

COLUMBIA PARTNERS

INVESTMENT MANAGEMENT

SEC Form ADV Part 2A

“Brochure”

Columbia Partners, L.L.C. Investment Management

Suite 700

5425 Wisconsin Avenue Chevy Chase, MD 20815

www.columbiaptrs.com

This Brochure provides information about the qualifications and business practices of Columbia Partners, L.L.C. Investment Management. If you have any questions about the contents of this brochure, please contact us by telephone at (240) 482-0400 or by email at dscott@columbiaptrs.com. 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.

Columbia Partners, L.L.C. Investment Management is a registered investment advisor.

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

Additional information about Columbia Partners, L.L.C. Investment Management is also available on the SEC’s website at www.adviserinfo.sec.gov

June 9, 2017

ITEM 2 - MATERIAL CHANGES

Since our annual Form ADV amendment in March 2016, Columbia Partners, L.L.C. Investment Management (“Columbia Partners,” the “Firm,” “us,” “we” or “our”) has made the following material changes to this Form ADV Part 2A (all undefined terms below have the same meaning ascribed to them in other sections of this Form ADV Part 2A):

Item 12-We have revised our disclosure regarding our best execution committee reviews to state that they take place annually instead of semi-annually. We have also disclosed that occasionally our employees receive certain benefits from brokers used by Columbia Partners such as meals, gifts and entertainment that do not qualify as Research and Brokerage Services. We have further disclosed that the receipt of such benefits could cause a conflict of interest because our employees could have an incentive to select or recommend broker-dealers based on their interest in receiving such benefits, rather than on our clients’ interest in receiving most favorable execution. Our disclosure also describes the policies and procedures adopted to address the receipt of such benefits. We have also clarified that allocations for Small Cap Equity clients follow a rotational system between two different sets of Small Cap Equity clients. Finally, we have removed our disclosure of our IPO rotational allocation system because we no longer follow that system, and IPOs are allocated to clients in the same manner that other equity securities are allocated to clients.

Item 13-We have clarified and expanded on the reviews conducted over client accounts.

Item 17 - We have described our revised procedure for the manner in which we review and monitor that our proxy voting service provider can make voting recommendations in an impartial manner and in the best interest of our clients.

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ITEM 4 - ADVISORY BUSINESS

Columbia Partners is an independent registered investment advisor headquartered in Chevy Chase, Maryland, just outside Washington, DC. The Firm was founded in 1995 by Robert von Pentz and Terry Collins, both of whom were then heads of significant investment advisory businesses housed within local financial institutions. Mr. von Pentz is the Chairman of the Firm's Management Committee in addition to his role as senior portfolio manager.

Columbia Partners serves a broad variety of clients with focused investment advisory services. We provide only investment management services and do not provide our clients with financial planning, consulting or any other services. No single person owns more than 20% of the company. Our business centers on delivering this advice for a fee based on assets under management, performance and/or a fixed rate fee. We generate no investment related revenues on any basis other than fees.

With the exception of one account, all of our investment business is conducted on a discretionary basis, whereby the clients enable us to provide advice on how their accounts are managed within strict guidelines established by the client and accepted by us. Client guidelines generally center on prohibited investments, since by electing a particular Firm strategy clients accept our sector diversification, tax sensitivity and market capitalization targets.

We manage assets in a variety of strategies designed to meet differing needs of our clients. Our clients choose among these strategies to meet their investment objectives.

We manage equity strategies and fixed income strategies which generally rely on the purchase and sale of securities managed within general parameters consistent with each underlying strategy. Several of the strategies are growth oriented; several are core strategies, which blend growth and value approaches. In a limited number of separate client accounts we augment the purchase and sale of securities with the use of options and short sales with the objective of reducing the variability, both up and down, of those accounts.

We also manage a family of pooled hedge funds ("Victor Funds") in what is termed a long/short manner. We purchase and sell publicly traded equity securities, and we use short sales of equity securities in our efforts to reduce the volatility of the returns in this fund. The fund employs leverage to enhance returns, as well. We also use options and ETFs from time to time.

For certain institutional clients, we advise them on private equity fund investments managed by other investment advisors.

On behalf of two large institutional clients, we invest directly in the senior debt securities of late stage venture backed companies, generally focused in the telecommunications, media and technology sectors. The objective of this strategy is to enable clients to participate in the venture investing sector with reduced risk relative to investing in the equity securities of the same companies.

We manage Columbia Partners Private Capital Holdings, LP, a Delaware limited partnership (“CPPC”) launched in late 2014 focused on investing in a variety of alternative fund strategies, including investments in private equity, venture, mezzanine lending and related funds. We launched CPPC to allow investors to take advantage of our fund-of-funds strategy, which we separately manage for one large institutional investor in a separate account format. In addition to its separate account investment, such institutional investor has also invested in CPPC. As of the date of this brochure, CPPC has \$188 million in commitments and we have begun investing those commitments in underlying funds.

Additional information about our investment strategies is found below in the “Methods of Analysis, Investment Strategies and Risks of Loss” section of this brochure.

A large portion of our advisory business is centered on serving institutional clients, who are directed by boards of trustees and who often employ professional investment consultants to assist them in making their investment allocation decisions. We generally receive an assignment to manage a portion of the clients’ assets in a particular investment style and we are measured in terms of performance against pre-determined benchmarks and against the peer group of managers in that style. We also have high net worth clients whom we serve directly and retail clients whom we service through our participation in wrap fee programs as described below. Additional information about our types of clients is found below in the “Types of Clients” section of this brochure.

Columbia Partners also provides investment advisory services to clients who have entered into wrap fee or other similar programs with various brokers. In a wrap fee or similar program, a broker or dealer 1) recommends retention of Columbia Partners and/or other investment advisers, 2) monitors and evaluates Columbia Partners’ performance (and all other investment advisers participating in the program), 3) executes the clients’ portfolio transactions without transaction based commission charges, and 4) provides custodial services for the clients’ assets, or provide any combination of these or other services, all for a single fee paid by the client to the broker- dealer. The broker-dealer pays a portion of that fee to Columbia Partners for its investment management services provided to the wrap fee clients’ portfolios. Such fees are paid to Columbia Partners on a quarterly basis in arrears.

In evaluating such an arrangement, a client should recognize that brokerage commissions for the execution of transactions in the client’s account are not negotiated by Columbia Partners. Transactions are effected without transaction based commissions, and a portion of the wrap fee is generally considered as being paid in lieu of commissions. Trades are generally expected to be executed only with the broker-dealer with which the client has entered into the wrap fee arrangement, and Columbia Partners is generally not free to seek best price and execution by placing transactions with other broker-dealers. Our experience indicates that certain broker-dealers under clients’ wrap fee agreements generally can offer best price for transactions in listed equity securities but no assurance can be given that such will continue to be the case with those or other broker-dealers which may offer wrap fee arrangements, nor with respect to transactions in other types of securities. Accordingly, the client may wish to satisfy himself that the broker- dealer offering the wrap fee arrangement can provide adequate price and execution of most or all transactions. The client should also consider that, depending upon the

level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, the value of custodial, brokerage and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if Columbia Partners were free to negotiate commissions and seek best price and execution of transactions for the client's account. Finally, trades for wrap program accounts are sometimes executed separately from and subsequent to block trades executed by Columbia Partners, for its other clients through the client's designated wrap broker. This may cause the wrap fee clients to receive inferior trade execution and/or pay higher prices for the securities than Columbia Partners' other clients and miss certain investment opportunities that were available to Columbia Partners' clients that traded the security in the block trade. Please see additional disclosure regarding wrap fee clients in Item 12 below.

As of March 31, 2017, we managed approximately \$1,583,200 in assets for clients on a discretionary basis. We managed one institutional account of approximately \$117.2 million in assets on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

Columbia Partners utilizes more than one method for charging clients fees. Our charges may be based on a percentage of assets under management ("Basic Fees"), performance above a certain level ("Performance Fees"), and/or a fixed rate fee. Compensation is payable to Columbia Partners after services are rendered. Fees are negotiable and minimum fees may be waived.

Columbia Partners or the client may terminate an investment advisory contract at any time upon 30 days' prior written notice to the other party unless otherwise stated by the contract. Typically, termination is without the payment of any penalty and without liability of either party to the other, except for any compensation due for services provided.

Columbia Partners bills clients for investment management services rendered. Clients pay the fee to Columbia Partners based on bills submitted by the Firm. Columbia Partners does not deduct such fees from the clients' advisory accounts. Victor Fund investors' investment advisory fees are deducted by Columbia Partners from the investors' capital accounts.

Basic Fees

Basic Fees are assessed quarterly based on a percentage of the market value of the account on the last business day of the quarter, unless otherwise agreed and stated in the advisory agreement. Fees charged may be negotiable, but otherwise generally comport with the standard fees shown on the table further below. Columbia Partners will quote exact percentages to be charged each client, and include the fee schedule within its management agreement with the client. If the service is for less than the whole of any quarterly period, compensation will be calculated and payable on a pro rata basis for that portion of the period that the assets were in the account based on the amount of assets held in the account on the day the assets were

withdrawn.

Performance Fees

As described below, the Victor Funds pay performance fees in addition to an asset based management fee payable at predetermined months for each fund. The performance fees for the Victor Equity Fund, L.P. and the Victor Equity Fund, Ltd. are 20% of profits for the period defined as the increase in value of each investor's account for that period. For Victor Equity Fund, L.P. partners, profits are measured over the twelve month period ending June 30. For Victor Equity Fund, Ltd., profits are measured quarterly. The fee is subject to a high water mark, which means that a performance fee is only paid on the amount of profit which exceeds the previously reached high point of each investor's investment in his account. Please see the Victor section of the fee table below.

Institutional Clients

Additionally, on behalf of two large institutional clients, we invest in senior debt securities of well-funded private companies. In these cases, we charge a base management fee of approximately 1.5% of the fair market value of the assets with fee step-downs after 6 years. We also have the ability to earn a performance fee on these investments equal to 20% of the excess proceeds, if any, generated after the client has realized a preferred internal rate of return of 7% net of all management fees. These performance fees are payable upon the successful exit from each investment in these accounts. We also manage a portfolio of private equity and venture capital fund investments for one large institutional client, which typically carries a base management fee equal to 0.50% of committed capital. We have the ability to earn a performance fee on these investments equal to 10% of the excess proceeds, if any, generated after the client has realized a preferred internal rate of return of 8% net of all management fees.

CPPC

With respect to CPPC, we are paid a management fee equal to 0.75% of committed capital in CPPC (other than capital invested by CPPC's general partner). Such management fee is payable quarterly in advance. CPPC pays its general partner (which is owned in minority part by us and the remainder by certain of our employees) a performance fee of 10% on net profits of CPPC above an 8% hurdle rate, calculated on an internal rate of return basis after the realized return of capital and all fees.

Performance-based fees create an incentive for Columbia Partners to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement. This is because we will receive a higher fee for good performance on a performance fee account than from strictly asset based fee accounts. Higher fees benefit our Firm as well as our employees because the asset-based fees and performance-based fees we receive are included in the pool from which we pay incentive bonuses to our employees and from which our owners draw their profits. Nevertheless, Columbia Partners has adopted policies and procedures to address this conflict and other conflicts of interest associated with performance fee accounts. See a description of additional conflicts of interest associated with

performance fee based accounts and the policies and procedures we have adopted to address such conflicts of interest in the “Performance-Based Fees and Side by Side Management” section of this brochure.

Wrap Fee Programs

As described in the “Advisory Business” section of this brochure, Columbia Partners provides investment advisory services to clients that have entered into wrap or other similar programs with various brokers. If you participate in a wrap fee program where Columbia Partners acts as your investment manager, your wrap fee sponsor’s brochure will describe the amount or the range of fees the sponsor pays to Columbia Partners out of the wrap fees you pay.

Other Fees

Columbia Partners may invest a portion of clients’ assets in Exchange Traded Funds (“ETF”). When Columbia Partners invests a client’s assets in an ETF, that client indirectly bears a proportionate share of the fees and expenses paid by the shareholders of the ETF, in addition to the fees and expenses that the client directly bears in connection with the hiring of Columbia Partners. The specific fees and expenses paid by shareholders of an ETF are described in each ETF’s offering documents. In addition, ETF shares potentially may trade at a discount or a premium and are subject to brokerage and other trading costs, which could result in additional expenses associated with investing in an ETF. A client could invest in an ETF directly, without the services of Columbia Partners. In that case, the client would not receive the services provided by Columbia Partners which are designed, among other things, to assist the client in determining which ETFs or other investments are most appropriate to each client’s financial condition and objectives. Accordingly, a client investing in an ETF or other funds should review both the fees charged by the ETFs and the fees, if any, charged by Columbia Partners to fully understand the total amount of fees to be paid by the client and evaluate the advisory services provided.

Similarly, if we invest your assets in private investment funds you will pay the private investment fund fees in addition to the fees you pay Columbia Partners. However, clients who invest in one of the Victor Funds will only pay hedge fund fees for the portion of their assets invested in the hedge fund and will not pay a separate advisory fee to Columbia Partners for such portion of their assets.

Our fees for any given account are generally determined by the strategy used to manage the assets and by the size of the account. Our rate schedule is shown on the following table. All such fees are negotiable.

Investment Advisory Fee Schedules				
Investment Advisory Fee Schedule- Portfolios*				
Large Cap Equity & Large Cap Growth			All Cap	
First \$10 Million	0.80%		First \$10 Million	1.00%
Next \$10 Million	0.65%		Thereafter	1.00%
Next \$25 Million	0.55%		Minimum Fee*	\$15,000
Next \$25 Million	0.45%			
Thereafter	0.35%			
Minimum Fee*	\$15,000			
Large Cap Value			Balanced	
First \$10 Million	0.60%		First \$5 Million	0.75%
Next \$40 Million	0.50%		Next \$10 Million	0.55%
Thereafter	0.45%		Next \$25 Million	0.45%
Minimum Fee*	\$15,000		Next \$25 Million	0.30%
			Thereafter	0.30%
			Minimum Fee*	\$15,000
Small Cap Equity & Small Cap Growth			Fixed Income	
First \$25 Million	1.00%		First \$10 Million	0.40%
Next \$25 Million	0.80%		Next \$40 Million	0.30%
Next \$25 Million	0.65%		Next \$100 Million	0.20%
Thereafter	0.55%		Thereafter	0.15%
Minimum Fee*	\$15,000		Minimum Fee*	\$15,000
Small-Mid Cap			Blue Chip	
First \$10 Million	1.00%		First \$5 Million	1.00%
Thereafter	1.00%		Next \$10 Million	0.80%
Minimum Fee*	\$15,000		Next \$25 Million	0.60%
			Next \$25 Million	0.50%
			Thereafter	0.40%
			Minimum Fee*	\$15,000
*Fees are negotiable and minimum fees may be waived				
Investment Advisory Fee Schedule – Private Investment Vehicles and Hedge Funds				
(Details about fees and expenses paid by limited partners are shown in fund documents, offering memorandum)				
Victor Equity Fund, L.P. (Onshore)				
Management Fee	1.00%			
Performance Fee	20% of profits**			
Minimum Investment	\$1 million			
Performance Fees- when paid	Performance fees paid annually			

Victor Equity Fund, Ltd. (Offshore)				
Management Fee	1.00%			
Performance Fee	20% of profits**			
Minimum Investment	\$300,000			
Performance Fees- when paid	Performance fees paid quarterly			
Private Equity Funds				
Management Fee	0.50%			
Performance Fee	10% of profits**			
Private Capital Investments				
Management Fee	1.5%			
Performance Fee	20% of profits**			
Columbia Partners Private Capital GP, LLC				
Management Fee	0.75% thru investment period			
Performance Fee	10% of profits			
**As defined in the offering documents				

Our separately managed account clients incur other fees associated with the management of client accounts in addition to the advisory fees described above. For example, account custodians charge a custodial fee and may also charge transaction fees or other administrative fees for services they provides. In addition, the broker-dealers that we select or recommend to execute transactions in your account charge brokerage or transaction fees that your account pays. Private equity funds, the Victor Funds and CPPC incur expenses that are disclosed in each of their prospectuses, offering documents or governing documents, including, among other expenses, custodial, brokerage and administrator fees which are in addition to our fees.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

As noted previously, Columbia Partners manages a number of different investment strategies. Management of accounts according to different investment strategies can create conflicts of interest because investments for one strategy may negatively affect investments for another. For example, a short sale of a security for accounts that permit short selling could decrease the value of that security in other accounts that prohibit short selling.

In addition, Columbia Partners manages certain accounts (“Incentive Accounts”) for which it has a greater incentive to achieve better performance relative to other managed accounts (“Regular Accounts”). Incentive Accounts include the following types of accounts: 1)

employee accounts managed according to the same strategy as client accounts or a strategy being tested for possible future offering to clients; 2) Columbia Partners' proprietary accounts managed according to the same strategy as client accounts or a strategy being tested for possible future offering to clients; and 3) any account that pays a performance-based fee to Columbia Partners.

Columbia Partners' management of Incentive Accounts alongside Regular Accounts raises a number of conflicts of interest. For example, Columbia Partners may determine from time to time that a particular security is suitable for both its Incentive Accounts and Regular Accounts. In such circumstances, Columbia Partners has an incentive to allocate the best investment ideas to Incentive Accounts instead of to Regular Accounts, to allocate a greater percentage of an investment idea to Incentive Accounts than to Regular Accounts, to trade investment ideas for Incentive Accounts ahead of Regular Accounts, or take other actions which favor the Incentive Account.

Nonetheless, there are times when Columbia Partners makes investment decisions for various accounts that differ in substance, nature, timing and/or amount. Such differences may be due to, among other things, differences in investment objectives, size and makeup of the accounts, or other factors affecting the appropriateness or suitability of particular investments for specific accounts. Because of such differences, Columbia Partners may at times allocate the best investment ideas to Incentive Accounts instead of to Regular Accounts, allocate a greater percentage of an investment idea to an Incentive Account than to a Regular Account, or trade investment ideas for Incentive Accounts ahead of Regular Accounts. For example, a particular security that is not currently eligible for purchase by a Regular Account due to sector weight limitations may be eligible for purchase by an Incentive Account.

Columbia Partners has adopted policies and procedures with respect to side-by-side management of Incentive Accounts and Regular Accounts. Under these policies and procedures, all trades for all accounts must be made for investment management reasons and based on the Columbia Partners allocation policies described below in the "Brokerage Practices" section of this brochure. Thus, Columbia Partners' employees may not trade for one account specifically for the purpose of advantaging another account managed by Columbia Partners. The policies and procedures also require each portfolio manager under certain circumstances to record in an internal database the reasons why his or her trading has resulted in disparate trading for Incentive Accounts and Regular Accounts. Compliance within Columbia Partners periodically reviews trading for Incentive Accounts and Regular Accounts to monitor that portfolio managers are complying with the policies and procedures described above.

Another conflict of interest arises when there are limited investment opportunities eligible for both Incentive Accounts and Regular Accounts. Under such circumstances, both types of accounts will generally participate in such trades at the same time according to the allocation policies described in the "Brokerage Practices" section of this brochure below. If the Incentive Accounts were not to participate in such limited opportunities, the Regular Accounts may be able to receive or sell a greater percentage of the security. Consequently, when Incentive Accounts participate in such trades, they reduce the opportunity available to Regular Accounts.

ITEM 7 - TYPES OF CLIENTS

Columbia Partners provides investment advisory services to institutions, individuals, employees of Columbia Partners, investment companies, unions, Taft-Hartley plans, pension and profit sharing plans, trusts, estates, charitable organizations and corporations. Columbia Partners is the sub-adviser to two mutual funds and is the general partner of a hedge fund. Account management is guided by the stated objectives and guidelines of each client. Guidelines may indicate such variables as capitalization ranges, degree of sector diversification, tax sensitivity, investment category, and prohibited investments. Investment categories Columbia Partners manages include Equity Management, Fixed Income Management, Balanced Management, and Private Hedge Fund and Alternative Assets.

We also provide investment advice to several wrap sponsors, whereby the wrap platform sponsors offer our investment advisory services in specific Columbia Partners' strategies to their clients. In these cases, contact with the client is generally handled by the wrap platform sponsor.

We act as fiduciary for all of our client business.

For our separately managed account business (other than private capital), our minimum investment size is \$2 million. Our hedge funds have a minimum of \$1 million, subject to review. Our direct private capital strategy requires a minimum investment of \$10 million. Our private capital fund of fund offering requires a minimum investment of \$2 million. Under certain circumstances we waive these minimums, and we reserve the right to do so.

It has always been the policy and practice of Columbia Partners not to allow any person to direct Columbia Partners to make payments or transfers out of his or its managed account or investment with a hedge fund to third parties' accounts.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISKS OF LOSS

Introduction

We manage assets in a number of different investment strategies. Our clients choose from among those strategies based on how they wish the portion of their assets they entrust to our direction to be managed. In general, we manage only a portion of a client's total assets, which reflects the largely institutional nature of our client base.

We manage growth equities in large, small to mid and small market capitalization categories. We also manage core equities in the large and small market capitalization categories. We manage fixed income securities in core and intermediate strategies, with an emphasis on quality. See below for more detail on our products.

Methods of Analysis and Sources of Information.

We have a detailed set of investment analysis approaches we use for each investment strategy. Each strategy is run by a team leader who is overseen by the Firm's Investment Policy Committee, or in the case of our Private Capital and Private Equity investments, by the Firm's President.

Our methods of security analysis include economic and industry analysis, fundamental research concerning specific companies, securities and issuers, quantitative analysis, technical analysis including computerized screening, evaluation and optimization techniques, and any other method that one or more of our investment personnel may deem appropriate from time to time. Our investment professionals obtain information from a variety of sources, including:

- Meetings and discussions with securities industry analysts
- Discussion of publicly available information with issuers and company personnel, on-site inspections and corporate-sponsored meetings
- Discussion with a company's customers and competitors
- Computerized screening, evaluation, optimization studies and reports
- Trade journals and services, governmental publications, statistical summaries and analysis
- With respect to private placements, discussions with the issuer and the intermediary
- Rating agencies, analysts' reports and various news and industry sources, on-line sources and periodicals
- Other sources as one or more of our investment personnel deem appropriate from time to time.

Investing in securities involves risk of loss that clients should be prepared to bear.

General Risks

All of our strategies carry with them certain types of risk, including:

- General market conditions:
 - The levels of world markets can have an impact on investing in any strategy and if markets experience a general decline our investment strategies could be affected negatively.
- Market specific risk:
 - In general, our investments are focused on U.S. markets and companies which are traded in U.S. markets. If the U.S. experiences economic difficulties which reflect themselves in financial markets, our investment strategies could be affected negatively.
- Both equity and fixed income strategies can be negatively affected by changes in

industry and company conditions.

- We have a particular approach to investing in each of our investing strategies and this introduces non-market-like risk into investment returns. Some of these risks include risks inherent in our ability to anticipate changes that can adversely affect the value of the strategy's holdings or the chance that focus on a particular sector or group of companies will cause the product to underperform relevant benchmarks. We and all other non-index based investment managers share this risk.
- **Disaster Recovery and Data Security.** Columbia Partners relies heavily on information technology and data management systems, which can fail or be subject to interruption or destruction caused by natural or man-made occurrences such as extreme weather, fires, earthquakes, power loss, telecommunications failures, terrorist attacks, hacking, break-ins, sabotage, intentional acts of destruction, vandalism, or similar events or misconduct. Any failure, interruption, or destruction of Columbia Partners' information technology systems or data could have a material adverse impact on Columbia Partners' operations and client accounts. In addition, a breach in the security of Columbia Partners' systems could result in the theft, disclosure, or loss of client, proprietary, and other sensitive information. Columbia Partners has in place information security, incident response, backup, and disaster recovery procedures intended to prevent or mitigate damage if such an event occurs. However, a breach could nevertheless occur, and such procedures could fail or be insufficient to avoid, mitigate, or remedy the breach. Moreover, the ever-changing methods and technologies used to obtain unauthorized access to systems through means such as third-party acts, computer error, malicious code, employee error, or malfeasance often are not known until used against a potential target. Therefore, Columbia Partners may be unable to anticipate the destructive or invasive methods and technologies that could be used against its systems or to implement adequate protections.

Risk factors specifically applicable to equity securities include:

- Equity markets may be more volatile than fixed income markets.
 - Historically, equity markets have shown more volatility than fixed income markets. It is also possible that investors in equity securities may experience more volatility than has been historically true.

Risk factors specifically applicable to fixed income include:

- Fixed income markets have displayed greater volatility in recent years than has been the case historically.
 - This recent phenomenon may continue in the future, given the unprecedented levels of international and domestic fiscal turmoil, and investors in fixed income strategies may experience more variability in the value of their principal than has been the case in the past. Additionally, as an active manager, our portfolio durations, sector weightings and individual security holdings often differ from that of the benchmark index. As a result, there is a risk of underperformance relative to our benchmark. Specifically, the risks of investing

in debt securities include (without limitation): (i) credit risk -- the issuer may not repay the loan created by the issuance of that debt security or a decline in the actual or perceived credit quality of the issuer of a bond held in the portfolio could result in a decline in the market value of the issuer's bonds; (ii) maturity risk -- a debt security with a longer maturity may fluctuate in value more than one with a shorter maturity; (iii) market risk -- low demand for debt securities may negatively impact their price; (iv) interest rate risk -- when interest rates go up, the value of a debt security goes down, and when interest rates go down, the value of a debt security goes up; (v) selection risk -- the securities that we select may underperform the market or other securities selected by other funds; and (vi) call risk -- during a period of falling interest rates, the issuer may redeem a security by repaying it early, which may reduce the strategy's income, if the proceeds are reinvested at lower interest rates. We try to mitigate these risks by maintaining a well-diversified portfolio with representation in all benchmark sectors and managing duration within a band that is generally 90% to 110% of the benchmark duration.

In addition to these general risks, some of the strategies discussed below carry with them risks specific to the strategy. These strategy specific risks are discussed along with the strategies below.

Large Cap Equity

This strategy combines our Large Cap Growth strategy (described below) and our value investing research approach.

Objective:

- Long term growth of capital with reduced risk and volatility.

Investment Process:

- Seek companies with capitalizations generally over \$5 billion at the time of purchase.
- Seek to identify early catalysts for significant corporate change and increasing sustainable earnings.
- Seek to invest in companies with strong revenue or predictable growth outlook.
- Portfolio generally holds between 100 and 140 stocks.
- Reduce security risk by allocating generally no more than 5% of the portfolio's assets to any one security.
- Sector risk is reduced by generally holding between 50% and 150% of the S&P 500 Index sectors.

Risks

In addition to the applicable general risks described above, risks specific to this strategy are primarily centered on our ability to determine the appropriate blend of our growth and value approaches for given market conditions. We could overweight growth or value at a time when the market favored the other strategy, which could adversely affect returns for

our Large Cap Equity strategy.

Large Cap Growth Equity

Objective:

- Long term growth of capital with moderate risk and volatility.

Investment Process:

- Seek companies with capitalizations generally over \$5 billion at the time of purchase but also buy small positions of smaller capitalization companies.
- Seek to identify early catalysts for significant corporate change and increasing sustainable earnings.
- Seek to invest in companies with strong revenue or predictable growth outlook.
- Portfolio generally holds between 50 and 60 stocks.
- Reduce security risk by holding generally no more than 5% in a security.
- Reduce sector risk through diversification.

Risks

In addition to the applicable general risks described above, in this approach, our focus on identifying growth companies causes us to have a smaller than index market capitalization characteristic to the portfolio, which may introduce above market volatility.

Large Cap Value

Objective:

- Long term growth of capital with moderate risk and volatility.

Investment Process:

- Use our well-developed screening models and tools in selecting large cap value stocks.
- Apply our quantitative models and screens to select securities, without interference from the Portfolio Manager at time of portfolio creation.
- Reduce market risk through diversification and by holding 80-plus stocks.
- Reduce risk through sector diversification.
- Selected securities will generally be equal weighted at time of purchase; rebalance the portfolio quarterly based on new results of our models and screens.

Risks

In addition to the general risks of investing outlined above, our models and screens, while they have been historically very effective in identifying securities, may not continue to perform in the future. Additionally, other firms may over time identify similar screens and models and compete away some of our historical performance advantage.

Small Cap Equity

Objective:

- Long term growth of capital with lower than market risk and volatility.

Investment Process:

- Seek companies in small capitalizations generally between \$250 million and \$2 billion at the time of purchase.
- Seek to identify early catalysts for significant corporate change and increasing, sustainable earnings.
- Seek to invest in companies with strong revenue or predictable growth outlook.
- Portfolio generally holds between 60 and 70 stocks.
- Reduce security risk by holding generally no more than 5% in a security.
- Reduce sector risk by holding generally between 50% and 150% of the Russell 2000 Index.

Risks

In addition to the applicable general risks described above, this strategy generally has a larger than index market capitalization which may cause us to have more or less volatility than the indices.

Small Cap Growth Equity

Objective:

- Long term growth of capital with reduced risk and volatility.

Investment Process:

- Seek to identify companies in small capitalizations generally between \$250 million and \$2 billion at the time of purchase.
- Seek to identify early catalysts for significant corporate change and increasing sustainable earnings.
- Seek to invest in companies with strong revenue or predictable growth outlook.
- Portfolio generally holds between 60 and 70 stocks.
- Reduce security risk by holding generally no more than 5% in a security.
- Reduce sector risk by holding generally between 50% and 150% of the Russell 2000 Growth Index.

Risks

In addition to the applicable general risks described above, this strategy generally has a larger than index market capitalization which may cause us to have more or less volatility than the indices.

Core Fixed Income

Objective:

- Provide consistent returns, emphasizing total return- income production and preservation of principal.

Investment Process:

- Portfolio duration and yield curve distribution generally will deviate from the benchmark when our evaluation of economic fundamentals and market technical conditions suggest an impending change in interest rates.
- Portfolios typically are constructed from those market sectors (such as U.S. Treasury, Agency, Corporate, Mortgage-Backed and Asset-Backed Securities) that we believe provide the best risk/return profile.
- Diversification across sectors and securities are utilized to attempt to control risk.
- No more than 5% of the portfolio is comprised of any single issuer other than agencies, treasuries and agency mortgage-backed securities.

Risks

See the applicable general risks described above.

Intermediate Fixed Income

Objective:

- Provide consistent returns, emphasizing total return- income production and preservation of principal.

Investment Process:

- Portfolio duration and yield curve distribution generally will deviate from the benchmark when our evaluation of economic fundamentals and market technical conditions suggest an impending change in interest rates.
- Portfolios are typically constructed from those market sectors (such as U.S. Treasury, Agency, Corporate, Mortgage-Based and Asset-Backed Securities) that we believe provide the best risk/return profile.
- Diversification across sectors and securities are utilized to attempt to control risk.
- Generally, no more than 5% of the portfolio is comprised of any single issuer other than agencies, treasuries and agency mortgage-backed securities.

Risks

See the applicable general risks described above.

Hedge Fund Strategy

We also manage the Victor Funds, a family of hedge funds, for qualified investors. The Victor Funds invest in publicly traded equities and take both long and short positions to reduce risk relative to an unhedged portfolio. The Victor Funds invest in equity securities which are publicly traded, generally on a U.S. securities exchange or the NASDAQ National Market System. The Victor Funds may also invest in put and call options. The Victor Funds are

managed in parallel to each other. The Victor Funds are comprised of investments from all capitalization segments of the equity markets. The Victor Funds have the ability to use leverage on long positions and to establish short positions in stocks that Columbia Partners believes have deteriorating fundamentals.

Hedge Fund Risk Factors:

There are numerous risk factors associated with the Victor Funds, all of which are discussed in detail in the offering memoranda for the Victor Funds. In addition to the applicable general material risks discussed above in this section of the brochure, other applicable material risk factors include dependence on us as investment advisor to the Victor Funds; specific risks associated with trading instruments and options; the use of leverage; short selling and a number of other investment techniques inherent in hedge fund strategies. Below is a brief summary of the material risks of the Victor Funds significant investment strategies. We refer you to the Victor Fund documents for a complete description.

- **Call Options** - The seller (writer) of a call option that is covered (*e.g.*, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing his or its entire investment in the call option. If the buyer of the call also sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security.
- **Put Options** -The seller (writer) of a put option that is covered (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price of the underlying security (in establishing the short position) plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option to zero. The buyer of a put option assumes the risk of losing his or its entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.
- **Diversification** - The Victor Funds may be subject to specific diversification limits in connection with its investment of net assets in a particular security which are set forth in more detail in Victor Fund's offering memoranda.
- **Short Sales** – The Victor Funds may engage in short sales from time to time for both hedging and speculative purposes. The Victor Funds may invest in securities with relatively low prices, which are subject to greater percentage price fluctuations than higher-priced securities. A short sale will result in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of the

securities sold short increases. Any gain is decreased, and any loss is increased, by the amount of any payment, dividend or interest that the client may be required to pay with respect to the borrowed securities, offset (wholly or partly) by short interest credits. In a generally rising market, a client's short position is more likely to result in losses because securities sold short may be more likely to increase in value. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss.

- **Leverage** – The Victor Funds may utilize leverage in their investment program. The use of leverage generally would increase the adverse impact of a decline in the value of a Victor Fund's investment portfolio.
- **Financing Arrangements; Availability of Credit** – The Columbia Partners may borrow funds, and enter into other financing arrangements, on behalf of the Victor Funds. Such borrowings will include the use of margin in securities investing and are an integral part of the Victor Funds' strategy. There can be no assurance that the Victor Funds will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that provide financing to the Victor Funds can apply essentially discretionary margin, haircut, financing and security and collateral valuation policies. Changes by banks and dealers in margin, haircut, financing and valuation policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government regulatory or judicial action, may result in large margin calls, loss of financing, and forced liquidations of positions at disadvantageous prices. The imposition of any such limitations or restrictions could compel the Victor Funds to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of the Victor Funds' equity.

Private Capital Strategy

Separate Account Strategies

For two large institutional clients, we invest in the debt securities of late stage venture-backed private companies. Columbia Partners' proprietary structured finance product utilizes a unique strategy to attempt to control risk. Through the use of collateralized senior debt and senior subordinated debt instruments in our investment strategy, we believe the risk profile is considerably lower than venture capital or private equity.

We seek to make structured finance investments ranging from \$10 to \$40 million in mid to later stage venture and private equity backed companies in high growth markets. We seek companies that have raised substantial amounts of capital from sophisticated institutional investors prior to our involvement. We are flexible as to investment structure but investments will typically be highly structured senior secured loans with maturities of 2 to 5 years.

In addition to the risks of general market and economic conditions, risk in this strategy is centered on our ability to select companies which have positive prospects for revenue and profit growth enables these companies to find alternative sources of financing to our debt capital. If we are not successful in identifying companies which create value above the levels at which our capital is invested, there is the risk of loss of accrued interest or principal. We

seek to manage risk in these private capital investments through an Investment Committee comprised of the Firm's President and the two principal portfolio managers in the Private Capital Unit.

Investment in Private Funds

On behalf of one institutional investor, we invest in underlying funds managed by other investment advisers that utilize private equity, venture mezzanine and buy strategies that are generally not available through public market investing. We have also launched a pooled vehicle, CPPC, to implement this fund-of-funds strategy. The institutional investor has also invested in CPPC. As of the date of this brochure we manage approximately \$188 million in committed capital and have undertaken marketing efforts to attract additional investor capital. The strategy we employ for selecting such underlying funds centers on creating a portfolio of investments in a diversified set of underlying strategies including Middle Market Buy-out, Growth Equity; Mezzanine and Venture funds. In addition, we reserve a portion of CPPC's capital for co-investments in those opportunities we determine to be most attractive to investors. Our process for selecting underlying funds for investment relies heavily on our experience in direct investing and our contacts in the private investing world.

Private Fund Investment Risk factors

The past performance of underlying funds or their investment advisers in which the separate account or CPPC invests has invested is not necessarily indicative of future results of such underlying fund or investment adviser. The success of CPPC or such separate account is dependent on the judgment and abilities of Columbia Partners in selecting and monitoring the performance of investment advisers of such underlying funds and on the ability of such investment advisers to generate positive performance. Investors in CPPC and the separate account investor do not have the opportunity to evaluate fully the relevant economic, financial, and other information regarding the underlying funds' investments and are dependent on the judgment and abilities of Columbia Partners and the underlying funds it selects for investment. There is no assurance that Columbia Partners or such underlying funds will be successful.

ITEM 9 - DISCIPLINARY INFORMATION

Neither Columbia Partners nor its employees nor its management persons have been involved in any legal or disciplinary events that are material to a client's or a prospective client's evaluation of its advisory business or the integrity of its management.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

On a strictly non-discretionary basis for Pear Tree Advisors, we also perform certain services for the Pear Tree Quality Fund. We do not market the Pear Tree Fund to any of our investors.

Columbia Partners is the General Partner of and investment adviser to Victor Equity Fund, L.P. and investment advisor to The Victor Equity Fund, LTD. These funds are successors to

funds which began operations in April 1998. Columbia Partners is a member of the general partner of CPPC, formed in October of 2014. Columbia Partners has an incentive to recommend the Victor Funds and CPPC to potential clients over other strategies because the Victor Funds and CPPC pay Columbia Partners a performance fee. Nonetheless, Columbia Partners has a policy that its marketing efforts should be focused on offering the strategy that is most appropriate for the client's particular needs and investment objectives. If you are considering an investment in the Victor Funds or CPPC based on Columbia Partners' recommendation or otherwise you should consider whether any other investment strategies offered by Columbia Partners may be more appropriate for you in light of your investment needs.

Columbia Partners is approximately 20% owned by Galway Capital Management, L.L.C., a limited partnership created by Galway Partners, L.L.C.

ITEM 11 - CODE OF ETHICS

Columbia Partners has adopted a Code of Ethics (the "Code") to specify and control certain types of personal securities and other transactions deemed to create a potential or actual conflict of interest. Every officer, director and employee of Columbia Partners must receive, read and follow the Code's procedures as well any amendments to its procedures.

The Code and Columbia Partners' Insider Trading Policy contains policies and procedures that are designed to prevent Columbia Partners from insider trading and violating their fiduciary duty towards investors.

- Prohibit directors, officers and employees from taking personal advantage of opportunities belonging to Clients;
- Prohibit trading on the basis of material nonpublic information;
- Place limitations on personal trading by directors, officers and employees and impose pre-clearance, blackout periods and reporting obligations with respect to personal trading unless the director, officer or employee has been specifically excused from such preclearance and reporting by the Chief Compliance Officer;
- Require initial, quarterly and annual reports of securities holdings and transaction reports by directors, officers and employees unless the director, officer or employee has been specifically excused from such reporting by the Chief Compliance Officer;
- Prohibit directors, officers and employees from violating Federal Securities Laws;
- Require directors, officers and employees to report promptly any violations of the Code to the Chief Compliance Officer; and require directors, officers and employees to annually certify that they have complied with the Code unless specifically excused by the Chief Compliance Officer.

Directors, officers and employees of Columbia Partners may open and retain personal trading accounts pursuant to the Code and may invest in the same securities as Columbia Partners. This practice creates certain conflicts of interest. For example, our employees could have an incentive to make a personal investment in a thinly-traded security and then invest large quantities of client assets in that same security in order to drive up the value of that security or our employees could have an incentive to sell a personal investment in a security in advance of selling clients' positions in such security if the selling of clients' positions in such security would drive the value of the security down. In addition, our employees could have an incentive to trade ahead of client accounts which may enable the employees to obtain better prices than clients or take advantage of limited investment opportunities instead of clients. Such trading by Columbia Partners' employees is inconsistent with Columbia Partners' fiduciary obligations to its clients.

Columbia Partners' policies and procedures on personal trading found in its code of ethics are designed to prevent Columbia Partners employees from trading contemporaneously with client transactions in a manner that causes Columbia Partners to breach its fiduciary obligations to its clients. Specifically, for personal accounts over which the employees have discretion, employees may not trade securities within 7 calendar days following trades in such securities by client accounts. However, in instances where the entire position in a security is being sold out of all client portfolios, it is acceptable for an Employee Account to sell that security one day after the completion of the sale in the clients' portfolios. In addition, an employee, in certain instances, may be asked to disgorge profits of personal trades that were followed by trades in the same security by Columbia Partners for a client account within 5 days of such employee's personal trade in such security. Additionally, employees are required to certify annually that they have not violated Firm policies in regards to personal trading. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee.

In addition, employees may have personal accounts that are managed by Columbia Partners. Under such circumstances, the trading in such accounts is not governed by the code of ethics but is subject to Columbia Partners policies on the management of Incentive Accounts alongside Regular Accounts as described above in the "Performance-Based Fees and Side By Side Management" section of this brochure.

Columbia Partners recommends to clients investments in the Victor Funds. As described above in the "Other Financial Industry Activities and Affiliations" section of this brochure that practice raises certain conflicts of interest.

Columbia Partners' Code and Insider Trading Policy are available upon request by contacting Columbia Partners' Chief Compliance Officer at (240) 482-0400.

ITEM 12 - BROKERAGE PRACTICES

Best Execution

In selecting a broker-dealer for any transaction or series of transactions, Columbia Partners does not adhere to any rigid formula but weighs a combination of factors (“Brokerage Factors”) that it deems relevant, including: 1) net price; 2) settlement capabilities and error resolution; 3) electronic reconciliation capability; 4) special execution capabilities; 5) ability to execute large orders, to commit capital and to minimize trading costs associated with implementing investment decisions; 6) commission rates; 7) reputation, including regulatory issues; 8) financial strength and stability; 9) efficiency of execution of small lots; 10) on line access to computerized data regarding open orders; 11) the ability or inability of electronic trading networks (“ECNs”) to handle trades instead of other broker-dealers; 12) value of research; 13) other matters involved in the receipt of brokerage services generally; and 14) third-party reports providing a quantitative analysis of Columbia Partners’ execution. While Columbia Partners generally seeks reasonably competitive commission rates, it does not necessarily pay the lowest spread or commission available. Columbia Partners has generally negotiated a standard commission of \$.04 per share with most brokers.

Best Execution for both Equity and Fixed Income are reviewed annually by a Best Execution Committee. Some of the things the Best Execution Committee reviews or discusses where relevant include: 1) periodic third-party reports that quantitatively analyze Columbia Partners execution of equity securities trades (“Quantitative BE Reports”), 2) an analysis of a statistically meaningful amount of fixed income trades made by Columbia Partners by comparing the actual prices received against competitive bids or offers received on such securities by other broker-dealers (“Fixed-Income Information”), 3) any issues relating to a broker-dealer’s efficiency of execution, settlement and error resolution, financial stability, research, responsiveness, quality of service, reputation and any of the other Brokerage Factors that are relevant, and 4) the volume of trades directed to each broker-dealer, including ECNs.

At times, the providers of Quantitative BE Reports will be brokers that executed trades for Columbia Partners during the period covered by a particular report. This creates a conflict of interest because the provider of the Quantitative BE Report has an incentive to favorably report its execution quality for Columbia Partners’ trades in order to obtain additional brokerage from Columbia Partners. We believe this conflict is mitigated by the fact that such providers have a legal obligation not to misrepresent their execution quality and the fact that Columbia Partners generally uses such broker-dealers for a very small percentage of its trading.

The Best Execution Committee will analyze relevant data in light of the Brokerage Factors to determine annually whether: 1) a broker should continue to be approved (“Approved Brokers”); 2) whether any limitations should be set on the volume of trades to be sent to a particular broker-dealer; 3) whether there should be heightened scrutiny over the coming two quarters of any broker-dealer; and 4) whether Columbia Partners is directing an appropriate volume of trades to ECNs. In analyzing the data, the Best Execution Committee may use subcommittees consisting of certain of the Best Execution Committee members to evaluate fixed income and/or equity transactions and rely on reports of the subcommittee’s findings to make decisions.

Semi-annually the equity portfolio managers vote on the target amounts of brokerage to direct

to each currently Approved Broker. Each portfolio manager takes a number of factors into consideration in determining the amount of brokerage it votes to allocate to a particular Approved Broker. Based on the votes of all the portfolio managers, target amounts are set for the amounts of brokerage to send to each Approved Broker over the following two quarters. Such target amounts may not exceed any explicit limitations established by the Best Execution Committee on the amount of brokerage that may be sent to an Approved Broker. In addition, the trading desk may not execute a trade with an Approved Broker in order to meet a target amount where a different Approved Broker will provide better overall execution on the trade. The target amounts are merely guides for the trading desk to determine where it should send brokerage trades consistent with Columbia Partners' duty to obtain best execution. However, where the trading desk or a portfolio manager believes that exceeding the target amounts for a particular broker-dealer is warranted for best execution considerations or for other reasons, the target amounts may be exceeded provided that Columbia Partners obtains best execution on such trades and such trades do not exceed any explicit limitations placed on using such broker-dealers by the Best Execution Committee.

Soft Dollars

Unless otherwise instructed by a client, Columbia Partners has discretionary authority to select brokerage firms used to execute trades. Columbia Partners uses commissions generated on client securities transactions ("soft dollars") to purchase research and brokerage products or services ("Research and Brokerage Services") eligible under the safe harbor of Section 28(e) of the Securities Exchange Act of 1934. Columbia Partners chooses Research and Brokerage Services based on the relative usefulness to portfolio managers and traders of the investment research, products or services provided by various brokers.

We received the following types of Research and Brokerage Services with client brokerage commissions within our last fiscal year:

- Traditional written and/or oral research reports that analyze markets, companies, industries, business and economic factors, market trends, and/or portfolio strategy.
- Trading insight and intelligence from industry analysts and research services such as, FactSet, Dow Jones and other providers of research based on publicly available materials.
- Quotation equipment
- Statistical collations.
- Market data and economic data, including stock quotes, last sale prices and trading volumes.
- Quantitative analytical software and software that provides analyses of securities portfolios.
- Invitations to research seminars or conferences (excluding the cost of travel, entertainment and lodging).

Columbia Partners maintains a Soft Dollar Committee which is comprised of senior members of the Firm. In general, soft dollar arrangements are approved in advance by the Soft Dollar Committee. However, the Chief Investment Officer may make a decision on a soft dollar arrangement in his sole discretion with notification to the Soft Dollar Committee and the CCO.

The Soft Dollar Committee meets at least annually to determine the usefulness and the reasonableness of the price of each research and brokerage service received, and approves/disapproves each service and the amounts of soft dollar credits to be used to obtain each of the Research and Brokerage Services. Between Soft Dollar Committee meetings the amount spent on a particular Research and Brokerage Service may exceed the amount budgeted at the last Soft Dollar Committee meeting provided 1) a member of the Soft Dollar Committee approves that extra amounts allocated to such Research and Brokerage Service; and 2) the Soft Dollar Committee considers the amount actually allocated to such Research and Brokerage Service in its next Soft Dollar Committee meeting.

The receipt and use of Research and Brokerage Services creates various conflicts of interest. When we use client brokerage commissions (or markups or markdowns) to obtain Research and Brokerage Services, we receive a benefit because we do not have to produce or pay for the research, products or services. Consequently, we have an incentive to select or recommend broker-dealers based on our interest in receiving research or other products or services, rather than on our clients' interest in receiving most favorable execution. When Research and Brokerage Services are received, clients may pay commissions (or markups or markdowns) higher than those charged by other brokers-dealers (from or through whom such Research and Brokerage Services were not received) in return for the soft dollar benefits received. Whenever possible, Columbia Partners negotiates substantial discounts on brokerage commissions, but these may be less than would be available without the soft dollar arrangement. Columbia Partners may use these Research and Brokerage Services to service all of its accounts and not just the accounts whose transactions paid for them. Moreover, it is possible that the accounts whose transactions generate brokerage commissions that are used to pay for Research and Brokerage Services may not benefit in any way from them while accounts that did not pay for the Research and Brokerage Services may benefit from such items.

In addition to the foregoing Research and Brokerage Services, various brokers used by Columbia Partners occasionally take Columbia Partners employees to meals, sponsor meals at Columbia Partners offices or for Columbia Partners employees at conferences, or provide gifts and entertainment to Columbia Partners employees. The receipt of such benefits could cause a conflict of interest because Columbia Partners' employees could have an incentive to select or recommend broker-dealers based on their interest in receiving such benefits, rather than on our clients' interest in receiving most favorable execution. Columbia Partners has adopted gifts and entertainment policies and procedures to address the receipt of such benefits. It is the policy of Columbia Partners that employees should not accept inappropriate gifts, favors, entertainment, special accommodations, or other things of material value that could unduly influence their decision-making or make them feel beholden to a person or firm. In addition, the receipt of all gifts and entertainment over \$25 must be reported on the Firm's expense tracking system which enables Columbia Partners to be able to monitor that employees are not receiving benefits that could unduly influence their decision making on behalf of clients including the selection of brokers.

Allocation of Equity Orders other than Initial Public Offerings

Generally, Columbia Partners determines prior to a trade the number of securities it wishes to

sell or purchase for client accounts. For all accounts managed according to the same investment strategy, Columbia Partners will usually invest or divest uniform percentages of each account's total assets in or from identical securities ("target percentages"). Target percentages are generally decided prior to placing an order. For example, Columbia Partners could determine that for all accounts managed according to the Large Cap Equity investment strategy it wishes to invest 3% of the accounts' holdings in XYZ security while for all accounts managed according to the Large Cap Growth investment strategy it wishes to invest 1% of the accounts' holdings in XYZ security. Managers may consider some or all of the following factors in making decisions as to the amount of a security to purchase or sell for accounts held in a particular investment strategy:

- the strategy's investment objective
- policies
- restrictions
- risk tolerance
- time horizon
- portfolio construction
- tax sensitivity
- desired market capitalization range
- nature and size of accounts held in the strategy
- suitability
- tolerance for portfolio turnover
- availability of cash or buying power, and
- whether the strategy's accounts are eligible to participate in a trade pursuant to compliance regulations.

Sometimes specific accounts in the strategy will not be allocated the security or a lower amount of the security than the target percentage for the strategy because of the accounts' particular investment restrictions, risk tolerance, time horizon, tax sensitivity, nature and size, tolerance for portfolio turnover, liquidity and size limitations, availability of cash or buying power, and whether they are eligible to participate in a trade pursuant to compliance regulations.

In addition, Columbia Partners participates in a wrap fee program sponsored by Morgan Stanley Smith Barney LLC called the UMA Select Program ("UMA Select"). In the UMA Select wrap fee program, Columbia Partners does not order the execution of trades that it recommends to UMA Select clients. Rather, Columbia Partners submits trades to the UMA Select sponsor (or its agent), who is responsible for actual execution of the trades. Therefore, Columbia Partners cannot include UMA Select client trades together with other Columbia Partners client trades that are managed according to the same strategy (Columbia Partner's Small Cap Equity strategy). In order to avoid systematically disadvantaging the UMA Select clients or Columbia Partners' Small Cap Equity clients, Columbia Partners has adopted a rotational allocation procedure between UMA Select clients and Small Cap Equity client accounts. Under this rotational allocation method, Columbia Partners alternates on an investment idea-by-investment idea basis between giving priority to UMA Select clients and Small Cap Equity clients. When ordering the execution of trades for Small Cap Equity clients

other than the UMA Select client accounts, Columbia Partners allocates among such client accounts according to the allocation procedures described above.

While Columbia Partners' goal with respect to allocations of publicly traded equity securities in the secondary markets is to be fundamentally fair on an overall basis with respect to all clients, there can be no assurance that on a trade-by-trade basis that any particular client will not be treated more favorably than another.

Allocations to client accounts will be made by the end of the day on which the trade took place, absent extraordinary circumstances.

Columbia Partners has determined that accounts managed in wrap fee programs will not be eligible to participate in secondary offerings because of the administrative burdens of equitably allocating to those accounts.

Block Trading

When placing orders to purchase or sell the same security for more than one client, Columbia Partners seeks, but is not obligated, to aggregate, or group orders ("block trading") when Columbia Partners deems it appropriate and in the best interests of the client accounts. Columbia Partners may aggregate private client trades with fund trades and trades for associated persons. All eligible accounts generally participate pro rata in the block purchases or sales according to the target percentage established for each participating account and bear pro rata the commission cost. If partial sales or purchases are made, the allocation of securities to the accounts shall be on the same ratio as the actual transactions bear to the intended target percentages. Exceptions to this policy may occur. For example, if one or more accounts would be unable to meet an investment objective, or if a pro rata allocation results in a de minimis allocation to certain accounts, Columbia Partners may deviate from the preallocation formula.

All portions of a block trade executed through one or more broker-dealers will be allocated pro rata (subject to the exceptions discussed above) at the average price obtained by the broker-dealers on that day. If multiple broker-dealers were used to execute the entire block trade, then a separate pro rata allocation (subject to the exceptions discussed above) will be made for each portion of the trade obtained at different broker-dealers at the average price obtained from each of the broker-dealers. Circumstances under which Columbia Partners will not block trade include some directed brokerage trades (see below in this section of the brochure) and wrap fee program trades.

Directed Brokerage

Columbia Partners does not recommend, request or require its clients to direct their brokerage to a particular broker-dealer. However, clients are permitted to direct their brokerage. A significant portion of clients request that Columbia Partners direct brokerage transactions to particular brokers. In most cases, directed brokerage trades are included in a block trade together with clients that do not direct brokerage and then the directed brokerage trades are "stepped-out" to the directed brokers. Stepped-out trades generally pay the same commission

rates as other trades in the block and receive the same quality of execution. One notable exception are those wrap fee clients whose trades are stepped-out to the broker-dealer that sponsors the wrap fee but are not charged any brokerage commission. Instead those wrap fee clients pay the wrap fee. See the Advisory Business section of this Form ADV above for a discussion of the possible conflicts related to wrap fee accounts.

When directed accounts are not included in the block trade, they are executed after the non-directed accounts. Under these circumstances the directed brokerage clients may receive less favorable trade execution, pay higher prices for the securities and may miss limited opportunity investments that other clients took advantage of by participating in the block trade.

Wrap Fee Clients

As noted in Item 4 above, Columbia Partners' wrap fee account trades are sometimes executed separate from and subsequent to block trades at the client's designated wrap broker and may receive inferior executions compared to non-wrap fee accounts. See additional conflicts of interest regarding wrap fees in the "Advisory Business" section of this brochure above

For wrap fee clients that are participants in the Morgan Stanley Smith Barney LLC UMA Select Program please see additional information about allocations to such accounts in the *Allocation of Equity Orders other than Initial Public Offerings* section of this Item 12.

Allocations of Initial Public Offerings

From time to time, Columbia Partners may purchase shares in initial public offerings ("IPOs") of equity securities. An IPO may be deemed a scarce and valuable investment opportunity. Described below are the policies and procedures Columbia Partners has adopted with respect to allocating IPOs to its clients. Unless determined otherwise by the President, on behalf of the Investment Policy Committee, Columbia Partners' policies allows all equity investment strategies to purchase IPO securities. However, because of suitability and other constraints, Columbia Partners' team leaders may or may not believe it is appropriate to buy a particular IPO for some or all of its investment strategies.

In determining the allocation of IPOs among the accounts of Columbia Partners, each of the team leaders of each of the Firm's investment strategies determines if they would like to participate in the offering for their strategies. In the event that more than one team leader chooses to participate, to the extent practicable, the IPO will be distributed pro rata among all accounts included in the strategies which the team leaders deem appropriate for the IPO. A team leader may decide in his or her sole discretion to accept less than a pro rata distribution of an IPO for any of his or her strategies if he or she determines that a pro rata allocation of the IPO to a particular strategy would cause the accounts in the strategy to have too high a concentration of the IPO security in light of the strategy's investment goals.

When making pro rata allocations among accounts, Columbia Partners may decide in its sole discretion that a particular account should not receive shares of a particular IPO or fewer shares than it would be entitled to based on a pro rata allocation because of 1) high transaction

costs; 2) tax or regulatory considerations; 3) an anticipated redemption by the account; 4) a violation of the leverage limits of the account; 5) a violation of one of the investment restrictions or guidelines of the account; 6) inappropriateness of the IPO in light of the objectives of the account; 7) cash in the account available for investment; 8) company and industry concentrations in the account; 9) an account's directed brokerage arrangement either makes participation in the IPO logistically difficult for Columbia Partners to execute the trade on behalf of the account or does not allow for direct participation in the IPO, and/or 10) the account cannot be included in the block order for the IPO securities. If an account in a Group does not receive an allocation of a particular IPO for any of the foregoing reasons, it generally will not have another opportunity to receive allocations of an IPO security until its Group's next turn in the rotation to receive IPOs.

Columbia Partners may purchase for the wrap fee clients the same securities in the public secondary markets after participating in the initial public offering or secondary offering for other clients. As a result, the wrap fee clients may not pay prices as favorable as the Columbia Partners clients that purchased the shares in the initial public offering or secondary offering.

In addition to the suitability and other constraints discussed herein, certain persons may be otherwise restricted or prohibited from participating in IPOs in which Columbia Partners participates. For instance, those persons deemed to be "Restricted Persons" as defined by FINRA Rule 5130 of the Financial Regulatory Authority will not be allowed to invest in IPOs.

Although IPOs can be very valuable, they also carry a higher level of risk. Consequently, clients should consider whether they wish for their accounts to be exposed to those risks. To the extent a client does not want its account to be exposed to those risks, it may inform Columbia Partners in writing that the client's account be deemed ineligible for participation in IPOs. You may also discuss whether IPOs are appropriate for you with your Columbia Partners Client Services representative.

Allocation of Publicly Traded Debt Securities

Fixed Income Management determines the allocation of all publicly traded fixed income trades. The target amounts for purchases and sales of bonds for each account generally will be established and documented prior to execution. Because Columbia Partners' goal is to maintain the same investment profile in accounts with identical benchmarks, Columbia Partners attempts to include as many accounts as possible in trades that are done for composite level investment decisions. For example, if a decision is made to swap one corporate bond for another, Columbia Partners looks at accounts that do not hold the sale candidate to determine if there is a similar bond that can be sold to fund the purchase. However, in many instances fixed income trades are not allocated across all accounts and are not allocated pro-rata across the accounts that are included in the trade. Some of the reasons for not allocating a specific trade across all accounts include but are not limited to: 1) accounts often hold different bonds; 2) it is not always possible to buy a bond held in existing accounts for a new account because it is not available; 3) accounts hold different position sizes due to account cash flows; 4) the trade would result in an increase in the variance of an account's sector weight and/or duration from its composite's sector weight and/or duration; 5) the trade is being executed only for those accounts that contain too large a variance from the their composite's desired duration

and/or sector weight; and 6) account restrictions prevent the holding of the bond.

Where an order is only partially filled, the allocation of securities to the accounts shall be on the same ratio as the actual transactions bear to the intended target percentages for each account. Exceptions to this policy may occur. For example, if the pro rata allocation would result in one or more accounts being unable to meet an investment objective, or if a pro rata allocation results in a de minimis allocation to certain accounts, Columbia Partners may deviate from the preallocation formula. While Columbia Partners' goal with respect to allocations of publicly traded debt is to be fundamentally fair on an overall basis with respect to all clients, there can be no assurance that on a trade-by-trade basis that any particular client will not be treated more favorably than another.

ITEM 13 - REVIEW OF ACCOUNTS

Compliance with Investment Guidelines

For long only separately managed accounts, Columbia Partners uses an automated portfolio management review system that allows Columbia Partners' personnel to effectively monitor and test that client accounts are managed in accordance with certain client guidelines on a regular basis. These reports are reviewed periodically to monitor: (1) variance of cash positions in individual accounts from guidelines; (2) variance of individual accounts from the model account's guidelines; (3) adherence to "sin" restrictions imposed by particular accounts; (4) adherence to restrictions imposed by particular accounts on securities issued by issuers located in specified countries; (5) adherence of fixed income accounts to credit rating guidelines; (6) variance from the model account for the investment strategy of the account; (7) sector weights vs. benchmark; (8) P/E vs. benchmark; and (9) maximum percentage security weights. In addition, at least once a year, each account is reviewed formally by a Portfolio Review Committee for consistency with account guidelines, risk tolerance and specific constraints. The account is also compared against the model portfolio for the account's investment strategy. The members of the Portfolio Review Committee include the Columbia Partners' Chief Compliance Officer, a member of the portfolio management team and the marketing/client services representatives assigned to the account that is being reviewed or his representative. In addition, on a regular basis, the Fixed Income Portfolio Manager reviews each fixed income portfolio to ensure compliance with guidelines.

All trades for long only separately managed accounts and for the Victor Funds are recorded in the Firm's portfolio accounting system. The portfolio managers for such accounts review the portfolio accounting system to determine that the portfolio manager's previous day's trade instructions were correctly executed. In addition, Columbia Partners' Investment Policy Committee, consisting of the Chief Investment Officer, the President/CCO, the Fixed Income Manager, and one of the co-portfolio managers for the Large Cap strategy, is responsible for overseeing all investment management policies and processes as they relate to Columbia Partners' long only separately managed account portfolios and its Victor Funds. The Investment Policy Committee generally meets semi-annually or more frequently as needed. The President, on behalf of the Investment Policy Committee, periodically reviews select daily portfolio accounting system reports for the various long only strategies and Victor Funds

to determine whether any investments recorded in those reports raise on their face any questions or issues that need to be examined more closely.

Each private equity fund investment is reviewed on at least a quarterly basis by private equity portfolio managers to determine whether such fund's ongoing performance is consistent with its historical performance and whether the private equity fund is adhering to its intended parameters as to permitted instruments and sectors.

Each private debt investment is reviewed at least a quarterly basis by the private debt investment team to monitor that the issuer continues to perform as the private debt investment committee expected it to perform at the time of making the investment and that the management of the issuer continues to demonstrate competence, sophistication and integrity.

Trade Errors

Columbia Partners generally will compensate clients for any material losses resulting from trading errors caused by Columbia Partners' negligence. Where a third-party's negligence results in a trading error that causes client losses, Columbia Partners will seek to recover the amount of the losses from the third party, although Columbia Partners is not responsible for ensuring that third parties compensate clients in such cases. Columbia Partners will not compensate clients for losses resulting from trading errors where Columbia Partners concludes that those losses are immaterial. If a trade error should simultaneously result in a loss in one or more accounts and a gain windfall in one or more others, then before allocating the windfall gains, Columbia Partners will use as much of the gain as possible to ameliorate the losses.

Reports

Clients receive quarterly reports from Columbia Partners. The quarterly reports display the performance of the assets based upon time-weighted rates of return for the designated period of statement of assets. The quarterly report includes the following pertinent information: account portfolio at cost and market, sector classifications, account yield, accrued income, change in portfolio value, purchases and sales, time weighted returns compared to benchmark and performance composition (equity, shorts, fixed income and cash and cash equivalents).

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Columbia Partners receives fees from the private companies who issue senior debt securities to Columbia Partners' private capital managed account clients. Columbia Partners may have an incentive to choose to make private debt investments on behalf of private capital clients in those issuers that are willing to pay these fees. The private capital clients have been informed about Columbia Partners' receipt of these fees and have authorized Columbia Partners to receive such fees. Other than these fees and the benefits received from brokers described above in the "Brokerage Practices" section of this brochure, Columbia Partners does not receive any economic benefits from any person who is not a client.

Columbia Partners pays fees to a limited number of persons ("Solicitors") for referring clients

("Referred Clients") to Columbia Partners. Solicitors can be employees of Columbia Partners or independent third-parties. Columbia Partners uses a portion of the investment management fees and performance fees it receives from Referred Clients to pay the Solicitors for their referral activity. Columbia Partners does not charge Referred Clients higher advisory or performance fees as a result of the solicitation fees it pays to Solicitors. Solicitors have an incentive to recommend Columbia Partners investment management services because of the ongoing fees they receive from Columbia Partners.

If Columbia Partners pays a cash fee to anyone for soliciting separate account clients on its behalf, Columbia Partners will comply with the requirements of the SEC's cash solicitation rule. This rule requires a written agreement between the investment adviser and the person soliciting clients on its behalf. The rule also requires that an unaffiliated solicitor provide a disclosure document to the potential client at the time that the solicitation is made. As required by the rule, Columbia Partners will not engage another person to solicit clients on its behalf if that person has been subject to securities regulatory or criminal action within the preceding ten years.

From time to time, one of Columbia Partners' portfolio managers makes loans to nonpublic companies owned by a client and solicitor for Columbia Partners. Columbia Partners does not believe that these loans are related to solicitation activities; accordingly, they have not been disclosed by the solicitor to prospective clients as part of the solicitor's compensation for his activities. Other clients of Columbia Partners do not have the opportunity to receive loans from portfolio managers either directly or indirectly as loans to companies they may own or control. This economic benefit has been offered only to one client. Although none of the companies to which the portfolio manager has loaned funds is currently held in client accounts, client accounts could acquire such companies in the future, creating a potential conflict of interest.

One of Columbia Partners' portfolio managers and a solicitor have invested in a foreign real estate investment. Also, a Columbia Partners portfolio manager and a solicitor have invested in two private investments. In each of these transactions, the Columbia Partners portfolio manager is a silent investor. Columbia Partners does not believe that these private investments are related to solicitation activities. Other clients of Columbia Partners do not have the opportunity to invest in these private investments. Columbia Partners does not believe that there is a conflict of interest.

ITEM 15 - CUSTODY

Although we do not have actual custody of client assets, we are deemed to have custody of the Victor Funds assets and the assets of CPPC for purposes of the SEC's custody rule. Accordingly, to meet the requirements of the custody rule, private investment funds for which we serve as investment adviser are subject to an annual audit in accordance with generally accepted accounting principles conducted by an independent public accountant registered with the Public Company Accounting Oversight Board and the audited financial statements are distributed to investors in the private investment funds within 120 days of the end of the funds' fiscal year.

With respect to separate accounts, we do not have custody of funds or securities, except for

one of the accounts in our Private Capital strategy. Clients select their own qualified custodians, such as banks or broker-dealers, to maintain client funds or securities. Clients receive account statements directly from their custodians and/or from their custodian banks' accounting departments. Clients should carefully review those statements. In addition, clients receive account statements from us. When you receive account statements from us, we encourage you to compare them to the account statements you received from your custodian and/or custodian bank accounting department. There may be differences in market values between our account statements and the custodian's account statement for various reasons. For example, we and your custodian may use different pricing sources to value securities held in your portfolio. Other differences can be because we and the custodian may generate account statements on different dates (such as on a trade date versus settlement date basis) or may be due to the custodian's policies for handling certain assets or changes in the values of certain assets. To the extent you find such discrepancies and would like to obtain an explanation, we encourage you to call us to obtain such information.

ITEM 16 - INVESTMENT DISCRETION

With the exception of one institutional account, all portfolios are managed on a discretionary basis. Discretionary authority is granted to Columbia Partners in the client's investment management agreement with Columbia Partners. During the initial structuring of each client account, Columbia Partners' investment professionals and the client jointly determine an optimal investment strategy given the client's investment objectives. In some cases clients impose investment restrictions on their accounts.

As a policy, Columbia Partners will not elect on behalf of a client to become member of a class to participate in a class action suit. When Columbia Partners receives class action notices or materials in the mail relevant to clients, Columbia Partners will pass such notice or materials on to the client or its representative.

ITEM 17 - VOTING CLIENT SECURITIES

Columbia Partners has adopted guidelines for voting proxies of publicly traded companies ("Proxy Voting Guidelines"). The Firm uses ISS, a subsidiary of MSCI, Inc., a well-known third party proxy voting service, to vote the Firm's proxies. Columbia Partners, with the assistance of ISS, has developed a custom set of guidelines ("the Proxy Voting Guidelines") which the Firm believes best represents the interests of its clients and are designed to promote long term shareholder value. Under the Proxy Voting Guidelines, Columbia Partners generally votes client proxies in accordance with what is commonly known as Taft-Hartley proxy voting policies although Columbia Partners does not follow the Taft-Hartley policies in all cases. Columbia Partners has chosen these policies because we believe them to be most shareholder friendly and in the best interest of all of our clients. The Proxy Voting Guidelines incorporate ISS' U.S. Proxy Advisory guidelines policies when Columbia Partners believes that all of its clients' interests are best served by such variances from the Taft-Hartley policies.

Columbia Partners manages money for numerous clients including many Taft-Hartley and

union plans. The Firm also participates at the request of numerous clients in the AFL-CIO survey of proxy voting by money managers. The possibility of conflict of interest could be deemed to exist between the Columbia Partners efforts to attract and retain union pension plan clients and its proxy voting policies. Columbia Partners believes, however, that the Proxy Voting Guidelines serve the best interests of all of its clients because they are designed to cause Columbia Partners to vote in the economic best interests of its clients and are based on sound theories of corporate governance which promote long term shareholder value. If a client wants to vote the proxies of a publicly traded company differently than the manner in which Columbia Partners votes under the Columbia Partners Proxy Voting Guidelines, it must contact Columbia Partners to arrange procedures to vote differently than such guidelines.

Columbia Partners has a fiduciary obligation to determine that ISS can make voting recommendations in an impartial manner and in the best interests of Columbia Partners' clients. To that end, on an annual basis, the CCO reviews ISS's Due Diligence Compliance Package including ISS's Policies, Procedures and Practices Regarding Potential Conflicts of Interest to obtain an understanding of ISS's capacity and competency to adequately analyze proxy issues. In conducting this review, the CCO considers (1) the adequacy and quality of ISS's staffing and personnel; and (2) the robustness of ISS's policies and procedures regarding its ability to (i) ensure that its proxy voting recommendations are based on current and accurate information and (ii) identify and address any conflicts of interest. To the extent the CCO believes he needs additional information to make the foregoing determinations, he reviews such other information as he deems necessary on the ISS website and/or conducts a due diligence call or meeting with the Columbia Partners' ISS account manager.

Where ISS does not vote on a particular issue or on the proxies of a company or Columbia Partners plans on deviating from the manner in which ISS intends to vote, the manner in which Columbia Partners will vote for such proxies will be determined by Columbia Partners' Chief Investment Officer. Columbia Partners also maintains a proxy voting committee for those situations where Columbia Partners votes the proxies instead of ISS and the Chief Investment Officer determines that a conflict of interest exists between Columbia Partners and its clients. In such situations, at least two members of Columbia Partners' proxy voting committee must determine the position that is in the best interests of the Columbia Partners' client whose account owns the underlying security and vote the proxy in favor of that position.

Columbia Partners may choose to not vote a proxy if it is not practicable to do so or if Columbia Partners determines that the potential costs involved with voting a proxy outweigh the potential benefits to the client whose account owns the underlying security. Furthermore, there may be times when refraining from voting a proxy is in a client's best interest.

The Columbia Partners proxy voting policies and procedures including its Proxy Voting Guidelines and its proxy voting record are available upon request by contacting the Chief Compliance Officer at (240) 482-0408.

ITEM 18 - FINANCIAL INFORMATION

This item requires disclosure of any financial condition that is reasonably likely to impair our

ability to meet contractual commitments to clients. Currently, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.