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**Part 2A of Form ADV**

**January 13, 2017**

This Brochure provides information about the qualifications and business practices of Seix Investment Advisors LLC ("Seix"). If you have any questions about the contents of this brochure, please contact us at (201) 391-0300 and/or [www.seixadvisors.com](http://www.seixadvisors.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. Registration of an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Seix is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

The SEC adopted “Amendments to Form ADV” in July 2010. This Brochure, dated January 13, 2017, was prepared according to the SEC’s new requirements and rules. This Item is used to provide a summary of new or updated material information since the last update of our Brochure on March 28, 2016.

We made the following material change to Item 4 Advisory Business:

Added the following language:

In December 2016, it was announced that certain employees of RidgeWorth Investments and its wholly owned subsidiaries, together with affiliated investment funds of Lightyear Capital LLC, have entered into a definitive agreement under which RidgeWorth will be acquired by Virtus Investment Partners (“Virtus”). Virtus, a publicly traded firm, is singularly committed to the long-term success of individual and institutional investors, offering asset management through its affiliated managers and select subadvisers. The combined firms will manage almost \$87 billion in institutional and retail client assets (based on September 30, 2016 assets under management). This transaction is expected to close in mid-2017.

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## **Item 4 – Advisory Business**

### **A. General Description of Advisory Firm**

Seix Investment Advisors Inc. was founded in July 1992 as a fixed income only boutique. On May 28, 2004, Seix Investment Advisors Inc. was acquired by SunTrust Banks, Inc. (“STI”) through its institutional asset management subsidiary, Trusco Capital Management (“Trusco”) and became Seix Advisors, the predecessor of Seix Investment Advisors LLC (“Seix” or the “Firm”). Effective March 31, 2008, Trusco was renamed and reorganized into a money management holding company, RidgeWorth Capital Management, Inc., comprised of multiple and distinct SEC-registered investment advisory boutiques, including Seix. On May 30, 2014, certain employees of RidgeWorth Capital Management, Inc. and its wholly owned subsidiaries, including Seix, alongside affiliated investment funds of Lightyear Capital LLC (“Lightyear”) and outside investors, acquired RidgeWorth Capital Management, Inc. and its name was changed RidgeWorth Capital Management LLC (“RidgeWorth”). As part of the acquisition, StableRiver Capital Management LLC, a wholly owned subsidiary of RidgeWorth, was integrated into Seix. In December 2016, it was announced that certain employees of RidgeWorth and its wholly owned subsidiaries, including Seix, together with affiliated investment funds of Lightyear, have entered into a definitive agreement under which RidgeWorth will be acquired by Virtus Investment Partners (“Virtus”). Virtus, a publicly traded firm, is singularly committed to the long-term success of individual and institutional investors, offering asset management through its affiliated managers and select subadvisers. The combined firms will manage almost \$87 billion in institutional and retail client assets (based on September 30, 2016 assets under management). This transaction is expected to close in mid-2017.

### **B. Description of Advisory Services**

Seix provides discretionary “investment supervisory services” to high-net worth individuals and to institutional clients such as pension and profit sharing plans, insurance companies, Taft-Hartley plans, public funds, endowments and foundations, supranational entity government sponsored funds or entities, governmental entities, educational and healthcare facilities and other corporate entities; wrap-fee programs (“Wrap” or “Wrap Programs”); and the following investment supervisory services to the following types of commingled funds (collectively, “Funds”):

1. Manager, sub-manager, and sub-adviser to investment companies registered under the Investment Company Act of 1940, as amended (“1940 Act”) (“mutual funds”);
2. Collateral manager of privately placed offshore funds investing in loan and debt instruments (“CLO Funds”) and their Delaware co-issuers;
3. Managing Member or Manager of related private on-shore and offshore funds (collectively, “COF Fund” or “COF”);
4. Sole member of the General Partner of a privately placed onshore limited partnership investing in loan and debt instruments (the “MSARF”);

5. Submanager for an open ended collective investment scheme named the Oyster Global High Yield Fund, which is a société d'investissement à capital variable (SICAV) established in the Duchy of Luxembourg ("Oyster Fund");
6. Sub-Investment Advisor to a Bermuda mutual fund named the Performa High Yield Fund Ltd. ("Performa"); and
7. Sub-Investment Manager to a sub-fund of an investment company with variable capital incorporated with limited liability in Ireland and established as an umbrella fund with segregated liability between sub-funds named Mercer Investment Fund 1 ("Mercer").

The above-described individuals, institutions, Wrap Programs and various Funds are collectively referred to as "Clients".

Customized investment management services are based on Client-specific criteria such as:

1. organizational structure;
2. risk assessment;
3. liquidity and cash flow;
4. income needs;
5. other sources of funds to meet obligations;
6. general economic conditions; and
7. social and other preferences relating to the account's investment guidelines.

Seix also provides non-discretionary investment advisory services. Pursuant to written agreements, Seix may provide asset allocation solutions, investment consulting, investment and investment policy monitoring, and advice relating to current and future investments, along with periodic reports and in-person reviews. Clients retain discretion over all assets under consulting arrangements, and are responsible for implementing or declining to implement any consulting services or advice provided by Seix.

### **C. Availability of Customized Services for Individualized Clients**

Each Client has its own set of investment guidelines that describe what types of investments may be purchased for its account and what types of investments may not be purchased for its account. Clients may impose restrictions on types of investments, such as socially responsible restrictions. Customized investment management services are based on Client-specific criteria such as organizational structure, risk assessment, liquidity and cash flow, other sources of funds to meet obligations and general economic conditions.

### **D. Wrap Fee Programs**

Seix acts as manager for several Wrap Programs. The Wrap accounts are managed in a similar fashion as separately managed Client accounts with certain differences. Due to the smaller size of Wrap accounts and regulatory restrictions, they are not eligible to participate in privately offered securities (Rule 144A

bonds) while most of the separately managed accounts are eligible. Further, Wrap accounts cannot participate in the vast majority of newly issued bond offerings due to the underlying wrap sponsor being in the underwriting syndicate for the newly issued bonds. The issuer weightings for Wrap accounts are different because of their smaller size and their need for liquidity. The bonds in the Wrap accounts need to be more liquid than the bonds in the separately managed accounts due to the smaller size of the bond positions that are traded and the greater frequency in which the bond positions need to be traded. Seix receives a portion of the Wrap fee for its services.

Seix may not be provided with sufficient information by the underlying wrap sponsor to perform an assessment as to the suitability of Seix's services for the client. Seix will rely on the wrap sponsor who, within its fiduciary duty, must determine not only the suitability of Seix's services for the client, but also the suitability of the wrap program for the client.

#### **E. Assets Under Management**

Seix had a total of \$25,636,976,367 of discretionary assets and \$64,104,667 of non-discretionary assets under management as of December 31, 2015.

### **Item 5 – Fees and Compensation**

#### **A. Advisory Fees and Compensation**

Seix's fees are generally payable quarterly in arrears. Initial fees are calculated based upon the number of days in the quarter Seix started managing the Client's account. Subsequent quarters are billed in full unless the Client terminated the relationship prior to the end of the quarter, in which case the fee is prorated for the number of days prior to the end of the quarter.

Seix's basic fee schedules for separately managed accounts are:

##### **Investment Grade Strategies – Long Duration**

0.30% per year on the first \$100 million;  
0.25% per year on the next \$100 million;  
0.20% thereafter  
(minimum account size of \$50 million)

##### **Investment Grade Strategies – Short Duration**

0.175% per year on the first \$100 million;  
0.12% per year on the next \$100 million;  
0.10% thereafter  
(minimum account size of \$50 million)

##### **Tax Exempt Strategies (Average Maturity 3 years or less)**

0.30% per year on the first \$10 million  
0.25% per year on the next \$40 million  
0.18% per year thereafter  
(minimum annual fee is \$10,000 and minimum account size is \$10 million)

**Tax Exempt Strategies (Intermediate Total Return)**

0.40% per year on the first \$10 million

0.30% per year on the next \$40 million

0.18% per year thereafter

(minimum annual fee is \$10,000 and minimum account size is \$10 million)

**High Yield Strategies (Other than Energy Opportunities Strategy and Income Opportunities Strategy)**

0.50% per year on the first \$100 million;

0.40% per year thereafter

(minimum account size of \$50 million for leveraged loans and \$20 million for bonds)

**Multi-Sector Absolute Return Strategies**

0.50% per year on the first \$100 million;

0.40% per year thereafter

(minimum account size of \$50 million)

**Energy Opportunities Strategy (EOS)**

0.65% per year

(minimum account size of \$20 million)

**Income Opportunities Strategy (IOS)**

0.50% per year

(minimum account size of \$20 million)

Seix's fees are negotiable and may vary based on account type and Client services requested. Seix will consider factors such as number and frequency of reports and Client meetings, individual security investments versus common or collective funds, investment guidelines and restrictions, account size and type of Client entity.

Description of the fees earned by Seix for managing private Funds that Seix manages can be found in the offering memorandum for each of the private Funds. Fees for the mutual funds for which Seix acts as sub-adviser can be found in the mutual fund's prospectus.

**B. Payment of Fees**

Seix generally bills Clients for fees incurred on a quarterly basis. Certain Clients calculate Seix's fees and submit the payments to Seix. A Client must request that it calculate and submit payments to Seix and Seix must agree to the arrangement. Seix does not deduct fees from Clients' assets.

**C. Additional Fees and Expenses**

Seix does not have physical custody of any Client assets. Clients are responsible for making arrangements with their custodians and for paying their custodians' fees and expenses. If a Client invests in a mutual fund subadvised or managed by Seix, the Client will be responsible for paying the mutual fund's fees. Clients may incur brokerage and other transaction costs. Please see Item 12 for a further description of Seix's brokerage practices and arrangements.

#### **D. Prepayment of Fees**

Seix's standard policy is to be paid in arrears. On occasion, a client may pay in the middle of the quarterly billing cycle. If there is an overpayment in a quarter, it is addressed the following quarter. The fees for the Wrap Program Clients may be paid in advance, depending on the billing arrangements with the applicable Wrap Program sponsor. If a Wrap Client's account is reduced or closed for any reason during a billing period, Seix will return to the Wrap Sponsor a pro-rata portion of the fee it received with respect to the assets in such Client's account for the remaining fee period.

#### **E. Additional Compensation and Conflicts of Interest**

Fees for special investment advisory services are charged only when requested by a Client and agreed to by Seix. Special investment advisory services are available upon request and fees are negotiable. Fees for certain investment advisory services such as asset allocation solutions, investment consulting, investment and investment policy monitoring, and advice relating to current and future investments are negotiable.

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

Seix will enter into a performance-based fee arrangement with a Client with a separately managed account only at the Client's request and only if the Client qualifies for exclusion under Rule 205-3 under Section 205 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Seix accepts performance-based fees from one separately managed Client account and certain of the private Funds it manages. This presents a conflict of interest because there is an incentive for the investment management team to favor the accounts with performance-based fees over accounts without performance fees because of the potential for higher fees. Seix has procedures in place to ensure that trades are allocated fairly among Clients, including monitoring of allocations by the compliance team. Seix will, in most cases, aggregate transactions on behalf of various accounts. Seix will allocate aggregated transactions to all participating eligible Client accounts in a fair and equitable manner consistent with its trade allocation procedures, fiduciary obligations and each participating Client's investment guidelines and investment management agreement. In addition, the compensation of the investment teams that manage the accounts with performance-based fees is tied to the performance of all of the accounts they manage.

### **Item 7 – Types of Clients**

Seix provides investment management services to high-net worth individuals and to institutional Clients such as pension and profit sharing plans, retirement and benefit plans for unions (Taft-Hartley plans), public funds, endowments, foundations, trusts, government-sponsored entities, governmental entities, captive insurance companies, educational and healthcare facilities such as colleges and hospitals and other types of corporate Clients. Seix also acts as investment manager for Clients in wrap-fee programs. In addition, Seix provides investment management services to commingled funds, including investment companies registered under the Investment Company Act of 1940, as amended (the "1940 Act") (i.e., mutual funds), several private funds that are exempt from registration as mutual funds under the 1940 Act pursuant to section 3(c)(7) of the 1940 Act, and offshore commingled funds.



The minimum account size is \$50,000,000 for leveraged loan accounts, multi-sector absolute return accounts, and investment grade accounts other than tax exempt accounts. The minimum account size is \$20,000,000 for EOS, IOS, and high yield bond accounts. The minimum account size is \$10,000,000 for tax exempt accounts. Seix may accept or retain Clients whose accounts are below the \$50,000,000, \$20,000,000, or \$10,000,000 minimums in its sole discretion.

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

### **A. Methods of Analysis and Investment Strategies**

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

For investors in Funds subadvised or managed by Seix, please see the applicable offering documents for specific information regarding each Fund's investment strategies and risks.

Seix's methods of analysis include the following:

#### **Investment Grade Philosophy and Process**

Seix is an active bond manager who believes that the market offers potential opportunities for returns to investors who understand and correctly value Fixed Income securities. We focus our management efforts on the "bottom-up" principle of security selection along with "top-down" strategies for sector allocation and yield curve structure using rigorous fundamental research as well as a series of proprietary and third party tools to identify value. Our diversified portfolios of well-researched companies, value-added security structures and sector rotation seek to provide attractive spreads above the benchmark, regardless of the level or direction of interest rates, at controlled risk levels. We do not expose our Clients to the risks of market timing by maintaining duration close to that of the benchmark.

#### **High Yield Bonds and Leveraged Loans Philosophy and Process**

Our investment objective is to maximize the upside which is inherent when investing in the High Yield Bonds and Leveraged Loans markets, but also to be focused on reducing risk by minimizing the downside.

Seix Investment Advisors believes that consistently superior High Yield Bonds and Leveraged Loans performance is achieved by focusing on the healthier segment of the High Yield Bonds and Leveraged Loans markets. Therefore, we devote our resources to a targeted universe of High Yield Bonds and Leveraged Loan assets. The anomalies that we seek to capture by pursuing this investment approach are to:

- Maximize portfolio return per unit of risk
- Minimize the potential for permanent capital loss that could occur with a default
- Provide the necessary liquidity to make active sector shifts
- Allow for the effective application of Fixed Income research techniques to the High Yield Bonds and Leveraged Loans markets

## Sources of Information

Sources of information used by Seix include filings with the U.S. Securities and Exchange Commission, prospectuses, meetings with management, annual reports, rating services, research materials prepared by others, inspections of corporate activities, company press releases, and financial newspapers and magazines. In addition to publicly available sources of information, Seix also uses internal research developed by its investment professionals

### **B. Material, Significant or Unusual Risks Relating to Investment Strategies**

The material risks relating to the significant methods of analysis and investment strategies described above are set forth below:

**Credit Risk:** Debt securities are subject to the risk that an issuer will fail to make timely payments of interest or principal, or go bankrupt, or that the value of the securities will decline because of a market perception that the issuer may not make payments on time. The lower the rating of a debt security, the higher its credit risk.

**Interest Rate Risk:** Debt securities will generally lose value if interest rates increase. U.S. Government securities can exhibit price movements resulting from changes in interest rates. Interest rate risk is generally higher for investments with longer maturities or durations. Treasury Inflation Protected Securities ("TIPS") can also exhibit price movements as a result of changing inflation expectations and seasonal inflation patterns.

**Mortgage and Asset Backed Security Risk:** Mortgage- and asset-backed securities are debt instruments that are secured by interests in pools of mortgage loans or other financial assets. The value of these securities will be influenced by the factors affecting the assets underlying such securities, swings in interest rates, changes in default rates, or deteriorating economic conditions. During periods of declining asset values, mortgage-backed and asset-backed securities may face valuation difficulties, become more volatile and/or illiquid.

**Prepayment and Call Risk:** When mortgages and other obligations are prepaid and when securities are called, the Client may have to reinvest in securities with a lower yield or fail to recover additional amounts paid for securities with higher interest rates, resulting in an unexpected capital loss.

**Foreign and Companies Securities Risk:** Foreign securities and dollar denominated securities of foreign issuers involve special risks such as currency fluctuations, economic or financial instability, lack of timely or reliable financial information, unfavorable political or legal developments and delays in enforcement of rights. These risks are increased for investments in emerging markets.

**Below Investment Grade Securities Risk:** Below investment grade securities (sometimes referred to as "junk bonds") involve greater risk of default or downgrade and are more volatile than investment grade securities. Below investment grade securities may also be less liquid than higher quality securities.

**Floating Rate Loan Risk:** The risks associated with floating rate loans are similar to the risks of below investment grade securities. The value of the collateral securing a floating rate loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. As a result, a floating rate loan may not be fully collateralized and can decline significantly in value. Floating rate loans

generally are subject to contractual restrictions on resale. The liquidity of floating rate loans, including the volume and frequency of secondary market trading in such loans, varies significantly over time and among individual floating rate loans. During periods of infrequent trading, valuing a floating rate loan can be more difficult, and buying and selling a floating rate loan at an acceptable price can also be more difficult and delayed. Difficulty in selling a floating rate loan can result in a loss. In addition, floating rate loans generally are subject to extended settlement periods in excess of seven days, which may impair the Client's ability to sell or realize the full value of its loans in the event of a need to liquidate such loans. The sale and purchase of a leveraged loan are subject to the requirements of the underlying credit agreement governing such leveraged loan. These requirements may limit the eligible pool of potential leveraged loan holders by placing conditions or restrictions on sales and purchases of leveraged loans.

Leveraged loans are not traded on an exchange and purchasers and sellers of leveraged loans rely on market makers, usually the administrative agent for a particular leveraged loan, to trade leveraged loans. These factors, in addition to overall market volatility, may negatively impact the liquidity of leveraged loans. Difficulty in selling a floating rate loan may result in a loss.

Borrowers may pay back principal before the scheduled due date when interest rates decline, which may require Seix to replace a particular leveraged loan with a lower-yielding asset. The Client may assume the credit risk of the administrative agent in addition to that of the borrower, and investments in leveraged loan assignments may involve the risks of being a lender.

**Leverage Risk:** Certain transactions and the use of derivatives such as foreign currency forward contracts, swaps and futures may create leveraging risk. Leverage may cause the Client's account to be more volatile than if the Client's account had not been leveraged. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the Client's securities. Only certain Fund clients may incur leverage.

**Derivatives Risk:** Investments in derivatives expose a Client to additional volatility and potential loss. Losses on investments in certain types of derivatives may exceed the initial investment. Only certain Fund Clients invest in derivatives.

**Short Sales Risk:** Short sales expose a Client to substantial risks given their inherent heightened risk of loss. Short sales involve a finite opportunity for appreciation, but a theoretically unlimited risk of loss. Short positions are also subject to a "short squeeze" that could lead to accelerating losses for those that are short that particular security.

**Foreign Currency Forward Contracts Risk:** The technique of purchasing foreign currency forward contracts to obtain exposure to currencies or manage currency risk may not be effective. In addition, currency markets generally are not as regulated as securities markets. Only certain Fund Clients invest in foreign currency forward contracts.

**Swap Risk:** Certain Clients may enter into swap agreements, including credit default swaps, for purposes of attempting to gain exposure to a particular asset without actually purchasing that asset, or to hedge a position. Credit default swaps may increase or decrease the Client's exposure to credit risk and could result in losses if Seix does not correctly evaluate the creditworthiness of the entity on which the credit default swap is based. Swap agreements may also subject the Client to the risk that the counterparty to the transaction may not meet its obligations. Only certain Fund Clients invest in swaps.

**Futures Contract Risk:** Certain Clients may enter into futures contracts. The risks associated with futures include Seix's ability to manage these instruments, the potential inability to terminate or sell a position, certain market conditions causing increased volatility, the lack of a liquid secondary market for the Client's position and the risk that the counterparty to the transaction will not meet its obligations. Only certain Clients invest in futures contracts.

**Municipal Securities Risk:** Litigation, legislation or other political events, local business or economic conditions, or the bankruptcy of the issuer could have a significant effect on the issuer's ability to make payments of principal and/or interest or otherwise affect the value of such securities. The value of these securities may decline because of a market perception that the issuer may not make payments on time.

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

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

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

## **Item 9 – Disciplinary Information**

Seix and its employees have not been the subject of any criminal or civil proceedings, nor any administrative proceedings before regulatory authorities or self-regulatory organizations since the inception of Seix in 1992.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **A. Broker-Dealer Registration Status**

Seix is not registered as a broker-dealer and does not have any pending applications for registration.

### **B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status**

Seix is not registered as a futures commission merchant, commodity pool operator or commodity trading adviser and does not have any pending applications for registration. Seix filed for an exemption

from registration as a Commodity Pool Operator under CFTC Rule 4.13(a)(3) in December 2012 and renewed the exemption in February 2016.

### **C. Material Relationships or Arrangements with Industry Participants**

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

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

RidgeWorth International Ltd. (“RidgeWorth International”) (FRN 673689), a wholly owned subsidiary of RidgeWorth, is headquartered in London, England and is an Appointed Representative of Mirabella Advisers LLP (“Mirabella”) (FRN 606792), which is authorized and regulated by the Financial Conduct Authority. As such, Approved Persons of RidgeWorth International are permitted to engage in certain regulated activities within the United Kingdom and European Economic Area member states, and regulatory compliance services for these activities will primarily be provided to RidgeWorth International by Mirabella, in its capacity as RidgeWorth International’s principal. In addition, RidgeWorth International representatives will, to the extent permitted by each applicable jurisdiction, be introducing RidgeWorth and Seix investment advisory services to Sovereign Wealth funds and other foreign official institutions outside the European Economic Area.

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

#### **(1) Investment Companies**

Seix sub-advises certain investment portfolios of the RidgeWorth Funds which are affiliated with Seix, and are distributed by RidgeWorth Distributors LLC. Broker-dealers play a significant role and receive 12b-1 and other internal and external fees for selling interests in the RidgeWorth Funds. Service providers to the RidgeWorth Funds include State Street Bank and Trust Company (“State Street Bank”) for Fund Accounting, Fund Administration and Custody. Transfer Agency services are provided by Boston Financial Data Services, Inc.

Seix is a sub-adviser of the City National Rochdale Fixed Income Opportunities Fund, a series of City National Rochdale Funds, which is a registered investment company.

#### **(2) Investment Advisers/Broker-Dealers**

RidgeWorth is structured to provide discretionary and non-discretionary advisory and other services to Clients through a series of three wholly owned subsidiaries and one minority owned adviser, each of which is an SEC registered investment adviser (collectively, the “Boutiques”) that specializes in various categories of investment management.

RidgeWorth provides such services principally through the Boutiques to market the various specialties separately and independently from one another. See Item 3 of Form ADV Part 2A of RidgeWorth and the Form ADV Part 2A of each Boutique for more details.

Seix has material business relationships with RidgeWorth. Seix has contracted with RidgeWorth to sub-advise and provide portfolio management, research and analysis, to specified Client assets of RidgeWorth, including certain RidgeWorth Funds. Seix and RidgeWorth have entered into solicitation or referral agreements. Seix and RidgeWorth have entered into an administration agreement (the “Administration Agreement”) whereby RidgeWorth, in consideration for a periodic fee, intercompany credit, revenue share or dividend paid by Seix provides Seix with certain back-office, administrative, and other services, which may include, but is not limited to, services relating to finance, accounting, human resources, and marketing. Certain Seix officers and employees are also officers and employees of RidgeWorth and one or more or all of the Boutiques and accordingly RidgeWorth persons may perform certain of the above-mentioned activities on behalf of Seix or another Boutique in their capacity as a Seix or Boutique officer rather than under the Administration Agreement (e.g., Proxy Committee). As described more fully in RidgeWorth’s or the other Boutiques’ Form ADV Part 2A, additional financial industry affiliations may apply to RidgeWorth or the other Boutiques, which are not discussed in this Item 10 of Seix’s ADV Part 2.

Seix wholly owns the general partner of Seix CLO Management LP. Seix CLO Management LP wholly owns Seix CLO Management LLC, which is a SEC registered investment adviser formed to meet the requirement of the “risk retention” rules promulgated by U.S. federal regulators under the Dodd-Frank Wall Street Reform and Consumer Protection Act signed into federal law on July 21, 2010 (“Dodd-Frank Act”) and the European Union’s regulations regarding risk retention in securitized assets (“EU Risk Retention Rules”). Seix CLO Management LLC will act as collateral manager for CLOs. Certain Seix officers are also officers of Seix CLO Management LLC.

Lightyear, through its affiliated investment funds, has an indirect investment in RidgeWorth and its subsidiary Boutiques, including Seix. However, Lightyear and its affiliates do not have any role in the Firm’s investment process related to the management of client assets and thus conflicts are avoided or mitigated. See Item 11 for information regarding the Information Barrier policy adopted by both the Firm and Lightyear. In addition, Lightyear, through its affiliated investment funds, has an indirect investment in Advisor Group, Inc. (“Advisor Group”) and its subsidiaries, each of which is a broker-dealer and registered investment advisor. To avoid potential conflicts of interest, representatives of Advisor Group’s subsidiaries are restricted from recommending the RidgeWorth Funds to their clients, and RidgeWorth and the Boutiques, including Seix, do not transact client trades using Advisor Group subsidiaries.

### **(3) Private Partnerships**

Seix may serve as general partner, sole member of the general partner or managing member of any of the various Funds it manages. In particular, Seix serves as the Collateral Manager for CLO Funds, as Managing Member/Investment Manager for the COF, the sole member of the General Partner of the MSARF and the Investment Manager of the MSARF. MSARF and the CLO Funds may be offered to Clients of Seix or its Managing Member/affiliates.

Each private Fund relies on exemptions from registration under of the Securities Act of 1933, as amended, and 1940 Act Section 3(c)(7) and Rule 3a-7. They may offer and sell units only to Accredited

Investors as defined in the Securities Act of 1933 and Qualified Purchasers as defined in 1940 Act Section 2(a)(51) or to “knowledgeable employees” as defined in 1940 Act Rule 3c-5 (collectively, “Investors”). Each private Fund is managed only in accordance with its own characteristics and Investors may not impose restrictions on any investments or types of investments that would alter Seix’s investment strategy for the private Funds. In addition, Investors may not direct Seix to purchase or sell portfolio securities through any specific broker or dealer. Investors should consider whether a particular private Fund meets their investment objectives and risk tolerance prior to investing. Information about each private Fund can be found in its offering documents, including any confidential private placement memorandum.

#### **D. Material Conflicts of Interest Relating to Other Investment Advisers**

Seix serves as sub-adviser to the RidgeWorth Funds, which offer investors a selection of fixed income and equity mutual funds. When appropriate, Seix may recommend investment in these affiliated mutual funds. To the extent that a Client chooses to invest all or a portion of its account in an affiliated mutual fund, Seix does not charge an advisory fee on assets invested in affiliated mutual funds, in addition to the advisory fees embedded in the mutual funds.

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

#### **A. Code of Ethics**

Seix’s foremost responsibility is the protection of Client assets. All employees are required to comply with all regulatory laws and firm imposed policies and procedures. In addition to its high fiduciary standards, professional principles and conduct requirements, Seix must approve certain for-profit and not-for-profit “outside” or personal functions, positions, political contributions, and other activities that may create a conflict or a perceived conflict of interest to one or more of Seix’s Clients.

A copy of Seix’s Code of Ethics is available to Clients and prospective Clients upon request by contacting the Chief Compliance Officer at (201) 391-0300 or via U.S. mail by writing Seix Investment Advisors LLC at One Maynard Drive, Suite 3200, Park Ridge, NJ 07656. Seix considers all employees to be “Access Persons,” and thus all employees are held to the same strict standards.

In accordance with the Advisers Act, specifically Rule 204A-1, and the 1940 Act, specifically, Rule 17j-1(c)(1), Seix has adopted a strict Code of Ethics that primarily addresses our personal trading policy, which establishes preclearance and reporting procedures for personal securities transactions, and a policy prohibiting the use of material nonpublic information, which states that employees may not use material nonpublic information for trading personally or on behalf of others or communicate material nonpublic information to others in violation of the law.. The Code of Ethics also establishes enforcement procedures and violations of the Code are addressed and resolved by the CCO and Management as quickly as possible. Sanctions for violations may include, but are not limited to personal trading restrictions, loss of compensation, fines, suspension, and termination.

As part of its high fiduciary standards, professional principles and conduct requirements, Seix also maintains a Business Conduct Policy that contains its Gifts & Entertainment, Political Contributions, and Conflict of Interest policies. The Gifts & Entertainment Policy places restrictions on gifts and business

entertainment given and accepted and details reporting requirements for these events. The Political Contributions Policy details a preapproval process and reporting requirements for political contributions made by covered associates. The Conflicts of Interest policy requires employees to obtain approval for certain “outside” business activities and any other activity that may create a conflict or a perceived conflict of interest.

## **Participation or Interest in Client Transactions**

Seix and its affiliates may act as investment adviser to numerous Client accounts. Seix’s employees and Seix’s affiliates may invest in securities they also recommend to Clients and may give advice and take action with respect to Client accounts they manage, or for their own accounts, that may differ from action taken by Seix or its affiliates on behalf of other Client accounts. As these situations may represent a potential conflict of interest, Seix and its affiliates have adopted restrictive policies and procedures wherever deemed appropriate to detect and mitigate or prevent potential conflicts of interest. Seix and its employees are not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that Seix, its affiliates or their respective Access Persons, as defined under the 1940 Act and the Advisers Act, may buy or sell for their own accounts or for the accounts of any other Client. Seix is not obligated to refrain from investing in securities held by Client accounts that it manages except to the extent that such investments violate the Code of Ethics adopted by Seix, and the RidgeWorth Funds or any other regulatory or Client-imposed restrictions or guidelines. From time to time, Seix, its officers, directors and employees may have interests in securities owned by or recommended to Seix’s Clients. These include interests in bonds, mutual funds, and privately offered Funds, domestic or foreign, that may invest directly or indirectly in securities of issuers which Seix may purchase for MSARF, CLO Funds, Oyster Fund, Performa and Mercer. As these situations may represent a potential conflict of interest, Seix has adopted procedures relating to personal securities transactions and insider trading that are reasonably designed to prevent perceived or actual conflicts of interest.

In addition, the existence of intercompany arrangements, business relationships and investment practices between Seix, its parent company and affiliates creates the potential for conflicts of interest. Seix has adopted restrictive policies and procedures wherever deemed appropriate to detect and mitigate or prevent potential conflicts of interest. Known conflicts and Seix’s handling of such conflicts are disclosed below.

Seix portfolio management and trading personnel may at times simultaneously purchase or sell the same investments for Seix’s Clients, as well as for various non-Seix Client relationships. Restrictive policies and procedures for information protection, Client account access, cross trading and trade allocations have been implemented. Information sharing restrictions and policies and procedures have been implemented to protect Client account information access.

It is the policy of Seix to prohibit purchases and sales of assets between accounts, except in accordance with the provisions of the governing instruments, and where not in violation of applicable law. To the extent that one Client has purchased or sold a security and another Client has conducted the opposite trade, during the normal course of business, the trade will be considered to be “in the market” if the trader has waited at least four hours to execute a trade in the opposite direction or has executed each side of the trade with a different broker. Trades executed in this manner will not be considered cross trades.



For the wrap program trading desks, the trader must wait at least two hours to execute a trade in the opposite direction or has executed each side of a trade with a different broker. Should the wrap trading desks and the institutional trading desks happen to be trading the same securities in opposite directions, they will not be considered cross trades because the desks have different traders.

The cross-trading policy excludes treasury and agency trades because the liquidity in these markets is such that only a few minutes is needed to ensure that the trades have been exposed to the market.

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

Due to Lightyear's indirect investment in RidgeWorth and its wholly owned subsidiary boutiques, including Seix, RidgeWorth has a policy of not purchasing or recommending the purchase of voting securities of a publicly held company (1) if a director or senior officer of RidgeWorth, its wholly owned subsidiaries or Lightyear sits on the board; and (2) of which Lightyear investment funds hold an ownership interest. The Firm is also subject to restrictions with respect to certain banking organizations. Restricted security information is available upon request.

Certain "knowledgeable employees" (as such term is defined in Rule 3c-5 promulgated under the 1940 Act) of Seix and RidgeWorth have invested in the COF as provided in the COF's private offering memoranda, have invested in Mountain View CLO 2013-1 Ltd. ("MV 2013") as provided in MV 2013's offering memorandum, have invested in Mountain View CLO 2014-1 Investor Ltd. ("MV 2014") as provided in MV 2014's offering memorandum and/or have invested indirectly in Mountain View CLO IX Ltd. ("MV IX") through a Delaware limited liability company created for the knowledgeable employees. Investments in the COF, MV 2013, MV 2014 and MV IX by Seix knowledgeable employees present inherent conflicts of interest when allocating trades or investment opportunities because the COF, MV 2013, MV 2014 and MV IX are managed by certain of the knowledgeable employees side by side with certain mutual funds, the MSARF, the other CLO Funds, the Oyster Fund, Performa, Mercer and certain individually managed Client accounts. Seix has procedures in place to ensure that trades are allocated fairly among Clients, including monitoring allocations. In addition, the compensation of the knowledgeable employees who manage the COF, MV 2013, MV 2014 and MV IX are tied to the performance of all of the Funds, and individual Client accounts that they manage.

Mutual fund transactions with affiliated broker-dealers, if any, will be executed only pursuant to procedures adopted by the respective Board of Trustees of such mutual funds under the 1940 Act Rules 17e-1 and 10f-3. Cross transactions in mutual funds are executed only in accordance with 1940 Act Rule 17a-7 procedures adopted by each mutual fund's respective Board of Trustees. Under certain conditions, and upon specific Client requests, purchases of a mutual fund portfolio may be executed through "in-kind" securities purchases in lieu of cash purchases. Each Client request and each portfolio holding is individually evaluated to determine the feasibility and acceptability under the policies and procedures of Seix and the relevant mutual fund.

For accounts where Seix may be delegated discretion pursuant to an agreement with SunTrust Bank, transactions with affiliated broker-dealers will be executed only as allowed in conformance with Section 23B of the Federal Reserve Act and other applicable laws or regulations.

To the best of its abilities, Seix reviews and monitors each individual situation to ensure that all Clients are adequately protected against conflicts of interest. With respect to voting proxies for any such companies, Seix follows the conflicts provisions described in its Proxy Voting Policy designed to eliminate or minimize any such conflict. For more information, see the Summary of Seix Investment Advisor LLC's Proxy Voting Policy below.

## **Personal Trading**

- In accordance with the Advisers Act, specifically Rule 204A-1, and the 1940 Act, specifically Rule 17j-1(c)(1), Seix has adopted a strict Code of Ethics that address personal and professional conflicts of interest, prohibits certain types of personal securities transactions, and is designed to avoid perceived or actual conflicts and prevent front running and possible insider trading abuses.
- The Code of Ethics also establishes reporting requirements and enforcement procedures.
  - All Access Persons are required to comply with Federal Securities Laws.
  - All Access Persons are required to immediately report any violation of the Code of Ethics to the Chief Compliance Officer.
  - All Access Persons are required to initially/quarterly/annually submit the appropriate information, material, and documentation regarding all personal trading.
  - Each Access Person is required to direct each brokerage firm or bank at which such Access Person maintains a securities related account in which the Access Person has direct or indirect beneficial interest, to send duplicate copies of each person's confirmations and statement to the designated Seix Compliance Review Officer. If such designated broker transmits holdings via an electronic feed, in lieu of the paper statements, the Seix Compliance Review Officer will request such an electronic feed.
  - All Access Persons are required, in accordance with firm policies, to pre-clear and/or report personal transactions in their accounts. (Certain mutual funds, cash/cash equivalents, indexes and government related securities are exempt.)
  - Market timing and late day trading detailed by the SEC are not permitted
  - Short term trading in any/all positions is discouraged. In general, all securities must be held for a period of 30 days or more.
  - Access Persons are restricted from trading certain securities during certain periods of time. These are referred to as "black out" periods and are designed as a means of protecting Clients against employee front running and insider trading.
  - Access Persons are restricted from specific styles of trading such as good-till-canceled orders that remain active beyond a day, and are restricted from investments in initial public offerings ("IPOs"). Private placements must be precleared.

- For each Access Person for which an electronic broker feed is received, the designated Seix Compliance Review Officer review activity daily to determine if any individual violations occurred. For all other Access Persons, the review is completed on a monthly basis upon receipt of broker paper statements.
- Violations will be swiftly dealt with, and depending upon the seriousness of the infraction, Seix may impose one or more of the following:
  - Verbal admonishment;
  - Written acknowledgement from the Access Person that he/she has again reviewed, fully understands, and agrees to abide by all Seix Personal Trading Policy and Procedures;
  - Written notice to the Access Person's personnel and compliance files and steps taken to ensure full compliance in the future;
  - Fines and/or reversals of the transaction(s); (individual must accept all losses and any profits would go to a charitable organization chosen by the applicable individual);
  - Partial or full restriction on all personal trading; and/or
  - Suspension or termination of employment.

Seix shall maintain records under the conditions described in Rule 31a-2 under the 1940 Act and Rule 204-2 of the Advisers Act that shall be available for examination by representatives of the SEC.

## **Item 12 – Brokerage Practices**

### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

#### **Investment or Brokerage Discretion**

Seix generally has discretionary authority to determine, without obtaining specific Client consent, the securities and the amounts thereof to be bought or sold. Seix must adhere to Client investment guidelines, even though such guidelines may adversely affect the Client's investment returns. At a Client's request, Seix may provide non-discretionary investment management services. See Item 10, above, for a discussion of limitations on Seix's authority to buy or sell securities that may involve any related persons.

#### **Selection Criteria for Brokers and Dealers**

Seix's objective in selecting brokers and dealers and in effecting portfolio transactions is to obtain the best combination of price and execution with respect to transactions in its Clients' accounts. Loans are generally purchased and sold directly between loan counterparties in dealer markets and debt securities are also generally purchased and sold in dealer markets where there are no agency commissions. Therefore, a number of other judgmental factors must be considered, along with the best price.

Seix uses Electronic Communications Networks (“ECNs”), through which multiple brokers compete for trading opportunities, for certain types of securities. This usually results in equal or more favorable overall executions for the transactions.

Seix’s Brokerage Committee meets periodically, but no less than quarterly, to review and assess all current broker-dealer relationships. In selecting among broker-dealers to execute a given transaction under Seix’s discretionary authority, Seix considers, among other things, the following:

1. the broker’s expertise and ability to execute the transaction at the most favorable price of the security for the Client;
2. the ability of the broker to handle large blocks/thin markets and other special trading situations;
3. the price of the security for the Client;
4. the financial strength and stability of the brokerage firm;
5. the investment research services provided by the broker; and
6. the operational abilities of the broker.

Seix evaluates the performance of the brokerage firms using the criteria specified above and other input as deemed appropriate. Performance is also reviewed relative to trading volume to help determine if best execution is being obtained. Brokers that have not been approved are blocked from Seix’s trade allocation system in order to prevent trading with unauthorized brokers.

### **Trade Aggregation Policy**

Seix will always seek best overall execution for its Clients unless required to use a specific broker designated by a Client. Seix will, in most cases, aggregate transactions on behalf of various accounts in order to facilitate best execution and possibly negotiate more favorable pricing. To the extent that transactions are aggregated, Seix will allocate such transactions to all participating Client accounts in a fair and equitable manner consistent with its written trade allocation procedures, fiduciary obligations and each participating Client’s investment guidelines and investment management agreement.

Due to market conditions or a change in portfolio management decisions, a specific aggregated order may not be completely filled at one price or in total. At such times, the order will be average-priced so that all accounts receive a fair price and the transaction will be distributed among all eligible accounts in a fair and equitable manner so that no eligible account will be systematically disadvantaged in such situations. In addition, dedicated investment disciplines and portfolios may receive all or a larger percentage of a partially filled transaction if the asset is generally the primary investment vehicle for the portfolio or account. For example, a bank loan fund account may receive a greater allocation of a partially executed bank loan transaction than a bond fund account. This is because the bank loan fund account invests a greater percentage of its assets in bank loans, while the bond fund account can only place a limited percentage of its assets in bank loans. Therefore, the market value of assets going to bank loans in a bond fund account may be significantly smaller than that of a bank loan fund account. The same principles apply in favor of a portfolio invested predominantly in bonds when allocating a bond trade between a bond fund account and a bank loan fund account.

In addition, Seix engages in opportunistic market bond trades. Opportunistic market bond trades are characterized by purchasing a bond position from one party and selling it to another pre-identified party

during the same day to profit from inefficiencies in the marketplace. The opportunistic market bond trades are not allocated pro rata among all Clients because of the risk level, nature and relatively small size of such trades. Instead, the opportunistic market bond trades are allocated among Clients based on several factors, including, but not limited to, whether a Client account can hold bonds rated CCC or lower, the Client's current holdings of bonds rated CCC or lower, Client guidelines, Client risk tolerance, Client investment objectives, a Client's sensitivity to turnover, available investments and liquidity.

Further, Seix engages in opportunistic market loan trades. Opportunistic market loan trades are characterized by purchasing a loan position from one party and selling it to another pre-identified party, usually within less than one hour to profit from inefficiencies in the loan marketplace. The opportunistic market loan trades are not allocated pro rata among all Clients because of the risk level, nature, relatively small size of such trades, potential multiple assignment fees and minimum dollar amount requirements under the applicable credit agreements. The opportunistic market loan trades are allocated among three actively managed Client accounts whose primary investment strategy is loans according to the size of the opportunistic market loan trades.

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

Compliance will monitor allocations to ensure that all trade allocation policies are consistently enforced. In cases where allocations are not made on a pro rata basis, Compliance will ensure that the rationale for any such allocation is properly documented.

Seix will reimburse Clients for any direct loss resulting from the correction of a guideline breach or trade error where such is the result of an action taken by Seix. The account will keep any gains associated with corrective action. For the most part, there is no netting of multiple transactions – i.e., gains on some trades cannot be netted with losses in order to reimburse a Client for a loss. Exceptions consist of instances such as wash sale programs, Wrap Programs and the like. The gain or loss will be determined based on net proceeds paid vs. net proceeds received. It is not Seix's policy to reimburse Clients for passive breaches of investment guidelines, which are those that occur, not because of actions taken or not taken by Seix, due to changes to the issuer of a security, such as delisting from an exchange or a downgrade by a rating agency, or those due to changes in market conditions, where values of securities held by a Client increase or decrease.

### **Client-Directed Brokerage Transactions**

Seix usually has discretion to select executing broker-dealers. However, Clients occasionally restrict Seix from using a particular broker or request that Seix use a specified broker or dealer to effect transactions in an account as compensation for services provided directly or indirectly by the broker to the Client.

Specifying or restricting broker-dealers may be inconsistent with obtaining best overall execution for a Client transaction. Where a Client directs or restricts the use of a particular broker-dealer, or broker-

dealers, Seix may not be in a position where it can negotiate spreads or obtain volume discounts, and therefore, best price may not be achieved, which may negatively affect that Client's account performance. In addition, Clients who direct Seix to use a particular broker-dealer or restrict Seix from using a particular broker-dealer may be prevented from participating in allocations of certain limited-availability securities and from obtaining a portion of the allocation of new offerings through any such broker-dealers who are members of the offering underwriting syndicate.

Upon written Client direction, Seix may execute trades through specified broker-dealers, but only on the Client's understanding that separating such transactions from block orders could materially and adversely affect the Client's returns. Trades from Client-directed brokerage arrangements are executed on a best efforts basis. To the extent that Seix would otherwise have included the Client's transaction in a block order, directed orders will be placed after block trades. Seix reserves the right not to use a directed broker-dealer if the Brokerage Committee deems it in the best interests of the Client. Moreover, Seix is not obligated to execute any brokerage transactions through a directed broker-dealer that is not on its authorized broker list.

Seix participates in several Wrap Programs as identified in Item 1, above. In the typical Wrap Program, the Sponsor will provide the Client trade execution, along with investment advice, accounting, investment performance measurement and administrative services, for a comprehensive fee. Notwithstanding, the fixed income Wrap Programs managed by Seix permit Seix to trade with brokers of its choice, which may be a broker affiliated with a Wrap Sponsor. However, Seix does not place trades on behalf of a Wrap Sponsor's Clients with a broker or brokers affiliated with such Wrap Sponsor. When placing trades on behalf of a Wrap Sponsor's Clients, Seix will use the broker that provides the best price and execution for such trades as long as the broker is not affiliated with the applicable Wrap Sponsor. In addition, if any Wrap Clients are subject to ERISA, trading with the Wrap Sponsor may create a potential party-in-interest transaction prohibited under ERISA. Not all Wrap Sponsors require Clients to direct brokerage.

Further, for asset-based Wrap fees which cover trades executed by a broker affiliated with the Wrap Sponsor, Wrap Clients may be charged both fees on trades executed by other non-affiliated broker-dealers, and "mark-ups" and "mark-downs" on trades executed by the broker affiliated with the Wrap Sponsor or another broker-dealer as principal, as well as odd-lot differentials, transfer taxes, handling charges, exchange fees, offering concessions and related fees for purchases of unit investment trusts, mutual funds and other public offerings of securities, and other charges imposed by law with regard to transactions in Wrap Clients accounts. Since asset-based fees may be classified by the Internal Revenue Service as an investment expense rather than a transaction charge, Clients should consult with their professional tax advisors regarding the potential impact of such classification.

Pursuant to the Wrap Program agreement, the Sponsor pays Seix an investment advisory fee, which is included in the Client's comprehensive fee. The Sponsor is generally responsible for the majority of Client communication and administrative services. Depending on the contractual relationship, Seix may or may not retain proxy-voting rights on behalf of a Wrap Program.

Seix's role in a Wrap Program is solely to provide investment management services. Trades for Wrap Clients are bunched together and sent out as an omnibus block trade to several broker-dealers in order to receive best price and execution. In order to avoid potential party-in-interest transactions for Wrap Clients who may be subject to ERISA, generally all purchases of corporate bonds for Wrap accounts are

done in the morning, while Wrap accounts' sales of corporate bonds are done in the afternoon, or, if possible, done on different days.

### **"Soft Dollar" or Research/Execution Policy**

Brokerage activity is not used to pay for the costs of any third party services received including, but not limited to, investment strategies, research, news, and quotation equipment. Any and all such services are paid with "hard dollars". Seix does receive unsolicited research from certain of the broker-dealers it trades with during the normal course of business.

## **Item 13 – Review of Accounts**

### **A. Frequency and Nature of Review of Client Accounts or Financial Plans**

#### **Account Reviews**

Accounts are assigned to Senior Investment Managers ("SIMs") based on a number of factors including location of Client, investment strategy, Client type and, special needs. The SIM directs the relationship by organizing the resources of the client service staff to ensure that all Client relationships and portfolios are properly serviced, monitored and supervised. SIMs are well-acquainted with the Client's organization, philosophy, investment guidelines and objectives.

Specific Client guidelines and restrictions are coded into compliance guideline systems upon account opening and reviewed as part of Seix's biennial account review process (the "Review"). The Review consists of a detailed review of each Client by members of Client Service and Compliance to confirm that Seix has complete and current records and documentation for the Client's account, including investment guidelines, investment policy statement (if applicable), investment restrictions, authorized signers' list, etc. Accounts are reviewed continuously with the aid of the automated guideline compliance system by the Senior Client Service Professional at Seix to ensure that account guidelines and objectives are being followed with regard to asset allocation, individual securities owned and other Client-specific factors. In addition, external events may trigger an account review or action by the CSM. These include, but are not limited to:

1. a change in the fundamentals or performance expectations of a security held in an account;
2. a change in investment strategy;
3. a change in the Client's risk tolerance, income and cash needs, tax status, or any other change in the Client's profile;
4. additions to or withdrawals from an account;
5. a meeting with a Client where its needs are reviewed and/or changed; and
6. a material market or economic change.

## Account Reports

Seix's policy is to provide quarterly reports to separately managed account Clients. Seix's typical quarterly report includes a discussion of a topic that is pertinent to the management of the Client's portfolio and performance commentary. In addition, there is a quarterly report booklet that includes portfolio sector allocations, portfolio characteristics, a portfolio valuation and performance for the account, both for cumulative and calendar periods. Special reports are prepared when requested. Further, Seix will accommodate specific daily, weekly, monthly or quarterly reporting requirements requested by Clients. Investors in the COF, MSARF, CLO Funds, Oyster Fund, Performa, Mercer and the issuers of same will receive such reports as are provided for in the respective offering memoranda/documents.

Seix may, to the best of its ability, assist Clients with corporate action filings involving class action lawsuits. Assistance is limited to mailing Clients any documentation for class action suits involving assets currently or formerly managed by Seix. Seix will forward to the Client any material received, but will not complete or file class action claims or other related class action documentation on behalf of the Client. Seix will not prepare or file proofs of claim or ballots in a bankruptcy proceeding on behalf of its Clients except in limited circumstances.

## Item 14 – Client Referrals and Other Compensation

### A. Economic Benefits for Providing Services to Clients

Not applicable

### B. Compensation to Non-Supervised Persons for Client Referrals

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

Seix or an affiliate may from time to time pay event attendance or participation fees, underwrite charitable or industry events or provide gifts of value to, or at the request of, an organization or individual that offers or includes products or services of Seix or an affiliate in a particular program or refers or has referred a Client to Seix. All such activities will be done in compliance with applicable law and Seix's Gifts and Entertainment policy. In addition, certain third party institutions provide financial support on a voluntary basis for educational meetings. The amount of any such support may be substantial and may vary among payors.



## **Item 15 – Custody**

Seix does not have physical custody of either Client funds or securities. Clients receive account statements directly from their broker-dealers or custodians. Clients should carefully review the accounts statements from their broker-dealers or custodians. Clients should compare the account reports they receive from Seix with the account statements from their broker-dealers or custodians.

Though Seix does not provide custodial services to Clients, under the SEC’s Custody Rule, Seix is deemed to have custody due to the fact that Seix can inform the custodian to remit investment advisory fees directly to Seix.

Seix may also be deemed to have custody of the assets and securities of the MSARF because Seix is the sole member of the general partner of the MSARF, which is a limited partnership. Seix does not have physical custody of the assets and securities of the MSARF and the MSARF’s assets and securities are held by an unaffiliated third party qualified custodian.

## **Item 16 – Investment Discretion**

Seix accepts discretionary authority from the Client at the outset of an advisory relationship to manage assets in the Client’s account. In all cases, however, such discretion is exercised observing investment limitations and restrictions that are outlined in each Client’s investment advisory agreement or investment policy guidelines. A Client can place reasonable restrictions on Seix’s investment discretion. The most common restrictions are social restrictions or those that prohibit us from buying specific companies. Investment guidelines and restrictions must be provided to Seix in writing. Such restrictions may impact performance.

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

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

## **Item 17 – Voting Client Securities**

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

Seix’s policy is to vote all shares per the Seix Proxy Policy unless the Client chooses a custom policy. In the case that a ballot item is not covered under the policy or is coded as case-by-case in the Firm’s

policy, a research analyst or portfolio manager will review the available information and along with his/her knowledge of the company, will make a vote recommendation to the Proxy Committee. The Proxy Committee members consider the information and recommendation and vote on that ballot item. As reflected in the Seix Proxy Policy, the Proxy Committee will affirmatively vote proxies for proposals that it interprets are deemed to be in the best economic interest of its Clients as shareholders and beneficiaries to those actions.

Due to its diversified Client base, numerous product lines and affiliations, the Proxy Committee may determine a potential conflict exists in connection with a proxy vote based on the SEC guidelines. In such instances, the Proxy Committee will review the potential conflict to determine if it is material.

Examples of material conflicts of interest which may arise could include those where the shares to be voted involve:

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

Although the Firm utilizes a pre-determined proxy voting policy, occasions may arise in which a conflict of interest could be deemed to be material. In this case, the Proxy Committee will determine the most fair and reasonable procedure to be followed in order to properly address all conflict concerns. The Proxy Committee may retain an independent fiduciary to vote the securities.

Although the Firm does its best to alleviate or diffuse known conflicts, there is no guarantee that all situations have been or will be mitigated through Proxy Policy incorporation.

RidgeWorth, on behalf of itself and its boutiques, including Seix, contracted with Glass Lewis & Co., as its agent to provide certain administrative, clerical functional recordkeeping and support services related to the Firm's proxy voting processes/procedures, which include, but are not limited to:

1. The collection and coordination of proxy material from each custodian for each Seix Client's account(s);
2. The facilitation of the mechanical act of proxy voting, reconciliation, and disclosure for each Seix Client's accounts(s), in accordance with Seix's Proxy Policies and the Proxy Committee's direction; and
3. Required recordkeeping and voting record retention of all Seix proxy voting on behalf of Seix Clients.

Clients may view the Seix Proxy Policy at <https://www.ridgeworth.com/resources-tools/regulatory-tax-info>.

To obtain a copy of the complete proxy voting policies and procedures, or information about how Seix voted your proxies, please contact: the Chief Compliance Officer at Seix Investment Advisors LLC, One Maynard Drive, Suite 3200, Park Ridge, NJ 07656; or via telephone at (201) 391-0300 for further information, questions and/or concerns regarding Seix's Proxy Policy; or to receive a complete copy of the Policy.

#### **RidgeWorth Funds shareholders:**

Although another investment advisor may sub-advise some or all of these funds, all proxy votes are conducted by the Funds' adviser, RidgeWorth Capital Management LLC. Shareholders of the RidgeWorth Funds may access fund related proxy voting information by calling 1.888.784.3863 or by visiting [www.ridgeworth.com](http://www.ridgeworth.com).

#### **Litigation, Class Actions and Bankruptcies**

None

#### **Item 18 – Financial Information**

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