

Item 1 – Cover Page

CHANGING PARAMETERS, LLC

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January 29, 2015

This Brochure provides information about the qualifications and business practices of Changing Parameters, LLC. If you have any questions about the contents of this Brochure, you may contact us at (650) 327-7705 and/or howard.smith@changingparameters.com. Changing Parameters, LLC (“CP”) is a registered investment adviser with the Securities and Exchange Commission.

Registration of an investment adviser does not imply any level of skill or training. 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.

Additional information about Changing Parameters, LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since the last annual update to CP's brochure as filed with the SEC on January 14, 2014, the following material changes have been made:

Item 4: Sally Ann Talarico is no longer an owner or a managing member of Changing Parameters, LLC.

Item 10: Value Monitoring, Inc. and Change Parameters, LLC are no long affiliated entities.

Item 13: Mr. Smith or David H. Levenson or both will review all accounts and make all investment decisions. Robert H. Levenson will no longer review accounts or make investment decisions.

Item 3 – Table of Contents

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Item 4 – Advisory Business

A. Firm Description

CP is a Delaware limited liability company owned and controlled by Howard P. Smith that commenced operations in July 2004 with its principal place of business located in Menlo Park, California.

B. Advisory Services

CP currently provides the following types of advisory services:

Investment Advisory Tactical Allocation Services

CP provides investment advisory tactical allocation services to its separate account clients (“separate account clients”) on a discretionary basis. The investment advisory tactical allocation services CP provides involve investing in bond, equity and/or money market mutual funds, some of which may be within insurance products, including, without limitation, universal variable life or variable annuity policies, using price trend analysis methods to provide trigger points. For some or all of its separate account clients, CP may seek to follow its investment strategy by causing all or substantially all client funds held in such separate account clients’ accounts (each account of a separate account client is referred to individually as a “separate account” and collectively as the “separate accounts”) to be invested in the Mutual Funds (as defined below). As part of this service, CP may also provide a variety of financial planning services, including asset allocation, tax planning (but not tax return preparation), tax research, and insurance related advice and referrals to, among others, individuals; pension and profit sharing plans; trusts and estates; charitable organizations; and corporations or other business entities.

Investment Management Services to Registered Investment Companies

CP provides investment management services to trusts and mutual funds. Currently CP provides investment management services to Changing Parameters Fund (the “CP Fund”), a series of Northern Lights Fund Trust, a Delaware statutory trust (the “Trust”), and Changing Parameters Portfolio (the “CP Portfolio”), a series of Northern Lights Variable Trust, a Delaware statutory trust (the “Variable Trust,” and together with the Trust, the “Trusts”) (each of the CP Fund and the CP Portfolio, a “Mutual Fund,” and together, the “Mutual Funds”). Each of the Trusts is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”).

C. Tailoring of Advisory Services

With respect to separate account clients, CP manages the separate accounts pursuant to separate Discretionary Management Agreements (each, a “Management Agreement”) and does not generally tailor its advisory services to the needs of individual separate account clients or accept client-generated investment restrictions. The strategy of the Advisor is to enter the market when the proprietary models indicate a suitable uptrend in one or more bond market sectors. When the models no longer indicate an uptrend, the Adviser seeks to reduce positions and move investments into shorter duration sectors of the bond market and/or money market instruments. This strategy is believed to be appropriate for a wide range of investors.

With respect to the Mutual Funds, CP manages each Mutual Fund pursuant to the investment advisory agreement with such Mutual Fund and in accordance with such Mutual Fund’s investment

objective, strategies, guidelines and restrictions as disclosed in the registration statement of such Mutual Fund.

D. Wrap Fee Programs

CP does not participate in any wrap fee programs.

E. Assets Under Management (as of December 31, 2014)

Discretionary: \$ 129,051,219

Non-Discretionary: \$0.00

Item 5 – Fees and Compensation

Investment Advisory Tactical Allocation Services

A. Types of Fees

CP charges advisory fees based on a percentage of the aggregate assets under management (see Item 10.C.2). The specific advisory fee percentage charged to each separate account is separately negotiated; however, total advisory fees paid to CP by a separate account client will be subject to a cap of 2.50% per annum of the separate account client's aggregate assets under management.

B. Payment Method

Advisory fees are charged in arrears quarterly based on the assets under management as of the quarter-end, adjusted for additions and withdrawals during the quarter. CP generally directly debits its advisory fees from the client's custodial account, although CP and some clients may alternatively agree that these fees will be paid by check.

C. Costs and Expenses

In addition to the advisory fee, each separate account client is responsible for any fees, expenses or changes incurred by or on behalf of the separate account client related to (i) custodial services provided for the separate account; (ii) transactions effected for the separate account, including brokerage and execution charges, markups and commissions, and (iii) any other service provided for the separate account by any person other than CP. For additional information regarding brokerage and execution charges, see Item 12 below.

D. Refunds

Each separate account client has the right to terminate its Management Agreement with CP upon written notice to CP. Termination shall be effective at the end of the next business day after CP gives or receives notice of termination. If a terminated separate account client has prepaid, unearned fees, such fees will be refunded pro rata to the separate account client, based on the effective date of such termination.

E. Sales Compensation

CP does not directly receive any compensation for the sale of securities or other investment products for its separate account clients. However, Howard Paul Smith, an investment advisor representative and an executive officer of CP is also a registered representative of Ceros Financial Services ("Ceros"), a registered broker-dealer, and receives commissions on CP's separate accounts' investments in mutual funds that are associated with certain insurance products. Mr. Smith's affiliation with Ceros creates a conflict of interest in that he may be incentivized to cause a greater portion of the separate account clients' funds to be invested, through Ceros, because of the additional commissions that he will receive. To mitigate this conflict, CP fully discloses such affiliation with Ceros to CP's separate account clients and provides its separate account clients with the option to purchase mutual funds that CP recommends through other brokers or agents that are not affiliated with CP. Additionally, in the case of sales loads that may be received in the future, CP will reduce the advisory fees charged to a separate account client or the fees and expenses charged by Ceros for custody of the separate account by the amount of such sales loads that are directly attributed to the separate account. No such fee reduction is, or will be, made with respect to commissions received from insurance companies directly or Rule 12b-1 distribution fees from certain mutual funds.

Investment Management Services to Registered Investment Companies

A. Types of Fees

CP charges a monthly management fee to the registered investment companies to which it provides advisory services in an amount equal to a percentage of the average daily net assets of the fund to the extent allowed by law. Specifically, CP receives from each Mutual Fund an annual management fee equal to 1.50% of the average daily net assets of such Mutual Fund.

With respect to the CP Portfolio, CP has contractually agreed to waive its fees and/or reimburse expenses of the CP Portfolio, at least until April 30, 2015, such that the Total Annual Operating Expenses after Fee Waiver (exclusive of any front end or contingent deferred loads, taxes, leverage interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, dividend expense on securities sold short, underlying fund fees and expenses or extraordinary expenses such as litigation) do not exceed 2.25% of the Portfolio's average net assets. This agreement may be terminated by the Portfolio's Board of Trustees on 60 days written notice to the adviser.

B. Payment Method

To the extent taken, management fees are deducted in arrears from the Mutual Fund's custodial account monthly.

C. Costs and Expenses

In addition to the advisory fees described above, each Mutual Fund is responsible for other fees, expenses or charges including, but not limited to, fees incurred in connection with the maintenance of registration with the SEC, qualification under state securities law, preparation and printing of registration statements, certain taxes or governmental fees, fees and expenses of the custodian and the transfer agent, expenses of legal counsel and independent accountants, expenses of preparing, printing and mailing reports, proxy statements and prospectuses, and expenses of trustee and shareholder meetings. For additional information regarding brokerage and execution charges, see Item 12 below.

D. Refunds

Each Mutual Fund has the right to terminate its Management Agreement with CP upon written notice to CP. Termination shall be effective at the end of the next business day after CP gives or receives notice of termination. If a terminated Mutual Fund client has prepaid, unearned fees, such fees will be refunded pro rata to the Mutual Fund, based on the effective date of such termination.

E. Sales Compensation

CP does not currently receive any sales compensation in respect of the CP Fund or the CP Portfolio, although it may do so in the future.

Item 6 – Performance Based Fees and Compensation

CP does not perform any performance based services for its clients. CP does not provide side-by-side management services.

Item 7 – Types of Clients

Separate Account Clients

CP provides investment advisory tactical allocation services to a variety of separate account clients, including individuals, investment companies, pensions and profit sharing plans, trusts, estates, charitable organizations, and corporations or other business entities. CP generally requires a minimum of \$500,000 in assets under management for an individual separate account, although CP may waive this minimum at its discretion.

Registered Investment Companies

CP provides investment management services to the CP Fund and CP Portfolio.

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

A. Methods of Analysis and Investment Strategies

Investment Analysis

CP makes allocation and reallocation recommendations to its separate account clients using price trend analysis methods, which provide trigger points for investing in bond, equity and/or money market mutual funds, some of which may be within insurance products, including, without limitation, universal variable life or variable annuity policies. For some or all of its separate account clients, CP may seek to follow the particular investment strategy of causing all or substantially all client funds held in such separate accounts to be invested in the Mutual Funds.

For the Mutual Funds, CP uses technical, quantitative and momentum analysis to assess trends and current investment opportunities across the securities markets generally and to allocate the Mutual Funds' investment portfolios between the equity and fixed income markets, and among various market segments within the equity and fixed income markets. Technical analysis is the study of an index's or a security's past prices and trading volumes for the purpose of forecasting price trends. Quantitative methods compute price trends, such as moving average price, and statistical measures, such as standard deviation, to use as predictive tools. Momentum measures use many of these same tools to measure the speed of price changes as a leading indicator of trends. The Mutual Funds will invest in specific market segments when CP's proprietary investment models indicate a high probability that the applicable investments in such chosen market segments are likely to outperform investments in other market segments. The Mutual Funds will sell interests or reduce their investment exposures among specific market segments when CP's models indicate that investments in such markets are likely to underperform. The Mutual Funds are actively managed and CP anticipates that the Mutual Funds will continue to have high portfolio turnover rates.

CP has entered into arrangements with certain consultants who develop strategy inputs/signal models and provide CP access to such models, and CP trades a portion of its assets under management based on these models. In the future, CP may seek to increase the percentage of its assets that are traded based on such models. To help develop its investment recommendations, CP may use commercially available information services and financial publications dealing with investment research, securities law and taxation. Such information may be obtainable in print, via the internet or by some other means. Issuer-prepared materials (particularly prospectuses), private placement due diligence materials, and research releases prepared by third parties are also utilized. CP also may use research materials prepared by various investment product vendors or custodians as well as in-house analysts.

Investment in securities involves risk of loss that investors in the Mutual Funds or the separate account clients must be prepared to bear.

Investment Strategies

With respect to separate accounts, CP's investment strategy is generally to enter the market when CP's proprietary models indicate a suitable uptrend in the equity and/or bond markets. When the models no longer indicate an uptrend, CP generally moves a portion or all of client funds into money market instruments.

The investment objectives of the Mutual Funds are total return. CP seeks to achieve the Mutual Funds' investment objectives by investing primarily in a combination of long and short positions in equity and fixed income securities (which may include common stocks, bonds, preferred stocks, shares of open-end and closed-end investment companies and ETFs), futures contracts, options on futures contracts and U.S. Treasury instruments. The open-end and closed-end investment companies may include those that invest in equity and fixed income securities (including lower rated, high yield "junk" bonds).

In general, the Mutual Funds' investments in equity securities, futures contracts, options on futures contracts and bonds are intended to achieve the capital appreciation component, and the investments in money market instruments, fixed income securities (including high yield bonds) and to a lesser extent U.S. Treasuries are intended to achieve the income component of the Mutual Funds' total return objectives. The Mutual Funds typically invest in U.S. Treasuries with maturities of any duration, or their derivatives, and the Mutual Funds' allocation of their investments between the equity and fixed income market segments may vary without limitation. The Mutual Funds may sell securities short and establish short positions in derivatives for both investment and hedging purposes.

The Mutual Funds are diversified, which means that they can invest a greater percentage of their assets in any one issuer than a diversified fund.

B. Investment Strategy Risks

Acquiring interests in the Mutual Funds or opening a separate account with CP is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with CP and can accept a potential loss of their entire investment. The material risks to which investors are subject are listed below.

Investment risks specific to the investment strategy of each Mutual Fund are described in the prospectus of each Mutual Fund and should be read carefully before making an investment in the Mutual Funds. Risks specific to any investment strategy employed by CP in managing a separate account will be explained to the separate account client prior to the opening of the separate account. Such risks may include (but are not limited to):

- *Leverage.* With respect to the Mutual Funds and certain mutual funds in which separate accounts may invest, the use of leverage by purchasing securities with borrowed money, including money borrowed under lines of credit that may be maintained; by investing in certain derivatives; and by selling securities short are speculative techniques that can amplify the effects of market volatility on such funds' net asset values and make their returns more volatile. The use of leverage may cause portfolio positions to be liquidated when it would not be advantageous and may also result in higher expenses (especially interest and dividend expenses) than those of mutual funds that do not use leverage.
- *Portfolio Management.* The performance of a Mutual Fund or separate account depends on the skill of CP and its portfolio manager(s) in making appropriate investment decisions. CP's judgments about the attractiveness, value and potential appreciation of a particular security, derivative or asset in which a Mutual Fund or a separate account (indirectly through its investment in mutual funds) invests or sells short may prove to be incorrect and may not

produce the desired results. **CP cannot guarantee the future performance, or any specific level of performance, of the Mutual Funds or separate accounts, the success of any investment decision or strategy that CP may use, or the success of CP's overall management of the Mutual Funds or separate accounts.** The Mutual Funds and separate account clients understand that investment decisions made by CP for them are subject to various market, currency, economic, political and business risks and that those investment decisions may not always be profitable.

- *Diversified.* The Mutual Funds and the separate accounts may have limited or no diversification, which means that more or all of the Mutual Funds' or the separate accounts' assets may be invested in the securities of a single issuer. This makes the value of the Mutual Funds or the separate accounts more susceptible to certain risks than that of a diversified investment company or account. As a non-diversified fund or account, the Mutual Funds and separate accounts have a greater potential to realize losses upon the occurrence of adverse events affecting a particular issuer.
- *Short Selling.* From time to time CP may engage in short selling on behalf of a Mutual Fund or separate account. Short selling involves selling securities not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Positions in shorted securities are often speculative and riskier than "long" positions (purchases). Unlike long positions, losses on short positions are potentially unlimited. The successful use of short selling may be adversely affected by imperfect correlation between movements in the price of the security sold short and the securities being hedged. Short selling will also result in higher transaction costs (such as dividends and accrued interest on borrowed securities and fees associated with borrowing the securities), which reduce returns and may result in higher taxes. If the prices of securities sold short increase, additional funds or collateral may be required to maintain the short positions, which could, in turn, require other investments to be liquidated at unfavorable prices to provide additional margin. Further, the lender of securities can request return of the borrowed securities at a time such securities may not be borrowed from other lenders. It may also be impossible to borrow securities at the most desirable time to make a short sale.
- *Turnover Risk.* A higher portfolio turnover may result in additional transactional and brokerage costs, which may reduce the Mutual Funds' or separate accounts' returns. Active trading of securities may also increase the Mutual Funds' or separate accounts' realized capital gains or losses, which may affect the taxes paid by shareholders of the Mutual Funds or separate account clients.

C. Portfolio Investment Risks

The Mutual Funds and one or more separate accounts managed by CP invest primarily in a combination of long and short positions in equity and fixed income securities (which may include common stocks, bonds, preferred stocks, shares of open-end and closed-end investment companies and ETFs), futures contracts, options on futures contracts and U.S. Treasury instruments. The open-end and closed-end investment companies may include those that invest in equity and fixed income securities (including lower rated, high yield "junk" bonds). Risks specific to this type of investment may include (but are not limited to):

- *Issuer-Specific Risk.* The value of a specific security can be more volatile than the market as a whole and may perform worse than the market as a whole.
- *Derivatives.* The Mutual Funds and separate accounts (indirectly through their investments in mutual funds) may invest in various types of derivatives, including options on securities, securities indexes and futures contracts, and may use derivatives to, among others, hedge risks inherent in its portfolio, enhance the potential return of its portfolio, diversify its portfolio, to take a position in an underlying debt or equity security and/or to reduce transaction costs associated with managing its portfolio. Derivatives involve the risks separate from the risks of the underlying instrument, including improper valuation and ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying instrument. Derivatives are also subject to other risks, such as the risk of an illiquid secondary market which may result in significant, rapid, and unpredictable changes in the prices for such derivatives, risks relating to the financial soundness and credit worthiness of the counterparty, and the risk of the failure of exchanges and clearinghouses. The use of a derivative is speculative if it is used to enhance returns rather than to offset the risk of other positions. When derivatives are used for speculative purposes, the investing Mutual Fund or separate account will be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the cost of the derivative. Even a small investment in derivatives may give rise to leverage risk, and can have a significant impact on a Mutual Fund or separate account's performance.
- *Futures Risk.* The Mutual Funds and separate accounts (indirectly through their investments in mutual funds) may invest in futures contracts, the use of which involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) leverage risk; (ii) correlation or tracking risk and (iii) liquidity risk. Because futures require only a small initial investment in the form of a deposit or margin, they involve a high degree of leverage. Accordingly, the fluctuation of the value of futures in relation to the underlying assets upon which they are based is magnified. Thus, the Mutual Funds or separate accounts may experience losses that exceed losses experienced by funds that do not use futures contracts. There may be imperfect correlation, or even no correlation, between price movements of a futures contract and price movements of investments for which futures are used as a substitute, or which futures are intended to hedge. Lack of correlation (or tracking) may be due to factors unrelated to the value of the investments being hedged, such as speculative or other pressures on the markets in which these instruments are traded. Consequently, the effectiveness of futures as a security substitute or as a hedging vehicle will depend, in part, on the degree of correlation between price movements in the futures and price movements in underlying securities. While futures contracts are generally liquid instruments, under certain market conditions they may become illiquid. Futures exchanges may impose daily or intra-day price change limits and/or limit the volume of trading. Additionally, government regulation may further reduce liquidity through similar trading restrictions. As a result, the Mutual Funds or separate accounts may be unable to close out its futures contracts at a time which is advantageous. The successful use of futures depends upon a variety of factors, particularly the ability to predict movements of the underlying securities markets, which requires different skills than predicting changes in the prices of individual securities. There can be no assurance that any particular futures strategy

adopted will succeed.

- *Options Risk.* The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing securities to satisfy the exercise of the call option can itself cause the price of the securities to rise further, sometimes by a significant amount, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium invested in the call option. The seller (writer) of a put option which is covered (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing his entire premium invested in the put option.
- *Exchange Traded Funds.* The Mutual Funds and separate accounts (indirectly through their investments in mutual funds) may invest in ETFs. ETFs generally will not replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, ETFs will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETF's ability to track their applicable indices. The market value of the ETF shares could affect the timing, amount and character of distributions to investors and therefore may increase the amount of taxes investors pay. Each ETF is subject to specific additional risks, depending on its investments.
- *Fixed Income Securities.* When the Mutual Funds or separate accounts (indirectly through their investments in mutual funds) invest in fixed income securities directly or indirectly by investing in mutual funds that invest primarily in fixed income securities, the value of the Mutual Funds or separate accounts will fluctuate with changes in interest rates. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions of an issuer's creditworthiness. Generally, fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, with lower rated securities more volatile than higher rated securities. The duration of these securities affects risk as well, with longer term securities generally more volatile than shorter term securities. Defaults by fixed income issuers in which the Mutual Funds or separate accounts invests will also harm performance.
- *High Yield Bonds.* Fixed income securities that are below investment grade or unrated involve greater risks of default and are more volatile than investment grade securities. High yield bonds involve a greater risk of price declines than investment grade securities due to actual or perceived changes in an issuer's creditworthiness. In addition, issuers of high yield bonds may be more susceptible than other issuers to economic downturns, which may result in a weakened capacity of the issuer to make principal or interest payments. High yield bonds are subject to a greater risk that the issuer may not be able to pay interest or dividends and

ultimately to repay principal upon maturity. An economic downturn or period of rising interest rates could adversely affect the market for these bonds and reduce the ability to sell its bonds.

Equity Securities. The Mutual Funds and separate accounts (indirectly through their investments in mutual funds) may invest in equity securities and may be exposed to a sudden decline in the share price or to an overall decline in the stock market. The value of investments held in a Mutual Fund or separate account will fluctuate daily and cyclically based on changes in the issuer's financial condition and prospects and on overall market and economic conditions. The risks associated with investing in equity securities of companies include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the Mutual Funds or separate accounts invest may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical changes.

Item 9 – Disciplinary Information

CP does not have any information to disclose related to this item.

Item 10 – Other Financial Industry Activities or Affiliations

A. Registration as a Broker-Dealer or Registered Representative

Mr. Smith, President and Chief Compliance Officer of CP, is a registered representative of Ceros, a registered broker-dealer that performs certain brokerage services for CP in respect of CP's separate account clients. CP may place orders for its separate account clients through Ceros for insurance products, including, without limitation, universal variable life insurance and variable annuity contracts. CP may also purchase mutual funds used to initially establish separate accounts and make subsequent reallocations between mutual funds through Ceros.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person

No affiliates of CP or any of its management persons are registered as futures commission merchant, commodity pool operator, commodity trading adviser or associated person.

C. Material Relationships

CP and Howard P. Smith, an executive officer of CP currently have certain relationships or arrangements with certain related persons that are material to CP's advisory business as follows:

1. *broker-dealer, municipal securities dealer, or government securities dealer or broker*

See Item 10.A above. Mr. Smith, as a registered representative of Ceros, receives commissions on CP's separate accounts' investments in mutual funds that are associated with certain insurance products. Mr. Smith, as a registered representative of Ceros, also may, but does not currently, receive sales loads and Rule 12b-1 distribution fees from certain mutual funds in which CP's separate accounts invest. This affiliation with Ceros creates a conflict of interest in that CP may cause a greater portion of its separate account clients' funds to be invested, through Ceros, in mutual funds that pay commissions or mutual funds that have sales loads or have adopted Rule 12b-1 plans. To mitigate this conflict, CP fully discloses such affiliation with Ceros to CP's separate account clients and provides its separate account clients with the option to purchase mutual funds that CP recommends through other brokers or agents that are not affiliated with CP. Additionally, in the case of sales loads that may be received in the future, CP generally will reduce the advisory fees charged to a separate account client or the fees and expenses charged by Ceros for custody of the separate account by the amount of such sales loads that are directly attributed to the separate account. No such fee reduction is, or will be, made with respect to commissions received from insurance companies directly or Rule 12b-1 distribution fees from certain mutual funds.

2. *investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)*

See Item 7 above. As discussed above, CP serves as investment adviser to the Mutual Funds. Pursuant to certain provisions of the 1940 Act, CP may be deemed to control the Mutual Funds and may therefore be considered a "related person" of the Mutual Funds for the purposes of this Item 10.C. This creates a conflict if separate account clients are invested in a Mutual Fund. CP will address this conflict by disclosing the issue to separate account clients before investing such

separate account clients' money in a Mutual Fund. For separate account clients with assets invested in either or both of the Mutual Funds, advisory fees may be paid directly to CP at the separate account level and indirectly to CP at the Mutual Fund level, because, as an investor in the Mutual Fund(s), the separate account client will indirectly bear the annual advisory fee that the Mutual Fund(s) pays CP (as well as other expenses). In this case, total direct and indirect advisory fees the separate account client pays to CP will be subject to a maximum of 2.50% per annum of total asset value under management.

3. *insurance company or agency*

Ceros (as discussed in Item 10.A) is a broker-dealer through which CP may place orders for its separate account clients for insurance products, including, without limitation, universal variable life insurance and variable annuity contracts. Mr. Smith, as a registered representative of Ceros, receives commissions on CP's separate accounts' investments in mutual funds that are associated with certain insurance products. Mr. Smith, as a registered representative of Ceros, also may, but does not currently, receive sales loads and Rule 12b-1 distribution fees from certain mutual funds in which CP's separate accounts invest. This affiliation with Ceros creates a conflict of interest in that CP may cause a greater portion of its separate account clients' funds to be invested, through Ceros, in mutual funds that pay commissions or mutual funds that have sales loads or have adopted Rule 12b-1 plans. To mitigate this conflict, CP fully discloses such affiliation with Ceros to CP's separate account clients and provides its separate account clients with the option to purchase mutual funds that CP recommends through other brokers or agents that are not affiliated with CP. Additionally, in the case of sales loads that may be received in the future, CP generally will reduce the advisory fees charged to a separate account client or the fees and expenses charged by Ceros for custody of the separate account by the amount of such sales loads that are directly attributed to the separate account. No such fee reduction is, or will be, made with respect to commissions received from insurance companies directly or Rule 12b-1 distribution fees from certain mutual funds.

D. Recommendation of Other Investment Advisers

CP does not receive compensation for the recommendation of other investment advisers.

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

A. Code of Ethics

In order to address conflicts of interest, CP has adopted a code of ethics (the “Code”), which is applicable to all of CP’s officers, managers, members, and employees (collectively, “Employees”). The Code sets the standard of ethical and professional business conduct that CP requires of its Employees, requires Employees to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by Employees. Additionally, the Code sets forth CP’s policies and procedures with respect to material, non-public information and other confidential information and the fiduciary obligations that CP and each of its Employees owes to each client. The Code is circulated at least annually to all Employees, and each Employee at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto. CP will provide a copy of the Code to any client or prospective client upon request.

B. Participation or Interest in Client Transactions

CP may solicit separate account clients to invest in a Mutual Fund or other investment vehicles sponsored or managed by CP (each, a “CP-related fund”). Because of the relationships between CP and any CP-related fund, CP could be considered to have recommended an investment in a CP-related fund as suitable for a separate account client if such separate account client should invest in the CP-related fund. CP will inform each separate account client of its relationship with a CP-related fund prior to the separate account client’s investment, but does not intend to advise any separate account client as to the appropriateness of the investment and will not receive any compensation for doing so or for selling interests in a CP-related fund (except to the extent that CP receives management fees and performance-based fees indirectly from all investors of a CP-related fund).

C. Personal Trading

CP and its officers and employees may buy and own many of the same mutual funds, including those within insurance products (e.g., universal variable life and variable annuity policies), that may be held by CP’s separate account clients. However, CP believes that any conflict of interest that may be created thereby will have little or no adverse effect on CP’s separate account clients due to the large size and liquidity of the mutual funds.

In addition, because the mutual funds are open-end investment companies, the relatively small amounts of fund shares bought and sold by CP and its officers and employees are not expected to have major impact on the price of the fund shares or fund performance. Nonetheless, CP recognizes its obligations under federal securities law to avoid insider trading and comply with other applicable federal securities law. The Code includes personal trading policies as well as those relating to insider trading.

D. Concurrent Trading Activity

When CP employees invest for their own accounts, conflicts of interest may arise between CP clients and CP employees. The conflicts may include taking an investment opportunity from clients for the employee’s own portfolio, using client portfolio assets to have an effect on the market that is used to the employee’s benefit, and using an employee’s advisory position to take advantage of

available investments (*e.g.*, front-running, which involves trading for one's own account before placing client orders based on knowledge of such pending client orders). To implement its personal trading policies, CP has adopted Employee Trading Policies, which includes an Insider Trading Policy as required by Section 204A of the Advisers Act and the Code as required by Rule 204A-1 under the Advisers Act. The Employee Trading Policies require that CP employees allocate limited investment opportunities to CP clients prior to investing for their own account.

Item 12 – Brokerage Practices

A. Selection of Broker-Dealers

Execution Quality

CP will generally seek “best execution” in light of the circumstances involved in transactions. CP is not obligated to obtain the lowest commission or best net price for a client on any particular transaction. CP has established a Best Execution Policy under which CP will seek to make well-informed trade execution decisions with the intention of optimizing the value of client portfolios under the particular circumstances at the time.

In selecting the broker-dealers to execute CP’s securities transactions on behalf of its clients in transactions where CP has discretion in the selection of brokers, CP shall evaluate each broker-dealer’s capabilities to provide best execution. When making such an evaluation, CP will consider, among other things: (i) the commission rates, including the ability to negotiate the commission charged by the broker-dealer and the historical commission rates of the broker-dealer, (ii) execution capability, including the overall execution services provided by the broker-dealer, promptness of execution, and the ability to access various market centers, and (iii) broker quality, including the broker-dealer’s creditworthiness, financial condition and business reputation, promptness and accuracy of reports of execution, and the ability and willingness to correct broker-dealer errors.

Soft Dollars

In addition to execution quality, CP may consider the value of various research services or products, beyond execution, that a broker-dealer provides to CP or its clients. Selecting a broker-dealer in recognition of such other services or products is known as paying for those services or products with “soft dollars.” Because many of those services could benefit CP, it may have a conflict of interest in allocating client brokerage business. In other words, CP could have an incentive to execute client transactions through a broker-dealer that provides valuable services or products and pays transaction commissions charged by that broker-dealer, which may be higher than CP might otherwise be able to negotiate. In addition, CP could also have an incentive to cause its clients to engage in more securities transactions than would otherwise be optimal in order to generate soft dollars with which to acquire research products and services.

CP typically does not enter into soft dollar arrangements; however, if CP does enter into soft dollar arrangements, such arrangements will meet the requirements of the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended. That is, CP will generally determine, considering all appropriate factors (including those described herein), that commissions paid are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer. In making that determination, CP may consider not only the particular transaction and the value of brokerage and research services and products to a particular client, but also the value of those services in CP’s performance of its overall responsibilities to all of its clients. In some cases, the commissions charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge. Additionally, in some cases, a client’s transaction may be executed by a broker-dealer in recognition of services or products that are not used in managing that client’s account. Broker-dealers are not excluded from a client’s business simply because they have not provided research services or products, although CP may not be

willing to pay the same commission to such broker-dealer as CP might have been willing to pay had the broker-dealer provided research products and services.

Where a particular service or product that a broker-dealer is willing to provide for soft dollars has not only a “research” application, but is also useful to CP for non-“research” purposes, CP will allocate the cost of the product or service between its research and non-research uses and pay only the “research” portion with soft dollars. CP’s interest in making such an allocation may differ from clients’ interests in that CP has an incentive to designate as great a portion of the cost as “research” as possible in order to permit payment with soft dollars.

CP will disclose to its discretionary brokerage clients that it may and expects to engage in soft dollar arrangements with respect to their accounts. CP will also disclose to its clients a description of

- (i) the types of research received through proprietary or third-party research arrangements, and
- (ii) the extent of CP’s use of the research.

CP did not acquire any soft-dollar products or services with client brokerage commissions during the fiscal year ending October 31, 2014.

Brokerage for Client Referrals

CP does not enter into agreements with, or make commitments to, any broker-dealer that would bind CP to compensate that broker-dealer, directly or indirectly, for client referrals (or sale of fund interests) through the placement or brokerage transactions.

Directed Brokerage

CP does not participate in any directed brokerage programs.

B. Aggregation of Orders

CP may aggregate purchases or sales of any security effected for a client’s account with purchases or sales of the same security effected on the same day for other client accounts. When transactions are aggregated, the actual prices applicable to the aggregated transaction will be averaged, and all participating accounts will be deemed to have purchased or sold its share of the security, instrument or obligation involved at such average price. Further, all transaction costs incurred in effecting the aggregated transaction will be shared on a pro rata basis among all participating accounts, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts.

CP may not allocate trades in such a way that CP’s own (or affiliated) account(s) receive more favorable treatment than CP client accounts. Similarly, CP may not favor one client or group of clients over another. CP has adopted Trade Allocation Policies to ensure that securities orders for more than one account are allocated in a fair or equitable manner.

With respect to separate account clients invested in mutual funds, including variable annuity, universal variable life or other insurance account(s), all accounts of the same class generally will be in the same type of mutual funds at the same time. When a client’s money is transferred between mutual funds or other securities in the model, there will be no preference given to any individual

client's account. All similar accounts (*i.e.*, universal variable life, variable annuity, or mutual funds (other than the Mutual Funds)) will be transferred at approximately the same time. Triggers will be specified increases above or decreases below a formulated target.

Item 13 – Review of Accounts

A. Periodic Account Review

Mr. Smith or David H. Levenson, a consultant to CP, or both will review all accounts and make all investment decisions.

Separate accounts will be reviewed and updated quarterly for net price and total value changes. Separate accounts will also be reviewed for appropriateness of current account holdings in light of any financial information that has changed since the last review.

The portfolios of the Mutual Funds are reviewed daily, and the net asset value of the Mutual Funds are determined at 4:00 p.m. (Eastern Time) on each day the New York Stock Exchange is open for business as further described in the registration statement for each Mutual Fund. Separate accounts holding solely shares of the Mutual Funds are reviewed and maintained by the Mutual Funds' transfer agent in accordance with the terms of a Transfer Agency Service Agreement between the Trust, on behalf of the CP Fund, and the Variable Trust, on behalf of the CP Portfolio, and Gemini Fund Services, LLC.

B. Non-Periodic Account Review

CP will review separate accounts on a non-periodic basis as it deems necessary or as requested by clients.

C. Client Reports

CP will provide to separate account clients a summary report at least once per quarter in addition to the confirmation and other statements that separate account clients receive, at least quarterly, directly from the mutual funds, insurance companies and/or custodian. Each such summary report for a separate account client will show the beginning and ending balances for the separate account for the previous quarter. CP may make such summary reports available in hardcopy or via electronic transmission or in electronic form on its website unless otherwise requested by a separate account client.

Investors of the Mutual Funds receive such reports as required by the 1940 Act.

Item 14 – Client Referrals and Other Compensation

A. Compensation By Non-Clients

See Item 10. Mr. Smith is a registered representative of Ceros, a broker-dealer through which CP may (i) place orders for its separate account clients for insurance products, including, without limitation, universal variable life insurance and variable annuity contracts, and (ii) purchase mutual funds used to initially establish separate accounts and make subsequent reallocations between mutual funds. Mr. Smith, as a registered representative of Ceros, receives commissions on CP's separate accounts' investments in mutual funds that are associated with certain insurance products. Mr. Smith, as a registered representative of Ceros, also may, but does not currently, receive sales loads and Rule 12b-1 distribution fees from certain mutual funds in which CP's separate accounts invest. This affiliation with Ceros creates a conflict of interest in that CP may cause a greater portion of its separate account clients' funds to be invested, through Ceros, in mutual funds that pay commissions or mutual funds that have sales loads or have adopted Rule 12b-1 plans. To mitigate this conflict, CP fully discloses such affiliation with Ceros to CP's separate account clients and provides its separate account clients with the option to purchase mutual funds that CP recommends through other brokers or agents that are not affiliated with CP. Additionally, in the case of sales loads that may be received in the future, CP generally will reduce the advisory fees charged to a separate account client or the fees and expenses charged by Ceros for custody of the separate account by the amount of such sales loads that are directly attributed to the separate account. No such fee reduction is, or will be, made with respect to commissions received from insurance companies directly or Rule 12b-1 distribution fees from certain mutual funds.

B. Compensation for Client Referrals

CP may employ third-party solicitors to whom it will pay cash or a portion of the advisory fees paid by separate account clients referred to it by those solicitors. In such cases, the practice will be disclosed in writing to the separate account client, and CP will comply with the other applicable requirements under Rule 206(4)(3) under the Advisers Act. In particular, CP will ensure that each solicitor provides separate account clients with a current copy of CP's Form ADV Brochure and the solicitor's written disclosure document.

Item 15 – Custody

Separate Account Clients and Registered Investment Companies

Funds and securities of separate accounts and the Mutual Funds will be maintained with a “qualified custodian” as required by Rule 206(4)-2 under the Advisers Act, and CP will not take physical possession of any such funds or securities (except checks payable to third parties). As described in Item 13(C) above, the qualified custodian will provide separate account clients and shareholders of the Mutual Funds with quarterly performance reports and account statements. Separate account clients and shareholders of the Mutual Funds should carefully read these reports and compare any reports received from CP against reports received from the qualified custodian.

Due to its ability to deduct fees directly from separate accounts, CP is considered to have custody of funds and securities of separate account clients under Rule 206(4)-2 under the Advisers Act. CP will follow the requirements of Rule 206(4)-2 for all separate account clients for which it has custody.

Item 16 – Investment Discretion

Separate Account Clients and Registered Investment Companies

CP has discretionary authority to make the following determinations without obtaining the consent of a Mutual Fund or separate account client before the transactions are effected:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the brokers through which securities are to be bought or sold; and
- the commission rates at which securities transactions are effected.

Separate account clients grant CP a limited power of attorney under their investment management agreements with CP to allocate, and to reallocate, funds to the various models that comprise CP's strategy and to effect transfers between mutual funds that comprise a particular model in accordance with CP's tactical allocation analysis. CP's discretionary authority with respect to a separate account client may be subject to the client's ability to direct CP to effect brokerage business for its account to a particular broker. See Item 12.A above.

The power of attorney with respect to the Mutual Funds and investors therein is granted under each Mutual Fund's registration statement and from an express grant of authority under each Mutual Fund's investment management agreement with CP.

Item 17 – Voting Client Securities

Separate Account Clients

CP has deemed it to be in the best interests of each separate account client not to vote proxies. In its standard investment advisory agreement for separate account clients, CP specifically states that it does not vote proxies and a separate account client, including one governed by Employee Retirement Income Security Act of 1974, as amended (“ERISA”), is responsible for voting any proxies. CP has instructed all custodians for separate accounts to forward proxies directly to the separate account clients, and if CP accidentally receives a proxy for any separate account client, current or former, the Chief Compliance Officer will promptly forward the proxy to the separate account client.

For ERISA clients, where CP has been delegated the authority to manage plan assets, under Department of Labor interpretations, the voting of proxies is a fiduciary activity required to be carried out by CP unless the responsibility for voting proxies has been expressly maintained by the plan’s named fiduciary. CP’s standard investment advisory agreement for separate account clients provides that with respect to any separate account for a pension or other employee benefit plan governed by ERISA, the right to vote those proxies has been expressly reserved to the plan’s trustees or another named fiduciary and that CP will not vote, or give any advice about how to vote, proxies for securities held in such separate account. The Chief Compliance Officer must be consulted when a current or prospective ERISA client requests any modification to these terms, and no such modification may be agreed to without the prior written approval of the Chief Compliance Officer.

Registered Investment Companies

For the Mutual Funds, CP has adopted Proxy Voting Policies and Procedures (the “Policies”), which are subject to review and approval by the Boards of Trustees of the Trusts. CP will vote (by proxy or otherwise) on behalf of each Mutual Fund in all manners for which a shareholder vote is solicited by or with respect to issuers of securities beneficially held by the Mutual Funds in accordance with the Policies.

The Policies require CP to vote proxies received in a manner consistent with the best interests of the Mutual Funds. Generally, CP will vote securities of an issuer held by a Mutual Fund in the same proportion as the votes of all other holders of the securities of that issuer. Where the proxy vote presents a conflict between the interests of a Mutual Fund and the interests of CP, the Policies enable CP to abstain from making a voting decision. In such a case, CP will forward all necessary proxy voting materials to the Mutual Fund to enable the Mutual Fund to cast the votes.

Certain of CP’s proxy voting guidelines are summarized below:

- CP will generally support efforts to declassify boards or other measures that permit shareholders to remove a majority of directors at any time, and will generally oppose efforts to adopt classified board structures.
- CP will generally vote in favor of non-incumbent independent directors.
- When voting to approve independent auditors, CP will evaluate on a case-by-case basis in instances where the audit firm has a substantial non-audit relationship with a company to determine

whether CP believes that independence has been, or could be, compromised.

- CP will generally support measures intended to increase stock ownership by executives and the use of employee stock purchase plans to increase stock ownership by employees.
- CP supports the exercise of shareholders' rights, including but not limited to shareholders' rights to act by written consent, to call special meetings, and to remove directors. CP generally believes that shareholders should have voting power equal to their equity interest in the company and should be able to approve or reject changes to a company's by-laws by a simple majority vote.
- CP generally supports the ability of shareholders to cumulate their votes for the election of directors.
- CP will evaluate shareholders rights plans on a case-by-case basis, but will generally oppose such plans.

Although many proxy proposals can be voted in accordance with CP's proxy voting guidelines listed above, some proposals will require special consideration, and CP will make a decision on a case-by-case basis in these situations.

In the future, CP may elect to utilize a third-party proxy voting service to assist it in voting proxies for the Mutual Funds.

For the Mutual Funds, CP must ensure that it maintains the appropriate records of how it voted the Mutual Funds' securities and provide those records within the appropriate time frame for the public filing of Form N-PX within 60 days after June 30th of each year. Form N-PX for each Mutual Fund will be available without charge, upon request, by calling toll-free (866) 236-0050 and on the SEC's website at www.sec.gov. Upon request to CP, investors in a Mutual Fund may obtain information on how CP voted shares on behalf of the Mutual Fund.

Item 18 – Financial Information

A. Prepayment of Fees

CP does not require or solicit prepayment of fees.

B. Impairment of Contractual Commitments

CP does not believe that it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.

C. Bankruptcy Petitions

CP has not ever been the subject of a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

CP is not registered with any state securities authority.