

Form ADV, Part 2A Firm Brochure
International Equity

Item 1 – Cover Page

Euclid Advisors LLC
100 Pearl Street
Hartford, CT 06103
800-248-7971

www.virtus.com

May 6, 2015

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

Euclid is registered as an investment adviser with the SEC. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information you may use to determine whether to hire or retain such adviser.

Additional information about Euclid is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Euclid who are registered, or are required to be registered, as investment adviser representatives of Euclid.

Item 2 – Material Changes

This Form ADV Part 2A brochure dated May 6, 2015 has been prepared according to the requirements and rules promulgated by the SEC. Pursuant to SEC Rules, we are required to prepare a summary of any material changes to our brochure within 120 days of the close of our fiscal year. We may also elect to include a summary of material changes to our brochure as part of other-than annual amendments filed by Euclid.

Euclid last filed an annual updating amendment to its Form ADV Part 2A brochure on March 31, 2015. Euclid offers substantially different types of advisory services and has opted to prepare separate brochures related to certain types of services. This brochure is the separate brochure prepared by Euclid with respect to its advisory services provided in the International Equity discipline.

On April 16, 2015, James R. Sena was named Chief Compliance Officer of Euclid. There are no other material changes to our brochure.

We will provide an updated version of this brochure as required in the event of changes or new information. We will provide a copy of our current brochure upon request, at any time, without charge. Currently, our brochure may be requested by contacting the Chief Compliance Officer at **860-503-1130**, or james.sena@virtus.com.

Item 3 – Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Material Changes	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9 - Disciplinary Information	13
Item 10 - Other Financial Industry Activities and Affiliations	13
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Item 12 – Brokerage Practices	17
Item 13 – Review of Accounts.....	21
Item 14 – Client Referrals and Other Compensation	22
Item 15 – Custody	22
Item 16 – Investment Discretion	23
Item 17 – Voting Client Securities.....	23
Item 18 – Financial Information	24

Item 4 – Advisory Business

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

Euclid offers several substantially different types of advisory services and has opted to prepare separate brochures related to certain types of services. This brochure addresses Euclid’s advisory services provided in the International Equity discipline (please see Euclid’s other Part 2A brochure for more information about its other investment advisory services).

Euclid provides investment advisory services for accounts either (i) established directly with the client or (ii) introduced through financial advisors or consultants, such as broker-dealers, registered investment advisers, and other intermediaries.

Types of Investments

In connection with the International Equity discipline, Euclid offers investment advisory services primarily in the following types of instruments: ordinary shares of foreign securities (“ORDs”) and sponsored and unsponsored American Depositary Receipts (“ADRs”). Euclid also utilizes, where appropriate, ETFs, short term fixed income instruments, cash equivalents, foreign currencies to purchase foreign securities and derivatives to hedge against foreign currency exchange rates.

Investment Restrictions

Euclid’s advisory services may be tailored to the needs and investment guidelines of clients. Client guidelines may include, but are not limited to, risk tolerance, type of security or industry restrictions, and cash or income requirements. Specific client guidelines and restrictions may be negotiated on an account by account basis. Although Euclid seeks to accommodate reasonable investment restrictions and guidelines, Euclid will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with Euclid’s investment philosophy, and Euclid may decline to accept or terminate client accounts seeking to impose such restrictions.

Some clients may not be able to hold all types of investment securities or participate in certain corporate actions relating to portfolio holdings due to limitations or operational impediments associated with the custodian selected by the client. Euclid therefore may not purchase certain securities or participate in certain corporate actions for some accounts where it believes it is not in the client’s best interest because such impediments may have an adverse effect on Euclid’s ability to manage the client’s account. For example, some accounts may not be able to hold foreign securities in ordinary form because of custodial limitations. Euclid may purchase ORDs in foreign markets and arrange for these ordinary shares to be

converted into ADRs. Fees and costs associated with the conversion and purchase of ADRs are typically included in the net price of the ADR and incurred by the purchasing account. Some portion of such costs may be attributable to local broker fees, stamp fees, and local taxes. Trades on foreign exchanges may incur greater transaction charges than trades on U.S. exchanges.

Except as otherwise agreed upon by Euclid and the client, Euclid does not generally have any responsibility for the selection of the short term investment vehicles utilized by its clients. Clients, their consultants, their financial advisers or their custodians select the interest bearing accounts and/or short-term investment or money-market funds in which cash reserves are invested. Euclid also is not responsible for the selection of a client's custodian.

Wrap Fee Programs

Euclid participates in wrap fee programs by providing portfolio management services. Euclid may serve as investment adviser under certain wrap fee programs and as investment sub-adviser under other wrap fee programs, and may act in both capacities under different programs sponsored by the same financial-services firm.

Wrap account clients generally only invest in Euclid's International Equity model strategies (Euclid does not make its other investment strategies available through wrap programs). Non-wrap clients may also invest in Euclid's International Equity model strategies. The model strategies that are generated for each International Equity investment strategy are implemented across all client accounts, wrap and non-wrap clients who have selected that strategy. Deviation from the model portfolio may occur to accommodate specific investment guidelines or unique conditions of an individual client.

The services provided by Euclid to wrap fee programs may differ from the services provided to institutional accounts and other clients who do not participate in wrap fee programs. The investment strategies Euclid uses in managing wrap fee programs are similar to those offered to its institutional clients, but may involve slightly different holdings due to smaller account sizes. Also, wrap fee program clients may not be able to purchase particular security types such as initial public offerings, ordinary shares of foreign securities, and certain fixed income transactions.

In wrap fee programs that permit Euclid to trade away from the wrap sponsor or its broker-dealer affiliate when such sponsor or its affiliate cannot provide best price or execution under the circumstances, Euclid may trade away from such parties. In such cases, clients may incur transaction and other costs and fees in addition to the wrap fee.

Unless agreed to by client contract, Euclid does not assist wrap fee program clients in filing class action claims or in voting proxy proposals in a particular manner.

Wrap fee program sponsors typically offer comprehensive brokerage, custodial, and advisory services for a single "wrap fee," based on a percentage of assets under management. In some cases, the wrap sponsor

pays Euclid a portion of the wrap fee paid by program participants in connection with the advisory services Euclid provides. Under other arrangements, the wrap sponsor and Euclid may each charge a separate fee for their respective services. The management fees Euclid receives for providing investment management services to wrap fee programs are generally lower than Euclid's management fees for institutional accounts.

Clients should review all materials relating to their wrap fee program (including the relevant Form ADV Part 2A Appendix 1 or program brochure of the wrap sponsor, as applicable) regarding the wrap fee program's terms, conditions and fees, and consider the potential advantages and disadvantages and overall appropriateness of the program in light of the client's particular circumstances, including whether the total cost of participating in the program would exceed the aggregate cost of the included services if they were to be provided separately.

Assets Under Management

In connection with the International Equity discipline, Euclid manages \$176,339,000 of client assets on a discretionary basis as of December 31, 2014. In addition, Euclid manages \$62,227,000 of client assets on a non-discretionary basis as of December 31, 2014. Including all investment disciplines within the firm, Euclid manages \$10,857,008,000 of client assets on a discretionary basis as of December 31, 2014.

Item 5 – Fees and Compensation

This section describes Euclid's basic fee schedules relating to the International Equity discipline, however, fees may be negotiable where special circumstances prevail, and arrangements with any particular client may vary. Euclid may group multiple accounts of one client relationship together for purposes of calculating the fee, or Euclid may elect not charge a fee to small accounts of a client because of the fee the client is paying on the total relationship. Euclid reserves the right to negotiate fees with clients, and may charge higher or lower fees than those described.

The specific manner in which fees are charged is established in a client's written agreement with Euclid. Clients may elect to be billed directly for fees or to authorize Euclid to directly debit fees from client accounts. Accounts are normally charged a management fee based on the amount of assets under management. Fees normally are payable quarterly in advance based on the fair market value of the account as of the last day of the prior period. A client may terminate Euclid's investment advisory contract upon written notice at any time and receive a pro-rata refund of fees paid in advance.

Euclid's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investment advisers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees

and taxes on brokerage accounts and securities transactions. Mutual funds and ETFs bear their own operating expenses, including compensation paid to their advisers and other service providers as well as other expenses and fees. This information is disclosed in a fund’s prospectus or offering documents.

Item 12, Brokerage Practices further describes the factors that Euclid considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Advisory Fees – Institutional and Direct Clients

International Equity and International Equity (ADR)

AUM	Fee
First \$10mm	.90%
Next \$10mm	.75%
Next \$30mm	.65%
Over \$50mm	.55%

Minimum account size for ADR only: \$2 million

Minimum account size for ordinary portfolio: \$20 million

Advisory Fees –Wrap Fee Programs

For wrap fee programs that Euclid participates in, Euclid’s fee is determined by agreement between the wrap sponsor and Euclid. The fees charged by wrap sponsors typically range from 1.5%-2.5% of the client’s annual assets under management. In consideration for providing investment management services, Euclid typically receives a portion of the wrap fee paid by the program participants. Fees may vary by program and are based on the size of the program, services provided, and the particular investment strategy. Euclid manages portfolios for Wrap Fee Programs under a “partially bundled” or “fully bundled” arrangement. In a fully bundled arrangement, the client pays a single fee to the wrap sponsor for all services provided. In a partially bundled arrangement, the client pays a fee to the wrap sponsor for trade execution through the wrap sponsor, custody and consulting services, and a separate fee to Euclid for the investment management of its account. Fees paid to Euclid for fully bundled wrap fee programs are typically less than fees Euclid earns in connection with partially bundled or unbundled arrangements (including institutional accounts). Clients should carefully review all materials relating to their wrap fee program regarding the program’s terms, conditions and fees.

Advisory Fees – Registered Investment Companies

The fee charged by Euclid to any particular registered investment company client is determined by the provisions of an investment advisory contract between Euclid and such investment company, which is approved by the investment company in accordance with the provisions of the Investment Company Act of 1940, as amended. The contracts may also provide that Euclid furnish to the investment company office space and all necessary office facilities, equipment and personnel for managing the investment and reinvestment of the assets of the investment company and arrange, if desired by the investment company, for members of Euclid's staff to serve, without salaries from the investment company, as officers or agents of the investment company. Fees are typically based on a percentage of assets under management, payable monthly in arrears and clients are typically billed directly for such fees. These fees are disclosed in the relevant prospectus or offering documents.

Advisory fees for services rendered under investment advisory and sub-advisory contracts with registered investment companies may vary depending upon the type and size of the portfolio. Euclid generally receives a fee at an annual rate ranging from 0.40% to 1.50% for its services as an adviser to a registered investment company. Euclid generally receives a fee at an annual rate ranging from 0.20% to 0.50% for its services as a sub-adviser to a registered investment company. Specific advisory fees and expense related information may be found in the prospectus and/or statement of additional information describing the investment policies and restrictions for the respective portfolio.

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

Euclid does not currently charge performance-based fees in connection with the International Equity discipline. Euclid or its affiliates, however, receive performance-based fees in connection with other strategies outside the scope of this brochure. In all cases where Euclid or its affiliates charge a performance-based fee, any such arrangements will comply with Section 205 of the Investment Advisers Act of 1940, as amended, and the rules thereunder, and all applicable laws and regulations. Please see the relevant Part 2A Firm Brochures for more information.

These performance-based fee arrangements, and other performance-based fee arrangements, may potentially create a financial incentive for Euclid or an affiliate to favor the account with the performance-based fee because Euclid (and its employees and supervised persons) may have an opportunity to earn greater fees on such account as compared to client accounts without performance-based fees. Thus, Euclid may potentially have an incentive to direct its best investment ideas to a client account that pays performance-based fees, and to allocate, aggregate or sequence trades in favor of such account. Euclid may also have an incentive to give the account with the performance-based fee better execution and better brokerage commissions. Euclid has written compliance policies and procedures designed to mitigate or manage these conflicts of interest, including policies and procedures regarding the equitable allocation of investment opportunities.

In connection with the International Equity strategy, the potential conflict of interest is further mitigated by the fact that the strategy does not ordinarily trade or hold the same securities utilized in the performance-based fee accounts.

Item 7 – Types of Clients

Euclid offers the International Equity discipline to individuals, trusts, estates, charitable organizations and endowments, professional and religious organizations, corporations and other commercial entities, pension and profit-sharing plans, insurers, banks, family offices, registered investment companies, and registered investment advisers.

Generally, Euclid provides its International Equity advisory services to clients under direct advisory and sub-advisory mandates (institutional accounts). In addition, Euclid offers investment advisory services to institutional and individual clients through wrap fee and dual contract managed account programs sponsored by broker-dealers and/or other financial intermediaries. Although most services are provided on a discretionary basis, Euclid also provides certain services on a non-discretionary and model portfolio basis.

The account minimum for institutional and direct clients is typically \$2 million for accounts that invest only in ADRs. The account minimum for institutional and direct clients is typically \$20 million for ordinary accounts that are not limited to investment in ADRs (e.g., accounts that utilize ORDs and other investment instruments). Euclid reserves the right to at any time revise, implement or waive such minimums in its sole discretion. Wrap and UMA account minimums and suitability determinations are typically established by the program or platform sponsor; such program minimums usually range from around \$100,000 to \$250,000. Clients considering such wrap fee programs should carefully review all materials relating to the program regarding the program's terms and conditions.

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

The results for individual portfolios will vary depending on market conditions and the portfolio's overall composition. All investments carry a certain degree of risk including the possible loss of principal and there is no assurance that an investment will provide positive performance over any period of time. Past performance is no guarantee of future results. Clients should not assume that portfolio investments in securities will be profitable.

Euclid is a long-term investor which implements its investment strategies through an actively managed research-driven, value and quality biased approach. Euclid's International Equity investment discipline seeks to identify potential investments that trade at an attractive cash-flow adjusted valuation, exhibit

financial strength, possess some type of franchise quality, and employ management that is aligned with shareholders' interests.

Euclid's stock selection process is driven by bottom-up fundamental research and informed by top-down macro views. The importance or weight of the macro views can vary depending on the market environment, volatility, or differences among geographical regions. The stock selection process is distinguished by a focus on cash flow return on invested capital metrics. Our cash flow based valuation tools converts a company's financial information into a manner which we believe more closely approximates a company's underlying economics, taking into consideration differences between factors such as accounting methodologies, interest rates, currencies, taxes, and inflation. We believe this approach provides a sound basis for making investment decisions and capital allocation.

Euclid's analytical process continually evaluates companies within their defined investable universe based upon a variety of both qualitative and quantitative criterion. Quantitative measures include price-to-earnings, price-to-book value, price to sales, price to net-asset value, price-to-free cash flow, sustainable dividend yield and enterprise value to earnings before interest, taxes, depreciation, and amortization (EBITDA). A qualitative analysis assists the research team in producing an understanding of franchise quality, management incentives, corporate strategy, barriers-to-entry, shareholder value orientation, operating and industry fundamentals and competitive advantage. Additionally, Euclid continually focuses on change – in regions, countries and industries – in an effort to identify opportunities. Prior to investing in a company, Euclid considers how liquid the name is both in the local market and in the U.S. if that company has an ADR.

Euclid uses a variety of sources of information to facilitate such analysis. In particular, Euclid may consult with securities analysts, selected broker-dealers, market-makers, economists, and others in formulating investment strategies. Euclid also may attend company presentations and participate in interviews and inspections of certain companies. In addition to inspections of corporate activities, Euclid may engage in discussions with management and others having business with the company or expertise in a particular industry. Euclid also regularly monitors newspapers, magazines, and industry and trade journals; websites; information and research provided by affiliated and unaffiliated analysts and consultants; corporate rating services; annual reports, prospectuses, and other SEC or governmental filings; and information published by the company, such as press releases.

Euclid is committed to a fully invested approach and under most circumstances cash or cash equivalents are not expected to exceed 10% of a client's portfolio for an extended period of time. However, if Euclid's investment team determines there are an insufficient number of securities that meet Euclid's investment criteria, or during periods of orderly investment of client funds, including but not limited to the initial start-up of the relationship, a client portfolio may hold outsized levels of cash reserves temporarily, or for an extended period of time for defensive purposes.

General descriptions of Euclid's international investment strategies are included below. These descriptions are not intended to serve as specific account guidelines. Euclid reserves the right to limit the availability of any particular strategy at any given time based on factors including capacity, pre-existing relationships, minimum account sizes, fees and distribution channels.

Euclid's International Equity discipline includes two investment strategies: International Equity and International Equity (ADR).

- International Equity portfolios are invested primarily in ordinary shares ("ORDs") of foreign issuers, and may invest in other types of securities including ADRs, generally with market capitalization above \$5 billion at time of purchase. The strategy is benchmarked to the MSCI EAFE Index. Generally, a sector's weighting will be limited to 35% of the portfolio at the time of purchase. The portfolio may invest in securities of companies located in countries with emerging securities markets.
- International Equity (ADR) portfolios are invested primarily in foreign securities, primarily in the form of ADRs, generally with market capitalization above \$5 billion at time of purchase. The strategy is benchmarked to the MSCI EAFE Index. Generally, a sector's weighting will be limited to 35% of the portfolio measured at the time of purchase. The portfolio may invest in securities of companies located in countries with emerging securities markets.

Principal Risks related to International Equity Strategies:

Depository Receipts Risk

Depository Receipts are typically issued by a financial institution ("depository") and evidence ownership interests in a security or a pool of securities ("underlying securities") that have been deposited with the depository. For ADRs, the depository is typically a U.S. financial institution and the underlying securities are issued by a foreign issuer. Depository Receipts will not necessarily be denominated in the same currency as their underlying securities. Depository Receipts may be issued pursuant to sponsored or unsponsored programs. In sponsored programs, an issuer has made arrangements to have its securities traded in the form of Depository Receipts. In unsponsored programs, the issuer may not be directly involved in the creation of the program. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information from an issuer that has participated in the creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the Depository Receipts.

Emerging Markets Risk

The risks of foreign investments are generally greater in countries whose markets are still developing than they are in more developed markets. Emerging market countries typically have economic and political

systems that are less fully developed, and can be expected to be less stable than those of more developed countries. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation. Since these markets are often small, they may be more likely to suffer sharp and frequent price changes or long-term price depression because of adverse publicity, investor perceptions or the actions of a few large investors. They may also have policies that restrict investment by foreigners, or that prevent foreign investors from withdrawing their money at will. Certain emerging markets may also face other significant internal or external risks, including the risk of war and civil unrest. For all of these reasons, investments in emerging markets may be considered speculative.

Equity Securities Risk

Generally, prices of equity securities are more volatile than those of fixed income securities. The prices of equity securities will rise and fall in response to a number of different factors. In particular, equity securities will respond to events that affect entire financial markets or industries (such as changes in inflation or consumer demand) and to events that affect particular issuers (such as news about the success or failure of a new product). Equity securities also are subject to “stock market risk,” meaning that stock prices in general may decline over short or extended periods of time.

Foreign Investments Risk

Investing in securities of non-U.S. companies involves special risks and considerations not typically associated with investing in U.S. companies, and the values of non-U.S. securities may be more volatile than those of U.S. securities. The values of non-U.S. securities are subject to economic and political developments in countries and regions where the issuers operate or are domiciled, or where the securities are traded, such as changes in economic or monetary policies, and to changes in currency exchange rates. Values may also be affected by restrictions on receiving the investment proceeds from a non-U.S. country.

In general, less information is publicly available about non-U.S. companies than about U.S. companies. Non-U.S. companies are generally not subject to the same accounting, auditing and financial reporting standards as are U.S. companies. Certain foreign issuers classified as passive foreign investment companies may be subject to additional taxation risk.

Currency Rate Risk.

Because the foreign securities in which an account may invest generally trade in currencies other than the U.S. dollar, changes in currency exchange rates will affect the value of an account, the value of dividends and interest earned, and gains and losses realized on the sale of securities. Because the value of the account’s shares is calculated in U.S. dollars, it is possible for the account to lose money by investing in a foreign security if the local currency of a foreign market depreciates against the U.S. dollar, even if the local currency value of the account’s holdings goes up. Generally, a strong U.S. dollar relative to such other currencies will adversely affect the value of the account’s holdings in foreign securities.

Derivatives Risk

The risk a client account will incur a loss greater than a client account's investment in, or will experience greater share price volatility as a result of investing in, a derivative contract. Derivatives may include, among other things, futures, options, forwards and swap agreements and may be used in order to hedge portfolio risks, create leverage, or to attempt to increase yield.

Item 9 - Disciplinary Information

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

Item 10 - Other Financial Industry Activities and Affiliations

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

Virtus Alternative Investment Advisers is registered as a commodity pool operator. Certain management persons of Euclid are an associated person of the foregoing entity.

VP Distributors, LLC, a subsidiary of Virtus and an affiliate of Euclid, is a registered broker-dealer, which serves as the underwriter and distributor of certain open-end registered investment companies for which Euclid acts as sub-adviser. Certain personnel of Euclid, including management persons, are FINRA registered representatives under VP Distributors.

Virtus Fund Services, LLC, an affiliate of Euclid, serves as the administrator and transfer agent to certain funds for which Euclid acts as sub-adviser.

As of April 2015, ETFis Capital LLC and ETF Distributors LLC are subsidiaries of Virtus and affiliates of Euclid.

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

In a variety of instances, Euclid may utilize the personnel and/or services of one or more of its affiliates in the performance of its business including, without limitation, investment advice and portfolio management, portfolio execution and trading, back office processing, accounting, reporting and client servicing. Moreover, Euclid's traders and portfolio managers may serve as traders and portfolio managers for Euclid's affiliates. Such utilization may take a variety of forms including dual employee or delegation arrangements, formal sub-advisory or servicing agreements, or other formal and informal arrangements among Euclid and its affiliates. In these circumstances, the registered affiliate, with which the client has its investment management agreement, remains responsible for the account within the framework of the Investment Advisers Act of 1940, as amended (the "Advisers Act") and/or other applicable regulatory frameworks and the relevant investment management agreement, and no additional fees are charged to the client for the affiliates' services except as set forth in the investment management agreement.

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

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

To fully protect the interests of Euclid's clients, Euclid has adopted the Virtus Code of Conduct and a Code of Ethics for personal trading, which are designed to prevent and detect possible conflicts of interest with client trades. Compliance with these codes is a condition of employment. All of Euclid's Supervised Persons must acknowledge their terms annually, or as amended.

Any employee found to have engaged in improper or unlawful activity faces appropriate administrative and legal action. It is the responsibility of each associate to ensure that they and those they manage are conducting business professionally and are complying with the procedures and policies governing Euclid's collective responsibility. Any employee becoming aware of others engaged in wrongdoing or improper conduct must immediately report such activity to their supervisor and compliance officer. Failure to do so may result in additional action being taken against that individual. Virtus has established formal reporting procedures and a confidential 24-hour "hotline" for the purpose of employees requesting assistance concerning the reporting of violations of the Code of Conduct or other related policies.

Euclid or a related person may recommend that clients buy or sell securities or investment products in which Euclid or a related person has some financial interest. Likewise, Euclid or a related person may buy or sell securities that Euclid also recommends to clients. The following highlights some of the provisions of the Virtus Code of Conduct:

Virtus Code of Conduct

Commitment to Shareholders

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

Commitment to Customers

- Safeguarding assets
- Other market conduct
- Privacy

Commitment to Corporate Citizenship

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

Commitment to Employees

- Equal opportunities
- Sexual harassment
- Workplace safety

Commitment to Ethics and Compliance

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

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

Euclid Code of Ethics

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

- Pre-clearance is required for all non-exempt transactions with respect to which an employee is beneficial owner in order to prevent the employee from buying or selling at the same time as the firm.
- 60 day holding period for covered securities.
- Brokerage provision of duplicate copies of brokerage statements and confirmations to our Compliance Department, or the electronic equivalent.

- Employee provision of Initial Holdings Reports, Quarterly Transaction Reports, and Annual Certification and Holdings Reports, which our Compliance Department reviews for trading activity.
- Requirement that personal transactions be consistent with the Code of Ethics in a manner that avoids any actual or potential conflict of interest.
- Any covered employee not in observance of the above may be subject to discipline.

Euclid does not purchase or sell securities for its own account. Euclid's directors, officers, and employees may buy, hold, or sell the same investments for their own accounts as are held or to be held or sold for a client account.

None of Euclid's directors, officers, or advisory persons may buy or sell any security or any option to buy or sell such security, such that they hold or acquire any direct or indirect beneficial ownership as a result of the transaction and that they know at the time of such transaction that is being bought, sold, or considered for purchase or sale for a client account, unless:

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

Client accounts may include the accounts of portfolio managers. Euclid's officers and employees are encouraged to invest in shares of Virtus Mutual Funds that Euclid advises.

Euclid has adopted the Insider Trading Policy and Procedures designed to mitigate the risks of Euclid and its employees misusing and misappropriating any material non-public information that they may become aware of, either on behalf of Euclid's clients or for their own benefit. The policy applies to every Supervised Person of Euclid and extends to activities both within and outside their duties to Euclid, including for an employee's personal account.

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

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

Item 12 – Brokerage Practices

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

Where Euclid believes that it can cause trades to be effected more efficiently for its clients, Euclid may attempt to trade away from the designated broker-dealer, whether directed or non-directed. A step-out trade is one in which Euclid places the order for a transaction for one or more client accounts with a broker (the “Step-out Broker”), other than the broker that the client has directed Euclid to utilize (the “Directed Broker”). The Step-out Broker reports a net price, which may include a mark-up for executing the transaction. The Directed Broker receives the compensation, if any, shown on the confirmation. This compensation is at whatever commission rate or wrap fee the client has negotiated. Thus, the clients that participate in a step-out transaction may pay different transaction costs and incur different execution rates than clients that do not participate in step-out transactions. The Directed Broker receives the agreed upon commission or wrap fee and the client obtains the execution at a favorable price. A wrap client may incur an additional “net” trade cost if a trade is made away from their wrap sponsor. For fixed income trades, the commission is not shown on the trade confirmation, but is reflected in the negotiated price of the bond. Euclid may, when authorized and able, effect trades away from the designated broker in order to obtain best execution; in any case, its policy and practice is to act in the best interest of its clients. Directed brokerage clients that do not allow Euclid to participate in step-out trades may pay a higher cost than clients that allow Euclid to participate in step-out trades. Accounts that participate in step-out trades may incur additional transaction costs.

With respect to its discretionary client accounts, Euclid generally has full authority to determine the broker-dealers through which transactions for any discretionary client accounts are executed. Euclid will consider the same factors to seek best execution for its discretionary client accounts as are described above.

Euclid has established a formal Brokerage Review Committee consisting of members from investment management, trading and compliance. The Brokerage Review Committee will meet to review the

brokerage allocation activity of the firm. The Brokerage Review Committee will, as necessary, review and approve any arrangements for research and brokerage services provided by brokers. This committee will also serve as a focal point in managing Euclid's brokerage allocation practices so as to ensure there will be no improprieties or undisclosed referrals affecting the selection of brokers or allocation of brokerage transactions.

Research and Other Soft Dollar Benefits

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

Subject to the criteria of Section 28(e) of the Securities and Exchange Act of 1934 (Section 28(e)), Euclid may pay a broker commission in excess of that which another broker may charge for effecting the same transactions, in recognition of the value of the brokerage and research services which may be provided by or through the broker. Euclid believes it is important to its investment decision-making processes to have access to independent research. Research and data furnished by brokers may be used to service any or all of Euclid's clients and may be used in connection with accounts other than those making the payment to the broker providing the research and/or data, including accounts of affiliates, as permitted by Section 28(e). Euclid generally seeks to allocate soft dollar client accounts proportionately to the soft dollar credits the accounts generate but does not represent this this will always be the case. There can be no assurance that Euclid will allocate in a particular manner. A conflict of interest may exist by reason of Euclid's allocation of the costs of such services and benefits between those that primarily benefit Euclid and those that primarily benefit clients. When Euclid uses client brokerage commissions to obtain research and other products or services, Euclid receives a benefit because Euclid does not need to produce or pay for the research, products or services. Euclid may further benefit from the ability to obtain this information without additional expense related to personnel costs or direct payments to providers. Euclid may have an incentive to select or recommend a broker-dealer based on Euclid's interest in receiving the research or other products or services rather than our clients' interest in receiving the most favorable execution. The risks associated with soft dollars are managed through the Brokerage Review Committee.

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

various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons, economists and government representatives.

In some cases, research services are generated by third parties but are provided to Euclid by or through brokers Euclid will utilize for execution of transactions. Such brokers may pay for all or a portion of data-feed service costs relating to the pricing of securities. Euclid uses a variety of securities quotation services for day-to-day portfolio management of some or all of its accounts and also for end of the month pricing for its portfolio accounting needs. These services include Bloomberg, Factset, New York Stock Exchange, National Association of Security Quotations, Option Price Reporting, and Chicago Board of Trade. Additional statistics, analytical tools and news used solely for portfolio management purposes may be received from HOLT Lens, Canaccord Genuity, Renaissance Macro Research, Bloomberg, Factset, Stovel Research, Dow Jones and Company, The Markets.com, Valu-Trac Research, and ISI Group.

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

Directed Brokerage

Euclid will accept direction from clients regarding the brokers to be used. Clients may have existing arrangements permitting them to offset certain administration, accounting, custody, consultant, or other fees in relation to the amount of brokerage transactions handled by a specific broker. At the same time, Euclid and/or related entities may have arrangements to receive products or services provided by the same intermediary, which are separate from the arrangement negotiated by the client. Nevertheless, in following the client’s direction to use a particular broker to execute either all or part of the brokerage transactions from their accounts, clients must be aware that, in so doing, they may adversely affect Euclid’s ability to, among other things, obtain volume discounts on blocked orders to obtain best price and execution.

Other than to satisfy its obligation to seek best execution, Euclid does not have authority to determine the broker/dealer(s) to be used for a wrap account or for a direct fee account when the client has directed Euclid to use a specific broker/dealer. Generally, in the absence of specific written instructions from a client, Euclid will have complete discretion with respect to the accounts of non-investment company clients without any limitations on its authority. However, whether an account is accepted or the

management of an account is continued may depend upon the nature and extent of the instructions given by a client.

When directed trades for selected accounts are placed through a brokerage firm other than that which is executing the block trade, those trades may trail the complete block-trading program. The prices of those securities may have already been impacted by the prior block trade, so that the cost or sales prices of the securities in the directed account will not necessarily be the same as those executed as part of the block. Therefore, performance of the directed account may differ from that of the non-directed accounts.

Trade Aggregation and Allocation

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

Certain client accounts may trade in the same securities at different times, through different brokers, and, therefore, may obtain different execution of trades. Euclid causes trades to be effected through various broker-dealers that have different operating procedures for different clients requiring varying levels of administrative attention. This means that orders generated as a result of buy and sell programs generally are not communicated at the same time. In some cases, particularly those involving the wrap fee programs, an extended period may be required for completion. Euclid may contract to utilize the services of others to administer trading on behalf of its wrap fee program clients.

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

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

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

Item 13 – Review of Accounts

Reviews

Euclid's portfolio management team regularly reviews client accounts to assess consistency with the relevant investment strategy and applicable account restrictions.

The portfolio management team is comprised of four individuals (two Senior Managing Directors, a Senior Global Equity Research Analyst and a Trader) who have the responsibility to manage the portfolio in accordance with the client's selected strategy, investment objectives and constraints. This management process includes on-going oversight of the portfolio's investments, buying and selling securities, and communication with clients.

Client Reports

Institutional and Direct Clients

Clients typically receive written quarterly reports listing their portfolio holdings and the performance of their portfolio for various periods compared to benchmark data. At a client's reasonable request, Euclid provides additional information as mutually agreed between the client and Euclid, such as transaction summaries, gain/loss reports or commission reports.

Wrap Fee Programs

Clients typically receive reports directly from their advisor or wrap sponsor who determines the frequency and content of the reports.

Item 14 – Client Referrals and Other Compensation

Euclid does not have any arrangements where it receives compensation (including cash, commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. Euclid may enter into such arrangements pursuant to a written agreement.

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

Certain designated employees of Euclid's parent firm may act on behalf of Euclid to provide information regarding Euclid's non-investment company advisory services. VP Distributors may also pay additional marketing and related expenses to continue to offer certain retail and separately managed products under formally sponsored programs through unaffiliated brokerage firms.

Item 15 – Custody

Euclid does not serve as a custodian of client assets. Clients will receive account statements from their qualified custodians and should carefully review those statements. Some clients may also receive account statements from Euclid at least quarterly. Euclid's statements are not intended to replace the statement sent directly by the client's qualified custodian which is the client's official record for all pertinent account information. Euclid urges clients to compare the information contained in any Euclid account statement to the information reflected on the statement sent directly by its qualified custodian. The information provided in an account statement is as of the date referenced on the report and is based on sources Euclid believes are accurate and reliable. Euclid's account statements may vary from custodial statements based on reporting dates, accounting procedures, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Euclid generally manages accounts on a discretionary basis with full authority to determine which securities are purchased or sold. For institutional and direct client accounts, Euclid generally obtains a client's written consent to its discretionary authority with respect to the client's assets in the form of an executed investment advisory agreement or other such comparable services agreement prior to providing discretionary advisory services. For wrap program accounts, Euclid is typically appointed to act as an investment adviser through a process administered by the program sponsor.

Euclid exercises its investment discretion consistent with investment policies, as well as with the investment guidelines adopted by client accounts. Euclid's discretionary authority over an account is subject to directions, guidelines and limitations imposed by the client or, in the case of a wrap program account, the program sponsor. In the course of providing services to any client account, Euclid relies on information or directions communicated by any adviser, broker, wrap program sponsor, consultant, agent, representative or any other party acting with apparent authority on behalf of its client.

Class Actions

Securities litigation can be a potential additional income source for investment portfolios that have had trade activity in a security that subsequently became the source of an organized class action lawsuit. Whether Euclid has responsibility for addressing class action lawsuits on behalf of its clients is generally governed by the relevant investment advisory agreement or other such comparable services agreement. To the extent Euclid's discretionary authority involves responsibility in connection with class actions, the activities required for participation in class action settlements have been delegated to a non-affiliated third party vendor. The vendor determines eligibility pertinent to the specific class action, files the claim as appropriate, monitors the class action and processes receipt of any settlement.

As discussed in Item 4 above, Euclid generally does not assist wrap fee program clients in filing class action claims unless agreed to by client contract.

Item 17 – Voting Client Securities

Euclid generally has responsibility to vote proxies on behalf of its clients, however, Euclid generally does not accept authority to vote client securities for wrap fee program clients. Proxies will be voted in a manner designed to accrue to the benefit of the underlying participants and beneficiaries, while using the care, skill and diligence that a prudent person acting in a like capacity and familiar with such matters would use under the circumstances then prevailing. Unless directed otherwise by a client, Euclid will delegate, to a non-affiliated third party vendor, the responsibility to review proxy proposals and make voting recommendations on its behalf. Additionally, Euclid may vote a proxy contrary to the guidelines if it determines that such action is in the best interests of the client.

Conflicts of interests relating to proxy proposals will be handled in various ways depending on the type and materiality. Generally, where the guidelines outline Euclid's voting position, as either "for" or "against" such proxy proposal, voting will be in accordance with the guidelines. Where the guidelines outline the voting position to be determined on a "case by case" basis for such proxy proposal, or such proposal is not listed in the guidelines, then Euclid will choose either to vote the proxy in accordance with the voting recommendation of the non-affiliated third party vendor, or vote the proxy pursuant to client direction. The method selected by Euclid will depend upon the facts and circumstances of each situation and the requirements of applicable law.

Euclid may choose not to vote proxies in certain situations, such as: 1) where the cost of voting is deemed to exceed any anticipated benefit to the client, 2) where a proxy is received for a client account that has been terminated, 3) where a proxy is received for a security no longer managed within the account (i.e. the entire position had previously been sold), and/or 4) where the exercise of voting rights could restrict the ability of the portfolio manager to freely trade the security.

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

Item 18 – Financial Information

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