



Item 1 – Cover Page

Fund Evaluation Group, LLC
Form ADV Part 2A-March 26, 2015

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This Brochure provides information about the qualifications and business practices of Fund Evaluation Group, LLC. If you have any questions about the contents of this Brochure, please contact us by phone at 513-977-4400 or by email at our website address www.feg.com, under the “contact us” section. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Fund Evaluation Group, LLC, is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Fund Evaluation Group, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.



Fund Evaluation Group®
investment advisors

Item 2 – Material Changes

This Brochure dated March 26, 2015 is prepared according to the SEC's new requirements and rules. Material changes to this ADV Part 2A since the last filing on March 28, 2014 are listed below. Any material changes in the future will also be reported in this section.

- New fee schedules under Section 5

In the past we have offered or delivered information on our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Maureen Kiefer-Goldenberg, Chief Compliance Officer at 513-977-4400 or mkg@feg.com. Our Brochure is also available on our web site www.feg.com, free of charge.

Additional information about the Fund Evaluation Group, LLC 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 the Fund Evaluation Group, LLC who are registered, or are required to be registered.

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Brochure Supplement (s) will be delivered to all clients with this document.

Item 4 – FEG Advisory Business

Fund Evaluation Group, LLC (hereinafter referred to as “FEG”) was founded in 1988 in response to institutions seeking better solutions for their investment portfolios. During the 1980s, the investments of organizations, especially portfolios of small to mid-sized institutions, were characterized by a lack of diversification among asset classes and investment managers. FEG’s founders saw an opportunity to develop a new, more sophisticated approach to achieving quality investment performance.

The vision was simple; to provide clients with forward-thinking unbiased, research based investment advice and to serve as an advocate and fiduciary. FEG was therefore established by five original team members to deliver the vision to an inaugural 30 clients, primarily defined benefit plans in Cincinnati, Ohio.

Today, FEG has grown to become a leading national provider of investment advisory services with more than 100 employees, and approximately \$45 billion in assets under advisement¹ as of December 31, 2014. FEG’s client base has expanded to include a wider set of institutions, including nonprofits, defined plans, insurance companies and financial advisers. FEG’s broad equity ownership structure comprised of 16 managing partners helps to ensure the continuity and future of FEG. All managing partners own less than twenty-five percent individually of the company, and are listed in Schedule 1A of Form ADV Part 1. Their full biographies can be found on Form ADV Part 2B Disclosure Brochure.

In forming the basis for its recommendations, FEG will carefully review each client’s individual investment needs and objectives to determine which services or products are most suitable for that client. In some cases a combination of FEG’s services and products may be the most appropriate recommendation. Non-discretionary investment services are based upon the recommendations of each individual consultant. Recommendations can vary depending on each consultant and their specific area of expertise and individual subjective judgment. Although the goal of all recommendations or investment management by FEG is to increase investment performance and reduce risk, no guarantees can be made. All investors should be aware that past performance is no guarantee of future results. Consultant’s pay is based upon the fee charged by FEG for services provided. FEG provides ongoing investment supervisory services to its clients through two primary services:

FEG Consulting

FEG’s investment consulting accounts represent approximately seventy-five percent of its advisory services. Oversight of investment portfolios on a non-discretionary basis includes all of the following:

¹ Assets under Advisement includes both discretionary assets (\$2.6 billion) over which FEG has full trading authority, and non-discretionary assets (\$42 billion) which we advise and make recommendations on, but may not have authority to execute or facilitate trades on behalf of the client.

Investment Policy Statement: FEG will modify or draft a policy that specifies the client's goals and objectives, as well as the asset allocation targets and ranges, the performance and risk benchmarks, manager guidelines and restrictions, how the managers will be evaluated, and concludes with an acknowledgement section where all fiduciaries attest to these policies. FEG will review the Investment Policy Statement annually, and recommend updates as needed.

Asset Allocation Study: Based on the client's return objectives and risk tolerance, FEG will assist the client in developing the appropriate asset mix. The study includes FEG's 10-year capital market expectations, volatility of the asset categories, as well as correlations. FEG will utilize mean variance optimization to assist our clients in establishing an appropriate target asset mix. FEG will review the asset allocation annually.

Performance Reports: FEG will provide quarterly performance reports that track the progress of the total fund and the individual managers versus the objectives and benchmarks outlined in the Investment Policy Statement.

Manager Searches: FEG will assist the client in selecting new managers, when needed, and provide on-going monitoring and evaluation of existing managers. Formal manager reviews are completed each quarter by FEG's research staff. When a manager is terminated, or the client decides to add a new mandate, FEG will conduct a manager search. This includes reviewing several managers and their organizational structure, track record, personnel, and fees (among other things) and summarizing the results to assist the client in selecting the appropriate manager.

Alternative Investments: As in the "Manager Searches" section above for traditional asset classes, FEG will recommend alternative investment managers that meet the client's needs including direct partnerships and fund of funds, and FEG will provide on-going review (i.e., quarterly conference calls with hedge fund of funds) of the managers and sourcing of new managers.

Educational Material: Each quarter FEG will provide a research narrative on a specific topic that will assist the client in making well-informed decisions. FEG will also conduct research on topics at the client's request. These research studies are designed to open discussion on relevant investment topics, and to position the portfolio for future success.

Other Services

Consulting Structured Services: FEG will provide operational support for back office administrative tasks of clients while maintaining a non-discretionary relationship on the majority of the portfolio. Under this service, clients are able to allocate less than 50% of their portfolio to FEG's discretionary vehicles to gain better access to investments with less liquidity. With authorization from the client, FEG will implement client approved investment decisions with custodians and managers. This service may also include Subscription Agreement services as outlined below. All arrangements under this service will require written approval from the client.

Consulting Implementation Services: FEG will provide operational support for the back office administrative tasks of clients while maintaining a non-discretionary relationship. Upon

authorization from the client, FEG will implement client approved investment decisions with custodians and managers. FEG will not purchase or sell securities for the client's account unless instructed in writing by the client. FEG will prepare pertinent information and execute the transaction(s) following approval.

Subscription Agreements: FEG currently provides subscription agreement services. We will collect and complete subscription agreements, for funding new investments and liquidating existing investments and forward documents to the client for their review and signature before processing. We also track the document flow and monitor the custodian's receipt and disbursement of payments.

FEG is able to customize the consulting services described above in order to meet the unique needs of our clients. Customized services are mutually agreed upon by FEG and the client in the advisory agreement.

FEG Managed Portfolios

FEG Managed Portfolios represent approximately twenty-five percent of overall advisory services. Managed Portfolios is a discretionary investment supervision program offered by FEG and is managed by a five person Portfolio Management team. FEG Managed Portfolios are available to taxable and tax-exempt institutions and individuals on a separate account basis. This service integrates similar components to those offered through FEG Consulting, but because of its discretionary nature, implements and manages client portfolios on an ongoing basis within the asset allocation guidelines adopted by the client. Portfolio construction is generally comprised of a diversified portfolio of index funds, mutual funds, exchange traded funds and/or commingled fund products. Clients selecting FEG Managed Portfolios receive a quarterly investment report incorporating performance measurement of the investments in accordance with the client's investment objectives.

Other Services

FEG currently provides research and model portfolios, for a fee, to third parties who serve as financial intermediaries, and/or platform providers to clients. FEG has the ability to utilize the technology platforms of some of these third parties to support performance reporting, fee calculation and billing. A portion of FEG's own discretionary clients may pay a fee for this service.

FEG serves as a sub-adviser to other advisers and third party accounts. As a sub-adviser, we are responsible for managing portfolios in compliance with mandates established by the client's investment policy statement or advisory contract.

FEG participates in separately managed account programs sponsored by third parties. The portion of the fee payable to FEG is determined by a percentage of the assets under management.

FEG has established an Endowment Alliance Program to help financial advisers build their endowment and foundation business. Advisers can access FEG Managed Portfolios solutions and leverage FEG's

institutional client experience. FEG endowment portfolios include allocations to alternative investments through hedge funds or liquid alternatives based upon client objectives and policies.

In establishing client accounts, FEG will discuss with clients how to tailor services to their particular investment objectives, financial needs and risk tolerance. Clients may impose restrictions on investing in certain securities, types of securities and industry sectors. These restrictions are set forth in the client's investment policy statement or advisory contract.

Item 5 – Fees and Compensation

Our general policy is to charge fees in accordance with the fee schedule(s) in effect at that time; however, all FEG fees and minimums are subject to negotiation. Existing advisory clients are subject to FEG's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. The way in which the Adviser receives compensation for advisory services may be negotiated by the client at the time of entering into an advisory agreement. For discretionary accounts, the client's advisory account is generally direct debited. For non-discretionary accounts, it is our practice to not debit fees from the client's advisory account. For these accounts, clients may be billed directly, or choose an alternative billing method.

The manner in which we charge fees is set forth in the client's advisory agreement, but fees are generally assessed in accordance with the following schedules:

Consulting

An asset based fee is charged for Consulting

Assets	Annual Fee
First \$50 million	0.12%
Next \$50 million	0.10%
Next \$150 million	0.05%
Next \$250 million	0.04%
Over \$500 million	0.03%

The minimum annual consulting fee is \$60,000

Fees are charged quarterly, in arrears

Fees include travel and out of pocket expenses

Defined Contribution Consulting

An asset based fee is charged for Defined Contribution Consulting

Assets	Annual Fee
First \$50 million	0.12%
Next \$50 million	0.10%
Next \$150 million	0.05%
Over \$250 million	0.02%

The minimum annual consulting fee is \$25,000

Fees are charged quarterly, in arrears

Fees include travel and out of pocket expenses

Consulting Implementation Services

An asset based fee is charged for Consulting Implementation Services

Assets	Annual Fee
First \$50 million	0.150%
Next \$50 million	0.130%
Next \$150 million	0.080%
Next \$250 million	0.045%
Next \$500 million	0.035%
Over \$1 billion	0.015%

The minimum annual consulting fee is \$70,000

Fees are charged quarterly, in arrears

Consulting Structured Services

An asset based fee is charged for Consulting Structured Services

Assets	Annual Fee
First \$50 million	0.240%
Next \$50 million	0.200%
Next \$150 million	0.100%
Next \$250 million	0.050%
Next \$500 million	0.030%
Over \$1 billion	0.030%

The minimum annual consulting fee is \$70,000

Fees are charged quarterly, in arrears

Negotiated ala carte services may be included in fee

FEG Outsourced Chief Investment Officer (OCIO)

An asset based fee is charged for FEG OCIO

(Schedule for accounts over \$5 million)

Assets	Annual Fee
First \$25 million	0.50%
Next \$25 million	0.30%
Next \$50 million	0.20%
Next \$150 million	0.10%
Over \$250 million	0.05%

The minimum annual managed portfolios fee is \$50,000

Fees are charged quarterly, in arrears

Fees include travel and out of pocket expenses

Additional Fees and Expenses

FEG Managed Portfolios offers to clients the ability to utilize an independent Financial Intermediary Adviser at a management fee of 0.30% (does not include platform fees). For clients that utilize FEG as the Adviser, the management fee is 1.15% on the first \$100,000; 0.90% on the next \$400,000; 0.73% on the next \$500,000; 0.56% on the next \$1,000,000 and 0.55 over \$2,000,000 (includes

platform fees). These management fees do not include custodial fees. Actual investment fees incurred by clients may vary.

FEG also offers a variety of services and products with differing fee schedules, including the above services under “Consulting” on an a la carte or limited consulting basis, fees for which will be individually quoted based on the amount of time and expenses associated with those services.

For FEG client assets invested in proprietary FEG funds, the Adviser’s compensation under this agreement will be reduced (but not below \$0) by any advisory fees received by the Adviser (or affiliate of the Adviser) attributable to the client’s investment in the FEG Funds.

FEG is a fiduciary to certain advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act (ERISA). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation.

Occasionally, FEG, either directly or indirectly, through its affiliates, enters into side letter arrangements with regards to FEG proprietary funds. These arrangements are in writing and agreed upon by all parties.

Upon termination of FEG’s services, FEG will assess a pro-rated fee for services rendered in accordance with the fee payment and termination provisions contained in the client contract.

In addition to our advisory fees, clients are responsible for the fees and expenses charged by custodians and imposed by broker-dealers or platforms, including transaction charges, custodial fees, and commission costs.

For further compensation arrangements please refer to Item 14 of this document.

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

FEG offers performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client. FEG will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

In measuring clients' assets for the calculation of performance-based fees, FEG shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for FEG to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. FEG has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients. The fees will not be offered to any client residing in a state in which such fees are prohibited.

Item 7 – Types of Clients

FEG generally provides portfolio advisory services to various types of clients, including the following:

- Charitable not-for-profit
- Community Foundation
- Corporate
- Individuals and Family Offices
- Healthcare (for profit and not-for-profit)
- Higher Education (private and public)
- Independent Schools
- Insurance
- Private/Family Foundation
- Religious
- Public Funds (State or Municipal Entities)
- Taft Hartley

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

FEG's investment philosophy serves as the basis for the investment solutions we provide our clients and is predicated upon the following four philosophical tenets:

- Investment decisions should be made with a long-term perspective
- Valuation considerations should drive investment decisions
- Portfolios should be constructed to achieve diversification by global risks
- Skillful active management has the potential to add value

Portfolio Design

We take a broad-based view of asset allocation, with investments generally falling into one of four asset categories: global equity, global fixed income, real assets and diversifying strategies. Each category serves a specific role within a portfolio. An allocation to all four categories provides diversification to major market risk factors and provides a high-level framework to view the exposures within the portfolio. In order to achieve an even greater level of diversification, the four broad categories are further broken down into sub-categories with more specific risk/reward characteristics and market behavior. By strategically allocating portfolios among these categories, FEG seeks to generate consistent returns and manage risk irrespective of the market environment.

FEG develops specific investment objectives for each client portfolio. The investment objectives define strategic allocation profiles targeting the risk and return characteristics, as well as performance benchmarks.

Manager Selection

FEG believes investment firms that meet our quality threshold on organizational structure, personnel,

investment philosophy, and performance must also demonstrate key attributes to be included on the recommended list. FEG's research process uses the following six tenants:

- Conviction: Strong belief in the investment philosophy; willing to put investment decisions ahead of business decisions; invests alongside of clients, aligning interests
- Consistency: Stability of organization structure, composition of the investment professionals, and the investment philosophy and process
- Pragmatism: Understand core strengths and have the ability to capitalize and sustain their competitive edge
- Investment Culture: Strong ethical foundation; passionate about investing; proper organizational and compensation structure; culture pervades across organization
- Risk Control: Not blind risk takers, but risk conscious; acknowledge mistakes; robust and effective risk mitigation
- Active Return.: Ability to identify and profit from investment opportunities; successful track record

Review and Monitoring

Before an investment manager's strategy is rated as recommended by FEG, we assess the manager and strategy on rigorous quantitative and qualitative factors. Our research team evaluates managers based on the quality of the firm, strategy, philosophy, investment process, professionals, and performance. Once managers and strategies meet our initial requirements, further due diligence is performed, which includes in-depth contact with investment professionals. Depending on the strategy, FEG's initial and on-going due diligence process may vary. More complex strategies require more extensive due diligence, while simplistic strategies in highly regulated structures, such as index funds, may require less rigor. FEG's IPC determines the extent of required due diligence for each type of manager and strategy.

FEG's investment professionals, including the Research and Managed Portfolios teams, meet on a regular basis to discuss the changing market conditions and manager performance. They conduct a formal quarterly review and an annual oversight of the market conditions, performance, and client portfolios, while monitoring both qualitative and quantitative attributes.

Risk of Loss

Investing in securities and other financial instruments involves risk, including the potential loss of the client's principal. Although FEG seeks to preserve its clients' capital and achieve real growth of assets, investing in securities and other financial instruments involves risk that the client should be prepared to bear. While certain strategies may offer the potential for greater growth, these same strategies may have greater potential for volatility. FEG's intent is to minimize risk when possible.

Item 9 – Disciplinary Information

FEG is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FEG or the integrity of FEG's management. FEG reviews advisory personnel

records on a periodic basis to ensure that no disciplinary events have been reported. FEG has no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

FEG has relationships or affiliations that are material to its advisory business and its clients with related persons as described below:

- FEG Investors, LLC-a federally registered investment adviser
- FEG Private Investors, LLC-a federally registered investment adviser
- FEG POF LLC-the general partner of the FEG Private Opportunities Fund, L.P.
- FEG POF II LLC-the general partner of the FEG Private Opportunities Fund II, L.P.
- FEG Absolute Access Fund LLC- a federally registered investment company
- FEG Absolute TEI Fund LLC-a federally registered investment company
- FEG Directional Access Fund LLC-a federally registered investment company
- FEG Equity Access Fund Ltd-an unregistered private hedge fund of funds
- FEG Private Opportunities Fund, L.P.-an unregistered private fund of funds
- FEG Private Opportunities Fund II, L.P.-an unregistered private fund of funds

Conflict of Interest Disclosure

In some instances, FEG provides investment advisory services to advisory affiliates and their clients. Some of our investment professionals, officers and employees of advisory affiliates provide other services to those affiliates and their clients. In addition, our personnel are involved in cross marketing opportunities with our affiliates.

A potential conflict of interest exist in that FEG and its affiliated companies offer varying investment services and products, some of which provide greater compensation to FEG than others. FEG has procedures in place to ensure that appropriate disclosure is made to all clients regarding the fees to be charged and the services to be provided.

FEG receives no compensation from investment managers of funds for inclusion on our recommended list or in our proprietary funds. Occasionally, an investment management firm whose funds are made available to our clients may also be a contractual client of FEG and/or its subsidiaries (i.e., FEG Investors, LLC, FEG Private Investors, LLC). However, employees receive no compensation from these managers for selecting them as investment options for our clients to consider.

Item 11 – Code of Ethics

FEG has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. FEG's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth FEG's practice of supervising the personal securities transactions of supervised persons with access to client

information. Individuals associated with FEG may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the express policy of FEG that no person employed by FEG shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, FEG requires that anyone associated with this advisory practice provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. FEG requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's, ETFs, or private placements (limited offerings).

FEG requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. FEG's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

FEG will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer at FEG's principal address.

There may be times when the interests of FEG and/or its representatives and affiliates correspond with the interests of its clients, and may invest in the same securities that are recommended to clients. While this may represent a potential conflict of interest, in each instance, this is fully disclosed to the client. In cases when applicable, FEG, its representatives and affiliates, will be "last in" and "last out" for the trading day.

FEG and/or associates serve on advisory boards to private investment vehicles in which FEG's clients have investments. These advisory boards serve to represent the investors in such roles as, for example, reviewing potential of conflicts of interest, waivers of investment limitations, and/or investment valuations. FEG and its employees receive no compensation from these private investment vehicles or their managers for such service, but any reasonable expenses incurred in serving on these committees may be reimbursed.

Item 12 – Brokerage Practices

In FEG Managed Portfolios, FEG places trades for its client's account subject to its duty of best execution and other fiduciary duties. FEG may use other broker-dealers to execute trades for client accounts maintained at their Preferred Custodians/Brokers, but this practice may result in additional costs to clients. The execution quality may be different from other broker-dealers. For clients that wish to maintain certain brokerage relationships (i.e., directed brokerage), FEG does not negotiate commission rates and clients may pay higher commissions than they would have had if FEG had brokerage discretion over the account.

How we select Preferred Custodians/Brokers we use

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- The combination of transaction execution services and asset custody services (generally without a separate fee for custody).
- The capability to execute, clear, and settle trades (buy and sell securities for your account).
- The capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.).
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.).
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees).
- Reputation and financial strength.
- Prior service to us and our other clients.
- Availability of other products and services that benefit us, as discussed in “Products and Services.”

Products and Services Available to us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts; while others help us manage and grow our business. Schwab’s support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us as long as our clients collectively maintain a minimum amount of their assets in accounts at Schwab. If our clients, collectively, have less than that minimum amount of their assets in accounts at Schwab, than Schwab may charge us a quarterly service fee. The following is a more detailed description of Schwab’s support services.

Services That Benefit You

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this

research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services so long as our clients collectively keep a minimum amount of their assets in accounts at Schwab. (Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody.) The required minimum amount may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This could be considered a potential conflict of interest. We believe, however, that our selection of Schwab as one of our preferred custodians and brokers is in the best interests of our clients.

Execution of Trades

FEG may be able to obtain a better execution and negotiate more favorable brokerage commissions for its clients by aggregating orders in the same security with the objective of executing a block of stock for various clients. Whenever FEG determines that it is in the client's best interest to aggregate/block client orders, it will attempt to execute the transactions in this manner. Shares executed in block transactions are generally allocated pro-rata relative to account assets among the client for whom the stock is being traded. Shares allocated in accordance with these procedures are

priced based on the weighted average price of the executions. FEG periodically reviews its trading practices to ensure it is providing best execution to its clients at competitive commission rates.

FEG's recommendation that a client place assets with any of our Preferred Custodian/Brokers may be based in part on benefits to FEG, and not solely on the nature, cost or quality of custody and execution services provided. Some of these other products and services assist FEG in managing and administering client's accounts. These services include software and other technology that provide access to client account data including trade confirmations, account statements and performance reports, facilitation of trade execution, including allocation of aggregated trade orders for multiple client accounts; facilitation of payment of FEG fees from client's accounts; and assistance with back-office functions, recordkeeping and client reporting, research, pricing information and other market data. Custodians/Brokers make available to FEG other services intended to help FEG manage and further develop its business enterprise. These services may include conferences on practice management, information technology, business succession, regulatory compliance and marketing, as well as consultation and publications on these topics and may make available, arrange and/or pay for these types of services rendered to FEG by independent third parties. The custodians/brokers also may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to FEG.

For client accounts maintained at the Preferred Custodians/Brokers, they may or may not be subjected to a separate custodial fee. FEG reserves the right to charge an additional fee when client utilizes a custodian other than FEG's Preferred Custodians/Brokers. The fee may be up to .05%/year assessed on assets held with a non-preferred custodian, subject to a \$2,500/year minimum. FEG Managed Portfolios' service clients are subject to brokerage fees in addition to the investment advisory fee. FEG does not participate in fee sharing arrangements with any broker dealer in connection with preferred brokerage arrangements.

In providing its non-discretionary services, FEG may assist clients in executing trades with the client's selected broker-dealer. FEG may also assist non-discretionary consulting clients to execute trades by preparing and communicating to brokers any rebalancing recommendations.

FEG is independently owned and operated and not affiliated with any of its Preferred Custodians/Brokers. Additional details about these custodian relationships are available upon request. Investment guidelines and restrictions must be provided to FEG in writing.

As a matter of policy, FEG does not participate in soft dollar arrangements.

Item 13 – Review of Accounts

Two departments within FEG are involved in the review, performance, and measurement process.

Client Service/Reporting Group

A lead consultant heads up each FEG client relationship, with primary responsibility for all aspects of client service. The Reporting Group supports FEG Consultants.

Research

FEG Research is comprised of approximately 23 full-time research analysts, who are responsible for the ongoing monitoring of managers included on FEG's recommended list. The research team supports FEG Consultants.

Review Process

FEG's performance reporting system measures the progress of the total portfolio, as well as each investment manager in the portfolio. Performance is measured in compliance with an Investment Policy Statement, specifically developed for each client's investment objectives. The components of the FEG performance report include:

- Performance versus established benchmarks
- Measurement of risk and risk adjusted returns
- Relative ranking in peer group universes
- Schedule of asset allocation and investment style composition
- Evaluation of each mutual fund/manager versus investment policy criteria
- Executive summary

FEG's Reporting Group has developed a quarterly compliance questionnaire, sent to each manager to verify performance and compliance with investment objectives and guidelines. Utilizing each client's investment custody statements, FEG prepares an independent performance calculation, closely scrutinizing the portfolio transactions and security positions to ensure compliance. To confirm returns are accurate, FEG reconciles their performance measurement against that reported by the investment manager.

An investment policy scorecard is prepared, comparing the individual progress of each manager versus the Investment Policy Statement objectives, including annualized rates of return by manager and universe quartile ranking.

FEG Research conducts quarterly conference calls with recommended managers, designed to provide quality control measure by comparing performance-driving factors, such as security and sector selection, with present market conditions. The consistency of qualitative information, combined with FEG's independent return calculations, serve as a continuous due diligence effort regarding the investment managers retained by FEG's clients.

To ensure a disciplined investment program, performance calculations are complemented with other techniques designed to monitor adherence to the Investment Policy Statement. Peer group comparisons are used to measure a manager's ability to outperform other managers investing in similar strategies. Risk is measured by standard deviation and beta; risk-adjusted returns are measured by alpha.

Events warranting or triggering more frequent reviews may include such factors as: market conditions; changes in a client's investment objectives or financial condition; a manager deviating from their stated objectives or investment style; significant changes in a manager's personnel; and the regulatory environment.

Required disclosure information pertaining to investment managers, recommended by, but not affiliated with FEG are described in detail in those adviser's Form ADV Part 2A or equivalent disclosure documents, and should be obtained from those respective advisers selected by the client.

Item 14 – Client Referrals and Other Compensation

FEG compensates employees for new client relationships or project work developed and/or serviced by the employee.

Pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940, the "cash referral fee rule," FEG maintains a plan that compensates third parties for referrals when the referral results in a client relationship. Under this arrangement, FEG pays a solicitor a portion of the client's advisory fee.

FEG and/or affiliates have various solicitor arrangements with adviser representatives in which they offer retail clients FEG Managed Portfolios' program. The advisory fee paid to FEG by the client is higher than fees paid by clients of FEG where no solicitor is involved. Standard advisory fees apply and an additional solicitor fee is determined between solicitor and client.

Each client introduced to FEG through a solicitor agreement will receive a Solicitor Disclosure Statement, which provides disclosure regarding the affiliation, if any, between FEG and any third party investment advisers; the terms of the solicitation agreement between FEG and the solicitor, including the amount of compensation paid to the solicitor; and the additional cost to the client, if any, as a result of the solicitation agreement.

FEG receives an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, and how they benefit us, and other related conflicts of interest are described in Item 12 , Brokerage Practices.

Each advisory client will receive a copy of Form ADV Part 2A or equivalent disclosure document for FEG, as well as any other third party investment adviser involved in the solicitation agreement.

Item 15 – Custody

As described in Item 5, Fees and Compensation section of this Brochure, our firm both debits advisory fees from client accounts and direct bills clients. As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from the client's account. On at least a quarterly basis, the custodian is required to send a statement to the client showing all transactions made within the account during the reporting period.

FEG generally does not hold itself out as having custody over client funds and securities except for the following exceptions:

- Direct debiting of fees from client accounts (discretionary accounts only)
- Affiliated general partner of a pooled investment vehicle (subject to an annual audit by an independent auditor)
- One client, over which we have discretionary authority and a Limited Power of Attorney to invest in Limited Partnerships on behalf of the client (subject to a surprise audit)

All clients are urged to carefully review their custodial statements to verify the accuracy of the calculation. Clients should contact their custodians if they have any questions regarding their custodial statements.

In an effort to assist clients with custodial statements, FEG will pick a random sampling of clients, on a bi-annual basis, to verify that they are receiving their quarterly custodial statements consistently.

Item 16 – Investment Discretion

Subject to each client's established guidelines, limitations or restrictions, FEG generally has the authority in its Managed Portfolios' service to determine for each client account, without prior client consent:

- Which securities/investments are to be bought or sold, and
- The total amount of securities/investments to be bought or sold

In most cases, FEG's Managed Portfolios' service does not request or accept discretionary authority regarding the broker-dealer to be used for the client account; however, there are some limited exceptions.

FEG has brokerage relationships with "Preferred Custodians/Brokers," whereby their potential services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. These arrangements may contain the conditions described in the immediately following paragraphs, including a solicitor arrangement. These custodians may provide these various products, services and other benefits to FEG at no cost or a reduced cost based upon FEG's commitment that FEG's clients will place or maintain a specified dollar amount of assets in accounts within a specified period of time. FEG may be influenced by this commitment in recommending or requiring that clients' establish brokerage accounts with these custodians. For more information, please refer to Item 12, Brokerage Practices.

FEG may also provide their advisory services, for a fee, to certain other types of financial services entities (providing different kinds of financial services) and may also periodically recommend these entities to clients as custodians. In such situations, FEG simultaneously discloses the relationship to the client.

For FEG's non-discretionary accounts, we make periodic recommendations to clients regarding the securities to be purchased or sold, and the size of those transactions.

Item 17 – Voting Client Securities

FEG will accept discretionary authority over a client's proxy if FEG has discretionary authority over the client's advisory account and the advisory contract does not expressly state that FEG will not be voting proxies or the client does not retain voting authority. Mutual funds and ETF's are the only securities subject to this policy. A voting officer has been delegated the authority for monitoring proxy actions, making voting decisions in accordance with these policies and ensuring that proxies are submitted in a timely manner. Copies of the FEG proxy voting policy and its voting record for the past five years are available upon request to FEG's Chief Compliance Officer at 513-977-4400.

Item 18 – Financial Information

FEG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered, and as such, we are not required to include a financial statement with this Brochure. Financials are audited by an independent auditor on an annual basis.