT) whose objective is to achieve the same return as a particular market index. ETFs differ from traditional open-end companies and UITs, because, pursuant to SEC exemptive orders, shares issued by ETFs trade on a secondary market and are only redeemable from the fund itself in very large blocks (blocks of 50,000 shares for example).

Fees – A list of all fees associated with different products Sierra offers are listed below:

1. Account Fee — a fee that some funds separately impose on investors for the maintenance of their accounts. For example, accounts below a specified dollar amount may have to pay an account fee.
2. Management Fee — the fee paid out of fund assets to the fund's investment adviser or its affiliates for managing the fund's portfolio, any other management fee payable to the fund's investment adviser or its affiliates, and any administrative fee payable to the investment adviser that are not included in the "Other Expenses" category.
3. Operating Expenses — the cost a fund incurs in connection with running the fund, including management fees and other expenses.

Index Fund — Describes a type of mutual fund or Unit Investment Trust (UIT) whose investment objective typically is to achieve the same return as a particular market index, such as the S&P 500 Composite Stock Price Index, the Russell 2000 Index, or the Wilshire 5000 Total Market Index.

Investment Adviser — Generally, a person or entity who receives compensation for giving individually tailored advice to a specific entity on investing in stocks, bonds, or mutual funds. Some investment advisers also manage portfolios of securities, including mutual funds.

Investment Goals – Objective or target, usually driven by specific future financial needs.

Investment Objectives – The financial goal or goals of an investor. Defining investment objectives helps to determine the investments one should select.

Option Contracts — Options are a type of derivative; derivatives are securities whose prices are derived from the price of an underlying asset or group of assets. The most common underlying assets are equities, debt, commodities and currencies. Option contracts also exist for indices and interest rates. Options consist of a type (call or put), a strike price (the price at which the underlying asset is delivered), a premium (the price a buyer pays the seller for the option contract) and an expiration date. Options come in two types:

- **Calls:** Calls provide buyers, also known as holders, the right (but not the obligation) to purchase a specified amount of the underlying asset from the Seller. Calls obligate sellers, also known as writers, to sell a specified amount of the underlying asset to the buyer at the strike price.
- **Puts:** Puts provide buyers, also known as holders, the right (but not the obligation) to sell a specified amount of the underlying asset to Seller. Puts obligate sellers, also known as writers, to buy a specified amount of the underlying asset from the buyer at the strike price.

For each type of option, the buyer may exercise his or her right prior to or at expiration. For stock options, the amount covered by the option is usually 100 shares. If the stock option contract is exercised, the writer is responsible for fulfilling the terms of the contract by delivering the shares to the holder. In the case of a security that cannot be delivered such as an index, the contract is settled in cash. For the holder, the potential loss is limited to the price paid to acquire the option. When an option is not exercised, it expires. No shares change hands and the money spent to purchase the option is lost. For the buyer, the upside is unlimited. Option contracts, like stocks, are therefore said to have an asymmetrical payoff pattern. For the writer, the potential loss is unlimited for uncovered calls and limited to the strike price less the premium received for uncovered puts. For the option writer, gains are limited to the payment received for the options. Option writers can also write covered options, meaning that the writer already owns or has sold the security underlying the option. Option contracts are most frequently utilized to increase leverage or provide downside protection on an underlying asset. As leverage, options allow the holder to control equity in a limited capacity for a fraction of what the shares would cost. The difference can be invested elsewhere until the option is exercised. As protection, options can guard against price fluctuations in the near term because they provide the right to acquire the underlying stock at a fixed price for a limited time. Risk is limited to the option premium (except when writing options for a security that is not already owned). However, the costs of trading options (including both commissions and the bid/ask spread) are higher on a percentage basis than trading the underlying stock. Options are also a wasting asset, meaning that their value eventually declines to zero if not exercised. In addition, options are very complex and require a great deal of observation and maintenance. Some types of option strategies involving multiple option contracts have unknown risks because the price movements between the different option contracts are not well understood.

Portfolio — An entity's combined holdings of stocks, bonds, or other securities and assets.

Risks — A list of all risks associated with the strategies, products and methodology Sierra offers are listed below:

1. Company Risk

Risk that the business plan of a company is poorly conceived or poorly executed by senior management, or that the company fraudulently misleads the investment community as to its financial condition, either historically or prospectively.

2. Credit Default Swap Risk

Credit default swap contracts, a type of derivative instrument, involve special risks and may result in losses to the Client's investment portfolio. Credit default swaps may in some cases be illiquid, and they increase credit risk since the Client account has exposure to both the issuer of the referenced obligation and the counterparty to the credit default swap. The absence of a central exchange or market for swap transactions led, in some instances, to difficulties in trading and valuation, especially in the event of market disruptions.

3. Counterparty Risk

Over-the-counter ("OTC") derivative instruments expose the Account to the risk of loss due to the failure of the other party to the contract ("counterparty") to make required payments, make collateral calls, settle a transaction or otherwise comply with the contract's terms because of such counterparty's problems, including liquidity requirements, bankruptcy or insolvency. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide) because such markets may lack the established rules and procedures for settlement of disputes among market participants available in "exchange-based" markets. This risk may be heightened during volatile market conditions, or for contracts with longer maturities where events may intervene to prevent settlement, or where the transactions are concentrated with a single or small group of counterparties. For certain types of derivatives or for specific counterparties, Registrant may attempt to mitigate such counterparty risk by monitoring the creditworthiness of the counterparty, by requesting collateral from the counterparty and/or receiving a guarantee from the counterparty's parent. For sake of clarity, there are some types of derivatives, including currency forwards, where sub-advisor generally does not collateralize for counterparty exposure. These attempts to mitigate counterparty risk may not be successful. In addition, due to market movements and minimum transfer amounts, there may be times that counterparty is holding collateral that is owed to the other party. In such cases, if the counterparty were to declare bankruptcy or otherwise become insolvent it may be difficult to recoup these amounts. Finally, due to the negotiated nature and limited number of arrangements with counterparty to invest in OTC derivative instruments, sub-advisor's ability to achieve best execution in such transactions may be limited.

4. Derivatives Risk

The use of derivatives involves risks different from, or possibly greater than, risks associated with investing directly in securities and other traditional investments. While some derivative strategies can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by

offsetting favorable price movements in other portfolio investments. Derivatives may have a leveraging effect on the Client's portfolio. Derivatives may be difficult to sell, unwind or value and the counterparty may default on its obligations to the Client.

5. Emerging Markets Risk

Investing in non-U.S. issuers may involve unique risks compared to investing in securities of U.S. issuers. These risks are more pronounced for issuers in emerging markets or to the extent that the Client accounts invest significantly in one region or country. These risks may include different financial reporting practices and regulatory standards, less liquid trading markets, currency risks, changes in economic, political, regulatory and social conditions, sustained economic downturns, tax burdens, and investment and repatriation restrictions.

6. Exchange Traded Funds ("ETFs") Risks

The market price of an ETF's shares may trade at a discount to net asset value, an active secondary trading market may not exist, or trading may be halted by the exchange on which it trades. These factors may hinder the ability to timely sell an ETF at a fair price. ETFs also have embedded fees and expenses which are borne by the investor. ETFs may be used in balanced portfolios.

7. Fixed Income Securities Risks

Investments in fixed income (debt or bond) securities typically decrease in value when interest rates rise. This risk is usually greater for longer-maturity debt securities. Investments in debt securities with lower credit ratings (and non-rated credits) are subject to a greater risk of loss to principal and interest than those with higher credit ratings.

- High yield bond risk - Debt securities that are below investment grade, "junk bonds," are speculative, have a higher risk of default or are already in default, tend to be less liquid and are more difficult to value than higher grade securities. Junk bonds tend to be volatile and more susceptible to adverse events and negative sentiments.
- Inverse floating rate obligations risk - The interest rate on inverse floating obligations will generally decrease as short-term interest rates increase, and increase as short-term rates decrease. Due to their leveraged structure, the sensitivity of the market value of an inverse floating rate obligation to changes in interest rates is generally greater than a comparable long-term bond issued by the same issuer and with similar credit quality, redemption and maturity provisions. Inverse floating rate obligations may be volatile and involve leverage risk.
- Government sponsored entities such as Fannie Mae, Freddie Mac and Federal Home Loan Banks (FHLBs), although chartered or sponsored by Congress, are not funded by congressional appropriations and the debt and mortgage-backed securities issued by them are neither guaranteed nor issued by the U.S. government. Although the U.S. government has provided financial support to Fannie Mae and Freddie Mac in the past, there can be no assurance that it will support these or other government sponsored entities in the future.

- Call Risk - the possibility that falling interest rates will cause a bond issuer to redeem, or call, its high-yielding bond before the bond's maturity date.
- Credit Risk - the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- Duration Risk - the duration of a financial asset that consists of fixed cash flows, for example a bond, is the weighted average of the times until those fixed cash flows are received. Duration also measures the price sensitivity to yield, the percentage change in price for a parallel shift in yields.
- Income Risk - risk that an investment strategy designed to generate a sufficient income stream fails to produce adequate income, resulting in the inability to sustain a desired cash flow and/or the need to sell assets to produce desired income.
- Interest Rate Risk - the risk that the market value of the bonds will go down when interest rates go up. Because of this, Clients can lose money in any bond, including those that invest only in insured bonds or Treasury bonds.
- Prepayment Risk - the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, Clients may not be able to reinvest the proceeds in an investment with as high a return or yield.

8. Fundamental Analysis Risk

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics
- The data used may be at least six months out of date
- It is difficult to give appropriate weightings to the factors
- In the early 1970s and 1980s price/earnings multiples of 80 or 90 were considered acceptable by some for 'blue chip' stocks in the United States
- It assumes that the analyst is competent
- A fundamental analyst assumes that other fundamental analysts will form the same view about the company and buy the stock, thus restoring its value and returning the trader or investor a capital gain. In practice, an undervalued company's stock price can stay at approximately the same level (or decline) for years
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on
- It assumes that there is no monopolistic power over markets

- Even when fundamental analysis reveals an undervalued company, or a stock with high growth prospects, it does not tell anything about the timing of the purchase of the stock. In other words, the Adviser may have discovered a grossly undervalued stock whose price has been falling for some time, and may well continue falling.

9. Leverage and Volatility Risk

The trading of derivatives is highly speculative and may entail more risks than those present when investing in other securities. Prices of derivatives are generally more volatile than prices of other securities. The use of derivatives allows the Registrant to speculate on market fluctuations of securities and securities exchange indices while investing only a small percentage of the value of the securities underlying the derivative. A change in the market price of the underlying securities or underlying market index will therefore cause a much greater percentage change in the price of the derivative contract. In addition, certain derivatives have a leverage component and adverse changes in the value of the underlying asset, reference rate or index can result in a loss substantially greater than the amount initially invested in the derivative itself. The use of leverage, which can be described as exposure to changes in price at a ratio greater than 1:1 in reference to the amount invested, magnifies both the favorable and unfavorable effects of price movements in the investments made by the Account. Leverage can also occur by engaging in shorting currencies or securities. Short selling involves selling currencies or securities that are not owned and borrowing the same currency or securities for delivery to the purchaser, with an obligation to replace the borrowed currency or securities at a later date. Short selling exposes the Account to the risk of unlimited loss with respect to such currencies or securities due to the lack of an upper limit on the price to which such instruments can rise. The use of leverage can cause losses greater than the amount of the initial investment.

10. Liquidity and Valuation Risk

A particular derivative may be difficult to purchase or sell. In particularly large transactions or illiquid markets (e.g., for many OTC derivatives) or where the availability of counterparties becomes limited for a period of time, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. Certain derivatives markets (including those in some non-U.S. countries) are still developing and suitable derivative transactions may not be available. To the extent that the Registrant is unable to close out a position for an Account, the Account may not be able to prevent further losses of value in its derivatives holdings. In addition, derivative instruments may be difficult to value accurately, which could adversely affect the Account.

11. Market Segment Risk

To the extent a Client account may, from time to time, make investments in a market segment, the account will be subject to a greater degree of risks particular to that segment, and may experience greater market fluctuation than an account without the same focus.

12. Mortgage-backed Securities

A mortgage-backed security (MBS) is an asset-backed security or debt obligation that represents a claim on the cash flows from mortgage loans through a process known as securitization. The monthly cash flow of an MBS is not known in advance, and therefore presents risk to MBS investors of early prepayment.

13. Option Risk

Options trading is considered speculative and may result in the loss of a portion of or all of your initial investment, and/or funds in excess of the principal invested.

14. Portfolio Selection Risk

Judgment about a particular security or issuer, about the economy or a particular sector, region or market segment, or about an investment strategy, or allocation of fund assets to the various asset classes, may prove to be incorrect.

15. REIT Risks

Investing in real estate investment trusts ("REITs") involves unique risks. They are significantly affected by the market for real estate and are dependent upon management skills and cash flow. REITs may have lower trading volumes and may be subject to more abrupt or erratic price movements than the overall securities markets. In addition to its own expenses, the Client account will indirectly bear its proportionate share of any management and other expenses paid by REITs in which it invests. Many real estate companies, including REITs, utilize leverage.

16. Stock Related Risks

Although a stock's value can rise and fall quickly over the short term, historically stocks have performed better over the long term than other types of investments, including corporate bonds, government bonds, and treasury securities.

- Overall "market risk" poses the greatest potential danger for investors in stocks. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.
- Company Risk - Risk that the business plan of a company in whose securities the Adviser invests is poorly conceived or poorly executed by senior management, or that the company fraudulently misleads the investment community as to its financial condition, either historically or prospectively.
- Growth Style Risk - Growth stocks may fall out of favor with investors and underperform the overall equity market.
- Value Style Risk - The prices of securities believed to be undervalued, may not appreciate as expected or may go down. Value stocks may fall out of favor with investors and underperform the overall equity market.

- Small and Mid-size Companies Risk - Compared to large companies, small and mid-size companies, and the market for their equity securities, may be more sensitive to changes in earnings results and investor expectations. They have more limited product lines and capital resources, experience sharper swings in market values, may be harder to sell at the appropriate times and prices, and offer greater potential for market fluctuation.

17. Technical Analysis risk

- Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy.
- Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data.
- Models and rules can incur sufficiently high transaction costs.

Risk Tolerance – The extent to which an investor is willing to accept more risk in exchange for the possibility of a higher return. An investor with a high risk tolerance is likely to invest in securities, such as stocks in startup companies, and is willing to accept the possibility that the value of his/her portfolio will decline, at least in the short-term. An investor with a low risk tolerance, on the other hand, tends to invest predominantly in stable stocks and/or highly-graded bonds. One's risk tolerance is subjective and may vary according to age, needs, goals, and even personal dispositions.