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**FIRM BROCHURE (FORM ADV Part 2A)**

**March 27, 2015**

This Brochure provides information about the qualifications and business practices of Certium Asset Management LLC (Certium). If you have any questions about the contents of this Brochure, please contact us at 404-845-7696 and/or [www.certiumllc.com](http://www.certiumllc.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Certium is a registered investment adviser. Registration of an investment adviser does not imply a certain 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 Certium is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## ITEM 2 MATERIAL CHANGES

This Brochure, dated March 27, 2015, was prepared according to the SEC's requirements and rules. This Item is used to provide a summary of new or updated material information since the last annual update of our Brochure on March 10, 2014.

On May 30, 2014, certain employees of Certium's parent company, RidgeWorth Capital Management LLC ("RidgeWorth") and its wholly owned subsidiaries, alongside affiliated investment funds of Lightyear Capital LLC ("Lightyear") and co-investors, acquired all of the outstanding equity interest of RidgeWorth from SunTrust Banks, Inc. ("SunTrust"). RidgeWorth is now an independent investment firm with equity ownership by employees. This Brochure has been updated to delete references to SunTrust and its affiliates and to add information related to the acquisition. The current leadership of RidgeWorth and its affiliated boutiques will continue to manage the business and investment strategies. Please refer to Items 10, 11, 15 and 17 of this Brochure.

In 2015, RidgeWorth opened RidgeWorth International Ltd. ("RidgeWorth International"), a wholly owned subsidiary headquartered in London, England. Pursuant to a written agreement, RidgeWorth International (FRN 673689) is an Appointed Representative of Mirabella Advisers LLP ("Mirabella") (FRN 606792), which is authorised and regulated by the Financial Conduct Authority, and as such, is permitted to engage in certain regulated activities within the United Kingdom and European Economic Area member states.

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Part 2A – Wrap Fee (not applicable)

## ITEM 4 ADVISORY BUSINESS

Certium Asset Management LLC ("Certium" or the "Firm") is a 100% owned subsidiary of RidgeWorth Capital Management, Inc. ("RidgeWorth"). RidgeWorth, which also conducts business under the name RidgeWorth Investments, is an investment adviser registered with the SEC and is also a money management holding company (see [www.ridgeworth.com](http://www.ridgeworth.com)). RidgeWorth was formerly a majority owned subsidiary of SunTrust Banks, Inc. ("SunTrust"), a publicly traded financial services holding company. On May 30, 2014, certain employees of RidgeWorth and its wholly owned subsidiaries, alongside affiliated investment funds of Lightyear and co-investors, acquired all of the outstanding equity interests of RidgeWorth from SunTrust. RidgeWorth is now an independent investment firm with equity ownership by employees. Lightyear is a private equity firm that invests primarily in North America-based, middle-market financial services companies.

RidgeWorth provides discretionary and non-discretionary advisory services to clients through a series of four wholly owned subsidiaries and one minority owned adviser (individually, a "Boutique", or collectively, the "Boutiques"), each of which is an investment adviser registered with the SEC. Certium is one of these Boutiques, with both domestic and international special equity strategies. Prior to March 31, 2008, Certium was part of Trusco Capital Management, which was later called RidgeWorth Capital Management, Inc. and now RidgeWorth Capital Management LLC. See "Investment Advisers" under Item 10 of this Brochure and Item 10 of Form ADV Part 2A of RidgeWorth and each other Boutique for a more detailed description of RidgeWorth and other Boutiques.

RidgeWorth offers two primary separately managed account products utilizing Certium:

- i. Single discipline managed accounts in Certium's style, where a client would hire RidgeWorth and RidgeWorth would delegate investment authority to Certium, and
- ii. Multi-discipline managed accounts, where RidgeWorth allocates among various styles and delegates portions of the account's management to its different Boutiques, including Certium.

If a client elects to receive advisory or other services directly through RidgeWorth, RidgeWorth may establish an account for such client. Depending on whether or not the client desires a single or multi-discipline investment focus, RidgeWorth may subadvise to Certium alone or to Certium in combination with one or more of the relevant Boutique(s), pursuant to written subadvisory agreements executed between the applicable Boutique(s) and RidgeWorth that govern the provision of services to the client.

Clients also may contract for such advisory services directly with Certium.

Certium provides – directly or as subadviser to RidgeWorth – discretionary investment supervisory services to institutional clients, including investment companies ("Mutual Funds", including the RidgeWorth Funds) registered under the Investment Company Act of 1940, as amended ("1940 Act"). Certium also provides these services, both under direct contract with a client and indirectly as subadviser under contracts with RidgeWorth, to pension and profit sharing plans, educational endowments and related funds, public and private foundations, governmental entities, other corporate entities, and high net worth clients. Customized investment management services are based on certain client-specific criteria such as organizational structure, risk assessment, liquidity and cash flow, income needs, tax consequences, other sources of funds to meet obligations, general economic conditions, social and other preferences relating to the account's investment guidelines. Clients can place reasonable restrictions on Certium's investment discretion. The most common restrictions are social restrictions or those that prohibit us from buying specific companies. Investment guidelines and restrictions must be provided to Certium in writing, and may impact performance.

As of 12/31/2014, Certium had discretionary assets under management of \$155 million.

## ITEM 5 FEES and COMPENSATION

Certium's fees are competitive, and higher or lower fees may be available elsewhere for the same type of services. Certium charges most of its clients a fixed-percentage fee per annum for investment advice based on assets under management, payable quarterly in arrears. Assets under management include a client's uninvested cash position for which Certium does not provide investment advice. Fees may vary based on account type and client services requested. Determining factors include: number and frequency of reports and client meetings, individual security investments versus common or collective funds, mutual funds or private fund investments, investment guidelines and restrictions, and account size.

Certium reserves the right to negotiate all fees and annual minimums based on individual client considerations.

Initial fees are calculated based upon the number of days in the quarter the account came under management. Subsequent quarters are billed in full unless clients terminate the relationship prior to the end of the quarter, in which case the fee is prorated for the number of days prior to termination. Certium will invoice the client or the client's custodian directly as instructed by the client in the investment advisory agreement. A client may authorize its custodian to debit its account for the investment advisory fee and remit directly to Certium. It is important that you compare the client reports you receive directly from us to the statements you receive from your custodian. Certium's standard advisory contract is cancelable by either the client or Certium 30 days after receipt or delivery of written notice. Other termination conditions may be negotiated to accommodate special client requirements.

Certium's basic advisory fee schedules, subject to negotiation based on the above-described factors, are set forth below. If Certium is used by RidgeWorth as subadviser in providing advisory services to clients, such clients will not incur any increase in advisory or other fees as a result of any such subadvisory arrangement. RidgeWorth will share its fees with Certium when Certium is used to provide subadvisory services to RidgeWorth. Fees for individual accounts, employee benefit relationships, tax-exempt institutional accounts such as charitable foundations, endowments, corporate accounts, and other institutional client accounts are primarily based on the market value of the assets under management in accordance with the following schedules:

### ADVISORY FEE SCHEDULES

International Equity
0.85% on first \$10 million
0.60% on next \$40 million
0.40% on all > \$50 million
Minimum Annual Fee \$10,000

If Certium is requested to manage a custom domestic equity index portfolio, it will negotiate fees on a case-by-case basis. In addition to Certium's investment management fees, clients' accounts pay trading costs. See Item 12 - Brokerage Practices. Certium does not custody client assets, thus clients will contract separately with qualified custodians and pay custody fees charged by their selected custodians.

Certium or Boutiques act as adviser or subadviser to one or more Mutual Funds or unregistered funds, including but not limited to LPs, LLCs, foreign funds, CLOs, etc. ("Private Funds", and together with Mutual Funds, "Funds") or manage accounts that invest in such Funds or third party Funds.

To the extent that client accounts are invested in Mutual Funds, these funds generally charge a management fee for their services as investment managers. This management fee, along with other charges, is included in the “expense ratio” of the fund. These fees are described in each fund’s prospectus and are in addition to the fees you pay to Certium. However, when a Certium portfolio manager determines to invest assets of an individual discretionary client in a Mutual Fund for which it (or an affiliate) also acts as adviser and receives an investment advisory fee, generally the Firm will offset the Mutual Fund fee against the individual advisory fee.

Private Fund fees vary by Private Fund and are described in each Private Fund’s offering memorandum.

Some of our supervised persons accept compensation via internal sales bonus for the sale of securities or other investment products, including asset-based sales charges from the sale of Mutual Funds, including affiliated funds which pay us an advisory fee.

This practice presents a conflict of interest and gives us and our supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client’s needs. We address conflicts that arise, including disclosing the conflicts to clients. The Firm’s supervised persons do not typically talk with or promote products to individuals. Supervised persons talk with platform partners and advisers about potential investments and those firms’ supervised persons have the responsibility of assessing the needs of the end client. The Firm’s supervised persons do talk directly with institutional prospects and/or institutional clients.

Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us.

## **ITEM 6 PERFORMANCE-BASED FEES and SIDE BY SIDE MANAGEMENT**

In certain instances, Certium may be compensated for investment advisory services based on a share of the overall account performance of all or a portion of client assets (an “incentive fee”). The terms of any incentive fee are based upon a negotiated arrangement with the client. Certium anticipates that such client relationships and arrangements will also pay “base fees” calculated on the market value of the assets under management. Certium will enter into an incentive fee arrangement only at a client’s request, and only if the client account qualifies for exclusion under Section 205 of the Investment Advisers Act of 1940, as amended (“Advisers Act”) and Advisers Act Rule 205(a)(1) or 205-3 relating to exemption from certain compensation prohibitions.

Certium does not currently have any clients with a performance-based fee.

## **ITEM 7 TYPES OF CLIENTS**

Certium serves as subadviser to investment portfolios of registered investment companies, including a family of Mutual Funds known as the RidgeWorth Funds pursuant to a written subadvisory agreement with RidgeWorth. Certium advises or subadvises collective trust funds. Certium may also provide investment advisory services to institutional clients including pension and profit sharing plans, educational endowments and related funds, public and private foundations, governmental entities, and other corporate entities as well as high net worth clients.

Certium may contract directly with the client for these services or may act as subadviser to clients contracted with RidgeWorth pursuant to a written subadvisory agreement.

Certium’s basic fee schedules for investment advisory services and supervisory services for institutional separately managed accounts are generally subject to a minimum annual fee of \$10,000 and an initial

asset base of \$10 million or more. However, fees and minimum initial set base amounts may be subject to modifications and negotiations to accommodate special client requirements.

## **ITEM 8 METHODS of ANALYSIS, INVESTMENT STRATEGIES and RISK of LOSS**

### **METHODS OF ANALYSIS**

Certium methods of analysis include the following:

**QUANTITATIVE** - This type of analysis compares historical financial metrics such as price to earnings, price to book, return on equity, asset turnover to historical equity returns using robust statistical methods. This comparison searches for meaningful relationships that can be used to forecast future equity returns.

**FUNDAMENTAL** - Fundamental analysis is using real data to evaluate a security's value. For example, fundamental analysis can be performed on a bond's value by looking at economic factors, such as interest rates and the overall state of the economy, and information about the bond issuer, such as potential changes in credit ratings. For assessing stocks, this method uses revenues, earnings, future growth, return on equity, profit margins and other data to determine a company's underlying value and potential for future growth. In terms of stocks, fundamental analysis focuses on the financial statements of the company being evaluated. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating a security.

**TECHNICAL** - This form of value analysis focuses on patterns of volume and price fluctuations for a given stock as compared to the activity of the larger, general market indicators. Securities are evaluated for purchase or sale based on an analysis of market statistics such as volume and prices over time as seen on charts, etc. that are believed to establish relational patterns that can predict future movements in the markets. This relative comparison has little or no concern for any company's fundamental structure, production or worth. Technical analysis assumes that all the market factors are known to and considered by all the market's participants, although the market can act in irrational ways. Technical analysis purports to see repeatable patterns in similar market conditions, but any one of many factors may alter the outcome of an otherwise similar situation.

**CYCLICAL** - There are industries in which profits rise and fall on a cyclical basis. As profits of companies follow cyclical patterns, so do their stocks, going up and down, reflecting the current stage of the business cycle. There are a wide variety of industries that can be described as having distinct business cycles: oil and gas, semi-conductors, car-manufacturing, mining, home-building, fertilizer production and many others. Their main feature is that their profits and thus stock prices follow similar rising and falling patterns over the long run. There is no guarantee that historical trends will indicate current cycles.

### **SOURCES OF INFORMATION**

Sources of information used by Certium include financial newspapers and magazines; inspections of corporate activities; research materials prepared by others; corporate rating services; annual reports, prospectuses, and/or filings with the SEC; and company press releases. In addition to publicly available sources of information, Certium also uses internal research developed by its investment professionals.

### **INVESTMENT STRATEGIES**

Certium is an institutional investment management firm focused on passive, custom, quantitative and active strategies, and seeks to provide clients with risk-controlled exposure to equity markets. Passive strategies, managed to select existing indices, provide clients exposure to equity markets; custom strategies, currently offered in a passive format, allow clients to select a benchmark or investment goal

and combine it with customized investment needs, such as socially responsible investing. Certium's large cap quantitative strategy utilizes region and sector specific models to identify companies with the most attractive earnings growth prospects and valuation characteristics within each sector. The actively managed international portfolio invests primarily in equity securities of foreign companies that Certium believes have the best combination of relative value and earnings growth.

In selecting investment for purchase and sale, Certium chooses companies that it believes are undervalued in the market relative to the industry sector and the company's own valuation history. Certium evaluates potential catalysts that may cause an upward re-rating of the stock's valuation. Additionally, the common stocks purchased generally pay dividends at the time of purchase or are expected to pay dividend soon after their purchase. In addition, to implement its investment strategy, Certium may buy or sell, to a limited extent, derivative instruments (such as futures, options and swaps) to use as a substitute for a purchase or sale of a position in the underlying assets and/or as part of a strategy designed to reduce exposure to other risks, such as market risk.

## **RISK OF LOSS**

All investments carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. For investments in any pooled vehicles, please also refer to the prospectus, offering memoranda or other governing document that provides a more detailed discussion of strategies and risks. Depending on the type of security, your account may face the following investment risks:

**Equity Risk** - Investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. In addition to, or in spite of, the impact of movements in the overall stock market, the value of investments may decline if the particular investments within the portfolio do not perform well in the market. Prices of growth stocks may be more sensitive to changes in current or expected earnings than prices of other stocks. Prices of stocks may fall or fail to appreciate regardless of movements in securities markets.

**Market Risk** - The success of client portfolio activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barrier, currency fluctuations and controls, and national and international political circumstances. These factors may affect the level of volatility of securities prices and the liquidity of investments in client portfolios. Such volatility or illiquidity could impair profitability or result in losses.

**Potential Concentration** - Client portfolios may have highly concentrated positions in issuers engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

**Large Company Risk** - Large cap stocks can perform differently from other segments of the equity market or the equity market as a whole. Large capitalization companies may be less flexible in evolving markets or unable to implement change as quickly as smaller capitalization companies.

**Smaller Company Risk** - Small and mid-cap stocks tend to perform differently from other segments of the equity market or the equity market as a whole, and can be more volatile than stocks of a larger company. Smaller companies may be newer or less established and may have limited resources, products and markets. They may be less liquid.

**Non-U.S. Investments** - Certium may invest client funds in securities (*debt, equity, currencies, derivatives, etc.*) domiciled outside the United States. Such investments expose the portfolio to a number of risks that may not exist in the domestic market alone. Such risks include, among other things, trade balances/imbbalances and related economic policies, currency exchange rate fluctuations, imposition of exchange control regulation, withholding taxes, limitations on the removal of funds or other assets, possible nationalization of assets or industries, political difficulties, and political instability in foreign nations.



**ADR Risk** – ADRs are subject to some of the same risks as direct investments in foreign companies. These include the risk that political and economic events unique to a country or region will affect those markets and their issuers.

**Short Sales, Leverage and Derivatives** - Short sales, leverage and derivatives all represent substantial risks given their inherent heightened risk of loss. Leverage and derivatives imply borrowing capital. When such borrowing is deployed, losses can escalate quickly should investments suffer even small losses. Short sales involve a finite opportunity for appreciation, but a theoretically unlimited risk of loss. Short positions are also subject to a “short squeeze” that could lead to accelerating losses for those that are short that particular security.

**Exchange Traded Funds (ETFs)** – While actively managed ETFs are growing in number, ETFs, like index funds, typically represent shares of ownership in funds, unit investment trusts, or depository receipts that hold set portfolios of securities which closely track the performance and dividend yield of specific indices (i.e. broad market indices, sector indices, international indices, etc.) without being actively managed. ETFs give investors the opportunity to buy or sell an entire portfolio of stocks in a single security. Unlike traditional mutual and index funds, ETFs typically issue and redeem shares only in large increments called “Creation Units” (e.g. a single Creation Unit may consist of 50,000 or 100,000 shares worth several million dollars). ETFs calculate their share value (“NAV”) once a day in the same fashion as traditional mutual and index funds. An ETF's shares can also be purchased and sold in much smaller increments and for cash in the secondary market. Because ETFs trade like stock (unlike traditional mutual and index funds), we can margin, utilize hedging strategies on, and sell short ETFs in addition to simply buying ETFs long. These transactions, however, are not made at the ETF's NAV, but rather are made at market prices which may vary throughout the day and may differ from the ETF's NAV. Like any listed security, ETF shares can generally be purchased and sold at any time a secondary market is open. Except when aggregated in Creation Units, shares of an ETF are not redeemable securities. Accordingly, there is no guarantee that ETF shares will trade at or near NAV. You may incur certain fees charged directly by an ETF when purchasing, holding, or selling Creation Units of an ETF (“Creation Unit Fees”). You may also be subject to an expense fee that is typically based upon a small percentage of an ETF's NAV accrued daily (“ETF Expense Fee”). If you purchase shares of an ETF in the secondary market, it will generally not be subject to Creation Unit Fees, but will be subject to ETF Expense Fees. As a result of Creation Unit Fees and ETF Expense Fees, you may bear an additional level of fees in addition to those fees charged by us if you invest in and/or trade ETFs. Furthermore, brokerage commissions accumulated by the Fund in trading and/or investing in ETF shares may reduce profits, if any.

**Extraordinary Events** - Global terrorist activity and United States involvement in armed conflict may negatively affect general economic fortunes, including sales, profits, and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure.

**Market Liquidity Risks** - The value of securities held in client accounts and that are traded on exchanges and the risks associated with holding these positions vary in response to events that affect asset markets in general. Market disruptions such as those that occurred in 1987, September 2001, and more recently the Flash Crash in May 2010 could lead to violent price swings in securities held within client portfolios and could result in substantial losses.

**Increased Regulations** - Events during the past several years and adverse financial results have focused attention upon the necessity of maintaining adequate risk controls and compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict the ability to employ, or for broker-dealers and counterparties to extend, credit or restrict trading activities could adversely impact profit potential.

## ITEM 9 DISCIPLINARY INFORMATION

Certium is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of Certium or the integrity of Certium's management.

Certium and its employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

## ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES and AFFILIATIONS

Certium has other financial industry activities and affiliations as described below.

RidgeWorth Distributors LLC, an unaffiliated broker-dealer, distributes the RidgeWorth Funds and sponsors those RidgeWorth personnel whose job responsibilities require their registrations as broker-dealer representatives.

RidgeWorth International Ltd. ("RidgeWorth International") (FRN 673689), a wholly owned subsidiary of RidgeWorth, is headquartered in London, England and is an Appointed Representative of Mirabella Advisers LLP ("Mirabella") (FRN 606792), which is authorized and regulated by the Financial Conduct Authority. As such, Approved Persons of RidgeWorth International are permitted to engage in certain regulated activities within the United Kingdom and European Economic Area member states. Regulatory compliance services will primarily be provided to RidgeWorth International by Mirabella, in its capacity as RidgeWorth International's principal.

RidgeWorth, Certium and their management are not registered and do not have an application to register as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of these foregoing entities.

Certium has relationships with its affiliates that you may consider material. Please find these relationships below, along with an explanation of how we address what may be considered to be material conflicts of interest. There are other affiliated entities that fall within these and other categories with which Certium does not have any arrangements that would be considered material.

### 1. Investment Companies

Certium subadvises certain investment portfolios of the RidgeWorth Funds, which are distributed by RidgeWorth Distributors LLC. Broker-dealers play a significant role in, and receive 12b-1 and other internal and external fees for, selling interests in the RidgeWorth Funds. Service providers to the RidgeWorth Funds include State Street Bank and Trust Company (State Street Bank) for fund accounting, fund administration and custody. Transfer agency services are provided by Boston Financial Data Services, Inc.

RidgeWorth has entered into service or distribution arrangements with various platforms or other service providers or brokers, also known as intermediaries, whereby RidgeWorth makes payments to these intermediaries to help offset administrative expenses incurred in conjunction with the services they provide to clients who are shareholders of the RidgeWorth Funds or for marketing-related activities. In general, these payments are very similar to a sub-transfer agency or servicing fee or 12b-1 fees; however, rather than being paid directly from the fund, they are paid from RidgeWorth's own corporate profits.

### 2. Investment Advisers

RidgeWorth is structured to provide discretionary and non-discretionary advisory and other services to clients through its Boutiques, each of which specializes in various categories of investment management.

Style	Boutique	Website
Growth Equity	Silvant Capital Management LLC	silvantcapital.com
Special Equity	Certium Asset Management LLC	certiumllc.com
Value Equity	Ceredex Value Advisors LLC	ceredexvalue.com
High Grade, High Yield, Tax Exempt, and Short Duration Fixed Income	Seix Investment Advisors LLC	seixadvisors.com
Aggressive Growth Equity	Zevenbergen Capital Investments LLC	zci.com

RidgeWorth provides such services principally through the Boutiques to market the various specialties separately and independently from one another. See Item 4 of Form ADV Part 2A of RidgeWorth and of each Boutique for more details.

Certium has material business relationships with RidgeWorth. Certium has contracted with RidgeWorth to subadvise and provide portfolio management, research and analysis to specified client assets of RidgeWorth, including certain RidgeWorth Funds. Certium and RidgeWorth have entered into solicitation or referral agreements. Certium and RidgeWorth have entered into a services agreement (the "Services Agreement"), whereby RidgeWorth, in consideration for a periodic fee, intercompany credit, revenue share or dividend paid by Certium, provides Certium with certain back-office, administrative and other services, which may include, but is not limited to, services relating to finance, accounting, human resources, talent management, compliance, legal, technology, platform channel sales and service, marketing, wholesaling, portfolio operations, and trading. Certain Certium officers and employees are also officers and employees of RidgeWorth and/or one or more Boutiques, and accordingly RidgeWorth persons may perform certain of the above-mentioned activities on behalf of Certium or another Boutique in their capacities as Certium or Boutique officers rather than under the Services Agreement (e.g., see Investment Committee, Broker Selection Committee or Proxy Committee). As described more fully in RidgeWorth's or the other Boutiques' Form ADV Part 2A, additional financial industry affiliations may apply to RidgeWorth or the other Boutiques, which are not discussed in this Item 10 of Certium's ADV Part 2A.

Lightyear, through its affiliated investment funds, has an indirect investment in RidgeWorth and its subsidiary Boutiques, including Certium. However, Lightyear and its affiliates do not have any role in the Firm's investment process related to the management of client assets and thus conflicts are avoided or mitigated. See Item 11 for information regarding the Information Barrier policy adopted by both the Firm and Lightyear.

### 3. Private Partnerships

Certium has a related SEC-registered investment adviser Boutique – Seix Investment Advisors LLC – that manages Private Funds (e.g., limited partnerships and limited liability companies). Complete and accurate information about such Private Funds are available in the Form ADV for the related Boutiques. Generally, Private Funds managed by Boutiques are managed directly by the Boutique, and are not delegated to the Boutique by RidgeWorth.

Certium is aware of, and has procedures to manage, its fiduciary duties and any potential conflicts that may arise related to providing services through affiliates.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION or INTEREST in CLIENT TRANSACTIONS and PERSONAL TRADING**

### **CODE of ETHICS**

Certium Asset Management LLC's foremost responsibility is the protection of client assets. Certium's Code of Ethics (the "Code") sets forth the high ethical standards of business conduct that we require of our employees. All employees are expected to not only comply with the spirit and letter of all applicable laws, regulations and Firm imposed policies and procedures, but to also certify adherence to applicable regulations and policies. Training is conducted on a routine basis. Our Code primarily includes our Personal Trading policy, which establishes preclearance and reporting procedures for personal securities transactions, and a policy prohibiting the use of material nonpublic information, which states that employees may not use material nonpublic information for trading personally or on behalf of others or communicate material nonpublic information to others in violation of the law.

Violations of the Code are addressed and resolved by the CCO and Management as quickly as possible. Sanctions for violations may include, but are not limited to personal trading restrictions, loss of compensation, fines, suspension, and termination. A copy of Certium's Code is available to clients and prospective clients upon request by contacting 404-845-7696, or via U.S. mail by writing Certium Asset Management LLC, 3333 Piedmont Road NE, Suite 1500, Atlanta, GA 30305.

Certium also maintains a Business Conduct policy that contains Gifts & Entertainment and Political Contributions policies. The Gifts & Entertainment policy places restrictions on gifts and business entertainment given and accepted and details reporting requirements for these events. The Political Contributions policy details a preapproval process and reporting requirements for political contributions made by covered associates.

### **PARTICIPATION or INTEREST in CLIENT TRANSACTIONS**

Certium and its affiliates may act as investment adviser or subadviser to numerous client accounts, including Funds. Certium and its affiliates may invest in securities it also recommends to clients, and may give advice and take action with respect to any Funds or accounts it manages that may differ from action taken by Certium or its affiliates on behalf of other Funds or accounts. As these situations may represent a potential conflict of interest, Certium and its affiliates have adopted restrictive policies and procedures, wherever deemed appropriate, to seek to detect and mitigate or prevent potential conflicts of interest. Certium is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling, any security that Certium, its affiliates or their respective Access Persons, as defined by the 1940 Act and by the Advisers Act, may buy or sell for its or their own account(s) or for the accounts of any other client. Certium is not obligated to refrain from investing in securities held by Funds or accounts that it manages, except to the extent that such investments violate the Code adopted by Certium. From time to time, Certium, its officers, directors and employees may have interests in securities owned by or recommended to Certium's clients. This includes interests in Funds (including Limited Partnerships, LLC's, etc.), that may invest directly or indirectly, in securities of issuers which Certium or another Boutique or its affiliates may purchase. As these situations may represent a potential conflict of interest, Certium has adopted procedures relating to personal securities transactions and insider trading that are reasonably designed to prevent actual conflicts of interest.

In addition, the existence of business relationships and investment practices creates the potential for conflicts of interest. Certium has adopted restrictive policies and procedures, wherever deemed appropriate, to seek to detect and mitigate or prevent potential conflicts of interest. Certain known conflicts and Certium's handling of such conflicts are disclosed below.

Certium, directly or through RidgeWorth, may manage simultaneously parallel accounts in some cases with the same portfolio managers, with similar objectives, but with differing fees to RidgeWorth or Certium. Certium's policy is to manage each account independently and fairly, and recognizes and seeks to control the conflicts of interests inherent in such practices.

RidgeWorth trading and other personnel who provide administrative services to Certium under the Services Agreement between Certium and RidgeWorth will have information about Certium investments. Some Certium officers may also have officer titles at RidgeWorth or other Boutiques.

Certium serves as subadviser to the RidgeWorth Funds, which offer investors a selection of fixed income and equity funds. When appropriate, Certium may recommend investment in these affiliated funds. To the extent that a Certium client chooses to invest all or a portion of its separate account in an affiliated fund, Certium typically does not charge an advisory fee, other than the fund's embedded advisory fee, on assets invested in such funds.

Lightyear and its affiliates do not have any role in the Firm's investment process related to the management of client assets. In connection with Lightyear's (through its affiliated investment funds) indirect investment in RidgeWorth and its wholly owned subsidiary boutiques, including Certium, an information barrier has been adopted by RidgeWorth and Lightyear to protect Certium, its personnel and the advisory clients of its affiliated investment advisors (*i.e.*, investment funds, individual and institutional managed accounts and other similar vehicles or arrangements), on the one hand, and Lightyear and its affiliates, on the other hand, from being exposed to or deemed to possess proprietary information or material, non-public information relating to the other parties' respective activities or investments, including information about specific issuers or trades and positions in commodity interests or specific issuers.

Due to Lightyear's indirect investment in RidgeWorth and its wholly owned subsidiary boutiques, including Certium, RidgeWorth has a policy of not purchasing or recommending the purchase of voting securities of a publicly held company (1) if a director or senior officer of RidgeWorth or its wholly owned subsidiaries sits on the board; and (2) of which Lightyear investment funds hold an ownership interest. Certain Certium-managed Funds and accounts whose investment mandates follow an established index are generally exempt from the policy stated above due to Certium's obligation to follow the investment mandate or the index. The Firm is also subject to restrictions with respect to certain banking organizations. Restricted security information is available upon request.

To the best of its abilities, Certium reviews and monitors each individual situation to ensure that all clients are adequately protected against conflicts of interest. With respect to voting proxies for any such companies, Certium follows the conflicts provisions described in its Proxy Voting policy designed to eliminate or minimize any such conflict. For more information, see description of Proxy Voting policy.

## **PERSONAL TRADING**

In accordance with the Advisers Act, specifically Rule 204A-1, and the 1940 Act, specifically Rule 17j-1(b)(1), Certium has adopted a strict Code that prohibits certain types of personal securities transactions and is designed to avoid perceived or actual conflicts and prevent front running and possible insider trading abuses. The Code also establishes reporting requirements and enforcement procedures.

The Code applies to all employees of Certium and certain contractors ("Access Persons") who may be located at any Certium office and have access to Certium's files and information. Access Persons are:

- Required to immediately report any violation of the Code to the Chief Compliance Officer.
- Required to initially/quarterly/annually submit the appropriate information, material, and documentation regarding all personal trading.

- Required to direct each brokerage firm or bank at which such Access Person maintains a securities-related account in which the Access Person has direct or indirect beneficial interest, to send duplicate copies of each person's confirmations and statement to the designated Firm Compliance Review Officer. In the case of accounts maintained at brokerage firms with electronic feeds, the confirmations and holdings information is sent electronically to the Firm's personal trading system.
- Required to pre-clear and/or report personal transactions in their accounts. (Certain open/closed-end funds, cash/cash equivalent funds, indexes and government-related securities may be exempt.)
- Prohibited from market timing and late day trading.
- Prohibited from short-term trading. In general, all securities must be held for a period of 30 days or more.
- Restricted from trading certain securities during certain periods of time. These are referred to as "black out" periods and are designed as a means of protecting clients against employee front running and insider trading.
- May be restricted from specific styles of trading such as good-till-canceled orders, and may be restricted from specific types of investments such as IPOs and private placements.

The designated Compliance Review Officer reviews personal trading activity daily/quarterly/annually to determine if any individual violations occurred during that period.

Violations will be addressed on a timely basis, and depending upon the seriousness of the infraction, Certium may impose one or more of the following:

- Verbal admonishment;
- Written acknowledgement from the Access Person that he/she has again reviewed, fully understands, and agrees to abide by all Firm Personal Trading policy and procedures;
- Written notice to the Access Person's Personnel and Compliance files, including steps taken to ensure full compliance in the future;
- Fines and/or reversals of the transaction(s) (individual must accept all losses and any profits must be donated to a charitable organization);
- Partial or full restriction on all personal trading;
- Suspension or termination of employment.

## **ITEM 12    BROKERAGE PRACTICES**

Certium and the Boutiques generally have discretionary authority to determine, without obtaining specific client consent, the securities, the amounts thereof to be bought or sold, and the broker used to conduct the trade. Certium may agree to accept and, once accepted, must adhere to client investment guidelines, but such guidelines may adversely affect the client's investment returns. At a client's request, Certium may provide non-discretionary investment management services. RidgeWorth is authorized under its Services Agreement with Certium to place orders on behalf of Certium for trades as instructed by Certium both for direct Certium accounts with clients and RidgeWorth client accounts delegated to Certium.

## **SELECTION CRITERIA FOR BROKER/DEALERS**

Certium's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to portfolio transactions in its clients' accounts. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant.

Certium's Best Execution and Broker Selection Committee covers equity trading only, and is comprised of members from RidgeWorth and each equity Boutique who may hold non-salaried officer titles at RidgeWorth and one or more of the Boutiques. The Committee generally meets quarterly, and at least annually reviews all current broker-dealer and agent relationships. In selecting among broker-dealers to execute a given transaction under Certium's discretionary authority, the Committee considers, among other things, the following:

- the broker's expertise and ability to execute the transactions at the most favorable net price of the security for the client;
- the ability of the broker to handle large blocks/thin markets and other special trading situations;
- the price of the security for the client;
- the competitiveness of the brokerage rates charged;
- the financial strength and stability of the brokerage firm; and
- the investment research services provided by the broker.

The Committee evaluates the reasonableness of the brokerage rates charged using the criteria specified above and other input as deemed appropriate.

Under certain circumstances, Certium may, subject to best execution, trade on a "net" basis, without paying the broker-dealer any commission, commission equivalent, or markup / markdown other than the "spread." Net trades are used where the broker-dealer profits from the "spread"; that is, the difference between the price paid (or received) by Certium and the price received (or paid) by the broker-dealer in its trades with other broker-dealers or other customers.

Loans and debt securities are generally purchased and sold directly between loan counterparties in dealer markets, and bonds are also generally purchased and sold in dealer markets. Therefore, best execution for such transactions usually means best price since there are no agency commissions.

The Firm, in recognizing its fiduciary duty to its clients, will, whenever possible, re-allocate erroneous trades into a proprietary trade-error account as soon as practical upon discovery of the trade. Clients will not be disadvantaged by a trade error resulting from actions of employees of the Firm.

## **COMMISSION RATES or EQUIVALENT POLICIES**

Certium endeavors to be aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its accounts. However, Certium will not select broker-dealers solely on the basis of "posted" commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. Although Certium generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker-dealer involved, resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services.

The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research, and other services which will help Certium in providing investment management services to clients. Certium may, therefore, use a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

## **TRADE AGGREGATION**

As a fiduciary, Certium has a duty to obtain best price and best execution. Where securities are purchased on behalf of more than one client at the same time, the Firm must fulfill its duty to obtain best execution for all clients, and may not favor one client at the expense of the other. The trading desk will attempt (to the extent appropriate, permissible and/or feasible) to aggregate multiple orders for the purchase or sale of the same security placed at or around the same time, to achieve best execution with respect to all transactions being effected on behalf of client accounts. This "block" trading process includes pro-rata allocations of trades across all accounts and clients to promote fairness. Employee trades are not blocked with client trades as Certium employees must use an outside broker to conduct personal trades which are subject to black-out periods to prevent employees from trading in front of Certium for its clients. Certium may include proprietary accounts in such aggregate trades subject to its duty of seeking best execution and its Code.

RidgeWorth will (in accordance with the Services Agreement between Certium and RidgeWorth) in most cases, aggregate or "block" transactions on behalf of various Firm clients in order to facilitate best execution and possibly negotiate more favorable pricing and commission rates. To the extent that transactions are blocked, the Firm will allocate such transactions to all participating client accounts in a fair and equitable manner consistent with its trade allocation procedures, fiduciary obligations and each participating client's investment advisory agreement.

RidgeWorth follows the procedures below when executing like orders:

- Like orders sent at overlapping times from different portfolio managers but from the same Boutique will be combined and traded together, subject to any limits managers place on the orders.
- Like orders sent at overlapping times from different Boutiques will not be combined but will share executions on a one-for-one basis starting when the second order arrives, regardless of the size of either order. This is subject to any limits managers place on the orders.

Due to market conditions or a change in portfolio management decisions, a specific aggregated order may not be completely filled at one price or in total. At such times, the order will be average-priced so that all Boutiques and accounts receive a fair price, and the transaction will be distributed among all accounts in a fair and equitable manner so that no account will be systematically disadvantaged by the allocation. In addition, dedicated investment disciplines and portfolios may receive all or a larger percentage of a partially filled transaction if the security is generally the primary investment vehicle for the portfolio or account.

Certium realizes such situations present inherent conflicts of interest and that certain Certium accounts and Boutiques may appear to be disadvantaged in specific instances. Certium will, however, at all times allocate trades on a basis believed to be fair and equitable. In addition, RidgeWorth will not disproportionately allocate trades in a manner inconsistent with the manager's ability to effectively and efficiently maintain or sell the position (i.e., "odd lots" or less than standard incremental amounts). The trader will, however, ensure that all accounts are treated fairly based on all distribution criteria (i.e., no client or Fund will disproportionately receive rounded-up allocations).



## **DIRECTED BROKERAGE**

Certium usually has discretion to select executing broker-dealers and to negotiate brokerage rates for securities transactions for clients' accounts. However, clients occasionally restrict Certium from using a particular broker or request that Certium use a specified broker or dealer to effect transactions in an account as compensation for services provided directly or indirectly by the broker to the client, or they may elect to execute trades themselves.

A client's specification or restriction of broker-dealers or its election to execute trades itself may be inconsistent with obtaining best overall execution the transaction. Where a client directs or restricts the use of a particular broker-dealer or broker-dealers, Certium may not be in a position where it can negotiate commission rates or spreads or obtain volume discounts, and best price may not be achieved, meaning that such restrictions may affect returns. In addition, clients who direct Certium to use a particular broker-dealer or restrict Certium from using a particular broker-dealer may be prevented from participating in allocations of certain limited availability securities and from obtaining a portion of the allocation of new offerings through any such broker-dealers who are members of the offering underwriting syndicate.

Upon written client direction, Certium may execute trades through specified broker-dealers, but only on the client's understanding that separating such transactions from block orders could materially and adversely affect the client's return. Trades from client directed brokerage arrangements are generally entered subsequent to Certium's conventional trading model and on a best efforts basis. To the extent that Certium would otherwise have included the client's transaction in a block order, directed orders are generally placed after block trades. Certium reserves the right not to use a directed broker-dealer if the Best Execution and Broker Selection Committee deems it in the best interests of the client. Moreover, Certium is not obligated to execute any brokerage transactions through a directed broker-dealer which is not on its approved broker-dealer list.

The practice of directing brokerage commissions to particular broker-dealers in order to compensate them for selling fund shares is a practice the Firm believes poses significant conflicts of interest and may be harmful to the Firm, the RidgeWorth Funds and its shareholders. In addition, Rule 12b-1(h)(1) prohibits funds from compensating a broker-dealer for promoting or selling fund shares by directing brokerage transactions to that broker. The Firm, together with the RidgeWorth Funds, does not direct brokerage commissions to broker-dealers to compensate them for selling fund shares. This includes the practice of "stepping-out" trades to broker-dealers for selling fund shares.

## **"SOFT DOLLAR" or RESEARCH/EXECUTION POLICY**

Certium's General Policy: When appropriate under its discretionary authority and when executing trades with discretionary authority, and consistent with its duty to seek best execution, Certium may pay a broker a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of superior brokerage services and only if it results in a more favorable net price for the security purchased or sold for the customer. Although Certium will, as described above, accept written client brokerage direction, Certium does not engage in "directed" brokerage relationships under which Certium compensates brokers in exchange for client or business referrals.

A statutory "safe harbor", Section 28(e) of the Securities Exchange Act of 1934, allows an investment adviser to pay for research and brokerage services with commission dollars generated by client account transactions. Certium may direct transactions for client accounts to broker-dealers which provide RidgeWorth, Certium or any other wholly owned equity Boutique with 28(e) eligible research and services. The commissions used to acquire research in these arrangements are known as "soft dollars." The research provided can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third

party but provided by broker-dealer). Certium may use soft dollars to acquire either type of research, but currently does not use soft dollars to acquire third party research services.

Research services obtained by RidgeWorth, Certium and any other Boutique directly or indirectly through brokers may include:

- analytical and other information pertaining to specific equity or fixed income securities; and
- research information relating to overall investment strategy including macroeconomics forecasts and analyses.;

Certium obtains proprietary research using soft dollars. Proprietary research may include analyst reports, analyst models, analyst access, conferences and invitations to analyst events.

Certium will not enter into any agreement or understanding with any broker-dealer which would obligate Certium to direct a specific amount of brokerage transactions or commissions in return for such services. However, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent.

The receipt of research in exchange for soft dollars benefits Certium and the other Boutiques by allowing the Boutiques to supplement their own research and analysis activities, receive the views and information of individuals and research staffs of other securities firms, and gain access to persons having special expertise on certain companies, industries, areas of economy and market factors, all without incurring costs. Research obtained with soft dollars may or may not be utilized by RidgeWorth, Certium or another Boutique, or by the specific account that generated the soft dollars. RidgeWorth, Certium and the other Boutiques may in their discretion, though they would not usually attempt to do so, allocate the relative costs or benefits of research among client accounts or RidgeWorth and the Boutiques based on actual usage, because they believe that, in the aggregate, the research received benefits clients and assists RidgeWorth, Certium and the other Boutiques in fulfilling their overall duties to their clients. However, when RidgeWorth, under its trading authority granted in the Services Agreement, conducts soft dollar payments on behalf of Boutiques, that benefit RidgeWorth or any Boutique (including Certium), it generally will seek to allocate and adjust cost and benefits of soft dollars only among Boutiques (including Certium) that generate soft dollar commissions. Among those Boutiques, soft dollar allocation will be generally based on commissions generated and assets under management. Under this approach there is the potential for one affiliate to subsidize another.

Not all Boutiques utilize soft dollars. RidgeWorth executes trades on behalf of Certium and the other Boutiques (including but not limited to as subadvisers to RidgeWorth), but does not generally engage in direct trades for its own direct clients. Accordingly, when RidgeWorth itself receives benefits from Certium or another Boutique's soft dollars, such benefits are generally utilized on behalf of and deemed to be received as agent for Certium or the other Boutiques, and therefore related costs are allocated among Boutiques (including Certium but excluding RidgeWorth) as described immediately above. However, RidgeWorth may use proprietary research (generated by the Boutiques but generally for accounts that are also RidgeWorth clients) in its capacity as adviser to the RidgeWorth Funds and certain separately managed accounts (which are subadvised out to Boutiques, including Certium) which benefits RidgeWorth in its advisory role for oversight of the Boutiques including Certium.

The determination and evaluation of the reasonableness of the brokerage commissions paid in connection with portfolio transactions are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, the experience of these individuals in the securities industry and information available to them concerning the level of commissions being paid by other investors of comparable size and type. In determining whether a service or product qualifies as research or brokerage, Certium evaluates whether the service or product provides lawful and appropriate assistance to Certium or another Boutique in carrying out its investment decision-making and execution responsibilities. Certium may select broker-dealers based on its assessment of their abilities to provide quality executions and its belief that the research, information and other services provided by such broker-dealer may benefit client

accounts. It is not possible to place a dollar value on the special executions or on the research services Certium or another Boutique receives from dealers effecting transactions in portfolio securities. Accordingly, broker-dealers selected by Certium may be paid commissions for effecting portfolio transactions for client accounts in excess of amounts other broker-dealers would have charged for effecting similar transactions, if Certium determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or Certium's or another Boutique's overall duty to its discretionary accounts.

## ITEM 13 REVIEW OF ACCOUNTS

Portfolio managers for each investment discipline determine the specific securities purchased or sold within a portfolio based on the investment discipline's philosophy and process, as well as the client's investment policy guidelines. Portfolio managers are thoroughly familiar with the client's organization, philosophy, investment guidelines and objectives and continually evaluate all client relationships and verify portfolios are continuously serviced, monitored and supervised. The portfolio manager works with each client to make certain that the assets are invested in accordance with regulations and stated client and investment discipline guidelines.

RidgeWorth also provides investment oversight and analysis of Certium and other Boutiques activities. Certium is required to render regular reports to RidgeWorth for review and analysis of Certium's discharge of responsibilities, including performance attribution evaluation and analysis.

Specific client guidelines and restrictions are coded into the compliance guideline system (Bloomberg) upon account opening and periodically reviewed and updated as appropriate. The compliance guideline system is designed to screen individual transactions to prevent trade allocations to accounts that do not comply with specific client or Firm guidelines.

Certium's policy is to provide separately managed account clients of Certium quarterly reports listing current assets (as of the report date), which generally includes summary information of account activity since the previous report. Some clients request reports or meeting booklets that contain portfolio holdings, portfolio characteristics and investment performance. Other special reports are prepared when requested. The frequency of reports depends upon the investment style and agreed upon timeframe of the client; however, Certium's general policy is to issue reports quarterly. You will receive statements from your custodian in addition to our reports. These reports will differ in presentation and type of information presented, but should be consistent in regards to assets, contributions and withdrawals.

Accounts are reviewed formally biennially at Certium to verify that account guidelines and objectives are being followed with regard to asset allocation, individual securities owned and other client specific factors. This review is performed by the client portfolio manager or designee, reviewed by the portfolio manager, and ultimately reviewed by the Chief Investment Officer.

In addition, external events may trigger a non-periodic account review or action by the portfolio manager. These include, but are not limited to:

- a change in the fundamentals or performance expectations of a security held in an account;
- a change in investment strategy;
- a change in the client's risk tolerance, income and cash needs, tax status, or any other changes in the client's profile;
- additions to or withdrawals from an account;
- a meeting with a client where its needs are reviewed and/or changed; or

- a material market or economic change.

## ITEM 14 CLIENT REFERRALS and OTHER COMPENSATION

Certium may, on occasion, enter into solicitation agreements with individuals, financial intermediaries or others who may or may not be affiliated with Certium. All solicitation agreements will comply with the Firm's Solicitation policy, Rule 206(4)-3 under the Advisers Act, and any other law as applicable. Certium currently has solicitation arrangements with RidgeWorth but currently does not have such arrangements with unaffiliated third parties. These solicitation arrangements, where applicable, require an affiliated solicitor to disclose such affiliation, and require a third party solicitor to provide each prospective client with a copy of adviser's Form ADV Part 2 and to disclose to the prospective client the nature of the arrangement between the solicitor and adviser. Payment to the solicitor by the adviser will not increase the general fees paid by the prospective client.

In compliance with applicable law, Certium or an affiliate may from time to time pay event attendance or participation or other fees; underwrite educational, charitable or industry events; or provide gifts of value to, or at the request of, an organization or individual (including Certium affiliates) that, among other things: (i) offers or includes products or services of Certium or an affiliate in a particular program; (ii) permits Certium access to their financial advisers, brokers, employees, or other affiliated persons to provide training, marketing support, and educational presentations on products or services affiliated with Certium; and/or (iii) refers or has referred a client to Certium. Certium may obtain products and/or services from consulting firms separate and apart from any recommendations made to clients for Certium's investment services. Additionally, certain affiliated or third party institutions provide financial support on a voluntary basis for marketing, educational, and sales meetings of Certium or affiliates.

The amount of any such payments and those described below to or from Certium and affiliates may be substantial, may vary among recipients or payors, and may be higher for affiliates than third parties.

These payments pose conflicts of interest for the parties that receive them. A client should obtain from its intermediary any details of any such payments received by such intermediary from Certium or affiliates. This type of payment generally does not increase the product cost to clients.

Currently, RidgeWorth maintains a "Fees for Services Program" ("FFSP") in which, from its bona fide profits, RidgeWorth may pay fees for services to service providers/accounts/plans (including affiliates) which are intended to compensate those service providers for administrative services they provide to their clients who are shareholders of the RidgeWorth Funds affiliated with Certium, as such arrangements reduce administrative expenses of such funds. Additionally, certain RidgeWorth Funds may also pay fees for services to intermediaries which are intended to compensate those service providers for administrative services they provide to those funds' shareholders. In certain scenarios, this arrangement may reduce the amount to be paid by RidgeWorth as compensation for administrative services under a FFSP. FFSP payments are to be used by the service providers to offset administrative expenses of the service providers for those accounts/plans. Please refer to the RidgeWorth Fund's Statement of Additional Information for more information regarding these arrangements, including amounts and recipients.

RidgeWorth and/or its affiliates will make payments from their own capital resources or otherwise provide benefits to certain intermediaries for marketing support services, or for distribution activities including business planning assistance, educating dealer personnel about funds affiliated with RidgeWorth and shareholder financial planning needs, placement on the intermediary's preferred or recommended fund company list, and access to sales meetings, sales representatives and management representatives of the dealer. These payments are made to compensate such intermediaries for marketing expenses they incur, for travel and lodging in connection with educational or training events, or to pay for the opportunity to have them distribute products or services affiliated with Certium. These payments are made to

intermediaries that are registered as holders of record or dealers of record for accounts in funds affiliated with Certium. These payments are generally based on one or more of the following factors: average net assets of the funds affiliated with Certium that are attributable to that intermediary, gross or net sales of such funds attributable to that intermediary, reimbursement of ticket charges (fees that an intermediary firm charges its representatives for effecting transactions in shares of such funds) or a negotiated lump sum payment for services rendered.

Certium and its affiliates compensate intermediaries differently depending upon, among other factors, the level and/or type of marketing support provided by the intermediary. These payments are made by RidgeWorth, Certium and/or affiliates and do not increase the amount paid by clients of funds affiliated with Certium. Such payments may pose conflicts of interest as they provide incentives for financial intermediaries to make the products and services affiliated with Certium available to their customers, and may allow Certium greater access to such financial intermediaries and their customers than would be the case if no payments were made. Clients may wish to consider whether such arrangements exist when evaluating any recommendation to purchase products or services affiliated with Certium. Clients may ask their intermediaries about any payments received from RidgeWorth, Certium and its affiliates. RidgeWorth, Boutiques, or RidgeWorth Funds may do other business not aimed at or tied to generating fund sales business (like trade execution or consulting) with persons who may sell, or whose affiliates may sell, the RidgeWorth Funds' shares.

Please also see Item 14 of each Boutique's Form ADV Part 2A.

## **ITEM 15 CUSTODY**

Certium does not provide custodial services to its clients. Clients select banks or registered broker-dealers that are "qualified custodians" to provide custody of clients' assets. However, under the SEC's Custody Rule, Certium is deemed to have custody due to the fact that Certium can inform the custodian to remit investment advisory fees directly to Certium. You should receive quarterly custodial statements directly from your qualified custodian. We urge you to carefully review those statements and compare the custodial records to the reports we provide you. Comparing reports will allow you to determine whether account transactions, including advisory fees, are proper. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation of methodologies of certain securities.

## **ITEM 16 INVESTMENT DISCRETION**

Certium accepts discretionary authority from the client at the outset of an advisory relationship to manage assets in the client's account. However, the client can place reasonable restrictions on Certium's investment discretion, which will be observed by Certium when discretionary authority is exercised. The most common restrictions are social restrictions or those that prohibit us from buying specific companies. Investment guidelines and restrictions must be provided to Certium in writing and may impact performance.

For registered investment companies, Certium's authority to trade securities may also be limited by certain federal securities and tax laws.

See Item 4 for additional information about discretionary and non-discretionary services.

## ITEM 17 VOTING CLIENT SECURITIES

Certium will accept proxy voting responsibility at the client's request. Once Certium accepts proxy voting responsibility, generally the client will be allowed to request to vote its proxies on a particular solicitation and Certium will (if operationally possible) attempt to comply with the request. Where Certium is responsible to vote proxies for a client, Certium has a Proxy Committee ("Proxy Committee") that includes personnel from RidgeWorth, Certium and each Boutique, and is responsible for establishing policies and procedures designed to enable Certium to ethically and effectively discharge its fiduciary obligation to vote all applicable proxies on behalf of all discretionary client accounts and funds. Annually (or more often as needed), the Proxy Committee will review, reaffirm and/or amend guidelines, strategies and proxy policies for all domestic and international client accounts, funds and product lines.

Certium votes all shares per the Certium Proxy Guidelines unless the client chooses custom guidelines. In the case that a ballot item is not covered under the policy or is coded as case-by-case in the Firm's guidelines, a research analyst or portfolio manager will review the available information and will utilize such information, along with his knowledge of the company, to make a vote recommendation to the Proxy Committee. The Proxy Committee members consider the information and recommendation, and will then vote on that ballot item. As reflected in the Certium Proxy policy, the Proxy Committee will affirmatively vote proxies for proposals that it deems to be in the best economic interest of its clients, as a whole, as shareholders and beneficiaries of those actions.

Due to the Firm's diverse client base, numerous product lines, and affiliations, the Committee may determine a potential conflict exists in connection with a proxy vote based on the SEC guidelines. The Committee has outlined the following situations where a conflict of interest, deemed material for proxy purposes, exists:

1. Common stock of public corporate issuers with which either the Firm or its affiliates, or Lightyear or its affiliates, have a significant, ongoing, non-investment management relationship.
2. An issuer with a director, officer or employee who presently serves as an independent director on the board of RidgeWorth Holdings LLC or its affiliates.
3. An issuer having substantial and numerous banking, investment, or other financial relationships with the Firm or its affiliates.
4. A director or senior officer of the Firm or its affiliates serving on the board of a publicly held company.
5. A direct common stock ownership position of five percent (5%) or greater, held by the Firm or its affiliates.

For these situations, the Committee has determined that the most fair and reasonable procedure in order to properly address all conflict concerns is to retain an independent fiduciary to vote the ballot items coded within Certium's proxy guidelines as case by case.

Additional conflicts of interests will be evaluated by the Committee on an individual basis. Although the Firm does its best to alleviate or diffuse known conflicts, there is no guarantee that all situations have been or will be mitigated through proxy policy incorporation.

RidgeWorth, on behalf of Certium, contracted with Glass Lewis & Co. ("Glass Lewis") due to its excellent research tools, advance technical capabilities, and the large scale system support required to accommodate an adviser of our size. Glass Lewis will act as the Firm's agent in the provision of certain

administrative, clerical functional recordkeeping and support services related to the Firm's proxy voting processes/procedures, which include, but are not limited to:

1. The collection of proxy material from our clients' custodians;
2. The facilitation of proxy voting, reconciliation, and disclosure, in accordance with Certium's Proxy policy and the Proxy Committee's direction; and
3. Recordkeeping and voting record retention.

Clients may view the Certium complete Proxy policy at <http://www.ridgeworth.com/resources/regulatory-tax-info>.

To obtain a copy of the complete proxy voting guidelines or information about how Certium voted your proxies, please contact: Certium Asset Management LLC, Attn: Proxy Voting Committee Administrator, 3333 Piedmont Road NE, Suite 1500, Atlanta, Georgia, 30305; by telephone at 1.877.984.7321; or via e-mail at: PMP.operations@ridgeworth.com.

*RidgeWorth Funds shareholders:*

Although another investment adviser may subadvise some or all of these funds, all proxy votes are conducted by the RidgeWorth Funds' adviser, RidgeWorth Capital Management LLC, as the RidgeWorth Funds' board has delegated voting authority to RidgeWorth and accordingly has adopted RidgeWorth's proxy voting policies. Shareholders of the RidgeWorth Funds may access fund related proxy voting information by calling 1.888.784.3863 or by visiting [www.ridgeworth.com](http://www.ridgeworth.com).

*Class Actions, Bankruptcies and Similar Claims.* Client will, should it choose to do so, and not Certium unless otherwise stipulated by law or written agreement, initiate and pursue all appropriate litigation claims and related filings in connection with their account(s) for class actions, bankruptcies, and similar claims. Certium will attempt to forward to client materials it receives in this regard and will employ reasonable efforts to assist clients in responding to claims, but disclaims responsibility for any reasonable delays in transmission that may occur.

## **ITEM 18 FINANCIAL INFORMATION**

Certium has no financial commitment or condition that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.